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MALAYSIA

A Study in Direct and Indirect Rule

BY

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IN HARVARD UNIVERSITY



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TO
M. F. E.



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PREFACE

THE year's journey to the East from which this book has slowly arisen was made possible by a generous grant from the Bureau of International Research, Harvard University and Radcliffe College. It was emphatically and increasingly borne in upon me as I visited the distant places here discussed that no documentary sources and no secondary descriptions could reproduce the sense of reality and concreteness which is given by even a brief period of personal contact with lands and peoples. As I have attempted to indicate in the body of this book, the problems of direct and indirect rule are peculiarly subject to local and particular circumstance and no study of them from the student's armchair can approach the experienced actuality. The modern student of political and social matters is fortunate to be able to draw upon such funds as those of the Bureau in order to examine his problems at first hand.

If I may continue this reversal of the usual prefatory form I should like here, before mentioning lesser matters, to give my thanks to the many Dutch, British, Malay, and Javanese officials and to other persons of all ranks, races, and creeds, who took me in as if they gladly welcomed an investigation of affairs which were, after all, none of my business. Without their constant aid my researches would have been not only barren but a heavy burden as well. To mention officials, and even ordinary citizens, by name here might well prove a poor and even dangerous method of expressing gratitude: I have struggled to betray no confidences but it is difficult in these matters for a writer's conscience to come to terms with the demands of good faith. A juicy morsel has a way of seeming less and less confidential as time goes by. To say that I nowhere encountered hostility would be to tell less than a half-truth. Malaya has justly acquired a reputation for its hospitality and I have found a rival to it only among its Dutch neighbors. I shall single out

here—I hope not invidiously—only one person for a less general salutation: R. O. Winstedt, who after retirement from many years of service in Malaya, has been granted a well-earned knighthood. One should not pass Dr. Winstedt by in silence, nor has she ever been so passed.

To my colleagues go my thanks for listening patiently and answering wisely.

To no single person do I owe more than to my friend, M. W. Royse, who will continue to find much herein to which he objects but also much which stems directly from many days of fruitful controversy with him.

Mrs. Bethvea J. Shillito fought valiantly at the outset to aid me in finding out what this book was to be about, and Miss Elizabeth Hannan has aided me immensely through the period of the last horrid struggles to get it finished.

Permission to use the passages cited from Sir Frank Swettenham's *British Malaya* has kindly been granted by John Lane, The Bodley Head, Ltd.

To Netherlands India I must apologize for having habitually used the title Netherlands Indies. This has been done solely to avoid confusion between India (British) and the Indies (Dutch). Furthermore, the spelling of place names is admittedly erratic. For Malaya the official British form has been adopted throughout rather than some variant which might fit Malay usage more accurately, but the Indies raise more serious problems. Here the method I have followed is to give an English version where the territory mentioned is to some degree familiar and to give the Dutch version for territories which have acquired neither fame nor notoriety. Thus Madoera, always linked to Java, has been transcribed as Madura; Sumatra raises no problem since the Dutch themselves have in this case accepted the English version; while the two principalities of Java have retained their Dutch titles of Soerakarta and Jogjakarta.

One warning which must be given is that in financial matters I have retained throughout the Straits dollar and the Dutch florin (or guilder) as the unit of calculation. This raises difficulties only in the case of Malaya where the dollar sign has to American eyes an inevitable American dollar implication. The

dollar sign indicates, however, the Straits dollar—now fixed at a par value of two shillings four pence—wherever it appears in this book, unless there is a special statement to the contrary. A table of exchange values appears following the concluding chapter.

RUPERT EMERSON

Harvard University
June, 1937.

CONTENTS

PREFACE	PAGE vii
CHAPTER	
I. THE SETTING OF THE PROBLEM	1
The Geographical Setting	9
The Racial Pattern	12
The Peoples of Malaya	19
The Indians	31
Rubber and Tin	35
The Netherlands Indies	42
Land Policy	50
Indirect Rule and Protected States	53
II. THE HISTORICAL BACKGROUND	63
The First Three Centuries of Contact with the West	63
Sir Stamford Raffles and the Extension of Brit- ish Rule	71
A Half-Century of Inactivity	91
III. THE BRITISH FORWARD MOVEMENT	112
IV. THE FEDERATED MALAY STATES	135
Federation	135
The Reforms of 1909	145
The Reforms of the Post-War Decade	153
Political and Economic Structure of the F.M.S.	175
V. THE UNFEDERATED MALAY STATES	194
Johore	197
The Former Siamese States	220
Kedah	235
Perlis	245
Kelantan and Trengganu	248

CONTENTS

CHAPTER	PAGE
VI. THE STRAITS SETTLEMENTS	269
Note: The Defense Contribution	306
VII. MALAYA TODAY	312
The Federated Malay States	325
Malayan Union	343
Malayan Customs Union and Imperial Preference	358
The Return of the Dindings	373
VIII. THE DUTCH FORWARD MOVEMENT	378
IX. INDIRECT RULE IN THE NETHERLANDS INDIES	409
The General Nature of Dutch Policy	409
The Regencies	415
Indirect Rule in the Outer Islands	425
Note: Church and State in Karangasem	444
The Native States	447
X. CONCLUSION	466
MAPS: Malaysia	opposite 10
British Malaya	opposite 112
TABLE: Exchange Value of the Straits Dollar	522
INDEX	523

MALAYSIA

CHAPTER I

THE SETTING OF THE PROBLEM

At a time when imperialism is setting out on new and bloody conquests it is useful to examine the forms in which it has consolidated its power in older colonial regions. These forms are many and various, but they are linked by their basic common function of furnishing the instrument through which an alien power can seize and maintain a hold over the economic life of lands and peoples beyond its own frontiers. The essential, if implicit, *mission civilisatrice* of Europe has been the transplantation of the seeds of its own dynamic economy into the soil of lands backward in the modern science and technique from which in recent centuries Europe has drawn its own overpowering strength. With the change and development in the economic system of the West, colonial governments have been transformed to meet the new needs, as have the home governments themselves, but their primary function has remained the creation of the conditions under which the Western economy of the time could most profitably flourish.

Once this fundamental identity of purpose has been recognized as the necessary point of departure, more complex and subtle problems immediately present themselves. Granted common goals, on what basis is one to seek an explanation of the considerable diversities which exist as between colonial administrations in both structure and methods, and what effect have these diversities had upon the subject races to whom they are applied? It would, perhaps, be convenient to sweep aside such questions as these with a doctrinaire shrug signifying that after all the basic issue is one of the exploitation of one group of men by another and that the precise and shifting forms within which it is carried on matter little as against the central brutal fact. The answer, I am convinced, is that it does matter, not only as an

intellectual exercise in the cataloguing of variant forms, but also in the lives of the hundreds of millions who have been brought within the gigantic sweep of imperialism. To live in a colony where the administration is doing its best to turn you into some particular brand of a good (which, in colonial parlance, means a subordinate) European is a very different thing from living in a colony or protected State where your traditional law and custom are in large measure left intact under the immediate supervision of native authorities rooted in a feudal past. The measure of exploitation may be precisely the same in the two cases but the effects on the peoples concerned are inevitably different.

To this type of problem there can be no single and all-embracing solution. It is by no means impossible to lay down the general framework within which such an inquiry should be conducted, but there is a vast gap between such broad hypotheses and the actual events and structures of past and present. Even if the inquiry is limited to the imperialism of the West in the period since the fifteenth or sixteenth centuries, it is still evident that there are an infinite number of particular and imponderable elements which must be brought in to explain the deviations from an assumed true course. One can, I think, establish without great difficulty the broad lines of coincidence between the economic development of the West and its imperial and colonial policy but the precise interconnections are woefully elusive. One must embrace not only the general economic structure of Europe at a given time, but also the more important matter of the stage of economic development reached by each particular country concerned. If the England of Elizabeth can be very roughly equated to the Netherlands of the same period, it is surely far removed from imperial Spain or France. Within each country, again, there are forces and interests working at cross-purposes with each other, coming to power and losing it again, and in the process drawing colonial policy in their wake: the middle decades of the nineteenth century were broadly anti-imperialist in character, but there were powerful expansionist forces working at the same time and scoring their occasional triumphs. The broad sweep from economics to politics is easy, but neither in the colonies nor in the home countries can the constitutional struc-

tures of a given time be linked with any detailed precision to the economic forces. The strength of political and social traditions and ideologies is far too great to allow of their being swept away by the immediate pressure of economic change, and the inertia of established institutions itself opposes a resistance which turns new forces aside into channels not of their own making or nature. To all of these must be added the incalculable element of great personalities imposing upon their times and places a direction which only hindsight can see to be that of an implacable destiny. Did Clive and Hastings, not to mention Gandhi, leave no special mark on India, nor Rhodes on Africa?

In colonial regions the already complex is further complicated by the contact of two or more widely divergent races, each bearing its own traditions, peculiarities, aptitudes, and vices. Upon peoples deep-rooted in their own ways and institutions is suddenly thrust, with varying degrees of vehemence, an alien destiny which has no prior relevance to their own. The resultant political structure and, much more, the resultant human being, European and native, is inevitably a mixture of things not to be attached with certainty to either camp as it was before. The government of India would surely not be what it is without the British, but it is equally true that it would not be what it is without the Indians: the same formal structure of government erected over Chinese or Javanese or Africans of one or another stock would shortly suffer a sea change that would make its substantive workings almost unrecognizable. And in India itself there are two types of government—the native States and British India proper—which have produced radically different results.

When the smoke of the great imperialist advance which preceded the World War had cleared away and a calmer taking of stock was possible, it became apparent that two distinct types of colonial policy were being evolved under the drive of capitalist exploitation. One of these was the policy of direct rule, familiar to the nineteenth century, under which a European authority was established in the colony operating within a European administrative framework and reaching directly every person in the community through officials largely drawn from the local population but appointed from above. Its alleged moral

basis was the assumption that the progress of Europe was progress in the absolute, and that the sooner the benighted outside the fold were brought within it, in culture as in politics and economics, the better off they would be.

The other policy, known in contrast to the first as indirect rule, has both a more checkered history behind it and a more intricate structure and function. In its cruder forms it is no more than a continuation of the policy evolved under pressure of circumstance by the British and Dutch East India Companies, although in its present more resplendent form and dress its superficial resemblance to its ancestor is relatively slight. Its origins in the earlier days of European imperialism in the East bore about them none of that odor of moral sanctity which circles about it now. As far as the East is concerned it seems not incorrect to say that it was only the nineteenth century which witnessed the taking over by Europeans of large territories for the purpose of exercising a direct control over their production and their peoples. In the earlier centuries such a control was not necessary for the carrying on of a growing and profitable trade nor did the physical possibilities for its assertion exist. In the beginning the Europeans came on more or less equal terms to exchange their produce for that of the Indies, a trade which required in itself no more than the establishment of factories or trading posts on suitable harbors. But, as always, there were other powerful elements in the situation in addition to the purely economic dictates of European trade. The trade was basically not *European* in character, but rather British, Dutch, or Portuguese, carried on by pirate-merchants who were prepared to undertake a ruthless warfare to cut the share of their foreign rivals in the high profits. From an economic standpoint the one reasonable solution would have been a pooling of all European resources for a joint development of the trade, but then as now co-operation was possible only within national lines: beyond them there was an undisguised hatred backed up by arms. To hold off competitors it was necessary to build fortified bases and to win over the native chiefs of surrounding regions by force or corruption. Where native resistance to European encroachment grew too troublesome or where the desired merchandise was not

forthcoming in sufficient quantities, the solution was found in barbaric punitive expeditions and in the shrewd manipulation of States and of factions within States against each other. The taking over of government was neither desirable for its own sake nor necessary in the interests of a trade which required not much more than the complaisant support of chiefs and rulers who could force their peoples into obedience. Even had direct political control been seen as profitable, it is more than doubtful whether the handful of Europeans then in the East could have established and maintained it over vast and populous territories at so great and hazardous a distance from the home base of supplies and with weapons not markedly superior to those of the peoples with whom they came in contact.

As time went on the invaders from the West were inevitably drawn more and more deeply into the affairs of the States with which they did business and in whose territories their growing posts were located. Intrigue was a breeder of intrigue, and the establishment by force of favorable political relations meant only that force must constantly and increasingly be used to maintain them. In Europe itself the notion that the duty of the State was to watch over and promote the welfare of its subjects had as yet achieved no substantial reality, and in the East, aside from the efforts of the missionaries and of the Catholic Church, there was scarcely a whisper of such things to distract the merchants from their proper tasks. Against this background it is easy to see why the administrations established by the Companies were primarily concerned with an indirect control over chiefs who could govern their territories as they chose so long as they lived up to their commercial-political contracts or treaties and did not disturb the peace in such fashion as to endanger the European interests. Even in the considerable areas which during the centuries had fallen for one reason or another under the direct rule of the Companies, the attention of the officials was directed almost exclusively to the promotion of the European trade interests. The late eighteenth century saw the increasing substitution of the home governments for the decaying Companies, but the older policies were substantially continued. In the first three quarters of the nineteenth century, with the slackening of the

forward drive of imperialism, there was no great tendency, with the partial exception of India, for the colonial governments to extend or strengthen their control over the neighboring independent or protected States. Colonial energies were turned in large measure from continued expansion to a consolidation of the existing holdings and to the building up of strong European administrations. For the first time in the history of European imperialism in the East, the policy of indirect rule now fell into a temporary disrepute as the result of a number of closely related factors. Not only did the developing capitalist economy of the West require a more intensive control of colonial regions than that which had sufficed before, but there was also a surer knowledge of the absolute supremacy of European culture tinted with a growing humanitarianism. Now the immediate goal was the establishment of colonial governments speedily and directly transforming the anachronistic East into a replica of Europe's progress.

The time-honored policy of indirect rule was not to be submerged for long. Despite the widespread objections to it, it flourished with an even greater vigor than before during the imperialist surge of the last quarter of the nineteenth century, and in part at least for precisely the same reasons as those which had made it expedient in earlier centuries. Great new territories were being added to empire but both men and money were lacking for the immediate extension to them of the type of direct and aggressive administration which was the colonial pattern of the time. Few, if any, of the colonial administrators who dealt with the problem looked to the continuance of the native States for any considerable period; but they were aware of the imperative necessity of moving slowly. The establishment of direct rule as soon as might be possible was their avowed purpose, but as a stopgap measure they were content with placing the States under protection, sending in a small number of European officials to keep them in line and undertake the inescapable reforms, and financing the process from the local revenues. Through this ancient device they both safeguarded their control of these territories as against European rivals and evaded a good part of the financial and moral responsibilities attaching to direct colonial

rule. In the turmoil of the early rush toward conquest many States, of course, disappeared completely from the scene to be absorbed into European territories, but there were more which were permitted to survive intact, or nearly so, until the machinery should be complete to absorb them as well.

Then came a curious turn: the stopgap measure was found to have continuing and superior values of its own. Somewhere about the beginning of the present century the standard policy was sharply reversed: native States and institutions were now to be preserved as far as possible, under close European supervision, and absorption into the colonial territories could be justified only as a matter of last resort. The indirect rule of the twentieth century was, however, a very different thing from that of the seventeenth and eighteenth centuries, when it had implied no concern with the internal structure or administration of the native States but essentially only a looser or firmer grip on their rulers. If it began on much the same footing at the end of the last century, it shortly became merely an alternative form of colonial administration, whether in protected and nominally sovereign States, as in British Malaya, or in States allowed to survive in European territory, as in the Netherlands Indies. The degree of European control proved to be no whit less than in directly ruled areas, and the barriers to the extension of European enterprise no greater. In indirect rule as it exists today the greater degree of preservation of traditional native institutions means a different type of transition from the old to the new for the peoples concerned, but it does not mean that they are in any substantial fashion freer from the imperial yoke than if they were directly ruled. The yoke may weigh less heavily, but it is just as much there as if no padding had been inserted between it and their shoulders. It need scarcely be added that there is no single system of indirect rule: a mere statement of its basic principle that colonial peoples can more conveniently be governed through the agency of their own traditional leaders operating within the traditional institutional framework, as modified to meet European needs and preconceptions, indicates that it is a theme susceptible of infinite variations.

Up to the end of the World War the merits and defects of

indirect rule were canvassed primarily in terms of a sober and practical consideration of colonial problems. When imperialism was forced to find moral justification in a world whose conscience had been temporarily aroused, it came to its true glorification. The doctrine of self-determination, of the rights of small nations, was in the air, and an ingeniously devised mandates system lent an idealistic cloak to the conquest of the German colonies. The certainty of Europe's rightness was being sapped by the new and pessimistic notion of the decline of the West. No longer a stopgap, indirect rule could lay claim to being the instrument by which a humbled Europe could lead the "backward" peoples to self-government, preserving the best of the old and integrating it with the best of the new. Colonies were in bad odor, but indirect rule could be invoked as itself a kind of mandate on behalf of humanity and of the peoples under Europe's generous tutelage. It was, in part at least, to draw to herself a virtue of this order that Japan, conquering Manchuria, pleaded the sacred right of self-determination and established a system of indirect rule under which the power and the profits of power were in her hands while the responsibilities both toward the people of Manchuria and toward the rest of the world might be shifted to the nominally sovereign rulers she had installed.

It is to examine into the validity of such claims as these and into the more substantial realities behind them that this book is written. It embraces only a small corner of the East, but a corner which has proved peculiarly fertile soil for the development of various systems of indirect rule. My primary purpose is to explore the history, structure, and working of the political systems established by the British in the Malay Peninsula and, in a comparative fashion, to give at least some indication of the very different systems of the Dutch in the neighboring Indies. As I soon discovered in my own researches, the sketching in of the Dutch methods throws an invaluable light, by contrast, on those of the British. To guard against serious misunderstandings it might be well at this early point to make two other matters clear. One is that this is definitely a political rather than an economic study, not in the sense of a contention that

politics and economics can be tidily separated off into independent compartments, but in the sense that the governments which the British and Dutch have erected in Malaya and the Indies in the course of and for the promotion of their economic activities have an independent vitality of their own and are susceptible of independent analysis, given a summary basic knowledge of the economic systems and conditions within which they operate. The second matter is to give due and necessary warning that such conclusions as may be arrived at in this book in regard to colonial policy in general and to direct and indirect rule in particular are of direct relevance only to the regions under examination: if they should be proved to be applicable elsewhere it is rather happy accident than any inner necessity. Colonial peoples have in common only that they are ruled by alien masters; in all else they are as diverse as are the free peoples of the world, and require as great diversity of governments.

THE GEOGRAPHICAL SETTING

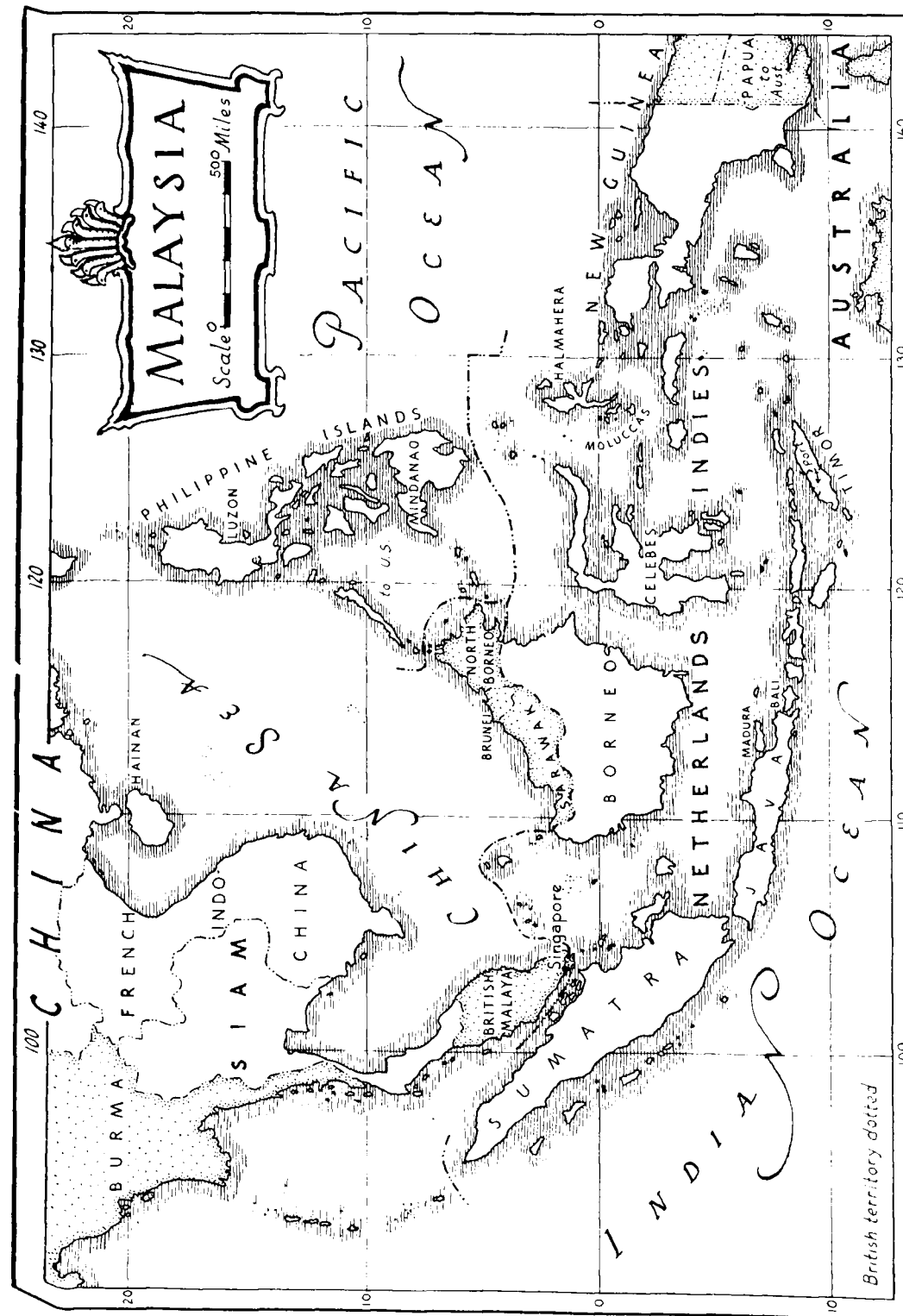
My intention of writing on the political systems of Malaya and the Indies was somewhat deflected from the original directness of its course when I passed through Great Britain on the way back to the United States after a year in the East. There I remarked to a distinguished English lady, whose sons are officers in His Majesty's Navy, that I had spent a large part of my time in and about Singapore. Her nod of comprehension indicated that I had achieved my purpose of furnishing a brief identification. After a moment's pause she asked only: "Now exactly where is that and whom does it belong to?" This confirmed the suspicion already aroused by letters I had received addressed to a Singapore located at random in China, India, and Asia, that if one is to write of remote parts it is as well to locate them on a map with some precision.

Caught between two of the most ancient and most populous countries of the earth, Malaysia—to use a somewhat unfamiliar term embracing both British Malaya and the Netherlands Indies, which are also known as Indonesia—has never been able to attract to itself the attention which it might otherwise have won.

Even to those who know the East Singapore is likely to be no more than a brief stopping point on the way to the greater realms of India or China, and Batavia a dimly remembered port off somewhere to the south of the beaten routes. Of all the islands of the Dutch, Bali alone, to the delight of the world-cruiser and the ultimate ruination of the Balinese, has come to a somewhat dubious fame. Singapore, in all truth, has not been neglected: as the principal British naval base in the East it has come to be one of the focal points of world politics even though His Majesty's Ministers are prompt to assure us that not for an instant has the thought of Japan's being in the neighborhood crossed the mind of Cabinets or of High Commands. Or if the thought has stolen upon them secretly they have manfully resisted dwelling upon it. But the Base is not Singapore, and much less is it Malaya. To a smaller circle it is known that much of the rubber and tin of the world comes from Malaysia, and that the Indies pour huge quantities of sugar, tobacco, and other colonial produce into the world's markets; but this is the sum of the usual knowledge beyond romantic notions of a distant tropical East.¹

Moving east from the great Indian peninsula across the Bay of Bengal, the route to the farther east is blocked by the slim downward-jutting Malay Peninsula, which is the southernmost point of the Asiatic continent. British Malaya occupies the bulging southern end of the Peninsula, which reaches down, embracing the island of Singapore, almost to the equator. In the north Burma extends down the narrow Peninsula into a coastal strip which occupies the western shore, while an even slighter strip of Siamese territory on the east coast links the main body of Siam with the Siamese territory that intervenes for some 250

¹ In Malaya itself there is constant indignation at the ignorance of Malayan affairs at home, as indicated by the following comment of the *Straits Times* (June 29, 1933): "Why is it that Malaya provides so many pitfalls when people at Home attempt to write about the country or comment on its politics? With regard to its people and their habits, its flora and fauna, its geographical position and even its spelling it must be one of the most misrepresented countries in the world, and on those infrequent occasions when its politics, apart from rubber and tin, attract the attention of the outside world, commentators seem to flounder in a bog of misunderstanding."



miles between the end of Burma and British Malaya. To the northeast the Gulf of Siam separates the upper end of the Peninsula from the chunky block of French Indo-China. To the west of the lower end of the Peninsula lies Sumatra, beginning in the north approximately at the latitude of the beginning of British Malaya and separated from the Peninsula by the narrow Straits of Malacca. With the equator dividing it in half Sumatra reaches down in a southeasterly direction until it almost touches the central Dutch island of Java, more than 500 miles away from Singapore. To the north of Java and the east of Malaya is the great island of Borneo, divided between the Dutch in the south and the British in the north. Again to the north and east lies the Philippine Archipelago, and to the east of Borneo the Celebes and the Moluccas reach out toward New Guinea. The South China Sea, trapped between Indo-China on one side and Borneo and the Philippines on the other, stretches out in a northeasterly direction from Malaya's east coast to China and Japan.

The area of British Malaya is 52,500 square miles, which makes it somewhat larger than England without Wales, but Malaya shrinks into insignificance beside the 733,681 square miles of the Netherlands Indies. If Java and Madura, the little neighboring island which is always classified with Java, fall slightly short of Malaya's total area, Dutch Borneo contributes 206,810 square miles, Sumatra 163,415, and Celebes 48,060, not to mention the host of smaller Dutch islands. The interior of Malaya is dominated by a series of parallel mountain ranges, running roughly from north to south and separated by strips of relatively low country, with a main range which has served as a boundary between the east and west coast Malay States. For the most part these ranges are small, but in the northern section of the main range there are five peaks over 7,000 feet in height. East and west of the foothills of the outside ranges are the coastal plains which contain the great bulk of the mainland population and furnish the soil for Malaya's agricultural development. Although as far back as the sixteenth century gold was mined in some quantities in Malaya, in recent times tin has

become the one Malayan metal of importance.* From the mountains to the seacoast flow a multitude of streams, large and small, carrying off Malaya's heavy rainfall. It is always a hot and humid country, but the heat and the humidity furnish an eternal greenness which shines out in welcome contrast to the parched plains and mud flats that characterize so much of India.* One must assume that in the past the Peninsula was covered from shore to shore with almost impenetrable equatorial jungle which still reigns over some seventy per cent of the land surface.

THE RACIAL PATTERN

The origin of the Malay race which gave the country its name is an unsolved anthropological mystery, but there is some evidence to support the view that the Malays were driven southward by the constant pressure of the Chinese tribes and occupied the furthest reaches of Asia, perhaps at a time when the Peninsula was linked in a continuous land formation to Sumatra, Java, and Borneo. That the Malays are not the earliest inhabitants of the Peninsula is indicated by the remnants of more primitive peoples, who, driven back into the dark jungles and the mountains by the superior culture and force of the Malay invaders, cling with tragic insistence to their aboriginal nomadic

* See *A Report on the 1931 Census, British Malaya*, p. 7: "By far the most important rock is the granite, which is the source of the tin which has played so large a part in the development and prosperity of Malaya. The tin ore, always in the form of cassiterite, occurs in lodes and veins and scattered crystals in the granite, and the crystals are released by weathering and erosion and washed down into the alluvial deposits whence the tin is easily won."

* Of the trip from Penang to the Siamese border, Patrick Balfour writes: "My feelings warmed to the attractive people around me. They wore bright-colored sarongs (or skirts), bare legs, bare chests, singlets or bajus (pyjama jackets). They were human and carefree, gay and good-looking, untroubled in this luscious, lethargic country by the grim superstitions of the Hindu. The freshness of the landscape was a joy after the colorless Indian plains. Marsh and jungle, rice-fields, rubber-trees, undulating forest and distant hills were an endless panorama of delicious green, with the plumes of the palm-trees dipped in silver. The hot-house smell of the country was balm, and I felt that I had emerged from a nightmare into the gentle ease of reality, from the country of the dead into the land of the living." *Grand Tour* (New York, 1935), pp. 217-218.

life.⁴ Where they have followed the Malay into Mohammedanism, they have also tended to adopt his language and his culture and to become absorbed indistinguishably into the Malay community. In the days of Malay rule these people led a miserable and hunted life, and with the assertion of British control over the Malay States their lot has changed for the better only slightly, if at all. The lands in which they could roam freely have been reduced, and, beyond sporadic efforts to prevent their nomadic economy from laying waste too much of the virgin forest of the interior, they constitute only a most fragmentary share of the concerns of the several Malayan administrations.

The history of Malaysia and the Malays prior to the Portuguese appearance before Malacca in 1509 is for the most part lost in an obscurity pierced only occasionally by gleams of light from ancient documents and monuments.⁵ From the existing documents it is impossible to reconstruct the earlier eras in anything approaching their entirety, and this is particularly the case in connection with the Peninsula, which has always been less of a true Malay center than the surrounding Archipelago. It was in the islands that the older Malay kingdoms and empires flourished, with the mainland being drawn in, apparently, only in a subsidiary fashion. Although it is evident from a number of Chinese accounts that China was in contact with Malaysia at a very early date, the cultural and political influence of India on the Malays was far greater: by the beginning of the Christian

⁴ See W. W. Skeat and C. O. Blagden, *Pagan Races of the Malay Peninsula* (London, 1906). The *Census Report, 1931* (Ch. XII and Tables 233-237), enumerated 31,852 aborigines as compared with 32,448 in 1921, with the suggestion that the small decrease was possibly illusory and due to assimilation with the Malays. There does, however, appear to be a definite trend among the aborigines toward an abandonment of the nomadic way of life since the census of 1911 listed only 941 settled aborigines; that of 1921, 4,068; and that of 1931, 5,219. These figures must, as the *Report* indicates, be taken with considerable caution since the difficulties of making an accurate count of jungle peoples are obvious, and any aborigine who had been converted to Islam would be returned as Malay.

⁵ For the history of Malaya see R. O. Winstedt, *History of Malaya* (*Journal, Malayan Branch, Royal Asiatic Society*, vol. XII [1935], pt. I). There are also a number of invaluable articles scattered through the *Journal* cited (before 1923 titled *Journal, Straits Branch, Royal Asiatic Society*). This publication is referred to below as *M.B., R.A.S.*

era Sumatra and Java had already felt the impact of Indian religious, social, and political ideas. In the thirteenth century there began the infiltration from India of the Mohammedanism which is today the established religion of Malaysia save for the scattered surviving remnants of pagan peoples and the occasional blocs of Christians; but it is obvious even to the casual observer that the Koran imposed its creeds and its laws upon a people deep-rooted in a Hinduism which had itself absorbed strong elements of earlier faiths and mythologies.

The present Malay inhabitants of the Peninsula appear for the most part to be settlers who have come from Sumatra and the other neighboring islands within historical times, and are themselves the product of the fusion of more or less closely related stocks.* Due, perhaps, to this more recent settling of the country Malaya can boast neither the ancient monuments nor the same degree of cultural achievement as certain of the islands, notably Java and Bali. In the sphere of antiquity it offers rather a Stonehenge than a Canterbury, or, more significantly for the modern world, it is to Java as, say, Australia is to England. In Java and Bali the evidences of antiquity such as the temple of Borobudur and the dancing, music, and batiks of the present day—not to mention the intricate and colorful patterns of life itself—bear witness to a culture which can challenge the world with no apologies. On what basis save that of the advance of modern science and of material power can one apply the term “backward” to lands in which the royal youth is trained from birth upwards in the most exquisite of the arts and in which every village has its orchestra and its dancers drawn

* “In recent historical times the mixture of Malay races has proceeded rapidly in British Malaya. . . . Old Malay Malacca was full of thousands of Javanese and many Muslim Gujaratis and Tamils, and these aliens must have left their mark on a population that was a collection of strangers from the beginning. Selangor may have traces of old Malacca suzerainty, but the modern nobility are Bugis and there have been numbers of recent Sumatran immigrants. Negri Sembilan has been Minangkabau almost from the first. In Kedah and the Northern States there has been an infusion of Siamese blood. Again, in every State in the past there has been intercourse with the aborigines, and aboriginal women have borne children to Malay fathers. Wavy or curly hair, dark complexions and other evidences of Semang blood distinguish the Malay of Upper Perak. South of that there is the lank-haired Indo-Chinese Malay type, whose ancestry is Sakai on the distaff side.” *Malaya* (London, 1923), edited by R. O. Winstedt, pp. 86–87.

from its own people? If the Malay culture of the Peninsula has not achieved the heights of Java, it is still stable and rounded in itself and borne with a cheerful and unhurried dignity.

By the time the British undertook their decisive intervention in Malaya in the latter part of the nineteenth century, the Malays had already for centuries been under a quasi-domination by the Europeans which was perhaps more galling and certainly more harmful than an actual colonial rule. Both the Portuguese and the Dutch who replaced them at Malacca in 1641, to be superseded by the British in 1795, had intervened in the affairs of the hinterland at their pleasure although none of the European Powers had taken over the government of any extensive territories on the Peninsula. What happened was that the conflicts within and between the local Malay courts were utilized by the Europeans for their own purposes, with the result that the natural development of the Malay polity was checked and perverted.⁷ The history of Malaya since the beginning of the sixteenth century is the confused chronicle of petty potentates, more or less closely linked with the intrigues of the European invaders, struggling among themselves for a precarious supremacy until they were finally taken completely under the British wing. Against this background it is not surprising that the stable and dignified Malay States of the present day are primarily the creation of the protecting Power: to attempt to read that stability and dignity back into the period prior to British domination is grievously to distort the actual picture. Great empires had flourished in Malaysia before the appearance of the Europeans but after that time the more usual state of affairs was the existence of a number of petty local chiefs who ruled in despotic fashion over the clans gathered at or near a river mouth. The Malays were rice-growers, fishermen, and pirates who lived a precarious life subject always, in the case of the ordinary man and woman, to the arbitrary whims and commands of the small

⁷ “It is not improbable, that a central authority would have been formed in the Malay Archipelago after 1500 (in the same way that the kingdoms of Malayu, Crivijaya and Modjopait were able to maintain their power for centuries), if the European economic and administrative interference had not taken place.” W. Middendorp, “The Administration of the Outer Provinces of the Netherlands Indies” in *The Effect of Western Influence* (Batavia, 1929), edited by B. Schrieke, p. 43.

aristocratic clique around the sultan or raja. In the first three quarters of the nineteenth century the general situation on the mainland tended to grow continually worse after the British, controlling and betraying the Malay States but taking no responsibility for them, had taken over Penang in the north, Malacca in the center, and Singapore in the south. To add to the general confusion the British allowed a constant influx of Chinese seeking their fortunes in the tin mines and in trade. The miserable condition of affairs at that time may be gleaned from the tales of Sir Hugh Clifford and Sir Frank Swettenham, whose version of it seems essentially justified despite an inevitable bias in the direction of painting the Malays blacker to make the British intervention whiter.

Although it is usual to think of the Malays as having an immemorial title to Malaya it must be remembered that immigration from the Indonesian Archipelago has continued to the present day and that a very considerable proportion of the present Malay population is made up of immigrants who were themselves born elsewhere or whose forebears came to Malaya only in the last few decades. In contrast to the other immigrant races which have come to Malaya in recent times, the Malaysians—a term used to embrace the Malays both of the mainland and of the surrounding islands—tend to settle in the country permanently and to become members of the established Malay population. There is not, however, any significant degree of Malay or Malaysian social or political consciousness: in fact the contrary appears to be far nearer the truth. Their common Mohammedanism undoubtedly serves to give them a ground of differentiation from the unbelievers of various creeds and faiths who have come more recently to Malaya, but this has so far remained a negative potentiality rather than a positive community-building force. Even in the Indies the strong Indonesian nationalist movement, which in its origins was cast in the religious mold, has not been able very effectively to overcome the particularism of the separate islands and of the traditional communities within them. In Malaya, at least as far as surface indications go, there is no consciousness of membership in a widespread Malay race and not much more consciousness of

membership in a potential Malay nationality of the Peninsula.

From an imperial standpoint it is one of the most substantial virtues of indirect rule that it at least postpones the evil day of reckoning when the peoples of a wide colonial area come together to present their political demands. The most familiar and striking illustration of this is to be found in the sharp contrast between the politically untroubled waters of the smaller Indian States and the storms that rage in British India proper. The units of indirect rule are small and the points of intercourse between the units within the larger colonial whole are commanded by the higher European officials. Furthermore, through the retention of the traditional institutions and persons of authority, in good measure protected from the disintegration which the new economy would otherwise bring, the operation of the European colonial system is to some degree concealed from the ordinary individual. To the usual villager of the protected Malay States or of the indirectly ruled areas in the Indies the political boundaries, in the first instance, are those of the State in which he lives and not those of British Malaya or of Indonesia. By maintaining the form and some part of the substance of the older pre-imperialist world, the colonial authorities are able to slow up the process of social and political sophistication which would more rapidly develop among the subject races under direct colonial rule. If there is gain for the local population in the slowing up of the transition from the old culture pattern to the new, there is by the same token a considerable delay in reaching the time when they will actively rebel against alien control of their destinies.

For the Malays of the Peninsula this principle holds peculiarly true since they have been kept away from the main lines of political and economic development to a somewhat surprising degree. The ultimate reins of political control over them are tightly held by the British, although they live in protected and nominally sovereign Malay States, but the general tenor of their lives has not been vastly changed by the British intervention. Through the ability of the British to tap inexhaustible supplies of cheap labor in China and India, it has been possible to under-

take the exploitation of the riches of Malaya without forcing the Malays themselves to participate in the process. The number of Malays in the country at the beginning of the intensive British development toward the end of the last century was relatively slight compared to the resources of the country and the available land. It is undoubtedly true that the Malays have been pushed back from the more desirable lands, particularly along the west coast and in wide strips on both sides of the west coast railway and the network of excellent roads, but so far in most regions there has been land enough to go around without serious hardship to any group. In the coastal plains of the west, which have been the main centers of modern economic enterprise to date, this situation is already coming to an end and the claim of the Malays to the soil has had to be protected by the establishment of large-scale Malay reservations. In the east coast States this problem has as yet scarcely arisen due to their greater inaccessibility and the delay in linking them into the main arteries of rail and road.

To the pressure of the modern economy brought by the British and the Chinese the Malays have so far put up an effective resistance. They are a people with a highly developed culture of their own and with a distinct and well-formulated attitude toward life which has tended to isolate them in some measure from the surroundings which have been thrust upon them. It is a common European and Chinese complaint that the Malays are a lazy and shiftless people who are wantonly refusing to accept the benefits which are offered them—and if they should perish under the competition of their superior rivals, well, progress must have its way. This is a libel which has been too often exploded to need elaborate further refutation.* It is a fact written clearly

* To give only one citation on this point in place of the many which might be given—in 1906 the Resident of Perak drew up the following statement: "It is generally admitted that there is no shyer, prouder, more sensitive race than the Malays. They do not lightly accord their confidence to officers whom they do not know, who are moreover actually ignorant of traditions which are a commonplace amongst the people whose interests they try to serve. The Malays are not pushful persons like the Chinese, they are not parasites on the white man like the Indians in these States, so they are apt to go unheard. But education is spreading amongst them, and their needs will be more insistently put forward soon." R. J. Wilkinson,

on the record that the Malay in general is strongly averse to giving up his own more independent way of life in order to become a coolie on the rubber estates or tin mines of European or Chinese capitalists. With somewhat less assurance, one may say that the Malay is on the whole not much interested in the material advancement which in recent centuries has taken so complete a hold of the Western world. A story that is being told in Java is typical of what is assumed to be the Malay character in this respect. Outside the city of Soerabaya some Javanese were successfully cultivating potatoes for the local market, but earning only a bare living from it. To help them to a larger prosperity a Dutch official procured them better seeds, better implements, and gave them sound agricultural advice. In two or three years they had made profits which seemed riches to them, and the flourishing potato industry was abandoned to its fate while they went off, perhaps to marry extra wives, and certainly to enjoy the fruits of their works in leisure. The moral of this tale is what one may choose to make of it: the Malay is a man wise among his alien fellows or he is a shiftless child unable to appreciate the maxim that a penny saved is a penny earned. But it is easily comprehensible that by the Chinese who works from morning until night to mend his fortunes or by the rubber estate manager who needs coolies to tap his trees systematically day by day, the Malay is regarded at best with a tolerant scorn.

THE PEOPLES OF MALAYA

The authors of *1066 and All That* decided that the Roman Conquest was a *Good Thing* "since the Britons were only natives at that time." * In this sense—and it is the sense in which the slightly invidious but inescapable term "native" is used in the succeeding pages—it may be said that the Malays are the true natives of Malaya, subject to the qualification that they are themselves in good part newcomers to the country. But however good their historical claim, which is at least better than that of

Malay Literature (Papers on Malay Subjects, pt. I, Kuala Lumpur, 1907), p. iv.

* It is to be regretted that, since this is not a work in economics, there will be no citations from *Alice in Wonderland*.

any other race, the country is in fact slipping from their grasp.¹⁰ Already they are outnumbered by the other races. The census of 1931 disclosed that of a total population of 4,385,346 the Malays accounted for only 1,962,021 or 44.7% while the Chinese came to 1,709,392 or 39.0% and the Indians to 624,009 or 14.2%. The Europeans despite their complete dominance in the political sphere and their partial dominance in the economic sphere numbered only 17,768 or 0.4%, and the Eurasians came to a slightly smaller figure. Leaving the Europeans and Eurasians aside because of their trifling numbers, the population trend is clearly shown by the following table which gives the percentage of increase during the two most recent census periods:¹¹

	1911-1921	1921-1931
Malays	15%	17%
Chinese	28	46
Indians	77	32
Total increase	26%	31%

The extraordinary increase in the Indian population during the earlier period is to be explained by the rapid expansion of the newly created rubber plantation industry which found it convenient to draw upon India for its supply of coolies, since the Malays, with the exception of some of the immigrants from the Dutch islands, preferred planting their own trees on their small holdings to hiring themselves out to European and Chinese estates. In 1911 the Malays constituted over 53% of the total population of 2,651,036, by 1921 they had dropped to 49.2% of a total of 3,358,054, and by 1931 to under 45% of a total of 4,385,346; and this drop took place despite a large continuing Malay immigration.

These summary figures fail to give any adequate picture of

¹⁰ "Broadly speaking, and subject to the qualification that the Colony of the Straits Settlements is British territory, Malaya is, in constitutional theory and political practice, the country of the Malay; demographically it is No-Man's-Land. Its world position, as emphasised at the beginning of this sketch, and its abounding prosperity of recent years, have produced a population the racial heterogeneity of which is probably unique in the world to-day." *Census Report*, 1931, p. 8. This statement requires merely the slight correction that, whatever the constitutional theory, Malaya is very definitely British, and not Malay in political practice.

¹¹ See *Malaya*, Ch. VII and *Census Report*, 1931, Ch. III.

the actual demographic structure of Malaya because they necessarily ignore completely the large degree of diversity as to racial composition which exists as between the different regions. These diversities, briefly commented on in the succeeding paragraphs, are presented in tabular form on page 22.¹²

The Straits Settlements, composed primarily of the little islands of Singapore and Penang and the small mainland district of Malacca, 720 square miles in area, which lies between them on the west coast, constitute a Crown Colony which is the only territory under direct British rule in Malaya. In Malacca, which had an old if mixed-blooded Malay history prior to the European advent, the Malays continue with a very slight and precarious numerical majority. Both Penang and Singapore, the former taken over by the British in 1786 and the latter in 1819, were practically deserted at the time the British came and have never taken on a Malay character. Of the cities of Malaya only Malacca has about it any air of belonging to a past more remote than that of the nineteenth century. Its narrow streets with individualized houses painted in different pastel shades combine with early Portuguese ruins and the ancient Chinese cemetery to give it a picturesqueness reminiscent of a page from Marco

¹² *Census Report*, 1931, p. 36 and Table I.

It may be useful to point out again that minor variations inevitably creep into the statistics both for Malaya as a whole and for the Straits Settlements because of the inclusion for statistical purposes in the various official reports of Brunei, a protected State, as a part of Malaya and of Labuan, Christmas Island and the Cocos-Keeling Islands as part of the Settlement of Singapore. It has not been thought necessary to attempt the laborious task of separating off the figures relating to these areas both because of their relative smallness and also because their demographic and social structure closely follows the pattern of Malaya proper. In consequence they do not affect in any serious degree the general conclusions arrived at for Malaya.

Brunei, some 2,500 square miles in area, is a State on the northern coast of Borneo; Labuan, 40 square miles in area, lies six miles off the northwest coast of Borneo; Christmas Island, 62 square miles in area, is situated in the Indian Ocean about 190 miles south of the western extremity of Java; and the Cocos-Keeling Islands, a group the largest island of which is five miles long and one-quarter of a mile wide, lie about 700 miles southwest of Batavia. Their population is as follows:

	European	Eurasian	Malay	Chinese	Indian
Labuan	22	34	5,005	2,257	21
Christmas Is.	20	—	71	895	48
Cocos-Keeling Islands..	23	—	1,087	29	3
Brunei	60	10	26,972	2,683	377

Area	Malays	% of Total	Chinese	% of Total	Indians	% of Total
Singapore	217	12.5	421,821	74.3	51,019	9.0
Penang	388	33.1	176,518	49.0	58,020	16.1
Malacca	720	51.0	65,179	34.9	23,238	12.4
Straits Settlements	1,325	25.6	663,518	59.6	132,277	11.9
Perak	7,983	35.6	325,527	42.5	159,152	20.8
Selangor	3,156	23.1	241,351	45.3	155,924	29.2
Negri Sembilan	2,550	37.3	92,371	39.5	50,100	21.4
Pahang	14,000	61.7	52,291	29.0	14,820	8.2
F. M. S.	27,689	34.7	711,540	41.5	379,996	22.2
Johore	7,500	46.4	215,076	41.4	51,038	10.1
Kedah	3,800	66.6	78,415	18.2	50,824	12.0
Perlis	316	80.9	6,500	13.2	966	2.0
Kelantan	5,870	91.2	17,612	4.9	6,752	1.9
Trengganu	6,000	91.5	13,254	7.4	1,371	0.8
U. M. S.	23,669	69.2	330,857	21.7	110,951	7.3
Brunei	2,500	89.5	2,683	8.9	377	1.3
Unlocated		10.0	794	53.1	408	27.3
Malaya	55,000	44.7	1,709,392	39.0	624,009	14.2

Polo. If the Malays are somewhat more in evidence here than in other cities it is still clear that they are not by nature city-dwellers: in the municipality of Malacca there live only 6,281 Malays as against the 26,503 Chinese who make up the bulk of the total urban population of 38,042. To find the Malays in force it is necessary to go back into the countryside. Because of its earlier importance and longer contact with the outside world, Malacca has furnished the oldest established Malayan Chinese families, often with Malay blood in their veins. From Malacca come also a large number of Portuguese-descended Eurasians.

Singapore and Penang are both predominantly Chinese cities to all outward appearance although in the latter the Indians and the Malays are more conspicuous than in the former. In the present century Singapore in particular has grown immensely, primarily as a port for the entrepôt trade both of surrounding regions and of its own hinterland. Its total population has more than doubled and the Chinese element has kept pace with it by increasing from 164,041 in 1901 to 421,821 in 1931. With the exception of very small areas devoted to the European stores and business houses and to the big hotels, one may walk for miles through the streets of Singapore or Penang without ever laying eyes on a European or hearing a European word. Equally, it is all too possible for Europeans and Americans to visit or even live in these cities and see little more of the Oriental world than the sweating, but no doubt picturesque, back of the Chinese rickshaw "boy" who pulls them around at a dog-trot under the blazing sun from their hotel to the department store or office and back to the bar again. Just outside the cities, nestling comfortably among the shady trees of the hills, are the white villas of the British officials and the European and the wealthier Chinese business men. Just as the economic life of these cities is primarily concerned not with direct production but rather with handling the trade of the adjacent regions, so is their population shifting and migratory. If there are many people who are permanently settled, there are many more who in all probability will drift on elsewhere as they recently drifted into the Straits. In the whole of Malaya less than 57% of the persons residing in

the country were born there, and in Singapore less than 40% of its population was Malaya-born.

The city of Singapore lies in the southern part of Singapore Island, which has an area of 217 square miles and is separated from the mainland by the narrow Straits of Johore. It is on these Straits on the northern shore of the island that the Naval Base is located, and the remaining surface of the island, aside from the city and the Base, is filled with jungle, swamp, and plantations of various descriptions as well as a few Malay villages. A causeway links the island by road and rail to the State of Johore which occupies the southern end of the Peninsula. The island of Penang is about half the size of Singapore and is slightly more remote from the mainland. Directly opposite Penang and linked to it by a ferry is Province Wellesley (280 square miles) which is for administrative purposes a part of the Settlement of Penang and was taken over by the British from the Sultan of Kedah in 1800 in one of those fits of absence of mind which it was later claimed had built the British Empire.

The situation on the mainland is far more complex since there are no less than nine Malay States which, under a British protection which amounts in fact to British rule, have not only been allowed to survive but have been pushed into a grandeur which was never theirs in earlier times. Four of these—Perak, Selangor, and Negri Sembilan on the west coast, reading from north to south, and Pahang on the east coast—came formally under British protection in the years from 1874 to 1888, and in 1895 they were joined together to form the Federated Malay States. In 1909 four more Malay States were added to British Malaya under a treaty which bought from Siam the rights of suzerainty formerly exercised by her over those States. These were Kedah and the tiny State of Perlis on the west coast and the considerably larger States of Kelantan and Trengganu on the east coast. The last to make its formal entry into the British fold was Johore in the south which finally capitulated in 1914 after nearly a century during which the British had in fact held a decisive control over its affairs. These five States, although they are equally under the British thumb, have retained their political separateness and administrative autonomy to a considerable de-

gree as far as any Malayan union is concerned, and have in consequence been given the negative title of Unfederated Malay States. Supreme authority over all Malayan units is vested, under the general supervision of the Colonial Office, in the Governor of the Straits Settlements who is at the same time High Commissioner for the Malay States. Beneath the Governor-High Commissioner there is as the backbone of the political structure a united Malayan Civil Service which, with the exception of a few Malay members, is exclusively British.

Without attempting at this point to go into the political intricacies of this situation, it should be emphasized that these nine mainland States differ greatly among themselves for a number of geographical and historical reasons. Although it is often assumed that alien enterprise on the mainland has been concentrated in the Federated Malay States, actually it has occupied the whole of the west coast region, which has been exposed to a more rapid development than the east coast because of its position on world and local trade routes and the greater accessibility of its harbors. It is true that the Federation, which for decades has been run on a political basis virtually indistinguishable from that of a Crown Colony, has been the principal center of capitalist exploitation, but even within it Pahang on the east coast has been taken over economically to a much smaller degree than its brethren on the west coast. Furthermore, Johore, despite its nominal independence, has been turned over to the Europeans and the Chinese quite as much as have the federated States. Except for tiny Perlis, the only west coast State which has even partially retained its Malay economic structure is Kedah, and here the explanation must be sought in its late entry into the British system. As might be expected, the nearest approach to an undisturbed Malay scheme of things, aside from British political control, is to be found in Kelantan and Trengganu, but it remains to be seen how long their simple Malay small-holdings can survive the recent completion of the east coast railway.

In the exploitation of Malaya the greatest single problem by far has been the acquisition of a suitable labor force, or, more crudely, of coolies to dig out the tin and to clear the jungle, plant the rubber trees, and tap them. Since the Malays have opposed

a firm if passive resistance to capitalist pressures it has been necessary from the beginning to bring in Chinese and Indians. As a result the surest index to the general state of affairs in Malaya is the racial composition of each of its several units. The presence of a large number of Chinese and Indians as compared with the Malays in any region is a sure sign of large alien investments and an intensive British administration, while Malay predominance in the local population indicates slight alien investments, a more or less primitive and self-sustaining economic system, and a simple administrative structure manned almost exclusively by Malays with the exception of a handful of key posts at the top. The Colony, where the Malays come to only a quarter of the population, is under direct British rule. The Federation, one-third Malay in population, maintains the show of Malay sovereignty, but is in fact ruled on the Crown Colony model primarily on behalf of the British and Chinese capitalist interests. Kelantan and Trengganu, with nine-tenths of their population Malay, still cling recognizably close to what must be the ideal of indirect rule: Malay States with Malay interests guided by British administrators.

If the Chinese connection with Malaya is an ancient one, it is only in the last few decades that there has been any mass invasion of the mainland by the Chinese. Singapore was from the beginning of its occupation by Sir Stamford Raffles in 1819 primarily a Chinese settlement, and from that center and the other British posts there was a constant and growing trickle of Chinese into the interior in search of tin. Up to the time of the first British intervention in 1874 and for some years thereafter there were few Europeans and virtually no European investments in the Malay States. Operating through close-knit secret societies built on clan foundations, the Chinese for all practical purposes established governments for themselves under the more or less nominal overlordship of the Malay chiefs, and imported from China coolies for the mines and armed gangsters for protection from the Malays and the opposing Chinese societies. Even in the Colony, which until 1867 was administered from India, the affairs of the Chinese were very little known to the British authorities and they lived their own lives subject to a

minimum of interference from above. It appears that immigration from China was for the most part free, aside from the pressure of starvation at home, but as a supplement there was also the credit-ticket system of immigration under which coolies had to work off the cost of their passage, and as much more as could be conveniently loaded on them, after they had arrived in Malaya. In China the recruiting of these emigrants, known as the pig business, was carried on with an open violence and fraud which was second in the miseries it caused only to the long ocean voyage. Under the management of the secret societies, each armed with fighting men to take part in the constantly recurring riots and gang wars, the British Settlements became the center of a flourishing coolie trade for all the surrounding regions and particularly Sumatra.¹⁸

It was not until after the British intervention in Perak that any serious attention was given to this trade and to the thousands of Chinese who were suffering under it. With the beginning of the opening up of the mainland and the growing disorders in the Straits the British set out on the lengthy task of bringing the Chinese under an affirmative governmental control and removing some of the more flagrant abuses of the coolie traffic. From that time on the scope of the problem grew continually larger. Although British capital was slow to make use of the opportunities offered to it in the Malay States under British protection, the Chinese began to come in speedily in larger numbers. The first British mining enterprise was undertaken early in the eighties and others followed slowly, but the great demand for labor was delayed until the phenomenal rise of the rubber industry in the present century. The greatest increase in Chinese immigration came in the closing decade of the last century when the work of clearing the jungle, building roads, expanding the mines, and establishing plantations was undertaken: in 1881, 89,900 Chinese arrived at Singapore and

¹⁸ P. C. Campbell, *Chinese Coolie Emigration* (London, 1923), Ch. I; Ta Chen, *Chinese Migrations with Special Reference to Labor Conditions* (U. S. Department of Labor: Bulletin of U. S. Bureau of Labor Statistics No. 340, Washington, 1923), Ch. V; H. F. McNair, *The Chinese Abroad: Their Position and Protection* (Shanghai, 1926); W. J. Hinton, *Government of Pacific Dependencies: British Malaya* (Institute of Pacific Relations, Honolulu, 1929).

Penang, in 1901 there were 224,100, and in 1913 the number had risen to 278,100. The war caused a temporary check in immigration from China but in the post-war years it soared upwards again, reaching a peak of 435,708 in 1927 under the impetus of world prosperity and more particularly of the boom in rubber under the Stevenson restriction scheme. With the depression, Chinese immigration fell off sharply to its new low point of 124,460 in 1933, rising again to meet the demands of the returning prosperity in succeeding years. This vast mass of man-power descending on Malaya must not, however, be taken to represent anything approaching an equivalent permanent gain to the Malayan population. The great bulk of the Chinese who have left their own country have done so not with the prospect of settling abroad for good but in the hope of finding, if not riches, at least a decent livelihood which will enable them to go back to China to spend their declining years in some degree of peace. In earlier times very few women accompanied the men on the journey to Malaya: families were left at home, money was sent back to them if possible, and there was always the intention of returning to them. In more recent times there has been a marked tendency for the proportion of Chinese women to increase, as can be seen from the bare statement that in 1911 there were only 247 Chinese females in Malaya for every thousand Chinese males, as against 384 in 1921 and 436 in 1931. There can be little doubt that the present tendency of the Malayan population is to become more stable now that the first rush of development is over, but a great section of the Chinese community is still essentially migratory in character. It is not unreasonable to suppose that more have stayed in Malaya, once they discovered the possibilities of the country, than had any original intention of establishing themselves on a permanent basis. That the trend toward stability has still a long way to go is indicated by the fact that even during the boom year of 1927, 303,497 Chinese left Malaya as against the 435,708 who came in, while during the depression the tide was reversed with 304,655 leaving in 1931 as compared with the 191,690 who arrived.¹⁴ But in addition to the old-

¹⁴ The figures as to Chinese migration to Malaya must be accepted with some caution since they have been shown to err considerably in detail although the general trend is correctly indicated: see *Census Report*, 1931, pp. 112ff.

established Chinese families of Malacca and occasionally of other parts, a small residue of permanently settled immigrants appears to be left behind by each new wave from China.

Although virtually none of the Chinese who have come to Malaya have brought with them either wealth or social position—if they had either they would presumably stay at home—in their adopted country they have come to fill positions on every rung of the economic and social ladder. Like the United States, Malaya was, and in part still is, a new world of virgin forest and soil susceptible of endless development. The Chinese have been given virtually free rein in it by the British in all spheres except the political, and they have known how to make good use of it. Nor is there any indication that the Chinese ever felt any particular inclination to bother themselves with the political sphere until very recent times under the pressure of post-war ideologies and the nationalist movements in China. In every other sphere they have given an extraordinarily good account of themselves, not only doing the heavy work symbolized by the clearing of the jungle but also rising to wealth and power in every line of economic activity. Divided on clan and linguistic lines, they still in a sense form a complete community within Malaya. The huge array of coolies sweating out their lives in back-breaking labor of all varieties is balanced in a proportion more or less equal to that existing elsewhere by a large middle class of shopkeepers, merchants, artisans, and government employees, and by a smaller group of capitalists who have ruthlessly fought their way up to head banks, big mercantile houses, mines, and plantations. In addition there is a considerable group of small-holders earning a bare living on agricultural projects of one sort or another. Objectively, the class lines are all there but there has not as yet been any considerable subjective recognition of them because of the fluidity of the society, the migratory character of the community, and the division along linguistic lines.

In these respects the Chinese community is sharply differentiated from both the British and the Indian communities. The former, despite considerable differences in class origins at home, forms in Malaya as in all colonies, only a single upper class. The functions of the white man in a colony are limited to ruling,

owning, and managing. Any other form of occupation is degrading and damaging to the white prestige on which the whole system rests. Ruling is, of course, limited to the members of the civil service, to the official community, although other persons, drawn from the upper ranks of the unofficial community, may be called in in a consultative capacity, as in legislative councils or other civic bodies. Between the rulers and the business man there is always a tendency toward considerable cleavage, the former looking down on the latter as mere money-grubbers unappreciative of the fine art of colonial government, and the latter being in a constant state of irritation at the former as, in the Indian term, the "Heaven-born" who ride too high and too bureaucratic a horse for survival in this mundane world. This is a permanent feud which is carried on within an upper caste, but it is a minor factor in comparison with the far more serious matter of white solidarity. Even national lines, so bitterly held at home, have a way of softening down as against the overwhelming numbers of the colored races: all who are of the white race are Europeans and stand potentially together in the face of the enemy who is being ruled and exploited.

A complicating tendency in colonial regions, sharply exemplified in Malaya and also in the Dutch islands, is for management to be separated from ownership. This tendency is, of course, observable in all capitalist countries, but in the colonies it takes on the added characteristic of divorcing ownership from the country where the capital is invested. The great rubber plantations, tin mines, mercantile houses, banks, and shipping lines of Malaya and the Netherlands Indies are for the most part owned in Great Britain and Holland or elsewhere in Europe or America, and the Europeans connected with them in the colonies are there as managers, agents, technical experts. There are many Europeans in Malaysia who are the owners of independent businesses of all sorts, but the great and growing holdings are those of the European joint-stock companies. During the depression and with the aid of the restriction scheme in both rubber and tin, this tendency toward the amalgamation of formerly independent enterprises and the vesting of control abroad has moved forward with exaggerated speed. In contrast to the European enterprises

those owned by the Chinese are normally on a smaller scale and are locally owned.

THE INDIANS

While the Chinese community forms a more or less typical and rounded capitalist society and the British only an upper class, it may be said without too much exaggeration that the Indians in Malaya form only a lower class. From the beginning of the British era they have formed a purely migratory element, brought in by the British for labor purposes and returning to India within a few years. The vast majority of them have taken no apparent interest in Malayan affairs, have risen no higher than their miserable starting point, and have lived out their brief Malayan lives within a radius of a few miles from the dingy "coolie lines" in which they slept. In 1921 only 12.4% of the Indians in Malaya had been born in that country as against 22% of the Chinese; ten years later the local-born Indians had risen to 21% while the Chinese had continued upward to 31%. These figures indicate for the Indians as they do for the Chinese the trend toward a greater demographic stability in Malaya, but they err seriously if they suggest that the Indian is a permanent factor in Malayan affairs to anything approaching the extent to which that is true of the Chinese. An illustration of this statement may be seen clearly in the fact that the Chinese problem is for present purposes the most serious one Malaya faces, whereas there simply is not an Indian problem because the Indians constitute an imported laboring class which has thrust no roots into the local soil.

Five-sixths of the Indians enumerated in the 1931 census were Tamils from Madras with much smaller numbers of Telegus and Malayalis from the same province, and the vast majority of these were employed as manual laborers either on the rubber plantations, which have been their main centers, or on government or private jobs. The appearance of the rubber industry was the occasion of the great influx of Indians into Malaya—the tremendous increase in the Indian population between 1911 and 1921 has been noted above—although smaller numbers of

them had come or been brought into the country earlier. Prior to British intervention on the mainland, and particularly during the period when the Straits were governed from India, the question of Indian labor had caused no serious difficulties, but as the country began to be opened up, at first primarily by the Chinese, the need for a larger and more docile labor force became more and more pressing. In the last decades of the nineteenth century there was constant turmoil about the labor supply in general and the Indian immigrants in particular. Given the over-population and the poverty of southern India it was inevitable that much the same abuses should arise as those which characterized the Chinese coolie traffic, and in Malaya itself there were constant complaints both about stealing or crimping of labor and the intolerable treatment of the labor forces on many of the estates. After a series of agreements and disagreements, in 1897 the government of India lifted all restrictions on the recruiting of labor which was left free except for a brief period during the war. Ten years later certain of the basic problems which had plagued the British in connection with the handling of Indian labor within Malaya were solved by the creation of the Indian Immigration Committee which was set up to regulate the importation of labor from Madras for all employers in Malaya, including the government. Through an assessment upon all employers of Indian labor proportionate to the amount of work done by the coolies, a revolving fund was created from which all recruitment and transportation costs were to be paid including repatriation. The penal sanction—the enforcement of labor contracts through imprisonment—which was abolished in 1914 for the Chinese, remained formally on the statute books until 1922 as far as Indian labor was concerned, but it had in fact already disappeared from use under the new system, which distributed recruiting costs over all the employers.

The average stay of an Indian estate laborer in Malaya has been calculated to be from two to three years, which obviously implies an immense labor turn-over. During the decade 1911 to 1920 the total number of immigrants from Madras was 908,100, and the number returning to India during the same period was 561,913. Because the immigration of Indian coolies is so strongly

centralized and controlled and because of the shortness of the stay in Malaya, the figures as to Indian arrivals and departures furnish an excellent index as to the state of Malaya's general economic situation. In the post-war depression of 1921 the number of southern Indian immigrants fell to 45,673 while the departures in the same year came to 61,551. At the height of the boom in 1927 the number of Madras coolies arriving in Malaya rose to 98,567 as against 74,170 leaving. During the depression over-strenuous efforts were made to get rid of the surplus coolies, 100,452 being shipped back to India in 1930 and 104,952 in 1931. The lowest year for arrivals was 1932 with only 26,945 Madras immigrants. In response to howls from the planters that their laboring forces were being too drastically cut as the new prosperity began to appear, the process of repatriation was suddenly checked and in 1934, 102,292 Madras coolies were imported into Malaya.

The status and structure of the Indian community in Malaya is strikingly different from that of the Chinese. Largely because of the pressure of the government of India, the affairs of the Indian coolies are very closely supervised under a large mass of legislation governing all details of their treatment. Low as their living and working conditions are, they are at least protected against the grosser abuses and are closely watched over both by the Malayan Controller of Labor and his staff and by an Indian Agent appointed from India. On this score the Chinese stand at a considerable disadvantage despite the elaborate machinery of the Chinese Secretariat. It has been the established British policy from the beginning to impose as few restrictions as possible on the Chinese with the result that they have been allowed to go their own individualistic ways, the British authorities stepping in normally only in a preventive fashion to maintain public order and British political supremacy, and to forbid too gross oppression within the race itself. Labor legislation for the Chinese is both looser and more laxly enforced than it is for the Indians, but this cannot be held to be wholly unjust. The Chinese seem far better able to stand on their own feet and it is reasonable to assume that many of them would resent rather than welcome restrictions placed on them from above.

In structure the principal difference is that the Chinese, in spite of the differences of clan, language, and time in Malaya, form in some sense a homogeneous community. Those who have risen to the top of the capitalist world come from the same stocks as those who are sweating half-naked in the broiling sun, and feel some degree of kinship with them. Among the Indians this is far from being the case: the Tamils and other south Indians are a despised proletariat who have virtually no bond joining them to their alleged brethren from other parts of India who have done better for themselves in Malaya. These remaining groups are small in numbers and of no considerable importance in the life of the community: the largest element is that of the Sikhs who are strikingly in evidence because of their great bulk and height, their bearded faces, and turbaned uncut hair. For the most part they are employed in the police forces and as watchmen. There are few stranger sights in Malaya than a stroll through one of the cities at night with the great Sikhs stretched out on cots pulled across the doors of the houses they guard. In addition to this employment they have also achieved an unenviable reputation as small money-lenders who hound their pathetic debtors until every cent of principal and extortionate interest has been paid. In this latter profession they are joined on a larger scale by a considerably less appealing group of Indians known as "chetties." The one other quasi-Indian group which requires mention is that of the peoples from Ceylon, who number some 18,000 but have in the past figured considerably more prominently than their numbers would indicate. The Sinhalese have not particularly distinguished themselves as shopkeepers, but the Ceylon Tamils, educated in English, were imported at the beginning to fill a number of clerical posts in the F.M.S. government service and particularly in the railway. This particular type of immigration is already coming to an end as more English-educated Malaysians of one race or another appear to fill the vacancies. In contrast to the Chinese, who have won themselves a respected and independent place in Malaya, the Indians tend generally to be looked down upon and, as in India, they seek always to find some one else on whom to blame their

troubles without taking them as their own responsibility as the Chinese do.

RUBBER AND TIN

The two great industries of Malaya, which with the entrepôt trade of the Colony have been the source of the prosperity of its upper classes and the home investors, are rubber and tin, and in these ownership is shared primarily between the British and the Chinese with the former holding the major share. Toward the end of the last century the British began breaking in on the monopoly of tin by the Chinese and the trend in recent times has been increasingly toward British control of the situation, although one British tin official told me that he foresaw that when the last British mining men left Malaya a delegation of Chinese tin magnates would accompany them to the dock to present them with gold cigarette cases. Whatever the ultimate truth of this prophecy, the present fact is that the past decade has seen a sharp reversal in the old balance. Before the war the British controlled only a quarter of the tin, but with the introduction of the colossal machine dredges after the war British production began to mount sharply until in 1929 it came for the first time to more than half of the total. By 1931 it had risen to 65%, and the international tin restriction scheme, always unpopular in Malaya, has had the effect both of speeding up the British rise and of concentrating control in fewer hands. The principal reason for the British success appears to be that the fantastically ingenious but hand-worked open-cast Chinese mines have been unable to compete with the British dredges, particularly after the richer and more easily worked areas became exhausted. Under the spur of competition the Chinese have made considerable advance in mechanizing their mines, but they have not yet been able to collect the capital necessary for the installation of dredges. In explanation of this it has been suggested, with what correctness I am unable to say, that the joint-stock company device has not proved suitable to the Chinese, whose strong family system has operated as a check on the

accumulation of large masses of capital. The tin production of Malaya, which is centered in the F.M.S., has for years been somewhat more than a third of world production: the standard tonnage allotted by the International Tin Committee for purposes of calculation is 71,490 long tons as compared with 46,490 tons for Bolivia and 36,330 tons for the Netherlands Indies but the potential production of the F.M.S. alone has increased to 93,000 tons a year through new mines opened up since 1929. In 1933 the F.M.S. output was 23,926 tons against a world output of 84,673; the following year the quotas were increased to allow Malaya a production of 36,385 tons as against world production of 107,706 tons. The objections in Malaya to the international restriction scheme were based in the first instance on the contention that the selection of the year 1929 for the purpose of allotting a standard tonnage was unfair in view of the fact that Malayan potential production was rapidly increasing—it rose from 39,370 long tons in 1923 to a peak of 69,366 tons in 1929—and, secondly, on the charge that the scheme was being used as the basis for ruinous financial manipulations in London. It should also be added that the tin-smelting business, which fell into British hands earlier than mining, has continued a British monopoly and is one of the lesser bulwarks of the Malayan economy.

In rubber the competition between the British and the Chinese is of much the same order as in tin, with the added complication of a large number of very small producers; but in the case of rubber the British were in the thick of the game from the beginning. Rubber did not come effectively into the Malayan or, for that matter, the world picture until the present century. Up to that time the relatively small quantity of rubber that was required for existing needs came exclusively from wild rubber trees, and the plantation rubber industry might almost be said to have been called into existence by the appearance of the automobile. During the nineteenth century a variety of crops, notably coffee and sugar, had been experimented with in the Colony and later in the protected States, but none of them had proved a substantial success. The discovery of vulcanization and other improvements in the treating of rubber brought it to increasing

attention in the course of the century, and in 1876 after a number of other unsuccessful attempts rubber seeds were smuggled from Brazil to Kew Gardens by Sir Henry Wickham. Within the next two years young seedlings had been sent on to Singapore to be replanted there. Another twenty years or more were to pass before rubber trees came to commercial cultivation in Malaya, but in the interval Dunlop was inventing the pneumatic tire. From the turn of the century rubber began to come into its own, and before long it had replaced all other forms of agriculture in Malaya as the one great money-crop. At the present time the total area of land in Malaya alienated for agriculture is about 6,000,000 acres of which about 5,000,000 are under cultivation, and of these about 3,280,000 are planted with rubber. A little under two-thirds of the area under rubber is held in estates of 100 acres or over and the remainder in small-holdings of under 100 acres.

As far as racial distribution of this acreage is concerned, the characteristic feature of the Malayan rubber industry is that the largest estates are in the hands of the Europeans, those in the middle group in the hands of the Chinese, and the smallest in the hands of Chinese, Malays, and Indians. In the category of estates of 100 acres or over the Europeans, meaning primarily the British, hold nearly three-fourths of the total planted acreage, the Chinese less than a fifth, although the number of their estates is as great as that of the Europeans, the Indians a twentieth, and the "others," including the Malays, less than a twentieth. The inferiority of the Malays in large-scale production is to some extent made up by their small-holdings but even here they suffer severely from the competition of other Asiatics, notably the Chinese. In the small-holding category the total Malay acreage is some 695,000, or 55% of the whole, divided up into no less than about 165,000 separate properties, although since a Malay may frequently own three or four holdings this latter figure does not mean that there are as many different proprietors. Chinese small-holdings come to somewhat less than a third of the total, and the position of the Chinese as the middle class of Malaya is again indicated by the fact that the average size of their holdings is eighteen acres as compared with

only four acres for the Malays. The Indian share in this category is a relatively small one.¹⁵ On the small estates and small-holdings, rubber trees are very frequently planted in addition to other crops. While the bigger estates are run on a highly scientific basis, with constant experimentation as to the best methods of tapping, maintenance, and treatment, the small-holdings are for the most part given rather casual attention with the trees allowed to grow as they please and with the methods and quantity of tapping determined in some part by the likely returns from rubber at the given moment. Among the Malays it is a fairly standard practice in this line of production as in others to undertake the minimum possible handling of the rubber, allowing Chinese dealers to act as middlemen between them and the world markets. Particularly through the agency of co-operative societies the Malayan governments have attempted both to improve the standards of Malay agriculture and to place the Malays on a more self-sustaining basis, thus eliminating the Chinese middleman, but so far the official efforts have met with little response. In rubber as in the rest of his economic life the Malay appears to be content for the time being with a cash return which satisfies his immediate needs, and if that can be secured without the extra labor of treating and marketing his produce he sees no reason not to leave the dirty work to the omnipresent and always eager Chinese.

In its brief skyrocketing career the plantation rubber industry has been characterized by an extraordinary instability. In the first decade of the present century some 40,000 tons of rubber, coming from Brazil and Africa, satisfied the annual demands of the world at a price of three or four shillings a pound. After a preliminary boom in 1906 when rubber stood at six shillings a

¹⁵ Many of the statistics given here and elsewhere are taken from the *Malayan Year Book*, 1935 (Singapore, 1935), which is a mine of official information on Malayan affairs. For the Malayan rubber industry, see also the S.S. and F.M.S. Department of Agriculture publication, *Nationality of Ownership and Nature of Constitution of Rubber Estates in Malaya* by D. H. Grist (Kuala Lumpur, 1931), and Harrison Lewis, *Rubber Regulation and the Malayan Plantation Industry* (U. S. Bureau of Foreign and Domestic Commerce: Trade Promotion Series, No. 159, Washington, 1935); and J. W. F. Rowe, *Studies in Artificial Control of Raw Material Supplies: No. 2, Rubber* (Royal Economic Society, Memorandum No. 29, London, April, 1931). Oliver Lawrence in *Commodity Control in the Pacific Area* (ed. W. L. Holland, Stanford, 1935) deals with rubber control (Ch. XIII) and also with tin control (Ch. XII).

pound, the price jumped again to over twelve shillings four years later, giving the new plantation industry tremendous impetus although in that year 83,000 tons of wild Brazil rubber were produced as against only 11,000 tons of plantation rubber. Within a year the price had again dropped by more than half and during the war it fluctuated between two and three shillings a pound. By 1920 world production had risen to 354,000 tons, of which Malayan plantations contributed 181,000 tons and wild rubber 37,000 tons, but the price fell below a shilling in 1921. In 1922 the Stevenson restriction scheme went into effect, and by 1925 the price had again shot upward to 4s. 8d. a pound, to the vast annoyance of the largest consumer, the United States, which began to seek its own sources of supply in reclaimed rubber and in plantations to be started in the Philippines, Liberia, and Brazil. The effect on the United States had perhaps been to some degree calculated in advance since it was openly stated that if America wanted to collect the war debt the British could recapture it by the manipulation of rubber, but no adequate attention was paid to the other producers of rubber. In the Dutch islands in particular rubber planting and production began to soar upwards. As the price of tin was also high Malaya lived in a feverish prosperity, but a crash of equal dimensions was not far distant, the production of plantation rubber having risen from 400,000 tons to nearly 700,000 tons between 1922 and 1928 when the Stevenson scheme was abandoned. The downward trend in rubber had started before 1928 but after that year when the depression in the United States cut the demand it dropped in catastrophic fashion to less than twopence in June, 1932. Even before the reintroduction of restriction in 1934, this time on a world basis, the price had started to rise and at the present writing it stands in the neighborhood of one shilling, again to the dismay of the American consumer. The basic quotas set by the International Rubber Regulation Committee agreement of May 7, 1934, were:

	Malaya	Netherlands Indies
		(as amended December, 1935)
1934.....	504,000	352,000
1935.....	538,000	400,000
1936.....	569,000	443,000
1937.....	589,000	467,000
1938.....	602,000	485,000
		500,000
		520,000
		540,000

Because of the large native production from small-holdings in both Malaya and the Netherlands Indies, rubber restriction has proved a more difficult problem than tin restriction where the number of mines to be controlled is necessarily far smaller. This is especially the case for the Dutch who have both a much larger native population and a larger and less homogeneous area to deal with. Furthermore, since native production of rubber is frequently only a cash supplement to other more basic crops from which they can live, the Malays and Indonesians find the economic effects of restriction different from those felt by the big producers. Again, the authorities in both areas, and particularly the Dutch, have encouraged the planting of rubber on native small-holdings, and for this reason find both a moral and an economic argument against limiting the production and sale of what is often the one money-crop under cultivation. Here the old problem of the collection of money taxes in colonial areas not accustomed to a money economy enters in seriously. Despite these objections the big producers in Malaya had been clamoring for a renewal of restriction ever since the beginning of the depression and they were joined by some producers in the Dutch islands. For a long time the Dutch authorities hesitated, primarily because of the problem of the small-holders, but they at last consented to join. What the native producers thought on the matter it would be difficult to determine, since, unlike the Europeans and Chinese, they have neither planting associations or other agencies through which they can make their voices heard, nor knowledge as to world markets and as to the complex economics and politics of restriction. In the Netherlands Indies the problem of control has met the anticipated difficulties in spite of a rise in their quota in December, 1935 and it has proved necessary to impose individual restriction on native small-holders instead of the export tariffs which were first tried. In Malaya, despite the multiplicity of separate governments, the former experience of restriction has enabled the plan to work comparatively smoothly. It might, perhaps, be added at this point that the independent sovereignty of protected States and the separateness of Colony and States in Malaya has never been allowed to stand in the way of common regulation of such matters as

seemed likely to increase the flow of British profits, such as the control of Indian labor, restriction in rubber and tin, and Empire Preference.

The labor forces utilized for the production of rubber and tin in Malaya may be very crudely divided by stating that the plantations are worked by Indian coolies and the mines by Chinese, but this statement is subject to considerable correction. Rubber cultivation employs a far larger number of workers than does mining as is shown by the rough estimate that some 600,000 persons are engaged in the former industry as against some 80,000 in the latter.¹⁶ It must be borne in mind that these numbers vary very greatly and swiftly in accordance with the state of prosperity existing in the industry. On the estates of 100 acres or over the Indians supply something under three-fourths of the labor, the Chinese over one-fifth, with the remainder divided between the Malays, usually the more recent immigrants from the Dutch islands, and other races. The proportion of the different races employed varies considerably from estate to estate and district to district. In mining the preponderance of the Chinese is approximately as heavy as that of the Indians in the rubber industry.

With the exception of the processing and shipping trades in the Colony, other industries and occupations are relatively insignificant in Malaya when compared with rubber and tin. Under the pressure of the expanding rubber industry, rice cultivation has been pressed very much into the background. Despite the fact that rice is the principal article of diet for the vast bulk of the Malayan peoples, it occupies only some 765,000 acres as compared with the 3,280,000 planted with rubber, and the 610,000 acres of coconuts, the greater part of which consists of small-holdings. Since the arrival of the depression in Malaya, the several administrations have made somewhat half-hearted efforts to encourage rice cultivation at the expense of the spreading rubber tree, but no very considerable results have been achieved, primarily because of the greater profitability of rubber. There

¹⁶ From 1928 to 1933 the labor force engaged in mining in the F. M. S. was cut from 119,550 to 51,890. This decline is due in part to the introduction of dredges but more particularly to restriction and the free repatriation of unemployed Chinese miners. In 1934 it rose again to 64,183.

can be no doubt that a dangerous number of the Malayan eggs have been placed in the rubber and tin baskets, making the country almost wholly dependent on economic conditions elsewhere and particularly on the prosperity of a few industries in the United States. This danger the depression all too vigorously demonstrated, but to persuade or even to compel a large number of individuals to shift from established and still profitable lines of production into other less known ones is by no means an easy task. At the present day only 40% of the rice which is consumed in Malaya is produced in the country, the bulk of it in the less developed unfederated States of the north, and the remaining 60% is imported from Siam, India, and elsewhere. The net cost of imported rice to Malaya in 1934, after subtracting the value of exports or re-exports of rice, was over \$24,200,000. Manufacturing has advanced to no great extent in Malaya although in the Colony local industries have made some headway. The milling and smoking of low-grade rubber imported from the mainland and surrounding regions provides employment for a good number of smokehouses, while the tin-smelting of Singapore and Penang have made these Settlements the center of the world market for Straits tin. The recent introduction of elaborate tariffs on the basis of imperial preference in the Malay States will presumably work to prevent any significant increase in manufacturing because of the easy entry offered to British goods.

THE NETHERLANDS INDIES

Despite a basic racial identity of populations and a similar economic structure the Netherlands Indies differ sharply at many points from Malaya.¹⁷ The most obvious points of differentiation are the huge and scattered island area of the Indies and their relatively great population. Where Malaya's population is under 4,500,000, that of the Indies stretches up to nearly 61,000,000. The only considerable alien element in the population is

¹⁷ The bulk of the statistical material for the Netherlands Indies has been taken from the official *Indisch Verslag*, 1935, vol. II (Batavia, 1935). Frequent reference has also been made to Amry Vandenbosch, *The Dutch East Indies* (Grand Rapids, Michigan, 1933) for both facts and points of view.

that of the Chinese who number about 1,250,000 or just over 2% of the population—as against the 1,700,000 Chinese who make up nearly 39% of the population of Malaya—while the Indonesians come to 59,140,000 or over 97% of the whole. Approximately two-thirds of this population is crowded into the relatively small central island, Java, which with Madura as an appendage contains 821 persons to the square mile and is accounted the most heavily populated land mass in the world.

To these differences from Malaya there must also be added the far greater length of time during which the Dutch have been dipping into the wealth of the Indies. The British had only touched the fringes of Malaya prior to the intervention of the last quarter of the nineteenth century while the Dutch had made the beginning of their conquests early in the seventeenth century. During the earlier centuries the Moluccas and Java were the two great Dutch centers with only occasional and somewhat spasmodic contact with the other islands. When the government of the Netherlands at the end of the eighteenth century took over rule from the disintegrating Company the scope of effective Dutch control was considerably more limited than in earlier days. The brief British interregnum under Sir Stamford Raffles at the end of the Napoleonic Wars brought no increase although the somewhat haphazard administrative system was strengthened and regularized in the direction of direct rule. Under the Culture System with its direct exploitation of the agricultural resources and man-power of Java there was rather a drawing back than an extension of territorial control in the outer islands. No significant advance was undertaken until 1873 when the Dutch, freed from an earlier treaty with the British which limited their conquest of Sumatra, provoked a war with the Achinese in the northern end of that island. After preliminary defeats and half-victories for the Dutch the war dragged on interminably with no decisive action until close to the end of the century. Then the Dutch forces broke loose in earnest, the nineteenth century policy of abstention from the affairs of the outer islands was abandoned, and in the decade and a half preceding the World War the Dutch imposed their rule and established openings for their capital throughout the Archipelago. Java with its vast

population and its highly developed agricultural system—to outward appearance it seems as if every square inch of it aside from the upper mountain slopes were under cultivation—has been in varying degree under Dutch control for some three centuries, but the scantily populated and still little developed outer islands have for the most part evaded any continuous Dutch control until the last two or three decades.

Because of its great level plains, constantly renewed by the soil washed down from the mountains by the heavy rain, Java is possessed of an extraordinary fertility which has made possible the growth of population from 4,500,000 in 1815 to nearly 42,000,000 at the present day, despite the rapaciousness of the Culture System. The expansion of the sugar plantations, and in lesser degree those producing tea, coffee, tapioca, and rubber, has brought great wealth to the investors, but to the Javanese it has meant only increasing labor at a bare living wage with the general standard of living even declining at times. Under the direct governance of Holland as under the Company private European enterprise was given no encouragement until well on into the latter half of the nineteenth century. The number of Europeans in the Indies was small and the bulk of them were officials until the adoption of a new agrarian policy in 1870 under which non-natives were allowed concession of lands for periods not to exceed seventy-five years. From that time on the character of the population and of economic life began to change but it was not until the beginning of the present century that large-scale European capital started to pour in, bringing with it an inevitable transformation of the whole structure. The number of Europeans—it should be pointed out that the Dutch include the Eurasians as Europeans for all legal and statistical purposes—grew rapidly, increasing from some 18 per thousand natives in 1850 to 42 per thousand in 1935, and the government expanded its functions along the lines of the so-called Ethical Policy. This meant in practice, whatever its more idealistic phrases, that the conditions were being established under which Western capitalism could properly function, including the development of sanitation and transportation, the improvement of legal and political systems, and the education of the Javanese to a point where they

could fill the host of newly created subordinate posts in the government service and in the expanding private industries.

With Dutch and other European and American capital pressing for outlets, the opening up of the outer islands was speedily undertaken after the beginning of the present century. In Java there has at no time been any pressing labor problem except that of persuading the Javanese by argument or force that it was their destiny to work for the Dutch, and even this aspect of the problem has been partially solved, despite the protection given to native-owned land, by the mere pressure of growing numbers. In the outer islands the situation resembles far more closely that existing in Malaya: the numbers of the settled inhabitants are small and they are on the whole as reluctant as the Malays to enter into European service as coolies. But, just as the British in Malaya have been able to draw on India and China, so the Dutch have drawn on Java—although no small amount of pressure has been necessary to bring the Javanese to emigrate even for a limited term of labor in the outer islands. Large numbers of Chinese have also been brought in or have come voluntarily but, in addition to their usual monopoly of small retail trade there has been something of a tendency for them to perform more specialized tasks than the manual labor of the Chinese coolies in Malaya. The rôle of the Chinese in the development of the outer islands may be seen from the fact that of the 1,250,000 Chinese in the Netherlands Indies, 651,000 or more than half live outside Java and Madura, while of the 240,000 European less than 48,000 live in the outer islands. The number of Chinese coolies on estates in the outer islands is, however, relatively small: of the total number of 231,763 coolies listed on these estates at the end of 1934, 203,963 were Javanese and only 22,806 Chinese.¹⁸ These figures also illustrate strikingly the almost exclusive dependence on imported labor of the capitalist enterprises in the outer islands.

¹⁸ The figures as to the estate population are incomplete since several administrative districts in the outer islands are omitted, but these omissions cannot seriously affect the accuracy of the totals. Of the districts for which no statistics are available only South and East Borneo appears to have any considerable quantity of Javanese, the number there being some 47,000 of whom many are presumably not estate coolies.

As in Malaya and all other countries similarly situated in regard to labor, the alien capitalist interests in the outer islands have been plagued from the outset by the problem of holding imported coolies to their contracts, a problem involving the regaining of the cost of recruitment and transportation and the maintenance of a skilled labor force. Until recently the only effective attempt at a solution has been, not through making the jobs more attractive, but through backing up the contracts with a penal sanction. Up to the World War at least, labor conditions were regulated primarily at the arbitrary pleasure of the employer and in many instances were desperately bad, but there has been a definite improvement of late, in part due to the pressure of the government working through an organized labor inspection service and in part to the general stabilization and advancement of large-scale industry. At some point in capitalist development slave labor ceases to be a paying proposition and it is recognized that a more stable, better trained, and decently fed labor force is more efficient than a force of terrorized, half-starved, and ignorant coolies. This improvement, which still leaves a large gap between the standard of life of the Oriental coolie and the European or American worker, has served to some degree to make reliance on the penal sanction less necessary than before although, again as in Malaya, no significant effort has been made to build up permanent local labor forces by some form of colonization attractive to the immigrant laborers. In 1931, in some part under the pressure of American tobacco interests seeking to ban Sumatran tobacco on the plea that forced labor was used in its production, an ordinance was adopted which looked to the gradual elimination of contracts involving the penal sanction clause. At the end of 1934 there were left only 16,278 coolies under penal sanction contracts, of whom 1,317 were Chinese and the rest Javanese, while the remaining 215,485 were listed as free coolies.

Among the outer islands Sumatra is far in the lead in respect to modern capitalist exploitation, as is evidenced by the fact that its estates employ all but some 13,600 of the coolies listed on the estates outside Java and Madura, and the great bulk of these are at work in the Province of the East Coast of

Sumatra. Of all the varied regions of the Indies this province is by far the most similar to Malaya, geographically, demographically, and economically. Its great estates, producing rubber, tobacco, tea, palm oil, and lesser quantities of other agricultural products under the ownership and management of Europeans and Americans, have been worked almost entirely by immigrant Chinese and Javanese labor. The local Malays have stood aside from modern European enterprise in much the same fashion as their brothers across the Straits of Malacca. Drawing in coolies in large numbers during the boom the employers of the East Coast were faced by the same problem as the Malayan employers when the depression struck: the existence of a large labor force for which there was no longer employment. A similar solution was found in the repatriation of shiploads of now useless man-power, the number of coolies returning from Sumatra in Java rising from 15,674 in 1925 to 53,993 in 1932 while recruiting fell away to almost nothing. The estate population in May, 1930, reached a peak of 336,549 coolies and had dropped by January, 1934, to its low point of 164,696. More recently the number has again been rising slightly. At the end of March, 1936, the number of estate coolies in the East Coast Province was 172,162, of whom less than a tenth were Chinese. The shift away from the penally enforced labor contract may be seen clearly in the contrast between 1930 and 1936: in the former year there were 273,291 coolies employed on a penal sanction basis as against 62,258 free coolies, while in the latter year there were only 7,147 penal sanction coolies as against 161,489 free ones. A further point of resemblance between this province and Malaya is that a large part of its 36,101 square miles is divided up into no less than thirty-four native States; but its showing in this respect is grossly inferior to that of the 102 native States in the less developed Province of Achin to the north.

After a period of glowing prosperity during the boom of the twenties the world trade of the Netherlands Indies was very hard hit when the bottom dropped out of the market for virtually all colonial produce during the depression, but there has been something of an upturn in the last two or three years. The effects of the boom, the depression, and the succeeding rise are

indicated in the following table which gives the private trade in merchandise in thousands of guilders: ¹⁹

IMPORTS			
	Java and Madura	Outer Islands	Total
1913.....	300,133	136,549	436,682
1920.....	812,306	303,907	1,116,213
1925.....	530,973	287,399	818,372
1927.....	546,792	324,940	871,732
1929.....	682,033	390,106	1,072,139
1931.....	393,562	178,843	572,406
1933.....	216,550	105,213	321,763
1934.....	187,639	97,798	285,437

EXPORTS			
	Java and Madura	Outer Islands	Total
1913.....	317,119	297,084	614,203
1920.....	1,501,778	723,221	2,224,999
1925.....	837,174	947,624	1,784,798
1927.....	806,809	818,166	1,624,975
1929.....	710,525	735,656	1,446,181
1931.....	351,267	397,762	749,029
1933.....	193,510	276,659	470,169
1934.....	192,536	296,578	489,114

The revenues and expenditures of the government suffered a similar disastrous decline in the depression years, the revenue falling from a peak of f.848,529,000 in 1929 to a low of f.460,966,-000 in 1933 and expenditures from f.904,593,000 in 1929 to f.554,-552,000 in 1933. As a result the public debt of the Indies has been constantly on the increase: in 1913 it amounted to only f.105,201,000, by 1920 it had risen to f.884,994,000, by 1929 to f.1,023,137,000, and by 1934 to f.1,508,589,000. Faced by bankruptcy and the disintegration of the entire economic structure, which is dangerously dependent on the maintenance of the export trade, the government has struggled desperately during the depression to reshape the system to meet the new situation. On

¹⁹ *Indisch Verslag*, Table 244, 1929 and 1935. See also L. B. S. Larkins, *Economic Conditions in the Netherlands East Indies, 1933-1935* (Department of Overseas Trade No. 637, London, 1936); *Economic Handbook of the Pacific Area*, ed. Frederick V. Field (New York, 1934); and C. G. H. Rothe, "Commodity Control in Netherlands India," Ch. VIII, *Commodity Control in the Pacific Area*, edited by William L. Holland, Stanford University, 1935.

the score of government finance taxes have been increased and expenditures drastically curtailed, not only as a crisis measure but also with the definite assumption that the good old days have gone forever and that a lower scale of governmental living is now a permanent necessity. In both Malaya and the Indies the wealth that poured in during the boom years led to a reckless extravagance both public and private, at least as far as the Europeans and some of the Chinese were concerned, and in both the lean years have been temporarily accepted as marking the definitive end of an era.

A number of steps have recently been taken in the Indies to remedy the declining foreign trade, to link the Indies closer to Holland economically, and to limit the encroachments of new producers of cheap import goods. In the first category fall the entry of the Indies into the restriction schemes for rubber, tin, and tea, and the efforts of both the Dutch and the colonial governments to safeguard old markets and to open up new ones for Indonesian products. The Dutch abandonment of the gold standard in the wake of the French action in 1936 should also serve to stimulate the export trade of the Indies. In the second category is the recent dropping of the old and well-established free trade principle and the substitution for it, following the model of the Ottawa agreements and the subsequent colonial legislation in Malaya and elsewhere, of imperial preferences managed through tariffs and import quotas. The share of the Netherlands in the import trade of the Indies has not been very large in recent times, and has suffered a severe drop from 19.4% in 1931 to 12.9% in 1934. The restrictive measures have been directed primarily against Japan whose share in the import trade has risen from 15.9% in 1931 to 31.6% in 1934, the most significant increase being in cheap textiles for native consumption. The elaborate conversations held in Batavia between representatives of Holland and Japan in 1934 failed to arrive at their goal of commercial peace between the two countries. Efforts are also being made by the government and by private interests to strengthen the position of local industries and to establish new ones which would round out and help to stabilize the total Indonesian and imperial economy; but here the colonial government

is immediately faced by the pressure of home manufacturers afraid of the loss of their markets in the Archipelago.

LAND POLICY

In colonial regions with large European economic interests the problem of land policy is always of central importance, and in this respect the governments of Malaya and of the Indies have gone ahead on different paths. As in all pre-capitalist societies, agriculture was the basis of the native economy in the Malay world and the control of land was the source of wealth and of power. With the appearance of alien capitalist enterprises toward the end of the nineteenth century the natives were forced into the position of laborers on much of the land which had formerly been at their disposal, in order to make room for large-scale European plantations producing for the world market. In the Netherlands Indies the land problem did not become serious until after government exploitation under the Culture System had come to an end and the agrarian law of 1870 had opened the way for private entrepreneurs. By the decree which implemented this law in the same year the principle was laid down that all lands not in private hands formed part of the public domain and could be turned over to Europeans on long-term concessions. "The government under the decree acquired only such rights as remained after the deduction of all native rights to the land, for the East India Government Act (the fundamental law of the Indies) expressly provides that the rights of natives under customary law must be respected," writes a recent commentator. "Unfortunately little was known at the time about Indonesian customary law, for if all the active and dormant rights of the population were respected no free lands would remain for leasing to western entrepreneurs and one object of the agrarian law would be defeated." ²⁰ Owing to the only dimly appreciated complexities of the customary law and to the pressure of the European capitalists, the long-term concessions on unused land have in fact encroached considerably on native property rights nom-

²⁰ Vandenbosch, *op. cit.*, p. 240. See also C. Van Vollenhoven, *De Indonésier en zijn grond* (Leiden, 1925).

inally protected by the legislation under which the concessions have been made. Native landowners are prohibited from alienating their lands to non-natives, and Europeans are not allowed to own other land than small urban tracts. The three principal forms for European control of land which have been developed since 1870 are: 1. leases for a period of not over seventy-five years from the government under conditions varying somewhat between Java and Madura and the outer islands; 2. agricultural concessions for the most part in the territories of the native States in the outer islands for not longer than seventy-five years; and 3. the rent of land in Java from the natives for short terms by the European sugar and tobacco industries under stringent regulations for the protection of the native interest. The efforts of the government to safeguard the agricultural position of the huge native population for which it is responsible have generally been conceded to be sincere and well meant, but there has inevitably been a continuous and bitter controversy over all aspects of the problem and particularly over the basic questions of the quantity of land in European hands and the control of the irrigation systems, vital to both Europeans and natives. European ownership of land, aside from urban property, is found only in the single instance of the so-called "private lands" which were sold by the Company and the government between 1705 and 1829: as the official handbook of the Netherlands East Indies somewhat quaintly remarks, various governors sold large plots of land in Java "owing to lack of money and for other reasons." In these lands the proprietors possess not only full rights to the soil but also far-reaching feudal rights over the native population including the right to demand fifty-two days of labor a year—a term which has regularly been stretched out even longer. To remedy this anachronistic situation and to bring the natives under the full control of the government, the authorities have been slowly repurchasing the private lands since 1910. In almost every category of European land tenure the quantity of land leased, conceded, or rented from the natives has declined considerably in recent years, presumably as a result of the shrinking returns during the depression, the total quantity of land retained for estate cultivation having fallen from 1,463,887 hectares in

principle of indirect rule in Malaya and the Netherlands Indies. In the former indirect rule is substantially an offshoot of the fact that the Malay States on the mainland of the Peninsula have remained protected States and have not been absorbed into the British territories. The sovereignty of these States has remained intact in the sense that they do not fall within the jurisdiction of the Imperial Parliament, that persons residing within their territories are subject only to the jurisdiction of the State within which they reside, and that persons born within them are subjects of the State within which they are born. Much to the annoyance of the Chinese there is no such thing as a Malayan citizenship nor even a common citizenship for the Federated Malay States, although persons born in the Colony of the Straits Settlements are British subjects. Several well-known cases in the British courts have testified to the fact that the sovereigns of the Malay States are immune from suit save at their own pleasure, even though the Bench has more than once expressed its knowledge of the complete control of both States and sovereigns by the Colonial Office. Under the treaties and agreements with the Malay States the British Residents in the federated States and the Advisers in the unfederated States are empowered to give advice which must be asked and acted upon in all matters other than Malay religion and custom. As a result, although each State has a plenitude of legislative power—those in the Federation being counted as a unit for certain purposes—when identical instructions are sent to all the Residents and Advisers identical action is taken in all States.

In the Netherlands Indies the legal and administrative structure rests on a quite different basis since no protected States recognizable in international law have been left in existence. All the territories form a part of the Dutch colonial domain, and a common citizenship exists throughout. That the protectorate in a formal sense is no necessary part of indirect rule is, however, indicated by the fact that the principle of indirect rule finds expression throughout the entire system and has rightly been regarded as the basic factor in Dutch colonial administration. Two of the variant forms in which the principle has been applied by the Dutch may be singled out as of primary importance and

as most sharply indicating the contrast with Malaya. The first is the form which has established itself in the nominally directly ruled regions which cover some 93% of the area of Java and large stretches in the outer islands. In Java, which is the classic center of this type of government, the regents, who are the highest officials in the native civil service, are as far as possible drawn from the old-established aristocratic families, in principle on the basis of the customary rules of hereditary succession, and the subordinate officials are likewise those with a traditional claim to the allegiance of the people they govern. Native law and custom have been studied intensively, particularly in recent times, and in large part remain in force. The second principal type of indirect rule is one more nearly akin to that existing in Malaya: the remainder of the area of Java and more than half the area of the outer islands is occupied by so-called "self-governments" or native States. The basic difference between these States and those of Malaya or India is that they are a part of the Dutch territories, endowed in a peculiar fashion with a degree of autonomy, and their inhabitants are Dutch subjects. Subject to the usual manipulations for imperial purposes and to secure a reasonable degree of efficiency, the traditional hierarchies have been left more or less intact as has the customary law. From this point on the system is one of growing complexity with a division of powers between the central government and the native States and a further division of the persons within each State into two categories, one made up roughly of those who traditionally belong in the region and fall within the jurisdiction of the States and the other of the outsiders such as Europeans, Chinese, and immigrant Indonesian coolies, who remain under the central government through a kind of extra-territoriality. As against the nine native States of Malaya, there are two hundred and sixty-nine in the Netherlands Indies, four of which are in Java and the rest in the outer islands, ranging in population from 1,704,000 to 350 persons. Despite the size of the area under indirect rule its population amounts to only 12,372,000 as against a population of 48,355,000 in the directly ruled regions. The number of native States and their population is given in the following table, arranged for the outer islands in terms of administrative areas:

	European	Native	Chinese	Other Foreign Asiatics	Total
<i>Java and Madura</i>					
Jogjakarta	6,693	1,380,592	11,879	187	1,389,351
Pakoe Alaman	624	110,679	687	15	112,005
Soerakarta	5,285	1,680,411	17,103	1,402	1,704,201
Mangkoenegaran	1,270	902,780	4,195	73	908,318
Total	13,872	4,074,462	33,864	1,677	4,123,875
<i>Outer Islands</i>					
East Coast of Sumatra (34)	6,383	1,417,183	149,169	14,355	1,587,090
Achin and Dependencies (102)	626	791,627	8,421	932	801,606
Riouw and Dependencies (7)	62	137,492	3,194	186	140,934
West Borneo (12)	528	606,685	99,001	3,245	709,459
South and East Borneo (5)	2,609	282,811	12,692	2,762	300,874
Manado (26)	528	632,267	8,626	2,932	644,353
Celebes and Dependencies (28)	809	2,043,875	3,532	3,077	2,051,293
Moluccas (3)	848	346,099	3,815	1,204	351,966
Timor and Dependencies (48)	586	1,634,802	5,937	3,164	1,644,489
Total (265)	13,036	7,908,176	294,978	31,948	8,248,138
Total—Netherlands Indies	26,908	11,982,638	328,842	33,625	12,372,013

The general notion of indirect rule is relatively simple and straightforward despite the large number of particular forms which it has assumed in practice as the inevitable result of differing European colonial systems, the varying pressure of capitalist interests, and the different levels of cultural and political development of the peoples whose independence has been strangled by European imperialism. Unfortunately there is neither simplicity nor straightforwardness about the concept of the protectorate or the protected State. As in so many other branches of international law, such as the law concerning the acquisition of territory and the laws of war, little more has been accomplished in this sphere than a somewhat hesitant cataloguing of the various types of protectorates which have been established at one time or another; and the terminology which has been developed is neither uniform nor universally accepted.²² The obvious difficulty is that the device of the protectorate has been a very useful one for the Powers in their imperialist exploits and they have not hesitated to twist it in any direction which would suit their immediate purposes. In its origins the establishment of a protectorate has very frequently been no more than a preliminary to the establishment of full colonial rule, a device utilized because of its greater economy and its more tentative, but still sufficiently conclusive, character in relation to third States.²³ In other instances, as in the Federated

²² "A protectorate is said to exist when one state, by treaty, surrenders to a stronger state a considerable measure of the control of its foreign relations or a right of intervention in its domestic affairs in return for a guarantee of protection. Actually the term is less a description of a status than a category for classifying a number of anomalous international relationships, and it has even been applied to some which are not governed by international law at all. The classic protectorate is conceived to be an international personality standing somewhere between the fully sovereign state, supposedly unrestricted in the control of its foreign and domestic affairs, and the vassal state, which is hardly more than an autonomous province with some vestige of international relations. In practice a neat differentiation is impossible and the term has been employed to cover the situation of a multitude of diverse communities, from Cuba to Kelantan." A. H. Feller, "Protectorate," *Encyclopædia of the Social Sciences*, XII, 567.

²³ Illustrations of this statement in connection with Malaya and the Netherlands Indies are given in the succeeding chapters. On May 19, 1884, Bismarck sent instructions to Dr. Nachtigal concerning the latter's activities in South West Africa in which he stated that the Kaiser had decided "to take over the protection of Germans and their commerce in certain coastal strips directly in the name of the Reich. . . . The establishment of an

Malay States, a virtually complete colonial administration has been set up but the form of the protectorate has for one reason or another been retained. Given such situations, in which words are often used to conceal rather than to explain the reality, it is difficult to arrive at any final and satisfactory terminology or definitions which do more than skim the legal surface. But of one thing one may be sure: what is being protected is the interest of the protecting State and of the economic groups within it which profit from imperialism.

Some British authorities are disposed to distinguish the protected State from the simple protectorate or colonial protectorate and this distinction is a necessary one although it still does not cover all the cases.²⁴ In the former some vestiges of its previous

administrative machinery, which would require the sending of a large number of German officials, the setting up of permanent garrisons of German troops, and the assumption by the Reich of a pledge to afford protection to Germans settled in such areas and to their factories and concerns even during a possible war with great sea-powers is not intended thereby." Alfred Zimmermann, *Geschichte der Deutschen Kolonialpolitik* (Berlin, 1914).

On April 1, 1884, Jules Ferry announced in the French Chamber that the government was going to maintain Tunis as a protectorate because that system had the great advantages for France of a diminution of responsibilities, the saving of Arab dignity, and the elimination of the costs of establishing a French administration: "It is obvious that the protectorate is much more economical, and that Tunis, aside from the sums necessary to maintain the army of occupation, can perhaps operate today without costing the French treasury a sou, whereas if you transform it into an Algerian department you will have to pay!"

Amos S. Hershey (*The Essentials of International Public Law* [New York, 1921], p. 191) states that the main advantages of the protectorate form are "that it affords a means of excluding other Powers and preparing the way for annexation without incurring the burden of complete sovereignty and international responsibility involved in real and effective occupation."

A. H. Feller (*op. cit.*, pp. 568-569) writes: "In European politics the protectorate was generally a compromise measure and a stage on the road either to independence or annexation. . . . The experience of the British in India and the Dutch in the East Indies showed it to be an excellent substitute for military action and occupation in furthering imperialistic aims. . . . The use of the protectorate as a stage on the road to annexation was so effective that it tended to develop into a habit. . . . Its announced purpose was to permit autonomy to the indigenous inhabitants. In reality it was used in cases where the benefits derived from a territory would not compensate the mother country for the cost of administration."

²⁴ This thesis is maintained by A. B. Keith, *Governments of the British Empire* (New York, 1935), pp. 22-23 and *passim*. He himself remarks, however, that "it is impossible to draw any clear logical distinction between

position in international law remain intact although its foreign affairs and, perhaps, as in Malaya, its internal affairs are managed by the protecting State, while in the latter the international law status has vanished completely and the term "protectorate" implies little more than that it is run on the basis of indirect rule despite the fact that it is virtually assimilated to a colony. After describing the transformation of the African protectorates, Lord Lugard, creator of the system of indirect rule in Nigeria, states: "Thus the term 'protectorate' gradually changed its meaning from that of a pact with the ruler of a State, which maintained its internal but not its external sovereignty, to a declaration of the territorial status of a region included in the Empire, in which not only the external, but in varying degrees the internal sovereignty also, had passed to the controlling Power, in many cases (since unexplored regions were included) without even the 'treaty' consent of the people. Powers of administration co-equal with those of a colony have been assumed." His general conclusion is that "the distinction between the two is now without practical difference" and that there is no longer any adequate reason why protectorates should not be accorded the position of possessions of the Crown; while a Dutch authority writes that "the colonial protectorate must be regarded as a disguised colony."²⁵

a Colony and a Protectorate in the British Empire system, for the status of the different parts of the Empire has been largely determined by historical accident, and not regulated by any definite legal theory." P. 463.

The distinction between Protected State and Protectorate is not recognized in the *Dominions Office and Colonial Office List*, 1936, although it appears that in Protectorates the Colonial Office Regulations apply while in regard to the Federated Malay States it is noted: "The Regulations do not in themselves apply to officers in the service of the Federated Malay States, but the principles of the Regulations are applied to such officers by the incorporation of the substance of the Regulations in the Federated Malay States General Orders." P. 826.

It is interesting to note that Keith places Zanzibar under the heading of Protected State though the Colonial Office lists it as regularly governed by Colonial Regulations. Thus a distinction based on the method used in application of the Regulations would seem unwarranted.

The terminological confusion is enhanced by the fact that some writers, occasionally including Keith himself, draw the distinction as between Protectorates (Protected States) and colonial Protectorates. This distinction is adopted by M. F. Lindley, *The Acquisition and Government of Backward Territory in International Law* (London, 1926).

²⁵ Sir Frederick D. Lugard, *The Dual Mandate in British Tropical*

In Nigeria, which has by accident been singled out as the classical type of indirect rule, the protectorate is definitely of the colonial type. *The Nigerian Handbook of 1926* cites Halsbury's *Laws of England* to the effect that there is no statutory or authoritative definition of the word "protectorate" beyond the fact that protectorates are not British territory. Protectorates, it states, "are administered under the provisions of Orders in Council issued by virtue of powers conferred upon His Majesty by the Foreign Jurisdiction Act, 1890, 'or otherwise vested in His Majesty,' which latter phrase may be taken to be intended to bring in aid any exercise of the royal prerogative that may be necessary to supplement His Majesty's statutory powers." In Nigeria as a protectorate the Crown has the power to legislate by Orders in Council, in the Malay States no such power exists; again, in Nigeria the Colonial Regulations are in force, while in the Malay States they do not apply, although the principles of the regulations have substantially been incorporated in the F.M.S. General Orders. Citing *Tshekedi Khama v. Ratshosa*, (1931) A.C.784, A. B. Keith suggests that the chiefs of African protectorates are not regarded as possessing such degree of sovereignty as to exempt them from the jurisdiction of British courts: "The result is a clear contrast between them and the princes of the Indian States, or of the Malay States, who are not held to be subject to municipal jurisdiction."²⁶ Persons born

Africa, 2d. ed. (London, 1923), pp. 35, 38. F. M. van Asbeck, *Onderzoek naar den juridischen wereldbouw* (Amsterdam, 1916), p. 12.

In reply to an inquiry directed to the Colonial Office, Mr. Grattan Bushe has recently written me as follows: "I regret, however, that I am unable to provide you with authoritative definitions of the term 'protectorate' and 'protected state' as, so far as I am aware, there are no authoritative i.e. statutory definitions of these terms. . . . To put the matter shortly—in a Protectorate there is no local sovereign and the King possesses and exercises full jurisdiction there, in a Protected State there is a local Sovereign and the King either possesses no jurisdiction there or only over British Subjects—and his relations with the local ruler are regulated by treaty or agreement."

²⁶ Keith, *op. cit.*, pp. 500–501. ". . . in the Protectorates of colonial type the exercise of sovereignty is absolute, subject always to the invariable practice of the observance of such treaty rights as may be conferred on local rulers by express agreement . . . these agreements are not regarded as treaties of international law, and . . . should the British Crown determine to override them, it could do so without incurring international liability, nor would there lie against the Crown any form of procedure under the

in such colonial protectorates are not, however, British subjects, since they are not born in British territory, the colonial protectorates resembling protected States in this respect. As has been mentioned above, even this principle does not apply to the native States of the Netherlands Indies which otherwise appear to fulfill the general conditions for colonial protectorates. It has been suggested that the international law basis of the jurisdiction of the protecting State over the internal affairs of the protected area is derived from the same line of argument as that used by Theodore Roosevelt in putting forward his corollary to the Monroe Doctrine: since the protecting Power prevents an aggrieved foreigner from seeking redress through his own government, it must itself see to the establishment of proper political and judicial conditions. But this in reality is no more than a legal pretext for the extension of control.

No brief comparison of the protected State-colonial protectorate system in the principal areas where it is utilized can pretend to any high degree of accuracy. Each of the larger areas, such as the Netherlands Indies or Nigeria, contains considerable variations in its treatment of different States or types of States within its boundaries, and each system has some points in common with the others as well as significant differences. The native States of India and Malaya stand on substantially the same footing as far as their legal status is concerned, but the British normally intervene in the internal affairs of the Indian States to a far smaller degree than in the Malay States. The Nigerian Protectorate appears to resemble India and Malaya in that there is not "that absolute ownership which was signified by the word *Dominium* in Roman law and which, though perhaps not quite satisfactorily, is sometimes described as territorial sovereignty";²⁷ but in its internal management and its relation to the

constitutional law of the Empire." *Ibid.*, p. 500. In speaking of the administration of the Malay States, Sir Anton Bertram (*The Colonial Service* [Cambridge, 1930], p. 236) says: "In complete contrast to that of the Protectorates of Tropical Africa, it has been established without any recourse to Orders in Council under the Foreign Jurisdiction Act. Every step has been taken by means of voluntary agreements with the Rulers. Their status as Sovereigns has not been impaired." Compare Keith, *op. cit.*, p. 508.

²⁷ Kennedy, L. J., in *Rex v. the Earl of Crewe* (1910) 2 K.B., p. 620.

Colony of Nigeria it is more closely assimilated to the native States of the Netherlands Indies than to India or Malaya. In certain rather limited spheres the legal position has practical consequences which cannot be ignored—notably in relation to nationality—but for most purposes the formal legal status can be and should be ignored in order to concentrate on the realities of the type of colonial administration which has been imposed on the peoples concerned.

CHAPTER II

THE HISTORICAL BACKGROUND

THE FIRST THREE CENTURIES OF CONTACT WITH THE WEST

It has become increasingly clear to modern anthropologists and historians that the Malayan world has a complex and fascinating history of its own, stretching back into remote ages, but for four centuries the destinies of that world have been ever more inextricably intertwined in the tightening network of rival European imperialisms. To attempt to present here a sketch of that earlier history would be to trespass on the province of others far more competent to deal with it, and, of perhaps greater moment, to complicate the present narrative by the inclusion of material which, through a perverse turn of history, has come to be essentially irrelevant. The history of backward peoples is no longer their own history, but the history that has been imposed upon them by Europe. As is the case with all great movements one cannot single out any particular moment at which the backward peoples, or any one of them, cease to move in the channels of their own destiny and are diverted into those dug by the West: one can, at one extreme, merely select an arbitrary date and reckon from that with due apologies or one can, at the other extreme, set general boundaries often no more sharply defined than in terms of centuries.

For the Malayan world that arbitrary date must be the year 1509 which ominously brought a small Portuguese fleet into the harbor of Malacca. Its arbitrariness is here peculiarly obvious since this earliest Malayan contact with the organized West—as opposed to isolated European venturers, such as Marco Polo,—ended in defeat for the Portuguese; but it marked the beginning of the end. The Malay triumph was short-lived. In 1511 d'Albuquerque, the Portuguese Viceroy at Goa, gathered together

a much larger force of nineteen ships which shortly broke down the Malay resistance. From that time forward the Malayan world began to draw away from its own history.

The general boundaries that one might set can scarcely be pulled closer together, in the case of Malaysia, than the sixteenth and the twentieth centuries. Before the former century there can be no question of the diversion of Malaysian history into the channels of the West, although the course of its own channels was deeply influenced by contact with other Eastern peoples. By the twentieth century, equally, there can be no question as to the breach with the local past. The intervening centuries are occupied by that older imperialism which was content to set its decisive stamp on only a fragment of the remote lands it touched, disturbing only accidentally and in passing the history and culture of their peoples. It must be remembered that, although d'Albuquerque took Malacca in 1511, in far the greater part of Malaysia Western influence did not become predominant until the last quarter of the nineteenth century when the new imperialism supplanted the old.

Throughout the sixteenth century the Portuguese gradually extended their sway through the spice islands of the Archipelago, making use wherever possible of the dissensions of the native courts to further their aims, but they made little if any attempt to establish their rule on a broad basis. The purpose of the stations which they set up was trade and for this purpose a defensible local base was of greater importance than the acquisition of subjects and far-flung territories. It was not until the late eighteenth century that Britain began to acquire a territorial empire in India, and, with the exception of Java and the Moluccas, not until the end of the nineteenth that the Dutch consolidated their scattered bases in Indonesia. It has become almost a truism that the Dutch East India Company had no desire for an extension of its territorial power and that it was forced into empire by the incompatibility of its desire for profits with the system of political abstention. A distinguished Dutch authority writes of the company that "if it had had its own wish, it would merely have established undefended trading counters along the coasts between Africa and Japan. It would have made everywhere trade con-

tracts, preferably of a monopolistic nature, with rulers and peoples and would have assured to itself the exclusive import of trade articles, and still more the export of the highly desirable Eastern products."¹ This description would fit the imperialist activities of the other European Powers as well as it does the Dutch, and, if the author adds that "it was precisely this desire for monopoly that led it to accept authority," it is still clear that authority was accepted reluctantly. It was accepted because of the rivalry of other Powers and local hostilities to foreign monopoly, not for the greater glory of empire nor through a sense of responsibility for the well-being of the natives. That imperialism contained ethical implications was a notion of very late development.

It required a change in both the purpose of empire and in the relative strength of "advanced" and "backward" peoples before the concept of the trading station was gradually supplanted by that of the territorial empire. It is to the change in Western economic life, or, more fundamentally, to the revelations of Western science, that one must look for the key to this change in the character of imperialism. The development of the world market, the appearance of "surplus" capital and goods searching for a market, the need for raw materials, and the necessity, under the new methods of production, for a régime of law and order more closely approximating that of the West: these were the factors that in the nineteenth century brought about a change in the purposes of empire. The trading base must become the capital of an ordered producing and consuming area. But to make this transformation possible the balance of physical power had also to be shifted heavily to the West. The British in India in the seventeenth century, like the Dutch in Java, found themselves with only a small margin of superiority in physical force and technique. A tremendous development—stemming from the same advances in science—in means of communication, in arms and equipment, and in technical organization, was necessary before the relatively small man-power which Europe could spare from its own more immediate needs could easily assert its suprem-

¹ A.D.A. de Kat Angelino, *Colonial Policy*, trans. G. J. Renier (The Hague, 1931), II, 3.

acy over the masses of the East. Sheer man-power is of little consequence against a well-equipped machine gun, and the skill and cunning of the tribesman are crushed out by the bombing plane.

On this basis it is easily understandable that, with the exception of Java, the European encroachment in Malaysia up to the nineteenth century took the form rather of a constantly increasing series of pin-pricks on the map than the gradual consolidation of colonial areas. Nor did the pin-pricks very seriously influence the lives of the great majority of the native populations, apart from the relatively few in and about the actual stations of the Europeans. With the ethical concept lacking and with trade being conducted almost exclusively through the chiefs or other intermediaries the contacts between Europeans and natives were few and relatively undisturbing. In the case of Malacca in particular the effects of the conquest were perhaps less noticeable than elsewhere because it had already established itself, under Malay rule, as a port and mercantile center of more than local consequence, and there were many Indian, Chinese, and Arab traders and adventurers as well as Malays from all parts of the Malay world.* But it was also in Malacca that St. Francis Xavier in 1545 established his base for the propagation of Christianity throughout these outposts of Mohammedanism. Trade and missions joined hands then as now in spreading the power and influence of the Europeans.

Until the beginning of the seventeenth century the Portuguese enjoyed a predominance in Malaysia which was almost untroubled by the appearance of other European Powers, although there were occasional flurries of excitement when foreign ships—the forerunners of a bitter rivalry—touched briefly at scattered points in the Archipelago. That century saw, however, the collapse of the Portuguese power and the gradual establishment of the Dutch throughout Malaysia. It is unnecessary to examine in

* What was true of Malacca was true in varying degree of other established ports. Of Bantam in Java, for example, a Dutch visitor writes in 1599: "This city is very populous, for in it trade many nations, as from China, Arabia, Persia, from divers quarters of India, of Portugal, from the islands of the Moluccas and Banda, from Sumatra and still other places, who all do business here." See H. T. Colenbrander, *Koloniale Geschiedenis* (The Hague, 1925), II, 226.

detail here the work of the Dutch East India Company whose not too savory history has been recited in many other places. It was a company constructed for trade under a charter which gave it sovereign powers in the East, and it pursued its purpose with a ruthless and single-minded devotion until its gradual disintegration in the latter part of the eighteenth century and its dissolution in 1798.

With headquarters established at an early date in Java, its original interest was chiefly in the spice trade of the Moluccas, but its factories spread far and wide in the Archipelago and even beyond: in Ceylon, Bengal, China, and Japan. As early as 1606 the Dutch secured an alliance with Johore against the Portuguese, and this alliance served them well both in the destruction of Portuguese trade and in the ultimate capture of Malacca in 1641, which marked the definitive end of the Portuguese era in Malaysia.* Throughout the Peninsula and the Archipelago the Dutch expanded their stations and their control, withdrawing in defeat here, advancing in force there, but always drawing the net more tightly both to bind their scattered holdings together and to exclude Great Britain and other Powers. The two centuries of the Company's relations with the native States and principalities are filled with a bewildering array of negotiations, treaties, alliances, ruptures, wars, and betrayals. With no thought of accepting the responsibilities and costs of government, the Company necessarily adapted its policies to the political situation which it found in existence and, like the British Company in India, sought to secure its trade and its monopoly through alliance with and manipulation of the native rulers or the pretenders to the native thrones, where that seemed the sagest course.

Of the European Powers only the British seriously threatened the Dutch hold on Malaysia after the early defeat of the Portuguese, and even the British soon substantially withdrew to concentrate their attention upon India. In the beginning it had been

* For an account of the relations between the Portuguese and the Dutch on one hand and the native States of the Peninsula and the surrounding areas on the other, see R. O. Winstedt, *A History of Malaya*, Chs. IV-VII, and the same author's *A History of Johore* (M.B., R.A.S., vol. X [1932], pt. III). It is interesting to note that the Dutch at one time considered making Johore their headquarters in the East.

the intention of the British to develop particularly the trade of the spice islands. Drake had sailed through the Straits of Malacca, and Captain James Lancaster, heading an expedition of three ships intended to obtain a share of the spice trade, had stopped for some time at Penang in 1592. Chartered in 1600, the East India Company sent its first expedition with letters and presents to the kings of Achin in Sumatra and Bantam in Java, and the expedition brought back cargoes of pepper after having established a factory at Bantam. But, under the constant pressure of the Dutch, the British bit by bit withdrew from most of their stations in Malaysia, particularly after the massacre at Amboyna when the last hope of a peaceful division of the spoils vanished. After the British had finally been driven from Java by the Dutch in 1683 they undertook the search for a new headquarters elsewhere in the general neighborhood. Negotiations were carried on with Achin, but these failed of their purpose. Pressing farther to the south on the west coast of Sumatra, the Company in 1685 established a fortified settlement at Bencoolen which remained in British hands for nearly a century and a half, being for a large part of that time the only position east of India which the Company held in full sovereignty. Disease-ridden and remote from the main trade routes, Bencoolen was for most purposes a dismal failure, but its very inadequacy served to emphasize the *de facto* division of the territories under which the Dutch had taken over Malaysia, the British India proper.

This division could not, however, survive the storm which broke over Europe with the French Revolution and the Napoleonic Wars.⁴ The destinies of Malaysia were already far too deeply tangled in the affairs of the West to allow of revolutions in the one without serious repercussions in the other. From a chain of circumstances wholly unrelated to the local forces and problems of Malaysia there came the disappearance of the Dutch East India Company, the taking over of the Dutch possessions in the East by the British despite the bid of the French for sea power, and the emergence of a basically new spirit in colonial administration. Even before the conquest by the British the corrupt and

⁴ De Kat Angelino, *op. cit.*, I, 8ff., gives a useful review of the ideas and events of this period as they affected the development of colonial administration.

oppressive régime of the Dutch Company had given way at many points. The question of the general policy of the Netherlands in the Indies had been investigated by a Commission which was instructed to advise on a system of trade and government "such as would produce the greatest welfare for the East Indies, the highest profits for the commerce of the Republic, and the greatest advantage for the country's finances"—a statement of purposes which itself gives an indication of the changing temper. In its report, however, the Commission turned away from the large-scale reforms which were proposed to it and upheld the main portions of the Company system. Here, as in France, it has been suggested, the turn away from the radical doctrines of *liberté, égalité, fraternité* took place under the influence of Napoleon in 1802.

The new forces, in brief, overshot their mark and a policy of reaction was inevitable no less in the Dutch than in the French possessions; but everything was not lost in the reversal. To two outstanding figures—Daendels, Governor-General from 1808 to 1811, and Raffles, British Lieutenant-Governor from 1811 to 1816,—must go the credit for a reconstruction of the Dutch system in the East, and particularly in Java,⁵ which saved it from the threatened disintegration of the Company's later days.

Subject to much correction in detail, it may be said that the reforms in the Javanese structure which Daendels and Raffles attempted and in part carried through were of much the same character as those which the French Revolution and Napoleon introduced into the administration of France. The existence of feudal privilege in the native system, as used and developed by the Company, seemed to them an anachronism to be done away with as speedily as possible. Both as against the direct official servants of the government and as against the Javanese rulers, regents, and lesser chiefs they insisted upon the complete supremacy of the government. Throughout the period of the Company

⁵ Colenbrander, *op. cit.*, II, Ch. XIV, gives a résumé of the Dutch position at the end of the eighteenth century. By the time Daendels came to power Dutch control was chiefly confined to Java, the outer islands having been abandoned, or practically abandoned, in many cases. His administration saw further losses. See E. B. Kielstra, *De Vestiging van het Nederlandsche Gezag in den Indischen Archipel* (Haarlem, 1920), pp. 24-25.

the relation of the regents and other chiefs to the central administration had been an undefined and fluctuating mixture of official subordination and of independent feudal power tempered by the suzerainty of the Company. Now it was demanded that the native authorities should be regarded as subordinate officials to be appointed, dismissed, and paid in the same way as Dutch officials. Under Daendels their hereditary right to office was denied them and they came, in temporary principle, at least, to occupy a regular place in the official hierarchy. As De Kat Angelino suggests, "one might perhaps summarize the administration of Daendels by the remark that it effected a transformation, with roughness, of a commercial and loose organization into a centralized state authority supported by a disciplined Dutch and Javanese administrative body." *

The activity of Raffles followed the same lines and on an even broader scale. With a Rousseauistic faith in the simple peasant and a distrust of the higher orders of society,⁷ he wanted to preserve in their traditional form only the village communities, which should stand as the base of the whole structure, since they alone, in his view, had survived as living units in the Javanese body politic. The higher administrative entities, like the departments in France, were to be drawn on the map in terms of uniformity and administrative efficiency rather than of traditional allegiance. The native rulers he also regarded as an undesirable element in his more democratic framework, and, again in conformity with the policy of his predecessor, he abolished the Sultanates of Bantam and Cheribon and lessened the prerogatives of the still surviving States of Jogjakarta and Soerakarta. His general aim in this connection may be stated to have been the liquidation of feudalism through the introduction of a close-knit and well-trained official hierarchy which should come into direct

* *Op. cit.*, II, 28.

⁷ It was essential, Raffles insisted, to distinguish between the privileged classes and the mass of the people. "Long continued oppression may have injured the character of the latter, and obliterated some of its brighter traits; but to the former, the constant exercise of absolute dominion has done a more serious injury, by removing every salutary restraint on the passions, and encouraging the growth of rank and odious vices. In the peasantry we observe all that is simple, natural, and ingenuous: in the higher orders we sometimes discover violence, deceit, and gross sensuality." *History of Java* (London, 1817), I, 248.

contact with the natives instead of utilizing the chiefs as intermediaries.⁸

The spirit of these reforms of Daendels and Raffles, necessary and beneficial as they were on the whole, is rather of the eighteenth and nineteenth than of the twentieth century and runs directly counter to the guiding lines of Dutch policy throughout the history of the Dutch connection with the Indies. Increasingly it has come to be believed that the imposition on native peoples of direct rule in Western forms is an undesirable method of administration, and that the maintenance of native structures and the utilization of native sources of authority is the ideal to be pursued. With the exception of certain periods in the past century when the introduction of direct rule formed the official policy—frequently as a matter of theory rather than of practice—the more recent conception of the nature of the colonial problem has formed the whole foundation of the Dutch structure, whether in connection with the regents of Java or the rulers of the native States. No little effort has been expended in the twentieth century to undo the over-zealous application of precisely the principles which Daendels and Raffles regarded as the most advanced. In their age the problem was to introduce order and uniformity into a chaos of feudalism, corruption, and oppression; in the present age the rationalism and universalism of the eighteenth century have given way to a disturbing consciousness of the original and continuing diversity of man.

SIR STAMFORD RAFFLES AND THE EXTENSION OF BRITISH RULE

In the history of British Malaya there is no single name which can afford even a distant rivalry to that of Sir Stamford Raffles. Indeed, if he were to return to Singapore today it must be that he would feel a certain sense of embarrassment to find his name bestowed in such bewildering ubiquity on the city's schools and

⁸ It would be to go beyond the limits of the present work to attempt any consideration of the other reforms of Daendels and Raffles, numerous and important as they were. In the case of Raffles, special attention may be called to his measures in land and taxation policy. See *Substance of a minute recorded by the Honourable Thomas Stamford Raffles . . . on the introduction of an improved system of internal management and the establishment of a land rental on the island of Java* (London, 1814).

institutions, its streets and businesses. His fame has survived chiefly as the interim Governor of Java and as the founder of Singapore, but it deserves preservation no less for his contributions to Europe's knowledge of the East and to the principles of colonial administration. To place his work in its proper setting, however, it is necessary to move backward in time and examine the taking over of Penang by Captain Francis Light and the subsequent events.

Bencoolen had proved a most unsatisfactory and expensive station and for some time the Company's agents had been instructed to locate a more suitable outpost in these regions, but without success. In 1771 one Francis Light was carrying on trade in Malaya as the representative of a Madras firm and had made good use of his opportunities to acquaint himself with the situation there. In August of that year he wrote to his firm from Kedah that the king of that State had granted to them the seaport of Kedah and the fort lying near it, in consideration of assistance against the neighboring State of Selangor. "I must beg leave to acquaint you gentlemen," Light continued, "that if you do not take advantage of this offer it will be given to the Dutch, and I refer to your consideration whether the Dutch possessing this port may not exclude the English entirely from trading in the Streights." In a later letter of the same year he expanded upon the possibilities of trade in textiles but more particularly in opium of which he claimed to be able to dispose of any quantity the firm might think it proper to send him. This correspondence was turned over to the government.*

The reasons for this offer by the Sultan of Kedah are to be found in the always somewhat precarious state of his foreign relations. Kedah had at various times and in various degrees been a tributary of Burma and Siam, but at the moment these two rivals were engaged in fighting each other, thus leaving Kedah in a state of practical independence. This good fortune did not last long. Within Kedah the almost customary disagreement between

* A full account of the negotiations for and ultimate occupation of Penang is given in Arnold Wright and Thomas H. Reid, *The Malay Peninsula* (New York, 1912), Chs. IV-V. See also L. A. Mills, *British Malaya, 1824-1867* (M.B., R.A.S., vol. III [1925], pt. II), Ch. II; Sir Frank Swettenham, *British Malaya*, 2d ed. (London, 1929), Ch. III.

the Sultan and members of his family had broken out. The defeated faction was exiled to Selangor where it received asylum and instigated an attack by the Selangor Sultan, who sacked the capital and raided the territory of Kedah. In these circumstances the Sultan turned to the British for assistance, but, as the Company in the course of the negotiations showed its un readiness to give any guarantees, the project was dropped for the time. For the next decade and more the hands of the British were kept full by the epic struggles of Warren Hastings who "was preoccupied in India turning a trading company into an empire and had no time for the trade or politics of Malaya."

Light, however, maintained his interest and it is evident that the Indian authorities shared to some extent his fears that the Dutch would completely exclude the British from the Eastern waters. At last, after approval had been won in various Indian quarters, his project was accepted. The Court of Directors wrote that while they wished not to be embroiled with the Dutch, every practicable method of extending British commerce among the Eastern islands and to China should be tried, culminating, perhaps, in the breaking of the Dutch spice monopoly if an open rupture should prove unavoidable. Furthermore the natives should be taught to look up to the English as their friends and protectors and "every proper and judicious method should be taken of counteracting the policy of the Dutch in enslaving the independent powers."¹⁰ Thus encouraged, Light formally took possession of the island on August 11, 1786.

The early history of Penang is worth no very elaborate examination. For a time its fate hung in the balance as the authorities in India debated whether it or the Andaman Islands provided the more effective naval station, but before the end of the century, in part because of Light's enthusiastic reports, an all too optimistic view of its possibilities came to general acceptance. From 1786 to 1805 the island was a dependency of Bengal and in the latter year its status was elevated by its creation as the fourth Indian Presidency. From then until 1826, when Singapore and Malacca were transferred to its charge, the heavy expenses caused by the elaborate official establishment and the failure of

¹⁰ For the text of the letter, see Wright and Reid, *op. cit.*, pp. 73-74.

its trade to equal the expectations of the Indian authorities caused it to fall increasingly into disfavor. In 1830 it was again reduced to the status of a Residency, and two years later Singapore replaced it as the capital of the Straits Settlements.

At the time of Light's taking possession, the island of Penang, which he ineffectually christened Prince of Wales Island, was practically uninhabited. The vigorous policy which he pursued soon attracted a considerable and varied population of Malays, Chinese, and Indians. In 1797 the Duke of Wellington, then Colonel Wellesley, visited the island, which was being used as a rendezvous for an expeditionary force against Manila, and drew up an interesting memoir as to its present situation and future prospects. In his opinion it was clear that the station should be preserved and encouraged both as a useful trading center and as a military base for operations to the eastward. In fact, he foresaw for it the destiny which has fallen to the lot of Singapore, that it should become "the mart of the East." In his suggestions as to a proper form of government he presents a scheme of things partially related in content if not in legal form to the modern theory of colonial protectorates. "As the inhabitants consist of people of different nations, and of different provinces of those nations, it is advisable to leave them under the direction of the headmen of each province, and to interfere as little as possible in the regulations which may be established by each for the government of his own countrymen." Above these headmen, he continues, it may be necessary to establish at the head of the magistracy one European magistrate who should judge Chinese and Malays each according to their own laws and "where both are parties, according to the laws of universal and natural justice."¹¹ This was in fact, whether openly or covertly, the system of government of the Oriental populations in both Singapore and

¹¹ Duke of Wellington, *Supplementary Despatches and Memoranda*, edited by his son, the Duke of Wellington (London, 1858-1872), I, 25ff. See also a contemporary account by Sir George Leith, Lieutenant-Governor of Penang, *A Short Account of the Settlement, Produce, and Commerce of Prince of Wales Island* (London, 1804), in which he describes the Chinese as "one of the most numerous and useful classes of the Inhabitants," estimating their number at between five and six thousand. Of the Malays, whose number is "fortunately very small," he speaks as "an indolent, vindictive, and treacherous People" (pp. 25-28). By 1795 Penang had a population of some 20,000, while the once great Malacca had only some 15,000.

Penang until late in the nineteenth century when a more direct European control was asserted over them.

One other point in connection with the settlement at Penang deserves somewhat extended mention since it exercised an influence over British policy toward the Malay States and over the Malay attitude toward the British deep into the nineteenth century. This point concerns the extent to which the Company had obligated itself to defend the Sultan against his enemies. The sole reason for the Sultan's readiness to grant Penang to the British was to secure protection against Selangor, Siam, and Burma, and this he again stated in unambiguous terms in 1786 in the letter in which he laid down the conditions under which he would be prepared to cede the island.¹² No actual agreement was signed at this time, and the Indian government was prepared to let the matter rest in a vagueness which later left it something of a loophole to evade the obligations which the Sultan was justified in assuming it had accepted. At all events, despite the pleas of Light and others, the British did nothing to reassure the Sultan that aid would be forthcoming if needed. Behind the scenes a decision to the contrary was taken by the British authorities as early as 1787. In 1791, after an attempt by the Sultan to recapture the island had been beaten off, a more definitive treaty was signed between the British and Kedah, which promised the Sultan 6,000 Spanish dollars a year while the British occupied Penang and settled other matters, but made no mention of the thorny problem of defense. Nine years later another agreement was concluded under which the Sultan ceded to the Company a strip of territory on the mainland, now known as Province Wellesley, in consideration of an additional subsidy of \$4,000 a year. Here also the question of defense was omitted.¹³

The attitude of the British authorities was determined by the

¹² The text of this letter and the succeeding relevant documents are reprinted in Swettenham, *op. cit.*, pp. 38ff. The texts of the Kedah-British treaties are given in W. G. Maxwell and W. S. Gibson, *Treaties and Engagements Affecting the Malay States and Borneo* (London, 1924), pp. 95ff. See also Winstedt, *History of Malaya*, Ch. VIII.

¹³ These omissions Sir Frank Swettenham (*op. cit.*, pp. 46-47) explains on the ground that a Malay Rajah having concluded with the British government an agreement which was perfectly clear to him and having seen the British accept the benefits of it for five years would not consider that a later treaty could by an omission release the British from the earlier engagement.

dual claim that they had entered into no agreement to defend Kedah and that, furthermore, Kedah was and had been a dependency of Siam. Such being the case, Britain righteously proclaimed her distaste at the thought of intervening between suzerain and vassal, and, when the expected Siamese attack on Kedah took place in 1821, Britain allowed her to be overrun and pillaged while the Sultan fled for his life. There can, however, be no doubt that the British had dealt with Kedah as an independent power, although early in the first negotiations the Sultan, at that time disgruntled by the meager British promises, had declared that the King of Siam had strictly forbidden him to allow any Europeans to settle in his country. For his part, certainly, the Sultan had entered into the agreement precisely because he feared that Siam would attempt to reassert the suzerainty which she had previously claimed. In part the controversy revolves around the essentially insoluble problem of Kedah's exact relation to Siam, although the more important issue is that of Britain's acceptance of Penang on conditions which it had no intention of fulfilling. It is agreed that Kedah sent to Siam the *Bunga Mas*, ornamental flowers of gold and silver, but it is by no means clear whether this represented a token of polite respect or of vassalage, a subtle question which arose to plague British-Siamese relations more than once in the course of the nineteenth century. The answer appears to be that the proper interpretation rests not on any formal legal principles but on the degree of power which the superior State was in a position to exert at any given time. As the event itself has grown more remote the clear tendency has been to accept the justness of the Sultan's claims, and even at the time local opinion among the British was strongly on Kedah's side although the government made some effort to suppress the presentation of Kedah's case. At all events it is certain that the British action was regarded by the Malays as a serious breach of faith.¹⁴

¹⁴ Sir Frank Swettenham (*op. cit.*, p. 37) comes to the conclusion that "the cause of these untoward events was the cowardice of the East India Company, ending in a breach of faith which sullied the British name and weakened its influence with Malays for very many years." Sir Stamford Raffles also felt keenly that the official policy was mistaken, that Siam had no just claims, and that the Siamese influence over the Malay States was pernicious; see Mills, *op. cit.*, pp. 37-38.

Not long after the occupation of Penang the whole balance of forces in Malaysia was changed by the local reactions to the struggles that were under way in Europe. When Holland joined with the French and against the British all her possessions throughout the world were opened to seizure by the latter. In 1788 a treaty had been made between Holland and Britain under which either was entitled to occupy the colonies of the other as a measure of defense against a common enemy in case of a European war. On the establishment of the Batavian Republic Prince William V signed in London letters authorizing the authorities in the Dutch colonies to admit British troops and ships in order to prevent the seizure of the colonies by the French. In return the British guaranteed that, on the restoration of peace and of the legitimate constitution of the United Provinces, they would make due restitution of all colonies placing themselves under British protection. Immediately after this exchange of notes the British proceeded to occupy the Dutch possessions. The Cape, Dutch factories in India and the west coast of Sumatra, and Malacca all fell in 1795, Ceylon and the greater part of the other colonies, with the exception of Java, in the succeeding years up to 1801, all putting up a more or less effective show of resistance.

With this expansion of the British sphere in the East the name of Sir Stamford Raffles begins to come into prominence. Born in 1781 on a ship trading with the West Indies, he had become a clerk in the East India Company at the age of fourteen. Ten years later he was sent to Penang in the somewhat responsible post of Assistant Secretary to Government, and there, as Light had done before him, he violated the brief local tradition by studying Malay and learning whatever he could about the country and its people. From very early in his connection with Malaysia he appears to have been impressed both with a scorn and hatred of the Dutch and with a sense of the vast potentialities of the region for future development under enlightened statesmanship. This, naturally, implied the extension of British influence and its establishment on a firm footing.

His first official action in this connection was the drawing up of a masterly report strongly urging the retention of Malacca "until

we are actually obliged to give it up." On various scores, including the cost of maintaining the station and the threat to Penang if it should be restored to the Dutch, the local British authorities came to believe, as the European wars dragged on, that it would be desirable to destroy the heavy Portuguese and Dutch fortifications at Malacca and abandon it. This work of destruction was actually carried through at large expense: today only a single gateway of the old fortification is left standing. In his report on the subject Raffles contended that Malacca held so great an importance in the eyes of the native princes that they would be anxious to retain the friendship of any Power that held it, and a glimpse of his broader vision is contained in the statement that "with the assistance of Malacca, the whole of the Malay Rajahs in the Straits and to the eastward might be rendered not only subservient, but, if necessary, tributary." Its return to the Dutch, he feared, would work to nullify the English interests at Penang.¹⁵ On the basis of this report the Court of Directors agreed as a temporary measure to the continuance of the then existing establishment at Malacca.

But far larger projects were in the air. In 1810 Lord Minto appointed Raffles as Agent to the Malay States with the task of preparing for the expedition which was to conquer Java. At this time Raffles was also working on the notion of a complete Malayan federation which would unite the States of the Peninsula and Archipelago, including Mindanao, under the headship of the Governor-General of India.¹⁶ Although these plans did not mature, the conquest of Java was successfully undertaken in 1811. The instructions of the Secret Committee of the East India Company to Lord Minto of August 31, 1810, authorizing the taking over of Java and the other Dutch settlements in the East appear clearly to indicate that the Company looked to no permanent occupation of the islands. Their only purpose was the expulsion of the Dutch and French and the destruction or seizure of all military establishments and supplies, after which they wished "to leave these Settlements to the occupation of the Natives." It was even proposed that "the Arms and Ammunition, taken from the

¹⁵ See H. E. Egerton, *Sir Stamford Raffles* (London, 1900), pp. 23-24.

¹⁶ D. C. Boulger, *The Life of Sir Stamford Raffles* (London, 1897), p. 92.

Enemy, might be distributed among the Natives, if such a measure should be deemed necessary or advisable."¹⁷

This policy of abandonment was very remote from the intentions of either Lord Minto or Raffles, both of whom would have looked favorably on the permanent occupation of Java by the British. Lord Minto argued that the demolition of the Dutch defenses and the abandonment of the old-established European colony to the vengeance of the natives was "absolutely, because morally, impossible," and he felt that Java was a country which could not become English in habits and feelings too early. Raffles from the beginning of the project for the conquest of Java clung to his belief that the proper destiny of Britain was to "form a range of possessions which, with intervals of no great importance, extend nearly from the Bay of Bengal to our settlements on the continent of New Holland," and he saw Java as the natural center of an eastern insular empire which should stretch from the Straits of Malacca to Japan. In a pamphlet which he published toward the end of his term in Java he added to the essential arguments of commerce and British prestige a plea on behalf of the peoples of Malaysia. He protested against the reintroduction of the slave trade and of slavery and asked whether the Javanese should "be again abandoned to the feudal bondage and humiliation under which they have groaned." Shall Great Britain, he continued, "not rather embrace the moment, when the triumph of her arms has opened the way to a new empire in these seas, to stretch a protecting hand over the Eastern Archipelago, and establish the amelioration and prosperity of its inhabitants, by placing them under her own government and protection?"¹⁸

The impassioned pleas of Raffles met with no success. His vigorous policies in Java were far from winning the unanimous support of the authorities at home and in India, although he could count throughout on the backing of Lord Minto while the latter lived. By the other authorities his ambitious projects were regarded as the dangerous vagaries of a young man who was

¹⁷ See M. L. van Deventer, *Het Nederlandsch Gezag over Java en Onderhoorigheden sedert 1811* (The Hague, 1891), I, 4, note 1.

¹⁸ See *The Memoir of the Life and Public Services of Sir Stamford Raffles* by his widow, Sophia Raffles (London, 1830), p. 69; Boulger, *op. cit.*, pp. 207-210.

leading them into far greater responsibilities than they were prepared to accept. Furthermore, questions of high policy were inevitably influenced by the hostile and often jealous reports of some of Raffles' associates, who had good reason to know his readiness to climb upward on any ladder that could be secured.

The attitude of the home government is amply illustrated by the readiness with which it fulfilled its obligations to the Dutch by handing back Malacca and Java at the end of the war, thus temporarily crushing Raffles' dream of a British Empire which should oust the rapacious and monopolistic Dutch from their complete supremacy in Malaysia. The British emerged from the Napoleonic Wars with a vast treasure of overseas possessions conquered from their enemies, and at the Congress of Vienna they were the only Power seriously interested in the future of the world beyond Europe. But even the British were more concerned with the peace of Europe and the safety of Great Britain than with adding to their holdings in the East. The loss of the control of the Straits of Malacca and of the unrealized wealth of Java was a price they were prepared to pay for the friendship of a Holland strengthened against France.¹⁹ In consequence, when Holland proceeded again to establish her monopoly, to exclude British ships from all ports in the Archipelago except Batavia, and to reassert her power over Java and her control over the native rulers in the outer islands, Great Britain was prepared to acquiesce rather than to throw her into the arms of France.

The great projects of Raffles were shelved and he himself was removed to the inconspicuous post of Bencoolen. His title was, indeed, elevated from the traditional one of Resident to that of Lieutenant-Governor, but he described himself, in his usual grandiloquent fashion, to the annoyance of the Directors, as Representative of the British Government in the Eastern Seas. Bencoolen did not offer much scope for his ambitions, although he could not resist the temptation to intrigue against the Dutch by bringing the native rulers of the west coast of Sumatra under British influence, and he immediately began to look elsewhere,

¹⁹ See P. H. van der Kemp, *De Teruggave der Oost-Indische Koloniën 1814-1816* (The Hague, 1910).

watching with great distaste the Dutch net being drawn tighter about what might have been a British world.

In 1818 he succeeded in obtaining an opportunity to lay before the Governor-General, the Marquess of Hastings, his fears of the Dutch whom he saw monopolizing the trade of the Archipelago and blocking the only routes for a direct trade with the Far East. But the Dutch were not the only rivals whom he felt it necessary to forestall. In a paper drawn up in 1817 for Canning's information he had further mentioned that the commercial activity of the Americans, the Russians, and the French was daily increasing, and he suggested that they might take possession of such advantages as the Dutch and English seemed to be overlooking. In order to give the British a secure base against the encroachments of these Powers he proposed "our taking immediate possession of a port in the Eastern Archipelago, the best adapted for communication with the native princes; for a general knowledge of what is going on at sea, and on shore, throughout the Archipelago, for the resort of the independent trade, and the trade with our allies; for the protection of our commerce and all our interests, and more especially for an entrepôt for our merchandise." For these purposes he felt Bencoolen and Penang too remote, and proposed in their stead, in that order, Banka, Riouw, or the west shore of Borneo. As a further argument, not without interest, for such a base he maintained that it would impose a wholesome restraint on British traders in the Archipelago: "Our duty to other nations, and to the cause of justice, no less than a regard for our national character, requires that the peaceable natives of the islands should not be kept at the mercy of every mercantile adventurer of our own nation."²⁰ This latter argument suggests the significant question as to whether the intervention of the State as the governing agency in modern imperialism has not improved rather than harmed the conditions of the inhabitants of backward areas, granted the inevitable disappearance of the primitive isolation through the purely profit-seeking and often less scrupulous

²⁰ See Boulger, *op. cit.*, pp. 207ff. Raffles' views as to the necessity of a continuing British establishment in Malaysia for the protection of British trade as against both the Dutch and the Americans were stoutly supported by Charles Assey in his memoir *On the Trade to China and the Indian Archipelago* (London, 1819).

activities of individual adventurers and trading or exploiting companies.

The policies which Raffles had advocated in 1817 were again brought forward in his conversations with the Governor-General in the following year, and this time met with a favorable response. In November, 1818, the Chief Secretary to Government at Fort William sent to Raffles the instructions of the Governor-General, which authorized him to establish a station beyond Malacca to command the southern entrance to the Straits. Although it was now clearly stated that the Dutch were attempting to exclude the British from the trade of the Archipelago and to command the trade with China, Raffles was warned not to run any risk of conflict with them. That the earlier concept of imperialism still remained predominant is evident from the firm injunction that "it is expressly to be understood, and it will be incumbent on you always to keep in mind, that the object in fixing upon a Post of this nature is not the extension of any territorial influence, but strictly limited to the occupation of an advantageous position for the protection of our commerce." These instructions, which suggested that the most desirable site was the port of Riouw, were amended in December to name Johore as an alternative goal if Riouw should prove to be tied to the Dutch.¹¹

The Dutch beat Raffles to Riouw, but he proceeded speedily on his way to Singapore which, in fact, seems to have been his private destination from the start. The Government of India shortly after regretted its rash consent to Raffles' plans and pursued him with instructions countermanding the authorization to establish a southern base, but Raffles, certain both of his purpose and of the hostility to it in many high quarters, managed not to receive the new instructions before Singapore had become a *fait accompli*.

On January 29, 1819, Raffles hoisted the Union Jack at Singapore despite the objections of the Indian and local authorities and the obvious danger of running afoul of established Dutch interests.¹² A further complication, closely involving the Dutch

¹¹ Boulger, *op. cit.*, pp. 294-302.

¹² In 1703 Singapore had been presented by the Sultan of Johore to the English Captain Alexander Hamilton who refused it on the grounds "that it could be of no Use to a private Person, tho' a proper Place for a Company to

claims, arose from the usual disputed succession to the throne of Johore. In 1818 Major Farquhar, who was later associated with Raffles in taking Singapore, had recognized one Abdul Rahman as King of Johore. Unfortunately, however, the latter's claims were also recognized and supported by the Dutch, under whose influence he was. In consequence Raffles turned to Abdul Rahman's elder brother, Tunku Husain, recognized him as Sultan of Johore, and entered into negotiations for the cession of Singapore. "That Raffles had any shadow of right so to interfere in the domestic politics of the Johor-Lingga kingdom, a kingdom bound for two centuries by intimate ties to the Dutch, no one can for a moment contend," writes Sir R. O. Winstedt in his definitive history of Johore. "However the Eastern seas had never been a school for fine sentiment, and Raffles was blinded to legal niceties by his hatred of monopolies and slavery and by chagrin at losing Java and Britain's place in the Malayan sun." ¹³ But neither Raffles' ruthless disposal of the native authorities nor the Dutch protests served to lessen the actuality of British occupation which was finally confirmed in 1824 by a treaty of cession. At home the British government was at first indignant at what seemed to it a gross overstepping of authority by Raffles, but gradually it became persuaded of the strategic and commercial value of Singapore and abandoned its scruples in its acceptance of the gift. In the important Sumatra treaty of 1824 with the Dutch the whole position in Malaysia was regularized.

At the time of its occupation by Raffles the island of Singapore was an almost deserted place. Once a great capital, by the nineteenth century its population had fallen away to only a few straggling Malay and Chinese inhabitants. Its growth and development under the liberal policies of Raffles, although he had to

settle a Colony on, lying in the Center of Trade, and being accommodated with good Rivers and safe Harbours, so conveniently situated, that all Winds serve Shipping both to go out and come into those Rivers." Winstedt, *History of Johore*, p. 52.

¹³ *Ibid.*, p. 81. A detailed examination of the internal situation at this period is to be found in the preceding pages. Other British authorities differ with Winstedt in his view of the disputed Sultanship. Thus Mills (*op. cit.*, p. 57) regards Husain as "indisputably the lawful Sultan," although he concedes that his power was in practice nil. For Raffles' own view, see Egerton, *op. cit.*, p. 182; Boulger, *op. cit.*, pp. 315-326.

leave the actual administration largely in the hands of Farquhar because of his duties in Bencoolen and elsewhere, were phenomenal. As early as June, 1819, he could write that his four months old colony was thriving and that the population had already increased by 5,000, principally Chinese attracted by the chance of quick profits in the new port. He foresaw clearly that the industrious Chinese were destined to play the leading rôle in the new settlement and he did his best to encourage their immigration both to build up its trade and to supply a sorely needed labor force. It was his intention that the Chinese should be placed in large measure under the immediate control of their own chiefs since he had no desire to raise the administrative costs to the height of those in Penang, where it had been said earlier that the cocked hats obscured the view of the island. In typical nineteenth century fashion, however, he looked to the application of "the general principles of British law to all, equally and alike, without distinction of tribe or nation, under such modifications only as local circumstances and peculiarities, and a due consideration for the weaknesses and prejudices of the native part of the population, may from time to time suggest." **

In this matter of law as in the rest of his activities Raffles was clearly following in the line of the advanced thought of his day. The old and the irrational in the societies with which he dealt must be rooted out that they might be replaced by the universal and rational law of nature, the outstanding embodiment of which was undoubtedly the British common law. In the economic sphere he foreshadowed at least some part of the doctrines of the Manchester school with its belief in the freedom of enterprise and trade. He was not content to follow longer the time-honored British and Dutch system of wringing profits from a trade conducted through bribing or terrorizing native chiefs and their subjects. In its place he attempted to establish a liberal economic policy which would stimulate trade by bringing about an effective utilization of natural resources through the removal of anachronistic restrictions. In the political sphere it was his conviction, as he demonstrated in Java, that an end must be put to the oppres-

** Egerton, *op. cit.*, p. 221. Winstedt comments that what was right in Raffles' eyes "was always absolutely right, whether it was the right of personal liberty or the right of primogeniture." *History of Malaya*, p. 216.

sive privileges and prerogatives of the aristocracy in order to eliminate the complex obstructions of the old feudal order and make room for direct colonial government, reaching every man in the community. It was, of course, impossible that these things should be put through immediately, but in the instructions which he laid down for the governance of Singapore they form the guiding principle. The administration was solely in the hands of British officials although Raffles provided that the unofficial community should participate in it through magistrates on an appointive basis and that this magistracy should also share in legislation. Subordinate to the magistrates he established native captains or headmen, one for each racial division of the population, and each responsible for the conduct of his own people. In his proclamation of June 26, 1823, he laid down a veritable bill of rights, guaranteeing security, equality before the law, fair trial, respect for public opinion and for native institutions of religion, marriage, and inheritance, "when the same may not be inconsistent with justice and humanity, or injurious to the peace and morals of society." To the loftiness of Raffles' sentiments in this proclamation one must pay awed tribute, but, since the principles which it embodies have found only dubious realization in the most highly developed societies, it seems reasonable to conclude that their application in a rapidly growing frontier community of many and turbulent races was not all that it might have been.

In regard to trade itself Raffles broke flatly with the mercantilist position by insisting that Singapore should remain a free port and "that no sinister, no sordid view, no considerations either of political importance or pecuniary advantage should interfere with the broad and liberal principles on which the British interests have been established." In less elevated language this may be interpreted to mean that Raffles well recognized the possibilities of a free port in a region formerly dominated by monopoly and that for the higher ultimate profit from free trade he was prepared to stamp out short-sighted attempts at a quick turnover through exclusion. Elsewhere he was prepared to bind the native chiefs to Britain by monopolistic treaties but the British interest in Singapore, he correctly prophesied, lay in a freedom which would

attract to the port trade at a disadvantage elsewhere. At Penang an effort had been made earlier to establish the same principle but there it had been broken down in order to meet the heavy cost of maintaining the establishment. In the case of Singapore the volume of trade increased at an almost fantastic rate in the early years while its administrative costs were relatively small. By August, 1820, its revenues had risen to a point where they covered the entire budgetary needs of the settlement.²⁰ Two years later Raffles could write that one of the leading Chinese merchants had told him that he would be very glad to give \$500,000 for the revenues of Singapore at the end of another five-year interval. The insistence of its founder that Singapore should be and remain a free port with no taxes on trade or industry to check its future growth and prosperity has been one of the greatest factors in its rise to a commanding position in world affairs, and has innumerable times been cited by its merchants in their almost continuous struggle to maintain it free.

The essential nature of the British connection with Malaysia Raffles recognized to be commerce but in his Napoleonic vision he dreamed of a higher destiny for Britain than the mere building up of her trade. With Raffles as with others of the liberal generation it is often difficult to distinguish what share of their policies and programs may be laid to the perhaps unrecognized implications of the new economy which they were introducing and what share to a more abstract sense of moral right: the two in fact are so intermingled that it is usually impossible to set them apart in their separate categories, especially inasmuch as the liberals themselves made no such differentiation. There can be no doubt that for Raffles the breaking of the old shackles on trade and industry had in itself a strong moral connotation since it meant the releasing of productive forces on which might be based a freer life. But beyond this and beyond the direct scope of his political reforms he held out the picture of a British Empire founded upon moderation and justice, raising its peoples in the scale of civilization. In his *Minute on the Establishment of a Malay College at Singapore* he laid it down that Britain's occupation of certain

²⁰ Mills (*op. cit.*, p. 62) states that at this time the annual cost of the Singapore administration was between £12,000 and £14,000, while that of Bencoolen was almost £100,000.

posts for the protection of its trade imposed the duty of educating its subjects in order that the benefits of that trade might be assured and its evils avoided. It was not only his love of the splendid phrase which led him to conclude this *Minute* with the exhortation that if the time should come when the British Empire had passed away, "these monuments of her virtue will endure when her triumphs have become an empty name. Let it be still the boast of Britain to write her name in characters of light; let her not be remembered as the tempest whose course was desolation, but as the gale of spring, reviving the slumbering seeds of mind, and calling them to life from the winter of oppression."²¹ Beneath the rich coating of hyperbole, there was a real sense, expressed in his work as in his writings, that empire if it were to endure and be enduring must strike deeper roots than any which trade alone could shoot forth.

From the time of Raffles' appearance on the scene may be dated the beginning of a new era in Malaysian history. The sphere of his activities was limited and at the time his work was obscured by the immensity of the conflict which was raging in Europe, but his achievements, despite the obstinate opposition of many of the authorities in England and India, place him in the first rank of empire builders. It may be that his main impetus came from the relentless drive of his personal ambition, but to that was tied a vision of a Britain which embraced and commanded the East. He could write without apology that Britain was safeguarding the independence of the States in the neighborhood of Singapore when he himself was deep in intrigue with them, because to him there was only one thing preferable to independence: entry into the majestic arms of Britain. A man of ceaseless activity, he was still an able student of Eastern peoples, customs, languages, and history, and as later events proved a true prophet of the future of the Orient.²² His two greatest achievements were the reform of

²² Egerton, *op. cit.*, p. 233.

²¹ An interesting prophecy is to be found in Raffles' presidential address to the Literary and Scientific Society of Java in 1815, in which he spoke of the stationary nature of Chinese society, "whilst the slightest impulse seems sufficient to give a determination to the Japanese character, which would progressively improve until it attained the same height of civilization with the European." *The Pamphleteer* (London, 1816), VIII, 67-105.

His interest in the establishment of commercial relations with Japan was very great. See his *Report on Japan to the Secret Committee of the English*

the administration of Java along the nineteenth century's clear lines of "progress" and the founding of Singapore. In each of these it may be said that he was following in the footsteps of his predecessors—Daendels had laid the foundations for his work in Java and Francis Light had recognized the significance of the Straits of Malacca in establishing the British settlement at Penang—but his strong purpose and clear vision lift him above these men. It is not improbable that he was both more vain-glorious and less averse to unscrupulous intrigue than either of these predecessors, but his achievement was greater in at least the same degree.

In June, 1823, he left Singapore, for a brief stay at Bencoolen before he returned home to die in 1826, at the age of only forty-six, the death of a prophet without honor in his own country. With his departure Malaysia settled down to a long period of comparative quiet. Great changes had taken place in the forty years that preceded his death. The Dutch possessions had passed through British hands and some of them had remained there, although Java had returned to a rule directly under the government of the Netherlands not too clearly distinguishable in character from that of the Company. The British from being interlopers with a disease-ridden station at Bencoolen had risen to the mastery of the Straits of Malacca and had inaugurated a commercial policy which, through its profits, asserted the impending death of the principle of monopoly and exclusion. With the aid of Raffles a new current of ideas was beginning to seep through the foundations of the old imperialism.

It was not until the 1870's that further large-scale territorial advances were made in this region by either the British or the Dutch. Imperialism there as elsewhere marked time until the rising nationalist rivalries and the pressures of the growing capitalist system made inevitable the great surge of the Western Powers which ended by embracing virtually the entire surface of the globe. For the British in particular the predominance of *laissez faire* and of the Little Englanders made any further

East India Company, ed. M. Paske Smith (Kobe, 1929), and his "Account of the Japan Trade" in his *History of Java*, II, Appendix B.

increase of imperial power and responsibility undesirable, and the natural movement toward an extension of British rule or influence over the native States of the Peninsula was sharply checked by the home authorities.

Before the British and the Dutch could proceed to the consolidation of their new positions it was essential that these positions should be regularized on an agreed basis. This step was taken by the treaty signed at London on March 17, 1824, and the exchange of notes accompanying it.²⁸ The general principle of this treaty was that each of the two Powers should be given a free hand in the areas already under its control, that each should refrain from intermeddling in the spheres of influence of the other, and that commercial monopoly and discrimination should give way to most favored nation treatment. Thus, on the territorial side, the treaty stipulated that all the Dutch factories in India as well as the town and fort of Malacca should be ceded to the British, whereas the British abandoned to the Dutch their station at Bencoolen and all other possessions in Sumatra, promising, as the Dutch promised for the Peninsula, that they would not conclude treaties with any of the Sumatran chiefs. The Dutch formally recognized the British possession of Singapore, although the islands just to the south remained within the Dutch sphere, with the result that the territories of Johore were divided between two rival sultans, one supported by the British, the other by the Dutch. As Winstedt puts it, "All land right of the East Indiamen's course to China now fell within the Dutch sphere of influence, and all land to the left of that course fell within the British sphere."²⁹ To avoid future frictions of the type which Raffles had generated in the taking of Singapore, the two Powers agreed that they would give orders to their officers and agents not to form any new settlements in the Eastern seas without authorization by their home government.

On the territorial side it appears that the Dutch were the principal gainers since neither Malacca nor the Indian factories

²⁸ For the text of the treaty and notes see C. U. Aitchison, *A Collection of Treaties, Engagements, and Sunnuds Relating to India and Neighboring Countries* (Calcutta, 1876), I, 62-69, 285-290.

²⁹ Winstedt, *History of Johore*, p. 85.

offered much in the way of future prospects, but the British negotiators had little knowledge of or interest in the Eastern settlements and were concerned rather to avoid conflict with the Dutch at what seemed a threatening point in Europe's affairs than to press their claims in the Archipelago. There can be no question, however, that the British gained a considerable advantage by excluding the Dutch from Malacca since the latter had regularly been used as a center for the extension of Dutch control over the independent States of the Peninsula. It was not until 1874 that the British were prepared to assert themselves there and it is exceedingly likely that by that time the Dutch would have bound the native rulers to themselves.²⁰

In the exchange of notes accompanying the treaty there were two points that told seriously against the Dutch. The British note recorded "with sincere pleasure the solemn disavowal on the part of the Netherland Government of any design to aim, either at political supremacy or at commercial monopoly, in the Eastern Archipelago," and this general disavowal was followed by a particular restriction in the case of Achin. In April, 1819, Raffles had concluded with the ruler of Achin a typically audacious treaty which excluded all Europeans and Americans from fixed habitation or residence in the latter's dominions and bound the ruler not to enter into negotiations or conclude any treaty with any Power, Potentate, or Prince without British consent. This treaty the British agreed to be incompatible with the new arrangements and they undertook to modify it to a friendly commercial agreement. The Dutch, for their part, replied that they would regularize their relations with Achin in such fashion as to deprive this State of none of its independence and yet restrain it from the piracy and disorder which menaced the sailor and the merchant. This double engagement proved an impossible one to fulfill and was a thorn in the side of the Dutch until the British at last released them from the reservation as to Achin's independence by a treaty of 1871. From that later treaty dates the advance of the Dutch toward an effective assertion of their sovereignty over the whole of the Archipelago.

²⁰ Mills (*op. cit.*, Ch. IV) discusses the pros and cons of the treaty at length. See also Colenbrander, *op. cit.*, III, Ch. III; E. S. de Klerck, *De Atjeh-Oorlog*, I. Ch. IV.

A HALF-CENTURY OF INACTIVITY

The treaty of 1824 laid the Eastern foundations for that long period of comparative imperialist calm which followed the Napoleonic Wars. The territorial settlement removed the most prolific sources of dispute between the British and the Dutch and, with the troublesome exception of northern Sumatra, drew a clear line between their respective territories. A new commercial policy was inaugurated which smoothed over another major point of friction, although the succeeding years saw considerable controversy as to its interpretation and enforcement. The suppression of piracy, always the curse of the region, was provided for in a joint declaration of the two Powers which gradually found effective application. On this rationalized foundation the Dutch and British settled down for fifty years of uninterrupted development of the territories already in hand, the Dutch being primarily occupied with the planned exploitation of Java under the Culture System and the British with the more haphazard growth of the trade of Singapore.

A

Of the history of the Straits Settlements in this period it is superfluous to attempt any elaborate examination since it has already been exhaustively treated in L. A. Mills' *British Malaya 1824-1867*, to which frequent reference has been made above, and in a number of other less specialized works.²¹ It is the history of the rapid growth to wealth and fame of Singapore, of the more modest development of Penang, and of the continued decline of the once great Malacca. Toward its close it records the transfer of the Straits Settlements from the control of India to the Colonial Office as a Crown Colony, a step which had long been sought locally. Of no less consequence than these developments was the continued influx of the Chinese who from the beginning of the

²¹ Much of value may be gleaned from the following compendiums of local history: Charles B. Buckley, *An Anecdotal History of Old Times in Singapore* (Singapore, 1902); Song Ong Siang, *One Hundred Years History of the Chinese in Singapore* (London, 1923); and the collective work edited by Walter Makepeace to celebrate the centenary of Singapore, *One Hundred Years of Singapore* (London, 1921).

Settlements under British auspices had largely determined their character.

The formal structure of government in the Settlements in this period was simple. In 1826 Malacca and Singapore were joined into a single Presidency with Penang, the headquarters of government remaining at the latter place. In 1830 this Presidency was abolished, the Straits Settlements becoming a Residency under the control of the Governor and Council in Penang. Two years later the superior importance of Singapore was recognized by the removal there of the capital. This arrangement continued until 1851 when the Settlements were removed from the control of Bengal and placed directly under the Governor-General of India. With the formal abolition of the East India Company in 1858 after the Mutiny they automatically fell under the control of the India Office. The principal local authorities were the Governor, located at Singapore, and Resident Councillors in each of the three Settlements. The degree of independence possessed by the government of the Straits appears to have been very limited. Particularly in financial matters the Indian authorities were loath to grant any freedom involving further expenditures because of the already heavy drain the Colony constituted on the Indian Treasury and the fact that since the cessation of its China trade in 1833 the Company had derived no profit from Malaya.³² Mindful of the early overexpansion of officialdom in Penang the government of India was only very reluctantly persuaded to sanction the appointment of the new officials made necessary by the growth and development of the Settlements.

One peculiar point in the early history of the Straits was the difficulty experienced in discovering the law which was to be applied and the courts which should apply it.³³ When Penang was first taken by Light it was practically uninhabited, although there were a few Malay families settled there. The problem arose as to whether the English settlers had brought with them the law of England or whether the Malay law of Kedah continued after the cession. For some twenty years after the founding of the

³² Mills, *op. cit.*, p. 90.

³³ The most authoritative survey of this question is to be found in Roland Braddell, *The Law of the Straits Settlements*, 2d ed. (Singapore, 1931-1932), I, Ch. I.

Settlement no known body of law was administered and, despite appeals from Light and other local authorities, the Indian government failed to make any adequate provision to fill the gap. In 1792 Light put into effect the plan of placing the administration of justice in the hands of the headmen of each group of the native population, but no authority had been conferred upon him to deal with British subjects. In 1800 the government of Penang was for the first time regularly constituted and instructions were sent to the newly created Lieutenant-Governor to frame regulations for the native inhabitants under the following somewhat curious principles: "The laws of the different peoples and tribes of which the inhabitants consist, tempered by such parts of the British law, as are of universal application being founded on the principles of natural justice, shall constitute the rules of decision in the Courts." It appears that no regulations were ever framed under these principles which inverted the later accepted doctrine that the law of England was the governing law.

The first official judge, who arrived in 1801, led a troubled and unhappy life owing to the lack of law to apply (he declared that he had only the law of nature for his guidance), to his lack of jurisdiction over British subjects, and to the regularity with which the Lieutenant-Governor overrode his decisions. In 1805 the position was somewhat improved by the creation of Penang as a separate Presidency, but the major step in advance was the grant by the Crown in 1807 of a Charter of Justice which established a Court of Judicature in Penang. The Colony judges have unanimously held that this Charter introduced the English law as it then existed into Penang. This view was sustained by the Privy Council in 1872 in *Ong Cheng Neo v. Yeap Cheah Neo and Others*. Here it was laid down that it was immaterial whether Penang were to be regarded as newly settled or as ceded territory since there was no trace of any laws having been established there before its acquisition by the British, and that therefore "the law of England must be taken to be the governing law, so far as it is applicable to the circumstances of the place, and modified in its application by these circumstances."³⁴ In Singapore the same uncertain state of affairs as in Penang existed from its foundation in

³⁴ L.R. 6 P.C., 381.

1819 until the grant of the Charter of 1826, which may be presumed to have had the same effect as the Penang charter, although the matter has never received authoritative decision. The object of the 1826 Charter was the extension of the jurisdiction of the Penang court to cover Singapore and Malacca, and the Colony judges have regularly held that it introduced English law. From 1833 to 1867 Indian legislation, in so far as it was explicitly or implicitly applicable, was effective in the Straits.

The economic history of the Straits in this period is principally a record of the growth of the trade of Singapore. The local cultivation of spices proved to be a failure despite the great hopes held out for its success, and the sugar plantations which started later were also of no considerable importance. But owing to its strategic position and to the policy of free trade Singapore increasingly developed as the great center of the commerce of the East, gradually forcing the ports of Malacca and Penang into insignificance. Penang to some extent remained the center for the trade of Siam, Burma, Achin, and the western States of the Peninsula but its position rendered it unsuitable, as compared with Singapore, for the commerce of the Archipelago and of China. Malacca, hampered by the silting up of its harbor, retained a small trade with Sumatra and its Malay hinterland. The general situation may be readily grasped from the following table of the trade of the Settlements.**

Year	Singapore	Penang	Malacca	Total
1825.....	£ 2,610,440	£1,114,614	£318,426	£ 4,043,480
1850.....	5,637,287	1,644,931	439,175	7,721,393
1864.....	13,252,175	4,496,205	821,698	18,570,078

One factor which hindered the expansion of the trade of all three of the Settlements was the resolute determination of the home and Indian authorities to avoid all complications with the native States of the Peninsula. Despite the growing clamor from the unofficial European population, joined occasionally by the officials, no authorization could be secured for any real forward move until the reversal of policy in 1874 which brought the key States speedily under British protection. For the most part anarchy reigned throughout the native States—as Mills puts it,

** Mills, *op. cit.*, p. 192.

“during the whole period from 1786 to 1867 the Malay States of the Peninsula were hard at work committing political ‘hara-kiri’”—but nothing more elaborate was undertaken by the British than an occasional punitive expedition.

Perhaps with the memory of the Siamese-Kedah complications fresh in mind, the negotiations with Johore from the beginning excluded any mention of protection for Johore. This principle of abstention found definitive expression in the final treaty of cession in 1824 in which it was agreed that neither party should be bound to interfere in the internal concerns of the other's government or in any political dissensions or wars within their respective territories, nor to support each other by force of arms against any third party.

This agreement was not, however, adequate to prevent an entanglement in Johore's affairs, again concerning the question of succession to the throne. Raffles' first agreement for the establishment of a factory at Singapore was made with the Temenggong of Johore who was, in principle at least, the representative there of the Sultan. The two succeeding treaties were signed by both the Temenggong and the Sultan Husain whom Raffles had recognized for the purpose.** The Temenggong died in 1825, and was succeeded by his son, Ibrahim, to whom the Company allowed a pension of \$350 a month although no treaty stipulation required it, but it was not until 1841 that Ibrahim was formally installed as Temenggong Sri Maharajah at Singapore in the presence of the Governor.

In 1835 Sultan Husain died, leaving behind him a son, Ali, who

** For the texts of the four agreements or treaties made with Johore authorities about Singapore, see Maxwell and Gibson, *op. cit.*, pp. 116-126. The first of these, signed on January 30, 1819, was an agreement with the Temenggong for the establishment of a factory for which \$3,000 a year was to be paid to the Temenggong. The second (February 6, 1819) was a more solemn treaty with the newly recognized Sultan Husain and the Temenggong confirming and elaborating the former agreement, and promising the Sultan an annual subsidy of \$5,000. In June, 1819, a third treaty was made in regard to the jurisdiction of each government, residence of the different races, and customs duties. By the fourth treaty (August 2, 1824) the Sultan and Temenggong agreed to “cede in full sovereignty and property to the Honorable the East India Company, their heirs and successors forever, the Island of Singapore, situated in the Straits of Malacca, together with adjacent seas, straits, and islets, to the extent of ten geographical miles, from the coast of the said main Island of Singapore.” It also contained a number of provisions concerning trade, piracy, financial arrangements, etc.

was too young to ascend the throne. The curt dismissal by the Governor of the Straits of Ali's claim to succeed his father is at once a damnation of the legality of Raffles' dealings with Husain and a striking example of the British readiness to follow their own interest at the expense of their protégés. In a despatch to Bengal the Governor wrote that Husain had never been recognized by the Malay States as Sultan of Johore and that he enjoyed neither revenue nor political sway in that country: "He was pronounced Sultan by the British . . . for a particular object, and no reason now exists for the recognition of a mere titular prince."⁸⁷ For a period of twenty years the title to Johore remained in suspense, but the situation began gradually to change as Ibrahim demonstrated his very real abilities and grew rich from a forcefully imposed monopoly of the gutta percha trade. Furthermore, Johore began to assume greater importance after a long interval of rather desolate insignificance when a number of Chinese deserted the failing spice plantations of Singapore to establish pepper plantations across the Straits of Johore.

The duel between Ibrahim and Ali was fought out in the masses of paper which passed between Singapore and India. Ibrahim had behind him the support of a considerable part of the European merchants of Singapore to whom he was well and favorably known, and also the backing of Governor Butterworth who regarded Ali as completely unfitted for the position. The attitude of the government of India toward the son of the Sultan whom it had established is indicated by its despatch of 1847 in which it held the installation of Ali inexpedient unless some political advantage were likely to accrue from it. From 1852 to 1854 Butterworth was on leave and the Acting Governor attempted to press the claims of Ali on grounds of justice although he conceded the superior abilities of Ibrahim. On Butterworth's return the matter was finally decided in Ibrahim's favor, he being recognized as full sovereign of Johore under the title of Rajah Temenggong, while Ali was left the small district of Muar with the title of Sultan which died with him in 1877. Thus a new reigning house—and an able one—was created by the British in Johore

⁸⁷ Winstedt, *History of Johore*, p. 92.

although they had no jurisdiction over the State nor obligation to intervene in its affairs.⁸⁸

Another breach, with less happy results, of the policy of non-intervention with the native States was the so-called Naning War of 1831–1832. The difficulties here arose primarily from confusion as to the status of Naning, a small inland State only some ten miles from the town of Malacca. In an effort to collect revenue from Naning on the theory that sovereignty over it had been held by the Dutch and transferred to the British, the Straits government was ultimately led to undertake a blundering military campaign which ended in the incorporation of the State into Malacca. The cost of the war was in the neighborhood of £100,000 and the revenues received were absurdly small.⁸⁹

A more serious source of difficulty for the Straits and Indian authorities was the problem of the relations with Siam,⁹⁰ the early stages of which have been discussed above in connection with the failure of the Company to protect Kedah. With the appearance of Governor Fullerton at Penang in 1824 the situation underwent something of a change, although the Company's unreadiness to back up his anti-Siamese policy by a show of force nullified the more important of his projects. He, like Raffles, was strongly convinced that the policy of the Company in bowing to Siam was a mistake involving serious consequences to British prestige and interests, and insisted that it was indispensable to the future peace and tranquillity of the Malay Peninsula that Siam should renounce her claims to the Malay States south of Patani and Kedah.

In order to straighten out the tangled political situation and to

⁸⁸ The extent of the power which the British actually exercised over Johore is indicated by an anecdote recited by Winstedt (*ibid.*, pp. 93–94) to the effect that Ibrahim's son, later Sultan Abubakar of Johore, pointed to a police sentry and told Governor Blundell that "if Your Honor insisted on making that policeman Sultan, we should have to submit."

Swettenham (*op. cit.*, pp. 84ff.) deals with these negotiations at some length and regards the outcome as a grave breach of good faith. *Play and Politics: Recollections of Malaya* (London, 1901), by an Old Resident, gives a first-hand account of the matter (pp. 9–23). The author is W. H. Read, an influential resident of Singapore, who was the agent of the ruler of Johore from 1850 to 1877.

⁸⁹ Mills, *op. cit.*, Ch. VII.

⁹⁰ Winstedt, *History of Malaya*, Ch. VIII, ii and iii; Mills, *op. cit.*, Ch. VIII.

secure the commercial treaty which the earlier Crawford mission had failed to obtain, one Captain Burney was authorized to undertake negotiations with Siam which, after protracted bargaining, at last resulted in the important treaties of 1826.⁴¹ On the commercial score a favorable agreement was secured but the realization of its benefits was in fact made almost impossible by the later obstructions and evasions of the Siamese, who appear to have ignored its provisions.

In its political articles the main treaty of "friendship, love, and affection" dealt at length with the relations of Siam to the Malay States but its provisions were so curiously worded as to allow in some instances of radically opposed interpretations. Thus the thorny problem presented by Kelantan and Trengganu was dealt with in the following article: "Siam shall not go and obstruct or interrupt commerce in the States of Tringano and Calantan; English merchants and subjects shall have trade and intercourse in future with the same facility and freedom as they have heretofore had, and the English shall not go and molest, attack, or disturb those States upon any pretence whatever." Obviously this provision can be read in a number of different directions, and its actual significance was the subject of more than one serious debate in the following years. The Supreme Government in India in commenting on this article complimented Burney on his caution in not having committed the government "to ulterior procedures" at Bangkok, and concluded that if the home authorities should decide on a policy of advance in Malaya "ample opportunities may hereafter offer for extending the protection of the British Government over the States of Kelantan and Trengganu, and thereby relieving them from Siamese supremacy." In other words, the very obscurity of the wording left the door open to such further activities as might seem desirable. Burney himself felt that this article was the best that could be secured from the Siamese since it did not overtly recognize their supremacy in these States but did give the British an oppor-

⁴¹ See Aitchison, *op. cit.*, I, 367-375. The vagueness and obscurity of the treaties is partially due to the fact that Burney, yielding to the suspicions of the Siamese, allowed them to be drawn up in Siamese. "The English translation merely reflected all the vagueness and circumlocution of the original." See Mills (*op. cit.*, pp. 140ff.) for a full account of the negotiations.

tunity to intervene if Siamese encroachment hampered British trade and intercourse.

In the case of Perak Siam waived the greater part of its pretensions although a provision was inserted that while the Rajah should govern his country according to his own will he could send the *Bunga Mas* to Bangkok if he so desired. Perak was further protected by an agreement on the part of both the Siamese and the British not to attack or disturb her, and was guaranteed by the British against attack by Selangor. The Siamese also pledged themselves not to attack the latter State. In order to make this treaty effective, however, it was necessary to send a small force into Perak to oust the Siamese intriguers. Captain James Low, who headed this expedition, belonged to the strong anti-Siamese faction at Penang and seized the occasion to extend British influence, thereby far exceeding his powers. As a result there emerged from Low's intervention treaties and engagements under which the ruler of Perak bound himself to steer clear of political interference by Siam or Selangor under a pledge of friendly aid and protection to be given him by the Company.⁴²

In addition the ruler signed a treaty ceding the Pulo Dinding and the Island of Pangkor together with all other Perak islands. The treaty seems, like the other treaties Low made with Perak at this time, never formally to have been ratified nor the islands occupied. However, Straits officials regarded the islands as British territory and at least one attempt was made before 1874 to add a strip of mainland to Low's acquisition. What the Company hesitated to accept in 1826 was taken with interest fifty years later.

Burney's success in establishing the independence of Perak was, however, counterbalanced by the treaty's recognition of Siamese supremacy over Kedah: "The Siamese engage to the English, that the Siamese shall remain in Quedah and take proper care of that country, and of its people. . . . The English engage to the Siamese, that the English do not desire to take possession of Quedah, that they will not attack or disturb it. . . ."

⁴² See Aitchison, *op. cit.*, I, 310-315. Mills (*op. cit.*, p. 159) states that there is no indication that Low's treaties were ever ratified, but, in part at least, they were thereafter regarded as being in force and were used in 1874 to justify British intervention in Perak.

This article, and others which further prejudiced the position of the former Sultan, were bitterly attacked by Governor Fullerton and his party in Penang, but they received the ratification of the Supreme Government. For a number of years the peace was frequently disturbed by Malay revolts against the Siamese rulers, into which Penang was regularly drawn, but the situation was improved in 1842 by the Siamese restoration of the Sultan on condition of his submission to Siamese suzerainty.

From the time of the Burney treaty relations between Britain and Siam were on the whole friendly and peaceful. There were, however, increasing Siamese encroachments on Kelantan and Trengganu which the Straits authorities, bound by the policy of non-intervention, attempted rather ineffectually to block. In 1862 there came to light devious Siamese machinations directed against these two States and presumably against Pahang also. Unfortunately for the Siamese plans, the Governor of the Straits at this time, Colonel Cavenagh, believed rather in the extension of British influence in the Peninsula than in the strict observance of his instructions. In 1860, for the protection of Chinese miners and the opening up of trade, he intervened in the affairs of Sungei Ujong and Rembau, States later absorbed into Negeri Sembilan. Two years later, again in connection with Chinese miners, he forced a settlement on the State of Perak for disturbances which had broken out in the district of Larut, the scene of the decisive British intervention in 1874. Similar tactics were used to hold back the threatened Siamese advance into the east coast States. Cavenagh believed that Trengganu and Kelantan were independent States and furthermore that it was advisable that Britain should as far as practicable prevent any Siamese interference in the affairs of countries so intimately connected with British possessions. To carry out this policy he ultimately sent two ships to blockade Trengganu and drive the Siamese out. This expedition became the subject of two debates in the House of Commons and his action was not supported by the home authorities, but it had the desired effect of removing the Siamese. The attitude of the home government may be seen in its explicit instructions to the Governor after his intervention that, in the future, if native rulers failed to heed his call to stop fighting and submit the dis-

pute to arbitration, he should refrain from further interference."⁴

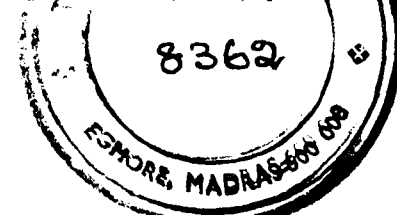
The one incident of the period which deserves further mention is the transfer of the Straits from the India Office to the Colonial Office in 1867.⁴ This step had been sought by the Colony for at least a decade before on a number of different grounds. In the first place it was felt that the problems of Malaya were very dissimilar to those of India. As the *Times* put it in an editorial of April 23, 1858, reflecting the ancient hatred of the Dutch: "What has Singapore to do with India? It carries on a larger trade with China than with India. The true idea of the settlement, colony, or by whatever name it may be called, is as the centre and citadel of British power in the Eastern Seas, the great house of call between Great Britain and China. It is from this point chiefly that the ceaseless intrigues of the Dutch to exclude us altogether from the Indian Archipelago can be defeated." This sense of difference of interest was heightened for the Straits population by the efforts of the Indian authorities to impose duties and taxes on the Settlements and to bring the Straits currency into line with the Indian. The mercantile community in particular was up in arms at the threatened attack on the principle of free trade, which, as Raffles had foreseen, had built the greatness of Singapore.

A further point of strain was that the officials from the Indian services were badly equipped to deal with the Malays and, more particularly, with the Chinese who increasingly constituted the bulk of the population and were most in need of intelligent handling. The growth of an independent civil service, specifically trained for the purpose, was one of the very real needs of the Straits which had been badly neglected during its long period of Indian supremacy.

Another of the strong forces leading to the transfer was the

⁴ Colonel Cavenagh's own account of this incident is contained in his *Reminiscences of an Indian Official* (London, 1884), pp. 303ff. He recounts also that the Siamese made further efforts to draw him into an admission of Siamese suzerainty over Trengganu, but he declined to accept the Siamese suggestion that if British subjects found themselves in difficulties in Trengganu he should communicate with Bangkok, stating his preference for dealing directly with the ruler of Trengganu.

⁴ See Buckley, *op. cit.*, II, Ch. I, § 11; Mills, *op. cit.*, Ch. IV.



desire of both officials and unofficials to see a stronger policy followed in relation to the native States. The new era of imperialism was beginning to dawn: France had established herself in Indo-China and there were signs that the Dutch were preparing to expand their control in the Archipelago. In the Peninsula itself more and more complaints were being heard from British subjects, mainly Chinese, who found their economic activities seriously impeded, if not made impossible, by the chaos and misrule that existed there. The economic potentialities of the Peninsula were becoming better known, while the Malay governments sank deeper and deeper into intrigue and oppression.

In 1857 a public meeting in Singapore drew up a petition for transfer which was presented to the House of Commons in the succeeding year. Shortly thereafter the Colonial Secretary wrote to Lord Canning, Governor-General of India, suggesting the desirability of severing the Indian connection. "It can scarcely be urged," he wrote, "that there are any reasons geographical, political, or otherwise, why the Straits Settlements should continue to be governed and controlled from India." Lord Canning in reply expressed his full agreement, raising only the question as to whether the finances of the Straits were adequate. On this score the transfer was held up for several years after both Colonial and India Offices had agreed to it, the Treasury and the War Office joining to raise new complications. By gradual stages this dispute was ironed out, and on April 1, 1867, the Indian Government formally transferred the Straits Settlements to the Crown. After seven more years the long awaited advance into the hinterland was undertaken.

B

The Dutch policy and practice of the era following the Napoleonic Wars may be speedily reviewed. It is a period which has been amply dealt with in the general literature of the Netherlands and which, although it left its very real marks on the psychology of the Javanese people, worked in the main along lines which it was the effort of succeeding generations to erase rather than to follow. For the greater part of the time all available

Dutch energies were devoted to the perfection and operation of the notorious Culture System which for half a century drained the wealth of Java into the State Treasury of Holland. As the outer islands gave no promise of the quick and certain profits which were being wrung from the peasants and soil of Java, they were left on the whole to follow their own courses with only casual and spasmodic European intervention.

On the return of their possessions to the Dutch in 1816 the indications were that a liberal policy would be followed, allowing of the gradual development of Java through the free enterprise of individual settlers and merchants, but these hopes were soon defeated.⁴⁸ Financial stringencies both at home and in the islands appeared to dictate a contrary policy. Reoccupation of the islands turned out to be an expensive process, trade was at a low ebb, and the annual deficits were considerably increased after 1825 by the war which broke out between the Dutch and the native principalities in central Java. At home the financial situation grew markedly worse with the costs of the Belgian Revolution and the separation of the two countries. In addition the King found himself seriously involved in the failure of the official Dutch Trading Company, which had been set up in 1824 under his auspices to revitalize Dutch trade in the Indies, to realize the profits which had been hoped from it.

Under these circumstances ready acceptance was to be found for the proposals of Governor-General van den Bosch which envisaged the establishment of a system under which the Javanese would put at the disposal of the government a certain proportion of their land and labor for the cultivation of export crops. In its origins it appeared as if the scheme would not only add to

⁴⁸ That no great improvement in the condition of the natives could be expected is indicated by the tone of a minute drawn up in 1813 by H. W. Muntinghe, then a Dutch member of the Council during the British interregnum and later a prominent Dutch official. There he stated that the amelioration of the natives of Java, "though undoubtedly a consideration in the eyes of humanity, seems to me to become only a secondary object in the political point of view; and with the exception of every measure contrary to the principles of justice and equity, it appears to me that the safest principle which can be adopted, to judge of the propriety of any colonial regulations, or of any changes and alterations to be introduced therein, is that every colony does or ought to exist for the benefit of the mother-country." Boulger, *op. cit.*, p. 110.

the wealth of the Netherlands and turn the loss on the Indies into a profit, but would also serve the useful purpose of teaching the natives better agricultural methods and lightening their tax burden. The first purpose was undoubtedly well served since it has been estimated that from its beginning in 1830 until 1877, the last year of net profits from the Indies, approximately 832,000,000 florins flowed from Java to Holland.

Its effect on the native, however, turned out to be far different from its humanitarian pretensions. The original limits on the time and land to be taken from the natives were soon cast aside as the realization of the extent of the gold mine which had been tapped began to spread. The crops needed for the local food supply began to suffer seriously, native welfare was almost wholly neglected in the drive for higher profits, and the indigenous structure of society disintegrated under the pressure of a government which had as its supreme purpose the bolstering up of the revenues of the mother country. While the compulsory cultivations were not by any means universal—de Kat Angelino points out that they covered only a small proportion of the arable land of Java⁴⁶—the system of compulsion was generally accepted as the means of dealing with the Javanese and getting labor from them. The broad and liberal policies which Raffles had attempted to introduce were swept away by the quick profits which the new version of the old system could display.

There can be no doubt that the psychological effect of the Culture System was to reduce the Javanese to a slavish dependence upon their masters, both native and European.⁴⁷ These masters in turn naturally came to be looked upon as oppressors who had to be obeyed because of the force behind him, but whose neglect of the interests of their subjects was all too obvious to allow of

⁴⁶ See *Colonial Policy*, II, 44.

⁴⁷ It should, of course, also be pointed out that the unlimited and arbitrary power of the native rulers had done much to break the spirit of their subjects even before the arrival of the Dutch. As Clive Day puts it, the people "had been governed until they had lost all power to govern themselves, and they had been repressed so that they no longer had the ability to throw off a bad government." *The Policy and Administration of the Dutch in Java* (New York, 1904), p. 10. In 1834, at the beginning of the Culture System, Governor-General Baud reported that "the habit of subjection and obedience, so especially peculiar to the Javanese, makes many things possible in their country which elsewhere would have to contend with great difficulties." *Ibid.*, p. 316.

much respect or trust. Even now that new policies have been brought into being, there is a strong tendency for the Javanese to answer the government's pleas for loyal support by pointing out that the memory of an all too recent past bars the way to complete loyalty. Thus in talking with Javanese leaders one has the impression that while they approve of much that is now being done by the government they cannot forget the past, nor is it reasonable to ask that they should. A distrust evoked by three centuries of neglect of native welfare, culminating in the most elaborate exploitation of all, can scarcely be eradicated in three decades of changed practices and promises. "We must attempt to profit," these leaders say, "from the years of Dutch rule which elapse before we are able to establish our own, but we must not be deluded into thinking that any greater change has come over the European than that his new system of economics demands a new system of colonial exploitation. The old system was exclusively in the European interest and crushed our fathers beneath it: is there any reason to believe that the new is any less self-seeking? The lesson that we can read from our own history is that any foreign government governs in its own interest. Only a political order which we ourselves control can be counted on to serve our interests."

In Holland itself the real nature and effects of the Culture System came to be better known after the constitutional revision of 1848 which gave the States General a share in the shaping of colonial policy, a power formerly exercised exclusively by the king. The state of affairs in the East was discussed at length in the States General during the debate on the East Indian Government Act of 1854, which, in a rather vague way, looked to a reform of the worst of the abuses. The general principle remained, however, as a government memorandum of 1851 held, that "conquered territory shall continue to furnish the Netherlands the material advantages which were the object of the conquest."⁴⁸

The greatest step in advance came from the arousing of public sentiment through the publication of Multatuli's (E. D. Dekker) *Max Havelaar* in 1860. This exposé of the worst abuses of the

⁴⁸ Amry Vandenbosch, *The Dutch East Indies* (Grand Rapids, Mich., 1933), p. 49, note 15. Day (*op. cit.*, Chs. VII-IX) gives a good picture of the Culture System.

Culture System and the sufferings of the natives under it, coupled with the rising demand of the Dutch bourgeoisie for greater freedom for private enterprise in the Indies, led to the gradual abolition of the system. The compulsory cultivation of coffee was continued until 1915, but other cultivations had been abandoned long before. In the last quarter of the nineteenth century there took place the slow transition from the policy of direct exploitation under the Company, as continued and expanded by the State, to the so-called Ethical Policy which replaced the older compulsions by a new "freedom" of the order of modern capitalism.

Of the administrative structure in the Indies it is not necessary to speak at any length here since the most interesting feature of it—the relation between the European and the native services—will be discussed below in connection with the continued maintenance of the protectorate system, in substance if not in form, throughout the whole of Dutch rule in Java. At the top the Governor-General held a somewhat amazingly autocratic power, tempered after 1866 by the control of the States General over the budget. In the interval from 1836 to 1855 he was even free from the control of the appointive Council of the Indies (*Raad van Indië*), which both before and after these dates shared in certain of his powers as well as acting as a general advisory body. In these circumstances the whole of the administration was centralized in the Governor-General, a centralization which was even somewhat increased when the Minister of Colonies became responsible to the States General and demanded that he be kept informed of all that went on in the Indies. It was not until the present century that the movement toward decentralization made itself effectively felt, and its progress has been slow and lumbering.

The lower Dutch administrative staff, composed essentially of the Residents and Assistant Residents, concentrated its efforts on persuading the native officials, headed by the regents, to produce

establishment of intimate contact between the European administrator and the people he governed. Its effect in this connection appears to have been the mechanization of the native administration, drawing it further away from the people and making it completely subordinate to the European exploiters, and at the same time allowing it, in a sense, to revert to its old feudal status.⁴⁰ A thorough revision of the general system of administration was necessary before the government was in a position to take over the functions which the later nineteenth and the twentieth centuries thrust upon it.

For the native principalities in Java (the *Vorstenlanden*) the nineteenth century meant a further loss in territory and independent power. Under the ancient maxim of divide and rule, the application of which was made easy by the constant conflicts arising over the succession to the throne, the Dutch had created these principalities out of the Empire of Mataram which, on their arrival, was firmly established in middle Java and was seeking to extend its rule over east Java and the island of Madura. Thus—to mention only the principalities which have survived to the present day—in 1755 after a long period of conflict the contending rivals agreed to a settlement under which the Soesoehoenan of Soerakarta, the strongest power in Mataram and already a feudal vassal of the Company, was left in possession of half the territory in dispute, while the new Sultanate of Jogjakarta was created in the other half under a similar relationship to the Company. Two years later a further split took place when another rival was placated by the establishment—this time as a vassal of the Soesoehoenan—of the principality of Mangkoenegaran. The last of the four existing principalities made its appearance in 1813 when Raffles established Pakoe Alaman out of the territories of and as a counterweight to Jogjakarta.

At this time Raffles was strongly tempted to do away with the native principalities entirely and place the territories under direct

ing the condition or happiness of the people he might, by removing the protecting shield of the native government, be exposing them "to the grating and merciless exactions of foreign Europeans, perhaps wholly regardless of the original or genuine principles on which the administration had been commenced and carried on."⁸⁰ It has been noted above that in the cases of Bantam and Cheribon his desire for an efficient direct administration outweighed his deep-rooted distrust of the Dutch.

With the return of the Dutch to power the situation grew more and more tense: as a Dutch historian puts it, there were in Soerakarta in lesser and in Jogjakarta in higher degree "a discontented people; an impoverished, embittered native aristocracy; a more than weak native administration; a European administration distrusted by all and disdained by the majority."⁸¹ Against such a background it is not necessary to pick out the details which led to the so-called Java War of 1825. For five years the war was waged primarily against the Sultan of Jogjakarta but with the constant threat of breaking out into a general rebellion against the Dutch. At the beginning the Dutch military force was inadequate to its large and scattered tasks, but its gradual increase enabled the Dutch to arrive at a settlement in 1830, in part through a skillful manipulation of contenders for the thrones. Jogjakarta and Soerakarta were both penalized in territory for their activities, although the latter had been at least nominally on the side of the Dutch, and the two lesser principalities were rewarded for their aid against the rebels. One of the reasons for the reduction in the territory of the more important States was the discovery during the war that the directly ruled areas of Java were less susceptible to the appeals of the rebels than those under indirect rule, and that uprisings in the former were more easily suppressed.⁸² The general settlement was such as to re-establish confidence and to do away with many of the grievances which had made the principalities the center of anti-European agitation.

⁸⁰ See van Deventer, *op. cit.*, I, 10ff.

⁸¹ Kielstra, *op. cit.*, pp. 98-99. The fears of the rulers were heightened by the remark of the Governor-General in 1822 that he expected the same fate to befall Soerakarta and Jogjakarta as had befallen Bantam and Cheribon; Colenbrander, *op. cit.*, III, 163.

⁸² See P. W. Filet, *De verhouding der vorsten op Java tot de Ned-Indische Regeering* (The Hague, 1895), p. 110.

In the outer islands the activity of the Dutch in the first three quarters of the century was far more restrained than in Java. The resumption of their possessions at the close of the Napoleonic Wars found them effectively in possession of only a few points outside Java: the Moluccas, Macassar, and Minahassa in Celebes, Padang and Palembang in Sumatra, and a few stations in Borneo. It would be tedious and profitless to attempt any résumé of the many expeditions sent out by the Dutch to the various islands, of the negotiations with the native rulers, and of the gradual but slight increase of the territories in which Dutch control was a reality; but it is desirable to examine the general character and development of Dutch policy in the Indies outside Java.

During the decade and a half between the return of the Dutch and the introduction of the Culture System the authorities at Batavia were able to accomplish little because of the serious shortage of both men and money. Such resources as they had were necessarily devoted to the suppression of native uprisings at various points in the islands and, in the later stages, to the prosecution of the Java War. After 1830 for a period of some twenty years their entire policy was dominated by the application of the Culture System in Java and its fruits. Java furnished a profit and attention was consequently concentrated there; the outer islands cost money and were therefore regarded as a liability rather than an asset.⁸³

In 1833 all higher officials were instructed, under penalty of losing their jobs, to avoid any interference by force with native rulers and peoples unless actual Dutch territory were attacked. In the following year van den Bosch, the creator of the Culture System and then Minister of the Colonies, drew up a memorandum in which he stated that since Java, Sumatra, and Banka

⁸³ "One sometimes hears the 'heritage of our fathers' spoken of, but what the 'fathers' had done during two centuries in Sumatra, for example, could have happened as well, indeed better, in a few months after 1816. Only the Moluccas constitute an exception to this as far as political relationships are concerned, but whoever examines how the 'fathers' managed there will realize that their 'heritage' was of little value."

"One is not far from the truth if one asserts that, outside Java and Madura, our colonial empire was built up entirely in the last century." E. B. Kielstra and N. J. Krom, "Uitbreiding van onz gezag sinds 1816" in *Neerland Indië* (Amsterdam, 1929), edited by H. Colijn and D. J. Stibbe, I, 351.

were the only paying parts of the Indies, it was desirable to concentrate on them to the exclusion of the rest: "It is therefore also thought preferable not to persist in useless efforts, but rather to give up what one cannot keep." To Baud, his successor as Governor-General and later as Minister, even the inclusion of Sumatra seemed excessive, with the result that all of the outer islands fell within the policy of abstention.

Something of a change took place in this policy in 1843, presumably as a result of the attention newly attracted to Eastern affairs by the Opium War and, more directly, by James Brooke's appearance in Sarawak which roused fears for the security of other areas nominally within the Dutch sphere.⁶⁴ At this time the home authorities requested the Governor-General to send a list of all the places which might be considered to be under Dutch rule or influence, and to enter into treaties, or otherwise assert Dutch supremacy, with native rulers not included in the list. It seems clear that the purpose of this request was rather to safeguard the Dutch sphere against foreign encroachment than to extend the area effectively under control. All such actions were to be taken in the name of the Governor-General, apparently to afford the home government a chance to disavow any step from which trouble developed. With the coming to power of Governor-General Rochussen in 1845 the reins were still further relaxed although the substantial results were insignificant. Temporarily even Minister Baud swung away from his strict non-interventionism toward a more expansive policy, especially in relation to Borneo. The official policy was now amended to read that there should be no armed intervention in the affairs of the native rulers unless the supremacy of the Dutch government or the balance of power between the rulers themselves should be seriously threatened, and it was added that, although the government sought no territorial increase, useful territories contiguous to those already possessed might be taken as reparation where war was forced on the Dutch. As van den Bosch had looked to Sumatra as the island to be developed as a supplement to Java, so Rochussen, a man of vigorous and advanced views, looked to Celebes, notably

⁶⁴ See H. Colijn and C. F. Staargaard, "Onze staatkunde ten aanzien van de Buitengewesten," *ibid.*, II, 6.

the region about Macassar. But Baud had shifted back to non-intervention, and every plea for funds to be used in the outer islands was met with a demand for more money for Holland. Parallel to the famous British comment of the same period that "the colonies are mill-stones around our necks" was the despatch of the Minister of the Colonies in 1861 in which he affirmed: "I regard every extension of our rule in the Indian Archipelago as a step nearer to our ruin, and that the more since we have already, in this respect, grown far beyond our strength." As a corollary to this view he ordered that all higher officials be given definite instructions "to avoid everything whereby they might give occasion to extend our direct authority or make annexation unavoidable."

In the face of such explicit instructions no policy of advance was possible. Of the whole period it may be said that Dutch activity in the outer islands took only the form of brief punitive expeditions which scarcely made the pretense of establishing effective rule. In Sumatra alone was there any approach to comprehensive extension of Dutch control, and there the rounding out of the process was held in check until the treaty of 1871 lifted the restrictions which preserved the independence of Achin.

CHAPTER III

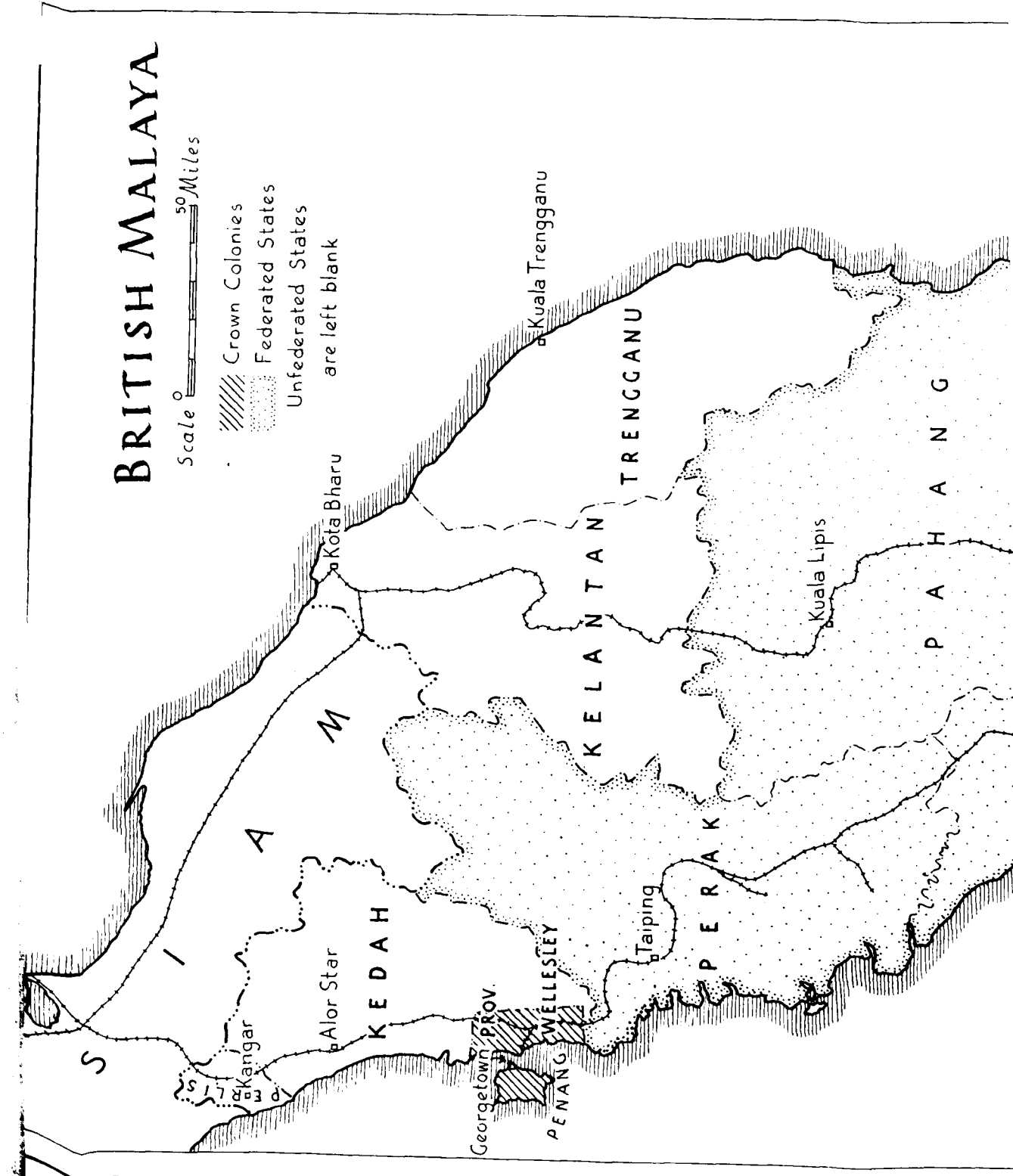
THE BRITISH FORWARD MOVEMENT

THE British forward movement in the Malay Peninsula coincided very closely in time with that of the Dutch across the Straits of Malacca after the treaty of 1871 had removed the earlier treaty restrictions on Dutch action in Achin,¹ but there seems no reason to suspect that the slightly later date of the British advance can be attributed to any fear of an expansion of Dutch ambitions to include the Peninsula as well as Sumatra. Both were symptomatic of the new imperialist spirit which was beginning to be felt at the time, as was the continued French advance in Indo-China. There can be no doubt that imitation is a real factor in the stimulation of the imperialist sentiment, and it may well be that the Dutch declaration of war on the Achinese strengthened the determination of the merchants and officials to put an end to the continual disturbances in the Malay States, but this determination was of far earlier birth. The British action was clearly determined by local considerations rather than by any foreign pressures, although it might have been delayed even longer if neighboring regions had continued their half-century of calm.

In Singapore there was a widespread feeling that the home government had been unwise in surrendering all its claims to Sumatra, particularly as it appeared that the Achinese would have been prepared to place themselves under British sovereignty.² Sir Orfeur Cavenagh, Governor of the Straits from 1859 to 1867—the period of negotiation for transfer to the Colonial Office—protested against the encroachment of the Dutch on the native

¹ See *infra*, Ch. VIII.

² Major-General Sir Archibald E. H. Anson, then Lieutenant-Governor of Penang, reports, as one of various witnesses to the Achinese readiness to deal with the British, that after the outbreak of the war he was repeatedly told by the leading Achinese in Penang: "If you will take over our country, we will give it to you; but we will never give in to the 'Orang Wolanda' (Dutch) people." *About Others and Myself* (London, 1920), p. 284.



The Governor was therefore requested to investigate and report as to the state of affairs and remedies for it. Most important of all, from the standpoint of later developments, was the closing injunction: "I should wish you especially to consider whether it would be advisable to appoint a British officer to reside in any of the States. Such an appointment could, of course, only be made with the full consent of the Native Government, and the expense connected with it would have to be defrayed by the Government of the Straits Settlements." In the Straits this notion of maintaining a direct and continuous control over the States of the Peninsula had been advocated in high quarters and low for some years, but it had never before received any shadow of endorsement from the home government.¹⁰

With the door thus opened to him, Clarke was not slow in making the entry into the Peninsula which had been denied his predecessor. The first point of attack was the State of Perak, on the west coast to the south of Penang, where the influx of Chinese miners had brought complete disorganization complicated by the customary disputed succession to the throne. The principal center of disturbance was the inland district of Larut, a desolate swamp country to which a minor Perak chief had secured title from the Sultan in the middle of the century after the British acquisition of Province Wellesley had called attention to the possibilities of the hinterland. It is related that when this chief arrived in Larut he found that there were only three Chinese in the place to be exploited, but the rich deposits of tin which soon came to light brought more.¹¹ In 1862 a number of Chinese British subjects were expelled from their mines by a rival Chinese society supported by the chief in charge of the district. The British took up

¹⁰ The Lieutenant-Governor of Penang in his report for 1872 points out that the commerce of Penang depends heavily on the neighboring States and that Perak had been in a state of anarchy for more than a year. "It is possible that friendly intervention on our part would end the condition of things described, and it is more than probable that a resident political officer—a carefully-chosen discreet man, with a good knowledge of the people and their language—would prevent its recurrence. Most native-ruled States in and around India have such officers, and the value of their influence is unquestionable." C. 882 (1874), p. 191.

¹¹ See R. O. Winstedt and R. J. Wilkinson, *A History of Perak* (M.B., R.A.S., XII [1934], pt. I), Ch. VII. The discovery of one of the mining regions came through the recapture of an escaped elephant who was found to be covered with mud rich in tin. *Ibid.*, p. 78.

the case of the expelled group and demanded that they be paid reparation by the Sultan for their losses. When no satisfaction was forthcoming, Governor Cavenagh, adopting the same tactics as those which he used in Trengganu, blockaded the coast. Under this pressure the Larut chief before long agreed to pay the damages, securing from the Sultan in return a concession of quasi-independence in the governance—and plundering—of the district.

In the twelve years that elapsed before the decisive British intervention the Larut feuds grew in size and vehemence, despite the temporary check imposed by Cavenagh. As more Chinese came into the country open warfare broke out between the two factions of miners who drew in, and were drawn in by, the warring factions among the Malays. By 1873 the situation had become intolerable and there was serious danger that the civil war of the mainland would spread to Penang where the headquarters of the Chinese societies were located. The British authorities were necessarily drawn in further and further, Ord going so far as to recognize the Larut chief as an independent ruler and lending him and the Chinese faction which he supported the backing of the government. "As for Sultans," comments Swettenham, "there were three, and that was the root of the whole matter. Not even an independent Malay State can put up with three masters without a good many tears."

The situation was somewhat simplified for Clarke by the fact that one of the would-be Sultans had, in order to secure British recognition of his claims, requested the Governor's aid in putting his State in order. Having no other prospect of rising to the throne, this claimant, Raja Muda Abdullah, wrote to Singapore at the end of 1873 that he would like to have someone sent to show him a good system of government, and added that "if all these dissensions are brought to an end, and the country is restored to peace, we and our great men desire to settle under the sheltering protection of the British flag." The Governor, convinced that the Malay rulers were quite unable to deal with the Chinese immigrants by themselves, sent the very able official Chinese interpreter, W. A. Pickering, to attempt to persuade the leaders to settle their differences. When the Chinese agreed to submit their

claim to the arbitration of the Governor, Clarke decided to have a joint meeting with such of the Perak chiefs as could be brought together. This meeting took place on the island of Pangkor off the mouth of the Perak River in January, 1874. Here Abdullah was recognized as Sultan although his personal failings and the lack of support which he could muster in the country seemed clearly to indicate that he was little fitted for the position. Furthermore, a settlement was arrived at with the Chinese under which they agreed to restore the peace and dismantle their fortifications, while the ruler of Larut, so recently recognized by Ord, was forced into subordination to the Sultan.

The more lasting and important result of this meeting, however, was the negotiation of the so-called Pangkor Engagement, signed by the principal chiefs of Perak, which served as an opening wedge and as a model for the further expansion of British influence in the Peninsula.¹² In the preamble of this agreement British intervention was justified on the ground of treaty obligations to protect Perak and to assist its rulers. It was claimed that piracy, murder, and arson were rife in the country, menacing British trade and the peace and good order of the neighboring British Settlements. Since certain chiefs had acknowledged their inability to cope with the existing state of anarchy and to protect British interests, the Governor had proposed an arrangement to assist the rulers and to effect a permanent settlement of affairs in Perak.

¹² Text in Maxwell and Gibson, *op. cit.*, pp. 28ff. The territorial provisions of the agreement were designed to readjust those of Low's Treaty of 1826 under which all the Perak islands, including Pulo Dinding and Pulo Pangkor, were ceded to the British. From the available evidence it appears that the earlier treaty was never ratified although the British on occasion regarded the islands as belonging to them. Governor Ord in his campaign against piracy on the coast tried to assert Britain's "undoubted rights" over a strip of the mainland as well as the islands, but gave up when faced with Lord Stanley's accusation that he "was endeavouring to deprive the Sultan of some of his territory to please a wealthy planter," and when he realized that the Secretary of State for the Colonies would not support him in the annexation (C. 1320 [1875], No. 1). In 1874 this strip of territory, the mainland Dindings, was ceded by the Sultan in addition to the islands, despite the displeasure of the Perak chiefs who feared that this foreshadowed the absorption of the entire State. This cession was apparently forced from the newly recognized Sultan Abdullah by the pressure of the Chinese Consul for Siam at whose expense he had been living in the hope that the Consul might secure British recognition of his slight claim to the Sultanate. See Winstedt and Wilkinson, *History of Perak*, pp. 98-99, 108, 110.

The main articles of this arrangement, apart from the recognition of the new Sultan, were those providing for continued supervision of the State's affairs: it was agreed that "the Sultan receive and provide a suitable residence for a British Officer, to be called Resident, who shall be accredited to his Court, and whose advice must be asked and acted upon on all questions other than those touching Malay Religion and Custom." At Larut an Assistant Resident was to be installed with similar powers and subordinate only to the Resident. Lest it be thought that the already almost complete power of the Resident to run the country was too restricted, it was added that "the collection and control of all Revenues and the general administration of the country be regulated under the advice of these Residents." Contrary to the instructions of the Secretary of State, the cost of these officers was to be determined by the Governor of the Straits and made a first charge upon the revenue of Perak, despite the sums necessary for the reconstruction of the country.

Now that the affairs of Perak were properly settled—on paper—Clarke turned to the other States. To the south of Perak lay Selangor, a State as rich in tin and in murderous disturbances as its neighbor to the north. This state of affairs had forced frequent interventions by the Straits authorities, the most recent of which had been undertaken by Governor Ord in 1871 and 1872. In the succeeding year an opportunity was presented to Britain to become further involved in Selangor when J. G. Davidson of Singapore received a large tin concession from one of the leading chiefs. At first the home government turned down all proposals that it take the concession under its wing, but it is perhaps significant that in the key despatch of September, 1873, Lord Kimberley enclosed correspondence showing that this chief had requested aid from Great Britain or, if that should be denied, from some other European Power.¹³ "There had been intervals of comparative quiet, but the normal state of Selangor was robbery, battle, and murder," writes Swettenham. "The people of the place rather prided themselves on their reputation, and the conditions of life had made all men fighters, while even the women would some-

¹³ R. O. Winstedt, *A History of Selangor* (M.B., R.A.S., XII [1934], pt. III), p. 31.

times use deadly weapons under the spur of jealousy."¹⁴ Here as in Perak the inner feuds of the royal family were complicated and intensified by the ruthlessness of the Chinese bands.

As the pretext for intervention in Selangor, Clarke selected a recently committed and peculiarly atrocious piracy and an attack upon a lighthouse. Backed up by British warships he demanded that the Sultan undertake the punishment of the guilty. This the Sultan cheerfully consented to, executing a number of men who had been identified and condemned to death. Of this incident it was later reported that "the men who had been executed were not responsible for this particular crime, although the punishment must have been deserved on general principles." It had, at all events, the happy result of bringing piracy completely to an end in these parts.

In the case of Selangor there appears to have been no formal agreement, like the Pangkor Engagement, for the introduction of a British Resident. In explaining his policy to the Straits Legislative Council, Clarke stated that he had brought no pressure to bear on the Sultan but had visited him two or three times and had left a British officer, Frank Swettenham, behind to advise him on an informal basis. This officer was readily accepted by the Sultan who offered to pay his salary and wrote to the Governor that "all men rejoice in him as in the perfume of an opened flower." This elaborate acceptance of British advice found more formal expression in a letter of October 1, 1874, from the Sultan in which he proclaimed that "I should be very glad if my friend would set my country to right and collect all its taxes. . . . I hand over to my friend all arrangements for opening my country and collecting its revenue, for I am on the most friendly terms with my friend and I trust that my friend will assist me in this matter." In order to restore confidence and attract capital, Clarke found it desirable to appoint an official Resident. For this office he selected Davidson, who in addition to his concession, had been a close friend of some of the leading Malays, while Swettenham

¹⁴ *British Malaya*, p. 126. Elsewhere Swettenham says: "In Selangor it is hardly an exaggeration to say that every man over twenty years of age, whom you met on the road, had killed at least one man. Indeed it was considered rather a reproach on anyone who had not done so, and even now (1875) those Rajahs are looked on with the greatest respect who can boast the longest line of victims." *Journal, Straits Branch, R.A.S.*, VI (1880), 179.

received official appointment as Assistant Resident. This was followed in January, 1875, by a proclamation by the Governor to the effect that British officers were assisting the Sultan in opening up and governing his country.¹⁵

The last of Clarke's converts to the idea of British protection was the little State of Sungei Ujong, one of the nine States (Negri Sembilan) lying behind Malacca and between Selangor and Johore. The Negri Sembilan had formerly been under the rule of Johore but had drifted away to an independent status under the general control of a Raja from Minangkabau in Sumatra, the Yang di Pertuan, and the nine States were in a condition of warring independence. In April, 1874, Clarke succeeded in separating Sungei Ujong from the others and bringing it under British protection.¹⁶

It is tempting to examine in detail the successes and failures of the residential system in British Malaya in its early years, but that is a story which has been told in many other places and which would in itself require a separate book. A brief survey of it is given here, however, since it seems essential for an understanding of the later developments.

One point of the highest significance is that from its very beginnings the residential system was not limited to the giving of advice but involved in practice the actual taking over of the government by the British officers on the spot. The evidence in this respect seems overwhelming. In March, 1874, on the receipt of Clarke's first despatches about his progress in Perak, the Earl of Carnarvon, who had succeeded Lord Kimberley in the Colonial Office when the Disraeli ministry came in, expressed his tentative approval of what had been done, on the assumption that it did not unduly compromise Her Majesty's Government in the internal affairs of the native States. Clarke was well aware that he had overstepped his authority, but, since he felt that "the Malays like every other rude Eastern nation, require to be treated much more like children, and to be taught," he had no regrets for his strong policy. Later in the year the Earl of Carnarvon gave his complete approval and authorized the issuance of a proclamation

¹⁵ Texts in Maxwell and Gibson, *Treaties and Engagements*, pp. 35-36.

¹⁶ *Ibid.*, pp. 37-38. See R. O. Winstedt, *History of Negri Sembilan (M.B., R.A.S., XII [1934], pt. III)*, pp. 64-74.

to the effect that certain of the rulers had combined under British advice to put an end to the reign of anarchy and piracy and that they must strictly observe their pledges.

Early in 1875 Clarke was appointed a member of the Council of the Viceroy of India and shortly left to take up his duties there. The burden of nursing the residential system through its troubled infancy fell upon his successor, Sir William Jervois. To him the Secretary of State wrote in July that great care must be taken in the character of the advice tendered by the Residents to the rulers. "I desire clearly to impress upon you," the Earl of Carnarvon insisted, "that in my opinion, the British Residents should, in all ordinary cases, confine their action to advice tendered by them to the native Rulers, under whose direction the government of the country should be carried on."¹⁷ To this Jervois replied that if in fact the governments were to be carried on by the rulers the result would be the countenancing by the British Government of oppression by the chiefs, whom he saw as the main obstacle to the improvement of the conditions of the people.

Here the issue was clearly defined. For London the residential system meant advice offered to rulers, to Singapore it meant the practical supplanting of the rulers by British officers whose advice, under the agreements, could not be refused. The further development of the system saw the gradual, if tacit, acquiescence of the Colonial Office in the views and practices of the men who had the task of translating indirect rule into reality. This is not to say that at all times and in all places the rulers were pushed aside by the Residents, since the actual power relationships necessarily depended in good part on the personalities on both sides. It does, however, say that from the outset the supremacy of the Resident was unquestioned and that for all normal purposes it was the Resident who ruled and not the Sultan.

A tragic circumstance now intervened to push this problem into

¹⁷ Carnarvon to Jervois, July 27, 1875, C. 1320, p. 117; Jervois to Carnarvon, October 16, 1875, C. 1505, p. 28. On May 19, 1874, in the House of Lords, Lord Stanley of Alderney attacked Clarke's too hasty and far-reaching activities. Two years later (February 28, 1876), he came back to the attack with liberal charges of oppression and corruption and expressed the not unjustified fear that Perak would be turned into a Chinese colony. In both instances the Secretary of State for the Colonies came to the Governor's defense.

the center of the stage. Affairs in Selangor and Sungei Ujong moved with considerable ease and smoothness but in Perak difficulties soon developed, culminating in the murder of the Acting Resident, J. W. W. Birch. The causes of this murder were manifold and complex but they may be briefly summarized by stating that the Sultan whom Clarke had recognized proved to be thoroughly incompetent, that Birch was temperamentally not well suited to intervene in a very tangled situation, and that Jervois wanted to push forward with reforms more rapidly than the Malay chiefs could stomach. Furthermore, the Lieutenant-Governor of Penang, who was intimately involved in the negotiations, was convinced, probably correctly, that the chiefs who entered the Pangkor Engagement "did not fully realize what they were asked to agree to; or if they did, had no intention of acting up to it."¹⁸

The extent to which the government of the States concerned had in fact been taken over by the Residents may be glimpsed in the tone and content of a letter from Clarke to Birch in November, 1874, only a few months after the system had been inaugurated. In this letter the Governor comments that in Selangor, Swettenham had "managed his old Sultan very well," and continues that Birch may tell the Sultan of Perak that "if he accepts in its entirety our advice, and by it rules his country justly, and keeps the peace to all and with all," what he loses will be more than made up to him. "I should make him, I mean induce him, to go with you everywhere. Tell him the Sultan of Selangor is doing it with Swettenham; that his doing so will make him stronger in his country, etc. In short, organise a regular 'progress' with him, you, of course, taking care to be A1 and the prominent figure."¹⁹ It is, perhaps, superfluous to remark that

¹⁸ Anson, *op. cit.*, p. 322. See also Swettenham, *Malay Sketches* (London, 1895), No. XIX, "James Wheeler Woodford Birch." Here Swettenham maintains that "of all the States in the Peninsula Perak was probably the least well suited for the schooling of a Resident and the initiation of the interesting but dangerous experiment of government by the advice of a British officer." Winstedt writes that "Mr. Birch dashed into Perak's Augean stable, like an angry Victorian schoolmaster, confident that decision and firmness would soon clean it up," and cites Birch's report to Singapore that "it concerns us little what were the old customs of the country, nor do I think they are worthy of any consideration." *History of Malaya*, p. 237. See also Winstedt and Wilkinson, *History of Perak*, pp. 102ff.

¹⁹ Vetch, *op. cit.*, pp. 176-177.

this is scarcely the language one uses about an independent ruler to whom mere advice is being tendered.

It is possible, but doubtful, that this assumption of authority by the British might have been worked out peacefully if Clarke had remained to direct it since he was prepared to move gradually while Jervois was impatient of delays. At all events shortly after the appearance of Jervois the trouble broke loose. The new Governor went so far at times as to advocate outright annexation, but as a practical policy he proposed the abandonment of mere advice and the substitution for it of a system under which the States would be governed in the name of the Sultans by British officers to be styled Queen's Commissioners. Without consultation with the Colonial Office this change was put into effect in Perak. It was while distributing a proclamation to this effect in the interior of Perak that Birch was assassinated.

Now there ensued two wars, one on a considerable scale between the rebellious Malay chiefs in Perak and the British forces, and the other on paper between the Governor and the Colonial Office. In the former war the victory lay with the strong British expedition which was assembled from Hong Kong and India, and before long all the leaders of the uprising were brought in. Three of the chiefs who were held responsible for Birch's death were hanged and the Sultan and others who were less directly involved in the affair were exiled to the Seychelles. For a time there seemed some danger of a general Malay rising throughout the Peninsula but the only other point at which actual trouble broke out was in Negri Sembilan.

In the other war the victory was less clear cut. Lord Carnarvon was on firm ground in censuring Jervois for proceeding to a change in policy without consulting the Colonial Office, but there seems little doubt that his theory of limiting the Residents to advice was not practicable. If Jervois went too far in recommending annexation,⁹⁰ the Secretary of State certainly erred on the

⁹⁰ Clarke's defense of the residential system as against Jervois' plea for annexation is significant: "I hear the new policy is to annex. This is foolish. The Resident system is far better; till each State pays we must be patient, and not hasten too much the ideas of how things should be done. Let us know the country well, and having established our police posts, our advance, when we make it, will be easy. If you annex you must be prepared to spend money and lose many lives." *Ibid.*, p. 182. In other words, indirect rule is a

other side in proposing a scheme of things which seemed naïvely utopian to the men on the spot. The debate, often distinctly acrimonious in tone, was an interesting examination of the fundamental principles of indirect rule, but the inevitable formal victory of the Secretary of State was not sufficient to reverse the actual practice of control by the Residents. The final shot in the battle was the Earl of Carnarvon's dictum to the Governor that "it is, in my opinion, undesirable that the British officers should interfere more frequently or to a greater extent than is necessary in the minor details of government. Their special objects should be the maintenance of peace and law, the initiation of a sound system of taxation, with the consequent development of the general resources of the country, and the supervision of the collection of the revenue."⁹¹ Two years later, as the result of an incident in which a Resident was held to have exceeded his powers, the Governor sent letters to the three Residents in which it was stated that they were to act as advisers and not as rulers, and that if they chose to disregard this principle they would be held respon-

cheap means of transition to annexation. The Earl of Carnarvon also felt that annexation might later be desirable and beneficial for the Malays, but he thought that because of the situation in Burma and China and the newness of the residential system, the time had not come for that final step. See Sir Arthur Hardinge, *The Life of Henry Howard Molyneux Herbert, Fourth Earl of Carnarvon* (Oxford University Press, 1925), II, 137-138.

⁹¹ C. 1512, despatch of June 1, 1876, p. 99. In London a clear understanding of the problems involved was shown in the *Economist*. On the Carnarvon-Jervois correspondence it commented as follows: "Lord Carnarvon has, in the most recent of his despatches, taken up a very determined attitude, and though opinions may differ as to the wisdom of his policy, it is at any rate satisfactory that there will be no further ambiguities in the counsels of the Colonial Office on which too zealous local officials may found daring and embarrassing enterprises. Yet this is now an advantage confined within the narrowest limits. We are committed, for good or evil, to responsibilities in Perak and the adjacent regions which we cannot shake off by a despatch from a Minister in Downing Street. The position in which we find ourselves—not by our own seeking—impresses upon the official world a warning,—not without many a parallel, it is to be feared,—against the negligent vagueness of the policy dictated from the mother country, quite as much as against the perilous audacity of colonial governors and their local advisers. . . . We confess we see little reason to expect an improvement in the political state of the Malayan peninsula from the advice of Residents, unless the Residents have power to support their counsels by bringing up regiments and men-of-war when they please. It may be said that in India the Residents have done good service, but in India, it must be remembered, they are sustained not only by the immediate force at their command, but by the reserved military power of the whole Empire. This is thoroughly understood by the native princes of India; but it would not be understood, for it would not represent the fact, among the Malay chiefs." June 24, 1876, XXXIV, 736-737.

sible for any trouble springing from their neglect of it. This view was approved by the Secretary of State. ²²

"It seems to have been supposed by the highest authorities in Downing Street and Singapore," comments Sir Frank Swettenham from the wealth of his experience, "that the 'passive resistance' of tens of thousands of Malays could be successfully met by the 'peaceful persuasion' of two or three Residents, but thirty years later it is recognized that, even in England, 'peaceful persuasion' is only effective when the persuaders largely outnumber the passive resisters. . . . It will be understood that even from the first the Residents had exercised, or tried to exercise, an influence which could not be truthfully defined as the simple offer of advice, and when, in 1878, they were warned that if they departed from the rôle of advisers they would be held answerable for any trouble which might occur, they accepted the responsibility as preferable to a position of impotence and an attitude which no native in the country could have either understood or appreciated." ²³

The two conflicting opinions as to the interpretation of the functions of a Resident in Malaya did not, however, cause any further serious difficulties. The Perak War had cleared the air and the Malays thenceforward gave in with a good grace. Undisturbed by London's version of the system the Residents proceeded rapidly with the work of pacifying, reconstructing, and then developing their countries. In Perak in particular, the wise and tactful management of Sir Hugh Low, who was Resident in the formative years from 1877 to 1889, transformed this former storm center into a peaceful and flourishing State. ²⁴ In Selangor and Sungei Ujong there was also great development, but in neither of them was the situation so dangerous and complex as in Perak at the time when Low took control of it.

²² C. 2410 (1879), despatches of May 17 and August 31, 1878.

²³ *British Malaya*, pp. 218, 221. An impartial observer of Malay affairs at this period says of the Residents: "These officers are, in fact, far more the agents of the Governor of the Straits Settlements than the advisers of the native princes, and though paid out of native revenues are the virtual rulers of the country in all matters, except those which relate to Malay religion and custom." Isabella L. Bird, *The Golden Chersonese* (London, 1883), p. 369. See also Brau de Saint-Pol Lias, *Pérak et les orang-sakèys* (Paris, 1883), p. 66 and pt. I, Ch. IX; Sir Henry Norman, *The Peoples and Politics of the Far East* (New York, 1895), p. 54.

²⁴ Winstedt and Wilkinson, *History of Perak*, pp. 117-118.

Politically, almost all power was vested in practice in the hands of the Residents, both as against the Sultans and other chiefs and as against the Governor and the Colonial Office. Means of communication for a considerable time remained very sketchy, the problems were different in the three areas, and the constitutional and administrative structures were just in process of formation. Singapore was the remote center of a different world and the Residents were inevitably left to work out their own problems in their own way, keeping a daily journal for the information of the Governor and submitting to him annually a general report and a proposed budget. The task of the Residents in dealing with local opinion was eased by the creation of State Councils for legislative and other purposes in which sat the Resident, the ruler and other Malay chiefs, and leading Chinese. For the most part these Councils appear to have been clearly dominated by the Residents but, as the business was conducted in Malay, they furnished a useful center for the discussion of policies and problems. By gradual stages each of the States developed its own civil service with Englishmen in the key posts wherever possible and a motley array of Eurasians, Chinese, Indians, Sinhalese, and Malays in the lower offices.

The finances and trade of the States increased at an almost phenomenal rate as they underwent political reconstruction at the hands of the capable British administrators and as the Pax Britannica replaced the continual internal strife. No figures on which any reliance can be placed are available for the years prior to the extension of British protection, but those for the succeeding years indicate the changes which were taking place. In the decade from 1876 to 1885 the statistics of trade and finance in the three States show the following growth: ²⁵

	Revenue	Expenditure	Imports	Exports
1876.....	\$ 560,997	\$ 585,189	Not available	
1880.....	881,910	794,944	\$2,231,048	\$1,906,952
1885.....	2,208,709	2,261,954	8,667,425	9,691,786

All the States were burdened in varying degree with the debt which had been incurred by the Colony in their pacification and hence started their new careers under a considerable financial

²⁵ From tables in the *Federated Malay States: Manual of Statistics, 1929* (Kuala Lumpur, 1929), pp. 223-224, 255-256.

handicap. In Perak this debt amounted to \$800,000 but Low succeeded in paying it off in six years, thus leaving the State free of debt. On the score of population increase the figures are less reliable but the official estimate for Perak, which experienced a more rapid development than the other two protected States, gave a population of about 81,000 in 1879 and 195,000 a decade later. The census of 1891 showed a population of 214,254 in Perak.

In the light of the later expansion of Western enterprise in the protected areas, it is interesting to note that up to the time of federation in 1895 the economic development of the Peninsula was almost exclusively in Chinese hands. Despite various efforts on the part of the authorities to induce European planters and miners to open up the country the response was disappointingly small. One of the principal stumbling blocks seems to have been the lack of an adequate labor force. After considerable negotiations the Government of India in 1884 agreed to allow the recruitment of Indian coolies for the protected States. In the following year the Acting Governor wrote to the Secretary of State that "the labor supply is probably the most difficult of all subjects in connection with the opening up of any portion of the Peninsula, and yet it is upon this difficulty being surmounted that the prosperity of each State must depend." **

For the ordinary Malay and Chinese in the States there can be no doubt that this was a period of great advancement. If the chiefs had much to grumble about in the loss of their privileges and revenues, the ordinary man was for the first time freed from much of the old oppression and from slavery or the fear of it. A small beginning was made with education, rudiments of modern sanitation were introduced, and there was peace in the land which made it possible for the Malay to till his fields and for the Chinese to seek his fortune without risking his life. Furthermore, there had not yet come that vast expansion of the Western economic system which was to rear over the head of the Malay, at least,

** C. 4958 (1887), p. 6. The extent of British control in the protected States may be seen in the comment of the Governor to the Secretary of State in 1881 in relation to Indian immigration. "I can assure your Lordship," he wrote, "that with the large powers the Executive has in the native States it will be more easy for me to guarantee that the coolies from India will be well treated there than it could be even in our own settlements." Alice, Lady Lovat, *Life of Sir Frederick Weld* (London, 1914), p. 330.

if not of the Chinese, a great and incomprehensible superstructure of trade and government."

In questions of high policy toward the States there was little change from the time of Jervois to the building of the Federation. There was, however, one examination of the problem which seems to me sufficiently significant to warrant its presentation at some length. This was the general survey of the situation undertaken by Governor Sir Frederick Weld in an attempt to wring from the Secretary of State some guiding principles as to the policy to be followed in Malaya." Much of what was said then could with equal justice be repeated now despite the apparently overwhelming difference in circumstances.

Weld conceded that everything was going well in the States and that it was unlikely that the mass of the people would be interested in overthrowing British rule, but he felt less sure of the native aristocracy. "It must be borne in mind that advantageous as the present régime is for the people who are rescued from oppression, good government, though it means security for the oppressed, is a restriction, not a relief to the oppressor." At all events he was convinced that the policy affecting the welfare and position of large populations in a country which is the key to the Far East should not be left to chance dealing.

"The present theory of the native States government is that we advise, and do not assume the possibility of our advice not being taken; but no hard and fast rule can be given for such advice." At some points, he says, the British intervene, at others they do not, and the only ground for the distinction is what is thought advisable at headquarters. Often the advice is accepted merely because the Malays know that the British are strong enough to enforce their decisions. There is also a large and increasing Chinese population, which, being made up largely of the lowest classes, he sees as an element of danger requiring firm and tactful handling. "It is impossible to ignore the fact that we are, and have been, relying on something more than mere advice, and

** The developments of this period may be followed in detail in the annual series of Command Papers which reproduced the reports of the Residents and the correspondence of the Governor and the Secretary of State.

** The following summary and citations are taken from Weld's despatch of October 21, 1880, reprinted in Lovat, *op. cit.*, pp. 312-318.

unless we are prepared to evacuate, the country must continue working on the same lines in the future."

In this situation Weld pointed out that there were three possible courses to pursue: to prepare gradually to retire from the native States, to annex them, or to extend British influence over the Malay States south of Siam and to hold firmly to the present system in the already protected States.

Retirement from the States he regarded as virtually impossible since this would mean abandoning them to a worse anarchy than that in which the British found them. Then follows this significant passage: "Nothing that we have done so far has taught them to govern themselves, we are merely teaching them to co-operate with us and to govern under our guidance. To teach men to govern themselves you must throw them on their own resources. We are necessarily doing the very reverse." The present validity of this inescapable judgment is not impaired by Weld's further doubt—equally valid for most Englishmen at the present day—as to the capacity of Asiatics to govern themselves. Good native government, he wrote, is not "a plant congenial to the soil, and every year native rulers are confronted with greater difficulties owing to the growth of a foreign, and especially a huge Chinese population." This immigration and the investment of foreign capital took place in the confidence that the British would not retire.

If retirement was out of the question, there remained the possibility of the other extreme: annexation. This, it appears, was generally regarded as the ultimately inescapable fate of the native States, but Weld was not prepared to go so far in this direction either. "Countries in the position of the Malay States require a somewhat elastic form of government; justice and firmness should be tempered by tact and discretion, and great care be given to the selection of Residents and even of subordinate agents. The native States are not, in my opinion, ready for a system which approaches more nearly the British one which prevails in our Colonies."¹⁰ He was convinced that even without annexation the

¹⁰ Sir Hugh Clifford, a later Governor of the Straits, who as a young man had been influential in bringing Pahang under British protection, says in his preface to Lady Lovat's *Weld* (p. xiv) that annexation would have transformed the Malay rajas and chiefs "into our unforgiving enemies." The

inflow of capital would not be halted so long as it was known that the British did not intend to withdraw their control. In consequence Weld advocated that the residential system be continued with an overt recognition that the advice given by the Resident meant more than advice and that the system be extended to the other Malay States as opportunity offered.

The first points at which extension became possible were the Negri Sembilan and the large and sparsely populated State of Pahang on the east coast of the Peninsula. The former had been coming closer and closer to British rule for some time back.¹⁰ At the time of the Perak War Jervois had succeeded in arranging for an extension of British control in these States, but the Secretary of State had refused to sanction the advance. The Governor did, however, manage to secure a federation of six of the nine States. By gradual stages this federation grew to absorb the remaining States and British control became increasingly effective. The last stage in the proceedings was the treaty of August 8, 1895, by which the nine States agreed to constitute their countries into a confederation under the protection of the British Government and to accept the assistance of a British Resident whose advice they would follow "in all matters of administration other than those touching the Mohammedan religion."¹¹

In the case of Pahang the first step taken was the negotiation of a treaty in 1887, after Weld had made strong representations

nature of indirect rule in the Federated Malay States is illuminated by his further comment that Weld was right in thinking that "for a prolonged period the administration of these new, raw lands would call for a greater measure of elasticity than can, alas, be secured under the more rigid and precise Crown Colony system. . . . He perceived quite clearly that, at the long last, the internal administration of the Native States would have to be assimilated very closely to that of the Colony; and in our own time that process of assimilation has been made practically complete." Swettenham (*The Real Malay* [London, 1900], p. 23) says that the Residents, by force of circumstances, carried on the administration "on much the same lines as though the States had formed an integral portion of a British colony."

¹⁰ Isabella L. Bird (*op. cit.*, pp. 154-161) has an interesting chapter on the condition of the Negri Sembilan at this time. She remarks incidentally, but revealingly, that "their relative positions and internal management, as well as their boundaries, remain unknown, as from dread of British annexation they have refused to allow Europeans to pass through their territory."

¹¹ See Maxwell and Gibson, *op. cit.*, pp. 64-65. This treaty was preceded by a number of other agreements, the texts of which are given in the same compilation, pp. 37ff.

to the Sultan concerning the notorious misgovernment of the country, under which the Sultan agreed to the appointment of a British officer having the functions of a consular agent, and placed his foreign affairs under the control of the British. Shortly thereafter, however, the murder of a Chinese British subject in Pahang gave rise to stronger measures. In the succeeding year the Sultan—very much against his will, according to Sir Hugh Clifford, who carried on the negotiations²²—was persuaded to write the Governor a letter in which he, like his royal colleagues, asked for a British officer “in order that he may assist us in matters relating to the Government of our country, on a similar system to that existing in the Malay States under English protection.”²³ This offer the Governor readily accepted, thus consolidating the territories joined together in 1895 into the Federated Malay States.

²² *The Further Side of Silence* (Garden City, 1920), p. 283. In the preface to this work (p. ix), Clifford remarks that “Pahang, when I entered it in 1887, presented an almost exact counterpart to the feudal governments of medieval Europe. I saw it pass under the ‘protection’ of Great Britain, which in this case was barely distinguishable from ‘annexation.’” In justification of this virtual annexation as against a plea for continued Malay self-government, Clifford insists that the Malays never possessed such a thing. “The rule of their *râjas* and chiefs was one of the most absolute and cynical autocracies that the mind of man has conceived . . . no words or sentiments, no matter how generous or beautiful, would avail to staunch the blood which I saw flow, or to dry the tears which I saw shed in Pahang when I lived in that native State under its own administration.” For the earlier conditions in Pahang, see also Swettenham’s “Journal Kept During a Journey Across the Malay Peninsula,” *Journal, Straits Branch, R.A.S.*, XV (1885), 1–37.

²³ Pahang Treaties, Maxwell and Gibson, *op. cit.*, pp. 66–70.

CHAPTER IV

THE FEDERATED MALAY STATES

FEDERATION

WITH the federation of the four Malay States under British protection, Malaya began to take on something of its present aspect and to swing rapidly into the world economic stream. With the partial exception of Kedah, which has seen a considerable expansion of modern enterprise, all the areas which have taken part in the phenomenal twentieth century development of Malaya were already caught in the net of British control. The four northern States, indeed, remained in the hands of Siam until 1909, but, in the south, Johore, despite the lack of formal treaty engagements, had for long been as closely linked to Britain as the States which had accepted British Residents. In the former Siamese States the process of Westernization has moved ahead at a much slower pace than in their southern neighbors, presumably because of their later entry into the system. Kelantan and Trengganu may still be spoken of with some substantial justification as Malay States under British protection, but the same is true in only a formal sense of the States of the Federation.

The reasons for the creation of the Federation are not difficult to discover—in fact, perhaps the most surprising thing about Malaya is the amount of autonomy which has remained throughout the years in the separate administration of a relatively small, compact, and homogeneous area. Although the Federation proved speedily to be moving toward centralization, there still remained the Colony and the five unfederated States which continued to go their separate ways despite the obvious tendency to join them together in some sort of common union. This curious situation survives to the present day, and, if truth be told, more

than one Governor has found his political life made miserable when he attempted a rationalization which would break down the over-centralization of the Federated Malay States, draw the five remaining States into a Malayan union, and link the whole to the Colony.

The first effective consideration of the idea of federation appears to have been undertaken in 1893 when the Secretary of State and the Governor agreed in principle on its desirability. While the Secretary of State looked only to a limited federation embracing Selangor and Negri Sembilan, the Governor was convinced that the time had come for a more complete union. The two principal arguments in favor of the proposal were that it was increasingly necessary to secure some degree of administrative uniformity in the States, and that the Governor, dealing with four separate Residents, either left them to their own devices or was himself overwhelmed with work. The heart of the Governor's plan was that there should be established, under his jurisdiction, a Resident-General who would be the chief executive officer with the function of supervising and controlling the administration of each of the States. He felt that it was essential to the success of the scheme that the native rulers—"some of whom take a keen and intelligent interest in the government of their States"—should be gradually persuaded of the advantages it offered them. The Chinese, he felt confident, needed no special consideration since they would readily fall in with any system of government that was not oppressive and gave reasonable scope to their habits of life.¹

No action was taken on this proposal, however, until 1895 when a new Governor, Sir Charles Mitchell, again brought the matter to the attention of the Secretary of State. Like his predecessor, Mitchell argued that the four States were drifting seriously apart in such fundamental matters as the administration of justice, taxation, and land settlement, and that it was impossible for the Governor to bring about uniformity unless there

¹ See *Correspondence Respecting the Federation of the Protected Malay States, May, 1893–December, 1895* (Taiping, Perak, 1896). "Well enough one of the Chinese leaders in Larut exclaimed: 'When the British flag is seen over Perak, every Chinese will go down on his knees and bless God.'" Winstedt and Wilkinson, *History of Perak*, p. 91.

was some centralizing power on the spot. He proposed that the Resident-General, under the Governor as High Commissioner, should have wide powers of discretion, but should act only through the Residents in the several States. All legislation was to be left in the hands of the State Councils, although he suggested that it would be well to have occasional meetings of an advisory assembly of chiefs and Residents. Instead of continuing with the system of appointing officers to the separate States, he wanted a common civil service for the whole of the federation, acting under the general direction of various federal department heads. These department heads would be under the instructions of the Resident-General, but would not be empowered to issue to their departments in any State orders opposed to the ruling of the Resident. The creation of a common purse he regarded as inadvisable since it would form an obstacle to the desired union.

When this general program was approved by the Secretary of State, Sir Frank Swettenham, then Resident of Perak, was commissioned to get the consent of the rulers to it. One basic point was contained in his instructions which has continued to plague the Federation ever since: "It will of course be most important to point out that in binding themselves and their States by this agreement the rulers will not in the slightest degree be diminishing the powers and privileges which they now possess nor be curtailing the rights of self-government which they at present enjoy." It has been pointed out above that the right of self-government which the rulers enjoyed at that time was in fact exercised by the Residents, and it is difficult to envisage any federal scheme in which the powers and privileges of the component units would be in no way diminished.

On this fictitious basis, however, Swettenham, during July, 1895, succeeded in winning the approval of all the rulers with relatively little difficulty. The resulting treaty of Federation, like that which supplemented or replaced it in 1909 on the creation of the Federal Council, is something of a masterpiece of loose and casual drafting.* "The Treaty of Federation," states a high legal authority, "is a shining example of theory and practice. It states that the Sultans 'agree to constitute their countries a

* Text, Maxwell and Gibson, *Treaties and Engagements*, pp. 70–71.

Federation, to be known as the Protected Malay States.' It was not a federation and has never been known as the Protected Malay States." The treaty at no point even suggests what shall be the respective powers and functions of the States and of the Federation, beyond stating on one hand that the rulers agree to accept a Resident-General whose advice they will follow "in all matters of administration other than those touching the Muhammadan religion" and on the other hand that "nothing in this Agreement is intended to curtail any of the powers or authority now held by any of the above-named Rulers in their respective States, nor does it alter the relations now existing between any of the States named and the British Empire."

Swettenham himself comments that this treaty made the States one for all general purposes of administration, and continues that "in agreeing to the appointment of a Resident-General, it was for the first time plainly stated that he should have executive control." * As a matter of fact this is nowhere plainly stated in the treaty although it adequately represents the subsequent development of the Federation, and if it is to be taken as representing the intention of the British authorities, that intention seems flatly at variance with the explicit guarantee of the powers and authority of the rulers. Instead of clearly defining the nature of the relationship between the rulers and the several British officers, the treaty merely left the door wide open for a repetition of the controversy which had been carried on between Sir William Jervois and Lord Carnarvon. Control by the Residents and, later, by the Residents-General was an indisputable reality but there has always continued to bob up the legal fiction that the rulers are independent (or federated) sovereigns ruling their States with the aid of the advice of British officers. Consideration of the problems of the Federated Malay States on a realistic basis has from the beginning been hampered by the argument that it was necessary or desirable to "restore" the Sultans to a position which they had never occupied since British protection was thrust upon them.

In support of this proposition it might be useful to cite at some length the opinion as to the position of the rulers given by

* *British Malaya*, p. 273.

Resident-General Sir W. H. Treacher in 1903: "I point out that long before the date of federalization," he wrote, "the Sultan had ceased to ask and take the advice of the Resident on all questions other than those touching Mahomedan religion and Malay custom, but that on the contrary it had become the practice for the Resident with the sanction of the Governor of the Straits Settlements (now the High Commissioner of the Federated Malay States) to frame annual estimates of revenue and expenditure, to make official appointments and to do a hundred and one other things, not touching Mahomedan religion or Malay custom, without reference to the Sultan; and this is a correct statement. The position has in fact been reversed: instead of the Sultan carrying on the Government with the advice of the Resident (Mahomedan religion and custom excepted) the Resident carries on the administration with the reference when he considers it necessary for the advice of the Sultan. Whether that is right or wrong I need not now inquire, but it is an incontestable fact."

Just as the Pangkor Engagement and other similar agreements with the rulers had been interpreted to mean control by the Resident, so now the treaty of Federation was promptly utilized as the basis for a federal centralization which has increasingly tended to obliterate the States.⁴ Under the direction of the Resident-General a large and efficient central administration has been built up in which the Sultans have had either no share or a share so small as not to be worth speaking of. Nor have they appeared to be dissatisfied on the whole with this arrangement of affairs, despite certain statements to the contrary

⁴ "Previous to the Treaty the *de facto* executive power (matters concerning Mohammedan religion and Malay custom excepted) had been left by the Ruler in each State to his British Resident, who consulted the Ruler whenever he thought desirable. The creation, as the result of the Treaty, of a Federal Secretariat under a Resident-General, whose advice had to be followed in all matters of administration, removed many of the powers previously exercised by the Residents to a superior authority who was not in continuous and personal touch with the Rulers; and the same authority took over complete supervision of the rapidly expanding finances of the States; and the unified control which resulted was a great stimulus to commerce and development.

"The State Governments, even if they had wished, were powerless to check centralization in the Federal Government and to escape from the ever expanding activities of the federal departments." Brigadier-General Sir Samuel Wilson, *Visit to Malaya*, 1932 (Cmd. 4276 [1933]), pp. 6-7.

from high quarters. If their actual powers are almost nil, they not only retain their high offices but are substantially guaranteed their possession of them. Their large incomes come to them with a most desirable certainty and promptness, and their display of pomp and ceremony is even enhanced by their position as figure-heads in the British imperial scheme of things. The most important factor in their original acceptance of the federal idea, according to Swettenham, was that they believed that in the Resident-General they would have a powerful friend and advocate whose voice would be heard further and carry more weight than that of any Resident. At all events it is as certain as any such judgments can be that both their dignity and their wealth are greater as Sultans in a British federation than they could have been as independent rulers of separate Malay States.

It is, perhaps, desirable to insist again as a matter of precaution that in discussing indirect rule it is rarely if ever possible to arrive at precise statements of fact as to the relation between the European and the native authorities. For the Federated Malay States the evidence is overwhelming that from the first appearance of the British Residents the Sultans and other chiefs faded into the background, and it is equally certain that the Federation was built up apart from and over the heads of the rulers. In many instances even the formality of securing the consent of the ruler or rulers was dispensed with. But it is equally true that in many instances the rulers proved admirable advisers of the British authorities. At the best they were men who knew their countries and peoples intimately and at the worst they had open to them many underground channels of information which normally could not be tapped by any European. Where they happened to be men of moment it was obviously desirable to secure their advice and support in carrying through any important project; where they were not it was still useful to have them appear before the populace as the nominal centers of power. This aspect of the matter has become increasingly important as the Chinese population has grown and has pushed its own claims. It is a comforting and useful fraud to proclaim that since these are Malay States under Malay rulers the con-

cessions which the aliens ask are beyond British granting. *There* the matter does become a fraud, but it would be definitely misleading to regard it as fraudulent throughout: the rulers have lost their power but they have by no means equally lost their influence.

On the basis of his long experience and his success in winning the rulers to the Federation, Sir Frank Swettenham was made first Resident-General and the new departure was formally inaugurated on July 1, 1896, with the capital at Kuala Lumpur. Immediate progress was made with the building up of the new federal administration. A Legal Adviser, a Secretary for Chinese Affairs, a Judicial Commissioner, a Commissioner of Police, and a Director of Public Works were all shortly appointed and their subordinate staffs began to grow.⁵ As the Federation grew and flourished, other departments were added to meet new needs, until finally a complete secretariat was established at Kuala Lumpur which wholly overshadowed its miniature rivals or subordinates in the several States. At the head of the local structure stood the Resident-General who throughout, at least until very recent times, has maintained a somewhat surprising freedom of action, despite his formal subordination to both the Governor of the Straits as High Commissioner and to the Secretary of State for the Colonies.

One innovation of significance was the introduction of a Conference of Malay Rulers, members of State Councils, and chiefs, under the presidency of the High Commissioner. While this body had no formal legislative powers it served both to emphasize the reality of federation for the Malays and to furnish a center where common problems could be freely discussed. The first of these Conferences was held at Kuala Kangsar, the seat of the Sultan of Perak, a year after the formal inauguration of the Federation. In his official report of this meeting, Sir Frank Swettenham wrote that "from every point of view the meeting has been an unqualified success, and it is difficult to estimate

⁵ In his first report as Resident-General (C. 8661 [1897], p. 6), Swettenham attacked the idea that central control would destroy individual initiative. "I do not think it will do so here, if the Federal officers use their authority as it is intended it should be used, that is, rather as inspectors and advisers to the local officers than as the heads of departments."

now the present and prospective value of this unprecedented gathering of Malay Sultans, Rajas, and chiefs. Never in the history of Malaya has any such assemblage been even imagined. I doubt whether anybody has ever heard of one Ruler of a State making a ceremonial visit to another; but to have been able to collect together, in one place, the Sultans of Perak, Selangor, Pahang, and the Negri Sembilan is a feat that might well have been regarded as impossible." * All the proceedings of the Conference were in Malay and it appears that the Malay members participated in its deliberations with some freedom. Unanimity was attained on several important subjects, which were then turned over to the State Councils for the enactment of identical legislation.

At the second Conference, held in Kuala Lumpur in 1903, two matters were broached which have continued to be of absorbing interest in the Federated Malay States. The first was the question of Malay participation in the government and, more generally, in the development of the Federation. On this score the High Commissioner remarked that the British had not forgotten that they had come into the Malay States at the invitation of the rulers in order to teach them a better form of administration, but he pointed out his regret that the national characteristics of the Malays "make it difficult—though not impossible—for them to take full advantage of the opportunities which now come begging to their doors. If this Conference can devise any means of awakening the dormant energies of the Malays, and can persuade them to devote themselves to any sustained effort in the way of work, it will render a signal service to the Malay people and these States." The Sultan of Perak agreed that the Malays had not yet fully availed themselves of their opportunities in the government service, but no scheme was devised, nor has any yet been found, by which any considerable portion of the administration in these Malay States could be turned over to Malays.

The other topic raised was the perennial one of over-centralization and here again the Sultan of Perak took the floor in one of the very few recorded utterances of the rulers in favor of

* *British Malaya*, p. 289.

loosening the Federation. In general his speech at the close of the session was a paean of praise for the wisdom and justice of British protection, but he confessed that he was not quite able to understand the nature of the new union of the protected States. While he had no quarrel with the idea that the States should assist each other in a friendly way, he protested against amalgamating them into one since then there would be no State left to assist another: "A Malay proverb says that there cannot be two masters in one vessel; neither can there be four Rulers over one country." The treaty of Pangkor, he reminded the British, provided that the Residents, and not the Resident-General, should be the advisers of the Sultans, and he expressed the hope "that the affairs of each State may be managed by its own officers, so that the governments may be separate entities." This was a protest worth making and it was no doubt influential in securing the 1909 reforms in the federal structure, but neither the protest nor the later reforms had any substantial effect in procuring the desired results.

These occasional conferences or durbars were unquestionably a success, but they could have little effect upon the real work of the Federation beyond increasing the general stock of good will and affording a ceremonial setting for a formal discussion of the problems of the States. Under indirect rule even more than in colonial and home governments it is necessary to concentrate on pageantry and splendor in the setting of the stage, but the real work there as elsewhere must be done largely behind the scenes. The administrative center had already shifted away from the Sultans and their Residents to the Resident-General and his secretariat in Kuala Lumpur, and legislation was not slow in following it to the same efficient destination.

Both before and after the erection of the Federation the legislative power appears formally to have remained within the absolute grasp of the rulers, despite the creation of the State Councils. These latter bodies were advisory only and there is no evidence that the exercise of the executive and legislative powers in each State by the Ruler in Council rested on any constitu-

* See T. Lister, *Report on the Administration of the Federated Malay States* (Government Printing Office, Rangoon, Burma, 1920).

tional change in the position of the ruler as absolute monarch.* Between legal theory and actual practice there was, however, a wide divergence. While opinions may differ to some extent as to the usefulness of the work performed by the Councils, there can be no question that on the whole they were little more than bodies advising the Resident on certain points and registering his decision with or without real discussion. Sir George Maxwell, a later executive head of the F.M.S., came to the conclusion after an examination of the records of the Councils prior to Federation that their rôle was of small significance. For the year 1895, in particular—the last year of the separate existence of the States—he found that some of the Councils met only once and others only a few times in the year, that the annual estimates were not brought before the Councils, that the entire proceedings were dominated by the Resident, and that all legislation was passed in English although none of the Malay or Chinese members could speak that language.* It is important to remember these findings in connection with the later efforts to restore the Councils to an earlier glory which they had never possessed. That the Councils should be endowed with real powers after their long life of impotence is at least a debatable proposition, but it is not one which can find its justification in history.

After federation the position of the Councils changed only for the worse. The essential purpose of bringing the States together was to secure uniformity of action and, since the treaty placed no limits on the competence of the Resident-General ex-

* See *The Pahang Consolidated Co., Ltd. v. The State of Pahang*, Privy Council Appeal No. 27 of 1932; the constitutional position in Pahang is that in 1889 the Sultan "appointed and there has since existed a State Council, but this is only an advisory body, and though since 1889 the laws for the State have been enacted by the Sultan in Council, the legislative power has remained in the Sultan acting with the advice of the British Resident."

See also Roland Braddell, *The Legal Status of the Malay States* (Singapore, 1931), p. 13: "The only legal force possessed by any executive act performed by, or any legislative enactment passed by, a State Council is derived from the assent thereto of the Ruler." It should also be noted, however, that the rulers apparently sat as ordinary members in their Councils and were liable to be outvoted by the majority.

* See Sir George Maxwell's article in the *Straits Times* of September 29, 1932. In an article of October 5, 1932, Maxwell adds: "If anyone believes that the State Councils of that time played any part in the administration of the States, let him note that not one of the Rulers consulted his State Council before consenting to Federation."

cept in matters of administration touching the Mohammedan religion, virtually the entire substance of the legislative power came to rest in his hands. In form it continued to rest with the Sultan, or the State Council, in each State, since the treaty expressly provided that no Sultan should exercise power or authority in any State other than his own, but form and substance were soon speedily divorced.

In his opening speech at the first session of the Federal Council, created in 1909 to remedy the abuses that had developed, the High Commissioner, Sir John Anderson, authoritatively outlined the actual practice. When federation took place, he stated, the Councils were retained as advisory bodies to the Sultans in legislation and other matters, but the uniting of the States made it desirable that all legislation not of a purely local character should be uniform. Hence the enactments were drafted by the Legal Adviser, normally after consideration by the Resident-General and the Resident in conference, and were then sent to the High Commissioner for his approval. Occasionally drafts were also sent to Associations of Planters or Chambers of Commerce to obtain their opinions on the matter in hand. Then the bills went to the Residents who presented them to the State Councils for identical enactment. "It was," the High Commissioner protested, "not an altogether dignified or satisfactory procedure to send Enactments to the Councils, which were nominally, at all events, deliberative and legislative bodies, in a cut-and-dried form with practically a mandate that they should be passed into law without amendment."¹⁰

THE REFORMS OF 1909

This problem of over-centralization—the pushing aside of both Sultans and State Councils—combined with various others to make a reform of the federal structure appear imperative. On this score it was felt that the British pledges to the Sultans had been largely ignored and that the latter had in fact lost considerably more of their individuality than they bargained for. As the High Commissioner put it, the Malays had entered into

¹⁰ *Federal Council Proceedings*, December 11, 1909.

the federal agreement in full confidence that "the faith and obligations of the treaties under which they agreed to accept British Advisers will always be scrupulously observed. They are confident that we will never forget that our powers are derived wholly from their gift, and that we are here in a Malay country as the advisers and counsellors of its Malay sovereigns."

Two other points which were of moment in bringing about the reforms were the relation of the Resident-General to the High Commissioner and the desire of certain sections of the community to secure representation in the government. Although the Resident-General was formally subordinate to the Governor as High Commissioner there had in fact been a strong tendency for him to become in practice the head of a separate administration which ran on its own lines with only meager consultation with Singapore. This state of affairs, which has continued on through the history of the F.M.S., has frequently led to friction between the two authorities, particularly, of course, where the personalities of the two men make it difficult to work out a suitable compromise. Although such matters naturally make an appearance in the formal records only very rarely it is a matter of common local knowledge that these frictions have regularly played a rôle in proposals for a reconstruction of the Federation.¹¹

Furthermore, the Resident-General was not only to a large extent free from the effective control of the High Commissioner but he was also singularly unchecked from below since he had associated with him no council such as the executive or legislative councils which regularly exist in the Crown Colony system.

¹¹ Sir George Maxwell in the *Straits Times*, October 5, 1932, speaks of the "brilliant and ruthless campaign" which Sir John Anderson fought to secure control of the federal finances. "When he was Governor of the Colony, the Federal Treasury had handsome surpluses. Sir John had ambitious schemes; but the Resident-General of that time kept a tight hand on the federal purse. Sir John was autocratic, and could not tolerate that the Resident-General, as the representative of a federation of independent Rulers, should be able to say him 'nay,' when the Colonial Secretary in the Crown Colony had no such powers. The political reasons for the difference in the power of the two officers carried no weight with Sir John. He decided that the Resident-General must be deprived of his power." It should, perhaps, be remarked that Maxwell himself, as executive head of the F.M.S., was later embroiled in a similar dispute.

For advice he could, of course, fall back upon the informal conference of Residents, upon the Federal Secretariat, or upon unofficial bodies, but none of these had any definite constitutional place in the scheme. The position, particularly as it affected the unofficial community, may again be well stated in the words of the High Commissioner in opening the Federal Council: "The development of the last few years has shown that both in regard to legislation and finance some change was desirable. The rapid increase of the commercial, mining and planting communities in these States, the large amount of capital which is at stake, and the growth of a public opinion, which desires some mode of bringing its views directly to bear on the legislative proposals of Government as well as on its administrative measures, have made it imperative to constitute a central body to control the finances and to direct the course of legislation."

As a result of these various considerations an Agreement for the Constitution of a Federal Council was drawn up in 1909 and signed by the rulers. This agreement, like the previous treaty of Federation, is, juristically speaking, an almost hopeless document. Beyond a statement in the preamble concerning the proper enactment of all laws intended to have force throughout the Federation, or in more than one State, and a side reference in a later article, no mention is made of the presumable fact that legislative power is bestowed on the Federal Council. The one express grant of power states that "the Draft Estimates of Revenue and Expenditure of each State shall be considered by the Federal Council, but shall immediately on publication be communicated to the State Councils." The side reference provides that laws passed by the State Councils shall continue to have full force and effect save where repugnant to laws passed by the Federal Council. The same article also provides for the exclusive jurisdiction of the State Councils over questions concerning the Mohammedan religion and certain Malay matters, and "any other questions which in the opinion of the High Commissioner affect the rights and prerogatives of any of the above-named Rulers or which for other reasons he considers should properly be dealt with only by the State Councils." Again, as in

the former treaty, this agreement swings the full circle by the clause that nothing in it is intended to curtail any of the powers or authority now held by any of the rulers in their respective States. A high legal authority has remarked, off the record, that this clause "is of course ridiculous and either means nothing, which has been the accepted interpretation, or negatives all that has gone before." In brief, a Federal Council was established which, by an invisible grant, received almost unlimited legislative powers, while the four rulers were left undisturbed in the complete sovereignty which they exercised on the advice of their Residents.

The membership of the Council was as mixed as the reasons for its creation. The Presidency of the Council was taken by the High Commissioner himself, a matter which at the time appears to have roused no special comment although, "since then, serious doubts have been entertained whether it is consistent with His Excellency's appointment as the representative of His Majesty the King that he should preside over the Council of independent Malay States. It is felt that, in his high capacity, he should guide and advise from outside rather than take an active part in its duties."¹²

The second in the list of Council members is the Resident-General, and only after him appear the four rulers, who, in turn, are followed by the four Residents. The rear is brought up by "four unofficial members to be nominated by the High Commissioner with the approval of His Majesty." The succeeding article provides that if the High Commissioner regards it as desirable to add to the Council one or more of the heads of the various public departments, he may do so subject to the approval of His Majesty—not, be it noted, subject to the approval of Their Majesties the Rulers, whose advisory (or legislative?) Council this presumably was. If an official addition of this character

¹² Sir George Maxwell, "The Constitutional Problems of Malaya," *Crown Colonist*, August, 1932, p. 74. In his article of October 5, 1932 in the *Straits Times*, Maxwell contends that this was "an act of usurpation, which was obviously inconsistent with the treaty." Swettenham (*British Malaya*, pp. 358-359) remarks: "It is not quite easy to understand how the Governor of a Crown Colony can also be the President of a Council for making laws and otherwise controlling the affairs of a Federation of protected States each of which has a Malay Ruler."

were made, it was to be balanced by the addition of another unofficial member.¹³

Since the practical results of this establishment of the Federal Council were clear and unmistakable, it is scarcely worth while to undertake any further juristic examination of the provisions of the Agreement, but there is one fundamental problem which should at least be stated. What was the effect of the Agreement on the legislative powers of the rulers? It has been argued above that the correct view of their position prior to the Federal Council treaty is that they were absolute monarchs, accepting British advice, and further that while the treaty implied the contrary it expressly reaffirmed their previous position. One is, therefore, forced to accept the conclusion of Roland Braddell that the agreement "purported to cut down the powers of the State Councils so that they should pass no laws repugnant to the provisions of any law passed by the Federal Council; but it gave no definite power to the latter to pass any laws at all. The fact is that no enactment passed by the Federal Council under the Agreement of 1909 possessed any legal force in any State save from the fact that the Ruler of that State had assented to it."¹⁴ This situation is further complicated by the clause which states that the absence of any member shall not invalidate any proceedings of the Council at which he has not been present, although each ruler was empowered to nominate one of the members of his State Council to represent him if he could not attend.

Whatever the legal niceties of the matter, the practical result of the Agreement was to reduce the rulers one step lower. In the Council the Sultans were on the same level as any ordinary member, including their own subjects. None of them could ever preside under the Standing Orders and they had no veto and no rights not possessed by other members except that of representation in absence. The Council legislated whether they were there

¹³ A Supplemental Agreement of 1912 provided for the provisional nomination of unofficials to fill the places of unofficial members who died or became incapacitated. See Maxwell and Gibson, *op. cit.*, pp. 74-75.

¹⁴ *Op. cit.*, p. 16. An alternative version was suggested by the High Commissioner's statement in opening the Council that "we now meet for the first time today as a Federal Council to advise the Rulers of the States as a whole, just as the Councils have been advisory bodies to the Rulers of each State."

or not ¹⁵ (on several occasions all were absent and sent no representatives), they voted like other members, and bills after being passed were signed by the High Commissioner and not by the rulers. The legislative power had, in fact, passed out of the hands of the Sultans and State Councils except for matters of trivial importance, and the executive power remained where it had always been under the Federation—in the hands of the Resident-General.

At the same time as the creation of the Federal Council one further step was impending, the purpose of which was to realize the High Commissioner's intention of reducing the Resident-General in status, or, rather, of placing him under more effective control. The Sultans had, in principle, been brought into the inner machinery of the Federation, the unofficials had been placated by the award of four appointive seats—three of which went to Britons and one to a Chinese ¹⁶—and the High Commissioner had established himself as president of the Council, but the Resident-General still stood too high. Despite the attacks of the unofficial members of the Council and of unofficial opinion generally—attacks which have been renewed whenever the executive officer of the Federation has been under fire from Singapore—the Governor proceeded to put his plan into execution.

In brief, his argument was that the intention of the founders of the Federation was to establish an officer whose position was

¹⁵ The most striking example of legislation in which the rulers had no share is the Public Emergency Enactment, No. 1 of 1914. This enactment was introduced into the Federal Council in typescript without previous publication as a bill, was passed in the absence of the rulers on August 11, 1914, and was gazetted without their knowledge. The High Commissioner was empowered by the enactment to bring it into force by notification in the Gazette and this was done on the following day. The importance of this enactment, which sanctioned many of the war activities in the F.M.S., may be seen in a brief statement of its provisions: the High Commissioner was empowered to make any rules or orders respecting any port or harbor of the F.M.S. and the movement of ships, even though inconsistent with written law; to require any person to do any work or render any personal service for the defense of the F.M.S.; to take and retain any goods, animals, or movable property, and any land or buildings; to take possession of grain, food, coal, fuels, and mineral oils; to set a maximum price for food; to postpone the time of payment of rent or other moneys and to extend the period of maturity of bills of exchange or other negotiable instruments.

¹⁶ In the opening session the Chinese member, Eu Tong Sen, said: "On behalf of the Chinese community I beg to thank the Government for establishing the Federal Council, which will help on the development of the F.M.S. and will be a boon to the Chinese community."

to be essentially similar to that of the Colonial Secretary, although he would relieve the High Commissioner of more matters of routine than did his counterpart in Singapore and would also serve as the channel of communication between the High Commissioner and the Residents. But the position rapidly changed. "The Resident-General, instead of being what I may call the mouthpiece of the High Commissioner, and the mouthpiece of the Residents to the High Commissioner, more or less combined the duties of both, subject of course to the control of the High Commissioner, and, at the same time, he had to such a very large extent power to overrule the Residents that he became practically the final authority to all intents and purposes, except when an appeal was made to the High Commissioner, on all matters affecting the Federated Malay States." To correct this abuse of power the High Commissioner proposed that the title of the office be altered to that of Chief Secretary to Government, indicating the changed position but not diminishing the formal powers of the office.¹⁷

The protest of the unofficials, then as now, was based on the assumption that any such reform would mean the subordination of the interests of the Federation to the interests of the Colony, particularly in finance, although they expressed their complete readiness to waive their objections if the rulers desired it. On the financial score their fears were not without justification, since the surplus funds of the wealthy Federation had already been drawn on for loans to the northern Malay States recently taken over from Siam. Furthermore the Colony was poor: "It seems only common sense," remarked one of the unofficials, "to suppose that this apparently harmless Bill has been framed in reality with the aim of getting control over the revenues of these States."

To meet these objections in part, if not to satisfy the broader plea for an executive officer who had no interests to serve outside the Federation, the High Commissioner agreed to a proposal brought forward by the unofficials to the effect that the Council

¹⁷ *Federal Council Proceedings*, November 2, 1910. Sir John Anderson seized, as the occasion for this reform, the time of the retirement of the then incumbent of the office of Resident-General. Later efforts on the part of the unofficials to secure a return to the title of Resident-General met with no encouragement from the Colonial Office.

should be given entire control over the finances of the Federated Malay States. Since the Council contained an official majority equivalent to that customarily found in the Crown Colonies this agreement imposed no effective limitations on the government, but it did at least bring the whole subject of federal finance before the Council.¹⁸ On this basis the Council then proceeded to pass the enactment which incorporated the Chief Secretary and repealed the State enactments which had earlier incorporated the Resident-General. But in the preamble of the new enactment it was stated that the Chief Secretary "shall nevertheless possess and enjoy all and every one of the rights, privileges and powers conferred, and exercise all and every one of the duties imposed, upon the Resident-General."¹⁹ Although Sir Frank Swettenham maintains that the new departure "placed the High Commissioner in the position of Chief Executive Authority for the Federated Malay States," in fact the results were more accurately summarized by the words of the preamble cited above.

After these constitutional upheavals the political situation in the Federated Malay States remained calm for another decade or so when much the same controversies were renewed. From 1910 to the outbreak of the World War was a period of colossal development in Malaya. As the rubber plantation industry came into its own the land and energy of the more advanced portions of the Peninsula turned speedily in a one-crop direction and were largely absorbed in attempting to supply the demand of the motors of the world. At the same time the price of tin was high with a consequent stimulation of the Malayan mining industry. The total value of the exports of the Federation rose from \$76,273,438 in 1909 to \$154,974,195 in 1913 while in the same period the government revenues of the four States increased from \$25,246,864 to \$44,332,711. "In the general rush of development, bringing with it increased prosperity, any discontent with

¹⁸ *Federal Council Proceedings*, January 19, 1911. See also a letter from one of the leading unofficials of the time, J. M. Robson, in the *Malay Mail*, October 8, 1932.

¹⁹ F.M.S. Enactment No. 1, 1911. Sir Samuel Wilson (*op. cit.*, p. 7) points out that "the first Chief Secretary in his Annual Report for 1910 recorded the change in title, but at the same time observed that the duties and responsibilities of the post would remain the same."

the highly centralized bureaucracy at Kuala Lumpur seems to have been forgotten."²⁰

The first year or two of the war caused a decline in economic well-being, but by 1916 the upward swing was under way again and the first two post-war years saw the beginning of a short-lived boom. The war period in Malaya, as in most other colonial areas throughout the world, was marked by no serious disturbances of any sort although Kelantan in the north and Singapore in the south both saw minor outbreaks. The loyalty of the Sultans to the Empire, no doubt with the Colonial Office in the prompter's box, had been attested earlier by the gift from federal finances of H.M.S. *Malaya* on the initiative of the Sultan of Perak in 1912, and was reaffirmed in 1926 by the acceptance of the motion of the Sultan of Selangor, supported by the other rulers, that the Federation offer the Imperial Government £2,000,000 for the Singapore Naval Base.²¹ Among the upper classes in the F.M.S. the war was greeted with a reasonable degree of enthusiasm, while for the mass of the people it meant not much more than higher prices and taxes. By the official hierarchy the war period was naturally regarded as a time in which no more political issues should be brought forward than seemed wholly inescapable.

THE REFORMS OF THE POST-WAR DECADE

After 1920, however, when Sir Laurence Guillemard became Governor and High Commissioner, the old controversial issues reappeared to dominate the scene. From this time forward the background of the discussion was the growing realization of the desirability of some form of Malayan union which should, on the one hand, preserve the individuality of the different units and, on the other, reduce the friction and expense inevitably associated with so large a number of separate administrations in so small a territory. But the number of important toes which had to be trampled on in the creation of such a union, in addition to the difficulty of finding a common scheme which would reconcile

²⁰ Sir Samuel Wilson, *op. cit.*, p. 7.

²¹ See *Federal Council Proceedings*, November 12, 1912, and June 23, 1926.

the interests of the diverse communities involved, made its present realization impossible. All overt movements in this direction were brought to an end in 1921 when the Governor, with the authorization of the Colonial Office, made a statement in the Federal Council which scotched the rumor that the Federation was seeking to sweep the unfederated States into its fold and laid down the future policy in that regard. Despite the effect of road and rail in bringing the former Siamese States and Johore closer to the F.M.S., he insisted that it was not the policy of the government "to exert, in any manner whatsoever, any pressure upon any other State to enter the Federation." If other States chose to apply for membership their applications would be carefully considered. The general policy he laid down as being friendly co-operation between the several Malayan units in all matters of common interest, on the understanding that each party was free to act as it thought best in local matters.²² The eagerness of the other States to merge themselves into the Federation may be seen from the fact that to date applications for federal membership have been conspicuously lacking,²³ thus restricting the constitutional advance to the various types of uniform but separate action which have been evolved.

The purpose of Guillemard's activities during his long term of office from 1920 to 1927 was to secure a decentralization in the F.M.S. which should at the same time give the several States a greater freedom of action and extend the control of the High Commissioner over them. In the long controversy over the problem of decentralization, which in turn came to center about the abolition of the Chief Secretaryship, almost every conceivable

²² *Federal Council Proceedings*, December 13, 1921.

²³ The customary reason advanced for the failure of any of the unfederated States to seek to join the Federation is their strong aversion to the almost complete loss of independence which entry into it implies, but Sir Frank Swettenham has put forward the following alternative and pertinent suggestion: "Is it because these States have already got all the help in money and trained men that they want? Or that they feel sure they will get any further assistance without obligation on their part? Or is it that their Rulers have been treated with the same consideration and the same favors as their neighbors in the Federation, without being called upon to make any of their generous gifts and sacrifices?"

"I seem to have heard of railways in Kelantan, Kedah, and Johore, with a magnificent causeway to Singapore; of the settlement of money difficulties in Kelantan and perhaps elsewhere. But who was the fairy godmother? Was it the Colony or the Imperial Government which found the money for these great works?" *British Malaya*, January, 1932.

Malayan question was brought into the discussion. It is impossible to examine in detail here all the aspects of the controversy—which was repeated in surprisingly similar form over the proposals of Sir Cecil Clementi a decade later—but it is essential to examine the major issues involved.

Three main considerations entered into the matter, in addition to the ever-vexing question of the personal-political relationship between the High Commissioner and the Chief Secretary. These were: (1) the finances of the F.M.S., which had taken a decided turn for the worse in the post-war slump; (2) the growing sense in the Federation that the Malays, both rulers and ruled, had been unwisely and unjustly pushed too far into the background by the ponderous machine of European finance, industry, and administration; and (3) the complexities and absurdities of the general constitutional structure of Malaya. It deserves, perhaps, to be added that the second question would in all probability never have been raised—at least by those who did raise it—if the financial situation had been different.²⁴

To see the effects of the post-war slump in Malaya it is not

²⁴ One of the most unexpected and vehement champions of the Malays was the Association of British Malaya, an unofficial body located in London. The Association held that the financial decline was due to too much European bureaucracy and centralization. Guillemard, in his first reply, announced his adherence to the Association's view that the proper financial policy was "to teach the Malay Rulers and their people to develop their rich lands on safe principles of finance for the advantage of the people of the country." See *F.M.S. Gazette*, supplement of August 26, 1922. In June, 1923, the attack was renewed on the interesting ground that "Western methods of progress have been and are being pressed upon the F.M.S. too rapidly either for the needs of the country, of its Chiefs, or of its people. From other sources the Committee are informed that the Malays realize the facts and are dissatisfied—an open expression of that dissatisfaction would be very unlikely and would only be heard when the position had become dangerous." Guillemard in his answer to the Secretary of State, which will be cited in other connections, expressed his surprise at finding "the Association coming forward as the champion of the Malays against the Government, when one remembers that it represents primarily British capital and British interests. In any Protectorate it must always be a difficult task for the Administration to give full consideration to those interests and at the same time to serve adequately the interests of the people of the country. The difficulty of the problem in Malaya has been accentuated by the magnitude of the British and foreign interests concerned and the apathy with which the Malays themselves view such undertakings. . . . Had the Government from the first declared and maintained a more rigid policy of always subordinating British interests to Malay interests, I can scarcely conceive that such a policy would have met with a chorus of approbation from the gentlemen who form the Association of British Malaya." See *Federal Council Proceedings*, 1924, Appendix 4.

necessary to use any magnifying glasses: the statement of a few obvious figures is sufficient. In 1919 the Federated Malay States had a surplus of over \$100,000,000; in a brief time this had entirely disappeared and the government was in the market for money. The general situation is clearly indicated in the following table:

	Revenue	Expenditure	Imports	Exports
1919.....	\$72,135,075	\$ 70,676,961	\$119,495,607	\$279,652,483
1920.....	72,277,146	100,433,471	175,916,712	289,112,016
1921.....	54,449,568	114,386,546	103,012,006	135,485,376
1922.....	52,494,110	49,811,007	78,822,349	140,429,775
1923.....	63,952,131	52,825,572	89,088,237	197,100,950

It will be noticed that in each instance an improvement is recorded in 1923, and this upward tendency continued strongly for the next few years. The effects of this brief depression were intensified by the rice shortage of 1919-21, due in part at least to the concentration on export crops and more directly to famine in India with a consequent restriction on the export of rice from Burma. In meeting this shortage the Malayan governments suffered a loss of \$42,000,000, nearly half of which was borne by the F.M.S.

Aside from this particular misfortune in rice, the fundamental situation was that the post-war slump caught the Federation off its guard. The officials in Kuala Lumpur had become accustomed to constantly increasing revenues—revenues, it may be added, which far outran what could reasonably be expected in a country of its size, population, and stage of development—and they had spent them with a care-free lavishness. During the war very large contributions were made to the mother country with the apparent approval of all sections of the community. The Civil Service had enlarged beyond recognition, splendid public buildings and other public works had been built at many points, an elaborate railway system stretched from Singapore to Bangkok, and a network of first-class roads was spreading throughout the Peninsula. In brief, a structure comparable in scale and efficiency with that existing in the advanced countries of the West had been built up out of the returns from rubber and tin. When those returns began to sink the structure was found to be grossly top-heavy since it was in no way justified by an equivalent rise

in the standards of life of the mass of the people, and particularly of the Malays in whose behalf it was supposed to have been erected.

This situation naturally brought up for discussion again all the central problems of Malaya. One of the first steps to be taken was the appointment of a Retrenchment Commission to advise as to the immediate problem of bringing expenditure into line with revenue again. The nature of the recommendations of this Commission may be seen in its concluding summary: "The general impressions left on us are briefly that owing to a misapprehension regarding the financial state of the country and the future revenues a policy of rapid expansion was adopted, the principal increases taking place in the newer technical departments; that both the Government and heads of departments are now aware of the position; and that the whole administrative and executive system of the Government of the Federation has tended too much towards bureaucracy and over-centralization." ** The Commission was not inclined to doubt the general value of the Federation, but it suggested that its principal objects had been attained and that it was now time to institute a more flexible system. As a means of achieving this greater flexibility it proposed that a greater degree of control over State matters be left in the hands of the Residents and State Councils. Closer co-operation with the Colony and the other States was recommended only for certain scientific and research departments.

Two more of the Commission's specific criticisms and recom-

** *Report of January 10, 1923, section 52.* One of the most interesting pieces of evidence before the Commission was a letter by one Meadows Frost, who had been a member of the Civil Service since 1898 and was at that time a District Officer. His main contention was that too elaborate and expensive a staff of Europeans had been brought out in the interests of efficiency. "From an economic point of view we ought not to have attempted so much. Had we been content with a lower standard, kept legislation down to a minimum, employed far fewer Europeans and more Asiatics in the public service, the savings from the very much cheaper cost of administration would have far outbalanced any extra revenue which we may have realized by our more elaborate system. . . . The present system is agreeable to the lawyers and Europeans engaged in commerce, mining and planting and probably to the westernized Chinese. It is not to the great bulk of the population who are Asiatics and not western in their ideas, especially is it not agreeable to the Malays for whose benefit we profess to administer the country. The average Asiatic can neither read the laws nor understand them." Appendix III (I).

mendations deserve mention. It pointed out that at the top of the structure the powers of the High Commissioner and Chief Secretary over expenditure were exceptional since they escaped the advisory and restraining influence of an Executive Council of the type to be found in the Crown Colonies. There were, indeed, two bodies with some control over finance but neither held the constitutional position of an Executive Council. One of these was the informal conference of Residents with the Chief Secretary and, less frequently, with the High Commissioner. This conference served a number of useful purposes but it had no distinct official status. The other was the Finance Committee, created early in the history of the Federal Council and consisting of the Chief Secretary and the unofficial members of the Council, which served as an advisory body on finance. It, like the Residents' conference, had no final powers, but was consulted on all expenditures above a certain sum not provided for in the Supply Enactment. The Retrenchment Commission pointed out that the functions of this Committee were largely confined to sanctioning expenditure which had already been incurred, and suggested that where the unofficials formally objected or where the official majority was called in to override them, the matter should be reported to the Secretary of State.

That reforms of this order would constitute a salutary check on the executive power in the Federation could not be doubted but they had only a very remote interest for the ordinary inhabitant. Another point raised by the Commission struck more nearly home. This was the proposal that in addition to a decentralization in terms of the States there should also be a revision of the general system in such a fashion as to restore the District Officer to his rightful place, a problem which has troubled almost all colonial governments in recent times. In the beginning the District Officer had been the key man in the structure. He was in intimate contact with the people of his area and represented the government to them in almost every one of its manifestations.** Two factors worked to change that

** Swettenham (*British Malaya*, p. 242) says of the District Officers, then known as District Magistrates: "... they, being alone, were, in their districts, the Magistrate, the Chief of Police, the Public Works and Survey and Land Officer, the Surgeon, the Treasurer, the Coroner, the Superin-

position: the growing ramifications of government and the improvement of transportation. The former meant that many of the tasks formerly performed by the District Officer were taken over by specialized services while he himself was forced back into a mass of paper work in his office. The latter tended to remove him from the intimate contact with the people which had in earlier days come from his slow progress through the countryside. As a result the main link between the people and the distant European government in Kuala Lumpur was weakened to a somewhat dangerous degree. In this situation the Commission recommended that the District be re-established as the basic unit, that the almost absurd differences in importance between the Districts be reduced by re-drawing them, and that the prestige and significance of the District Officer be restored by insisting that the local technical officers consult him in the first instance about departmental proposals concerning his District.

For the purposes of the Retrenchment Commission decentralization was obviously something of a side issue unless it could be shown, as it could not, that over-centralization was a main cause of rash expenditure and high governmental living. There was, however, at the same time another committee at work which had the problems of decentralization as its central point of reference. This body was appointed by the Chief Secretary, Sir George Maxwell, who laid claim to a desire to remedy the abuses which had developed in the Federation. It was headed by one of the Residents and drew its membership from the Federal Secretariat and the heads of the departments. Considering the source of its authority and the nature of its composition it is evident that little could be expected from it which would satisfy the High Commissioner as against the Chief Secretary or which would work to "restore" to rulers and State Councils their assumed pre-federation powers. The committee's general purpose was to work toward decentralization by giving the Resident—not, be it noted, the Sultan—the fullest control in State matters com-

tendent of the Prison, if there was one, the Inspector of Mines in a mining district, or the Harbor Master in a coast district. The magistrate had to travel all over his district, to learn its capabilities, encourage people to take up land and build houses, know everyone and be pleasant to good citizens, with at least one eye on the naughtily inclined."

patible with proper supervision and co-ordination of the federal departments by their heads."¹ Although the committee contended that as far as efficiency and economy were concerned strong centralization was desirable, it conceded that the movement in this direction had involved a loss of State individuality which was contrary to the whole spirit of the federal agreement entered into by the rulers.

Since the balance of power clearly lay with the central authorities in Kuala Lumpur under the existing system, it was proposed that there should be a devolution which would place certain departments more directly under the control of the Residents. The extra cost and loss of efficiency which was feared in these departments would be more than balanced, it was hoped, by the renewed confidence of the rulers and their people. For certain departments, such as Railways, Posts and Telegraphs, and Customs, the committee held that devolution could not be applied without grave loss, but in others it was thought that the position of the department head could safely be made merely that of an adviser and not of an executive. In these departments the executive instructions would emanate, for each State, from the Resident and not from the federal head in Kuala Lumpur.

This report was submitted to the conference of Residents toward the end of 1923 and was approved by it with minor modifications, to be adopted immediately as a first step toward decentralization. A second committee was now appointed by the Chief Secretary to work out the financial implications of the scheme."² The Decentralization Committee had explicitly recognized that for devolution to achieve its desired results it was essential that the States should be in control of the finances of the departments which were transferred to the jurisdiction of the Residents. But since these transfers still implied a very considerable degree of jurisdiction by the department heads over the higher members of their staffs—particularly the Europeans—no clear-cut solution was possible. The departments which it was intended to transfer in the immediate future were Agricul-

¹ See *Decentralization Committee Report*, submitted August 11, 1923.

² The report of this Committee was published as Appendix 18 to *Federal Council Proceedings*, 1924. The Committee also considered the always complicated question of the division of Federal revenues among the States.

ture, Medicine, Forests, Survey, and Police. Even for these the plan involved no dyarchy on the Indian model, but an extension, to some degree purely formal, of the control of the Residents over the substance of the work of the departments in their States. That some advance was made is indicated, however, by the fact that in December, 1925, both the High Commissioner and the Chief Secretary announced that that year the State budgets had been laid before the State Councils.

It will be seen that the wheels were already turning with some speed in the direction of decentralization, primarily, it appears, under the impulsion of Chief Secretary Maxwell. In 1925, however, an abrupt shift took place when the High Commissioner formally announced a new policy the key point of which was the abolition of the Chief Secretaryship."³ This further step appears to have been taken, apart from personal difficulties between Maxwell and Guillemard, to some extent on the basis of representations made by the Sultan of Perak to the Secretary of State for the Colonies in the course of a visit to England in 1924. In a memorandum submitted to the Colonial Office the Sultan asked that "the original treaty be followed in its exact terms" and he added that the proper policy was one under which "the Ruler should be treated as a Ruler and the Resident carry out, on his behalf and with his co-operation, the policy arrived at by them in consultation with a more powerful State Council."⁴

Guillemard's far-reaching program was elaborated in a memorandum laid before the Federal Council on December 14, 1925,⁵ and in a Council speech on the same day, after consultation with the Secretary of State while on home leave in London. The essence of it was that since the Federation, contrary to intentions and expectations, had overwhelmed its member units, it was now

³ Maxwell has insisted on several occasions that decentralization would now be an accomplished fact if it had not been for Guillemard's new policy. In a letter to the *Malay Mail*, published October 11, 1932, he wrote: "As soon as it was known that decentralization was to be coupled with the abolition of the Chief Secretaryship, the resultant confusion rendered further progress impossible." Another factor which added to the confusion was the fact that the High Commissioner had secretly explained his program, before leaving for England, to the British but not to the Chinese unofficial Council members.

⁴ See Sir Cecil Clementi's memorandum on decentralization of July, 1932. Published in the *Malaya Tribune*, October 6, 1932.

⁵ The memorandum is printed as Appendix 39, *Proceedings*, 1925.

essential to reform it by strengthening the powers of the States. This, it was claimed, could be accomplished only by the gradual disappearance of the Chief Secretary. The reforms of Sir John Anderson, in Guillemard's view, had failed of their purpose: they had succeeded in bringing the Sultans into closer touch with the High Commissioner, but "the powers and influence of the State Councils and the Residents gradually diminished, and increasing efficiency and uniformity under the Central Government have been purchased at the price of the individuality and legitimate independence of the States." In retaining the office, if not the title, of the Resident-General without any change in its powers, Anderson had blocked the way toward any effective decentralization: "The result is that the Federated States of today are not a Federation but an amalgamation."

The situation for the rulers had, in fact, become somewhat worse, according to the High Commissioner, because the development of the Federal Council had robbed them of even the semblance of independent rule and because the different type of policy followed in the northern States had exposed their own helplessness more clearly to them. In the unfederated States, as will be seen below, the rulers had only the Secretary to the High Commissioner—a junior officer without executive power—between them and the High Commissioner whereas in the Federation the Chief Secretary tended to eclipse the sun that shone at Singapore. "The Rulers, the Councils, and the Residents of the Federated Malay States naturally desire the same measure of power and dignity as are enjoyed by their counterparts in the unfederated States."

The heart of the argument lay in the following passage of the High Commissioner's memorandum: "I am convinced that the only effective decentralization in the Federated States and the only cure for the dissatisfaction of their Rulers lie in such gradual devolution of the Chief Secretary's powers to State Councils, Residents, and, if necessary, to Federal Heads of Departments, as will in effect amount to abolition of the office of Chief Secretary as at present constituted." Guillemard conceded that some sort of Federal Secretary might be desirable as a unifying agent and as a channel of communication with the High Commissioner,

but he suggested that a more frequent conference of Residents might solve the main problem. The administrative center would for most subjects shift away from Kuala Lumpur to the State capitals, but certain matters, such as Railways, Customs and Excise, and Posts and Telegraphs, would have to remain on a federal basis. A large measure of original legislative power and of financial authority was to be restored to the Rulers in Council.

In order to allay the fears aroused by the proposed abolition of the Chief Secretaryship, the High Commissioner insisted that there would be no new over-centralization in his own office by pointing to the independence enjoyed by the unfederated States and, further, that the F.M.S. need fear no loss of separate consideration because the High Commissioner would bear their special problems in mind and have them brought to his attention by the four Residents even more forcibly than by the Chief Secretary. In conclusion he protested that his proposals made it "abundantly clear that there are no dark schemes of annexation or fusion with the Colony behind them. Annexation of States so loyal would be not only a blunder but a crime, an offence against justice and against honor."

Three days later this program came up for discussion in the adjournment speeches of the Federal Council.²² The hostility of the unofficial members was made as plain as was the enthusiasm of the rulers, all four of whom bestowed florid praise upon it. Among the unofficials only the one Malay member spoke in its favor, the others joining in a united protest despite previous approval of decentralization.²³ The burden of their argument

²² *Proceedings*, December 17, 1925.

²³ See, for example, an important speech by J. H. M. Robson, who led the unofficial protest against Guillemard's proposals in 1925, in the Council on June 20, 1922: "I would make the Residents again responsible for many things in their own States for which in the later stages of the Federation they have been no longer responsible. I would make each State Council take a greater share in the actual executive work of the country. I should like to see Their Highnesses—if I may say so with all due deference to them—taking a greater share in the actual executive work of their individual States. I would also suggest that the State budgets must be maintained as State budgets," etc. Robson, however, continued to plead for a return to the Resident-General as "the local man on the spot" running the administrative machine. Such decentralization, particularly in the financial sphere, might serve to persuade the unfederated States to join the Federation, he suggested.

was that while they favored an increase in the dignity and influence of the rulers and a generous measure of self-government, they feared that the stability of the Federation would be menaced by the loss of its chief executive officer. One of the Chinese members feared for the position of the civil service in the new order, and a European colleague pleaded for the interests of the labor and capital which had been attracted to the country because there was "unity of government, unity of legislation, and unity of principle."

It was not until the next session of the Council, however, that the battle was really joined, and by that time the animosities on both sides had been somewhat cooled by back-stage efforts to arrive at a compromise. These efforts, as the debate showed, had not been entirely successful. Guillemard had apparently withdrawn from the extreme position of abolishing the Chief Secretaryship, and the unofficial members, although backed in their protest by the entire unofficial and non-Malay community, were prepared to soften their denunciations of the plan. But there remained a margin of disagreement which compelled the High Commissioner to bring his official majority into action against the dissenters.

The opening gun was fired by one of the unofficials who proposed the modification of a resolution which he had laid before the Council.¹⁴ This resolution, in its unamended form, had been adopted at a meeting of the representatives of various public bodies in Kuala Lumpur held under the auspices of the Planters' Association of Malaya. It proposed that the Council, being of the opinion that the recent great agricultural, mining, and commercial development of Malaya came largely from the confidence inspired by the Federation, should declare (1) that, while each of the States should have full control of its internal affairs, that policy should not affect the maintenance of a strong Federal Government, (2) that a full and efficient maintenance of Federal Services was essential to the country, and (3) that it was essential to the efficient working of the federal system that there should be a resident executive head of the Federal administration, under the High Commissioner, having a status equal at

¹⁴ *Proceedings*, March 8, 1925.

least to that of the officer serving as Colonial Secretary, Straits Settlements.

It was on this third clause of the resolution that the issue was joined. The main argument for the unofficials was briefly stated by one of the Chinese members: "We all agree that certain powers of the Chief Secretary to Government of a local character should be delegated to the State Councils as far as possible, but we are not in favor of transferring the powers of the Chief Secretary to the High Commissioner which means centralization in Singapore instead of devolution to the Rulers." One member went so far as to suggest that, from a purely business standpoint, "the most efficient way of controlling this country would be to have one Government and abolish everybody else and everything to do with the States," but he agreed that as a matter of practical politics it was necessary to maintain the existence of the States. The two obvious fears of the unofficials were that the interests of the Federation would be subordinated to those of the Colony by a new centralization in the High Commissioner, or, alternatively, that a real devolution to the States would mean the loss of the strength and stability upon which the economic growth of the Federation had been based.

The High Commissioner, in answering the speeches of the unofficials, stated his readiness to accept the preamble and the first two clauses of the resolution, but balked at the third. Declining to tie the hands of the government as to what the precise position of the chief officer of the Federation would turn out to be, he announced that if the third clause were included and a division taken the government vote must be cast against it. As Sir George Maxwell, then Chief Secretary, later bluntly put it: "The High Commissioner realized that if he used the 'official vote' to oppose the first two clauses of the resolution, he risked the loss of the support of the Colonial Office. He accepted them, therefore, and contented himself with using the official vote against the third clause, which was taken to a division, and lost by one vote. From that day, the policy faded away."¹⁵

The fading away of the policy was, however, a more gradual process than Maxwell suggests and did not mean its complete

¹⁵ *Straits Times*, October 5, 1932.

disappearance, although he is probably justified in his claim that decentralization had already been started and that the controversy which Guillemard aroused over the Chief Secretaryship was more of a handicap than a help to it. That part of Guillemard's proposals, at all events, did substantially disappear until it was revived by Sir Cecil Clementi, but other parts received immediate attention. The two points of greatest consequence which were acted upon were the reform of the Federal Council and of the financial relationships within the Federation.

On the finance issue the High Commissioner appointed a committee, containing two unofficials in addition to the official members, which was instructed to report as to means of financial devolution. This committee accepted the principle of granting a measure of financial autonomy to the States and proposed to solve the problem by rearranging the various heads of expenditure in the annual estimates into three categories: federal services to be provided for in the federal estimates, Reserved (State) services to appear in the State estimates, and Unreserved services, not yet susceptible of final classification in either of the other two categories, and appearing separately. Since the legislative authority for all federal and State expenditures was the Federal Council, it was proposed that the Council should appropriate a lump sum for the reserved services of each State on the basis of a preliminary and approximate budget prepared by the Resident, and that the State Council could then allocate these sums as it saw fit to the services reserved to the State. This preliminary budget would be sanctioned by the High Commissioner after consultation with the Chief Secretary, and the former's sanction would also be necessary before the final appropriation bill was introduced into the State Council. After being debated in the Federal Council the report of this committee was approved in principle as the basis for future action.**

The reform of the Federal Council consisted primarily in

** The Report forms Appendix 28 of *Proceedings*, 1926. See also the debates on September 27 and December 13, 1926. In introducing the report for the approval of the Council the Chief Secretary characterized it as follows: "The recommendations of the committee aim at giving the States control of what may be called purely domestic expenditure whilst reserving to this Council full control of the financial reserves of the Federation."

removing the Sultans from it in order to enhance their prestige and dignity—in other words, for much the same reasons as had put them there—but before examining this reform it would perhaps be well to glance over the changes which had taken place in the constitution of the Council since its creation. Despite a certain limited amount of pressure for a more representative Council these changes had not been of any great significance. In 1913 the Legal Adviser had been added to the Council and that appointment had been balanced by the addition of another European unofficial. In 1920 the same procedure was followed in connection with the addition of the Treasurer.

This latter appointment had only a brief life, as in the next year the Chief Secretary announced that he would be replaced in the Council by a newly created officer, the Financial Adviser, Federated Malay States and Straits Settlements. The occasion of this appointment was the financial stringency of the Federation, which was raising a large loan through the Colony. As the Chief Secretary pointed out, a loan raised by the Colony would be trustee security throughout the Empire whereas an F.M.S. loan would not be. Despite the efforts of the Chief Secretary and the High Commissioner to convince the Council that no sinister schemes were afoot and that the new officer would be a purely federal officer in Kuala Lumpur and a purely Colonial officer in Singapore, the unofficials joined in regretting the new effort at domination by the Colony and the inability of the Federation to raise a loan direct without losing financial independence.**

The one direct move for a large-scale reform of the Council came in 1920 when an unofficial member asked for an increase in the number of his colleagues on the Council, pointing out that the official majority of ten to five stamped every unofficial project as a lost cause from the outset. On the strength of this plea the Chief Secretary appointed a Select Committee made up of all the unofficials and the Legal Adviser to consider the matter. Although the report of this committee was never either published or acted upon, at least as far as its main recommendations went,

** See *Proceedings*, November 3 and December 15, 1921.

it recommended an enlargement of the Council on the unofficial side and election of some of the unofficial members by the various planting, mining, and commercial associations. It also discussed favorably the removal of the rulers into an upper chamber, presided over by the High Commissioner, which should have a final veto power, but because of pressure brought by the government this proposal was not included in the report.⁴⁹ In 1923, however, the High Commissioner announced the addition of a Malay and another Chinese member. The Council at the time of the Guille-mard reforms was, then, composed of twelve official members: the High Commissioner, the Chief Secretary, the four rulers, the four Residents, the Legal Adviser, and the Financial Adviser; and eight unofficial members: five Europeans, two Chinese, and one Malay.⁵⁰

The radical 1927 reform of the Council was foreshadowed by the High Commissioner in his memorandum on decentralization which had roused such strong dissension. There he stated that it was possible that "as the policy of increasing the powers of the State Councils develops, the Rulers may elect to withdraw from the contentious arena of the Federal Council into the serener atmosphere of an Upper House or periodical Durbar." To implement this proposal a committee on the reorganization of the Council was appointed with unofficial representation but an official majority, and its report served as the basis for a new

⁴⁹ See *Proceedings*, April 13 and November 30, 1920; January 23 and July 12, 1923. An editorial in the *Malay Mail* of August 26, 1922, gives the substance of the report and presents the arguments in its favor. The editorial concedes that the rulers must have first consideration and would not relish seeing the legislative power pass to a Council with an elected majority of Europeans, Chinese, and Indians, but it holds that not "even the peculiar political position of the F.M.S. justifies banging and bolting the door against some form of representative government." The position of the rulers, however, could be safeguarded by constituting them as an upper chamber with veto power. Referring to the action of the Dutch in creating the Volksraad the editorial pleads for election of the European and Chinese members by their respective associations and for the appointment of Indians and Malays until such time as these racial groups are sufficiently organized to make election feasible.

⁵⁰ A further agreement supplemental to the Federal Council Agreement was concluded in 1924, providing that the High Commissioner was authorized to add other department heads or unofficial members to the Council at his discretion, and that the Legal Adviser and other department heads, if not nominated to it, could join the Council, but not vote in it, when matters affecting their departments were under discussion. See Maxwell and Gibson, *op. cit.*, pp. 75-76.

agreement with the rulers and the revised constitution of the Council.⁴⁰

The two points of departure of the committee were the increase of public interest in the Council as its business increased and the anomalous position of the rulers. The report pointed out that a time of great agricultural and commercial progress in Malaya had coincided with a time of world-wide political activity, and that the growing wealth and political consciousness of the inhabitants of the States focussed attention on the Council. The public looked to the Council for information on various important subjects, but since the heads of departments were not present there was an air of unreality about statements made in their behalf by the Residents or the Chief Secretary. This, it was added, "deepens the impression that such problems are being worked out in bureaucratic seclusion instead of in close collaboration with the leaders of a coherent public opinion." The committee did not, however, remark on the extreme difficulty of finding any coherent public opinion or its leaders in a community so diverse and heterogeneous as the Federated Malay States.

In speaking of the rulers the report merely gave official recognition to what was common knowledge: their position in the Council was highly unsatisfactory and they were themselves well aware of it. "They have to sit through long debates," affirmed the report, "carried on in a language with which they are not all familiar and although the proceedings are periodically summarized in a translation the result must at best be extremely tedious to Their Highnesses. They regard it however as their duty to sit through the meeting, notwithstanding the custom which has grown up for them not to take part in debate. Only on rare occasions of peculiar importance is this custom varied. But it is impossible not to feel that just as the dignity of the Rulers necessitates their abstention from debate it should also lead to their withdrawal from the Council. It would not be seemly for Their Highnesses to engage in controversy with, say, one of the unofficial members and it appears to us equally unseemly for them to be placed in the dormant position of silent

⁴⁰ Appendix 38 to *Proceedings*, 1926.

members of the Council.”⁴¹ With this view the rulers themselves were in full agreement.

It was proposed, therefore, that the rulers should withdraw from the Council, be given a previous opportunity to discuss the agenda of coming meetings with their Residents, and appear in the Council only once a year in state and for a brief time, sitting not at the Council table but on a raised dais behind the High Commissioner. Dismissing the attractive notion of an Upper Chamber of Rulers, the Committee suggested that there should be instituted a Durbar held at least annually, at which the rulers, the Residents, the Chief Secretary, and the High Commissioner could discuss the affairs of the country in Malay.

The places of the rulers in the Council, the report held, should be taken by the Principal Medical Officer, the Controller of Labor, the Director of Public Works, and the Director of Education with one more official member to be appointed by name. In addition it recommended the appointment of three more unofficial Malays, preferably on the basis of one from each State, Perak already being represented. This would then give the Council a membership of thirteen officials and eleven unofficials. No mention was made of the possibility of the election of any of the unofficial members.

In addition to these matters of substance there remained the problem of the formal assent of the rulers to legislation. Since the rulers sat in the Council as then constituted, it had not been felt necessary to secure their signature to bills—the bills were signed by the President of the Council alone—and the enacting clause ran, “It is hereby enacted by the Rulers of the Federated Malay States in Council.” The committee recommended that since the legislative power was vested in the ruler rather than in his Council the model of the Imperial Parliament should be followed and the enacting clause changed to read: “It is hereby enacted by the Rulers of the Federated Malay States by and

⁴¹ Sir Hugh Clifford, Guillemard's successor, remarked pertinently in the reformed Federal Council on November 16, 1927, that “it is clearly anomalous that the Rulers of these States should occupy seats upon a Council armed with such powers—that they, in fact, should be placed in the position of advising themselves, and that only as individual members of a majority or of a minority, as the case may be.”

with the advice and consent of the Federal Council.” It was regarded as essential also that every bill should be signed by each of the four rulers before coming into force. This signature by the rulers was held to constitute “an outward and visible sign that the Rulers have, each for his own State, considered and approved the bills recommended to them. While this was not needed so long as they were themselves members of the Legislature it becomes essential as soon as they withdraw from and stand outside that body.”

These recommendations of the committee were promptly accepted and acted upon. The first stage in the proceedings was the introduction of the report in the Council where it met with unanimous acceptance.⁴² In introducing the report the Chief Secretary stressed the view that the position of the rulers would be improved in the new order and that they would be brought into closer touch with their Residents, who would definitely represent the rulers in the Council. This view was accepted by the Sultan of Perak in a speech which was decidedly frank in contrast to the usual silence and rare formal utterances of the rulers in the Council. “I myself have sat in this Council for long and weary hours, as far as I can see without profit,” said the Sultan. “I am glad to think that task will now devolve solely upon the Resident.” The only remaining step was the drawing up of a new agreement with the rulers which should sanction the reforms. This was done in the Agreement for the Reconstitution of the Federal Council of April 24, 1927,⁴³ which incorporated the committee's report almost without change. This agreement closed with the customary meaningless article as to the non-curtailment of any of the powers or authority now held by the rulers in their respective States, but it did explicitly state that “the Council shall pass all laws intended to have force throughout the Federation.” For the rest it utilized the form and phraseology of the older agreements in so far as they were compatible with the sweeping changes introduced by the report.⁴⁴

⁴² *Proceedings*, February 28, 1927.

⁴³ See Sir Samuel Wilson, *Visit to Malaya*, Appendix IV, ii.

⁴⁴ “The jurist can only state that the Agreement of 1927 fails even more lamentably than that of 1909 to provide juristically the remedy for the Malay Rulers which it was intended to give.

“Reading the Agreement of 1927 and not knowing its history a lawyer

Decentralization occupied a very small space in it since it went no further than to say—in accordance with the recommendations of the committee on finance as given above—that while all expenditure should be sanctioned by the Council, the latter might “by resolution allocate to each State every year a lump sum to be expended without further reference to the Council on such services as the Council may from time to time determine.” Nor had the position of the State Councils been very much improved. A committee appointed to consider this subject had come to the conclusion that for the present no effective extension of the legislative powers of State Councils could be made. This conclusion was based on the statement in the preamble of the 1909 Agreement that the Federal Council was established for the enactment of laws intended to have force throughout the Federation, and the committee felt that in the future as in the past practically all legislation would consist of such laws.⁴⁶

Thus ended the experiment which Sir John Anderson had so hopefully introduced in 1909 as a means of making indirect rule a reality. Since the Resident-General had completely overshadowed the rightful rulers of the country, he had been re-

would say that it was a document designed to give the British full power over the four States; yet we know that the opposite was intended.” Braddell, *op. cit.*, p. 20.

⁴⁶ See *Proceedings*, 1926, Appendix 37. The actual position of the State Councils was graphically shown in the committee's calculation as to the number of enactments passed by them, prior to and after the setting up of the Federal Council.

	1900-1909	1910-1925
Perak	181	17
Selangor	188	13
Negri Sembilan	189	13
Pahang	175	20

The committee suggested that there were only two alternatives to the present system, either a return to the pre-Council system of separate but identical legislation, or the establishment of a real federation marked by a rigid division of powers. It was the committee's opinion that “the country has passed beyond the first alternative and is not ready for the second. The quadruplicate system of legislation was clumsy and unreal, and a return to it would be a retrograde step, neither practicable nor desirable. The second alternative represents a stage which may be reached some day, but for which public opinion is not yet ripe.”

placed by a Chief Secretary and the rulers had been elevated to places of prominence in the central legislative body. But the tides of Western ideas and techniques and of Eastern peoples were flowing in too swiftly to be checked by such formal structural changes. The Chief Secretary, like his predecessor, continued to be the head of an ever more elaborate Western administration, and the rulers found themselves hopelessly lost in a Council the foreign language of which was only a symbol of the transformation that was taking place in their States. In that transformation they played no more substantial rôle than that of dignified bystanders. Their prestige was guarded for them as a sacred trust, but the countries which they might have ruled had grown far beyond their grasp. Now, to enhance their prestige, they were removed from the Council and transported to the formally more correct status of constitutional monarchs. In form the Council was an advisory body to the four sovereigns; in undisguisable fact it was the public center of the new world which had risen to push the sovereigns aside. In essence the problem was not structural: it was merely that Malaya had outgrown the Malays.

Although Guillemard expressed himself shortly before his retirement from office as being satisfied with the progress made toward decentralization, actually very little had been accomplished in that direction. The reform of the Federal Council was desirable from several standpoints but it could in no serious way be regarded as a move toward decentralization. The financial reforms had given the States a certain limited autonomy in regard to expenditure but there was no effective tendency to enlarge the unimpressive list of subjects reserved to them. Furthermore, it was the Residents who had profited most from the new financial powers of the States, rather than the State Councils, the membership of which had not been strengthened, and the Chief Secretary had been shorn of only a minimal fraction of his powers.

With Guillemard's departure his decentralization policy was, for all practical purposes, tucked away in a cubbyhole. His successor was the Malayan pioneer, Sir Hugh Clifford, who, it will

be remembered, was responsible for bringing Pahang under British protection. It is a matter which has often been commented upon by the enemies of any policy which would materially lessen the powers of the Chief Secretary that Clifford, with his intimate knowledge of the Malays and the earlier Malaya, found no occasion to raise the thorny problem of decentralization again. Sir Cecil Clementi, who followed him, revived the entire controversy on an even broader basis, but Clifford was content to let things rest as they were.

In 1927 a deeply significant speech was made by Clifford before the Federal Council. Its importance lies in the fact that, despite its lack of mention of decentralization, it constitutes perhaps the clearest and most elaborate statement of British policy toward the Malay States which has ever been made. The keynote of this policy is that the position of the rulers is regarded as sacrosanct by the British and that there can be no yielding to the demands of aliens for democracy even though they hold a majority. Behind the dramatic pledge of British good faith, there lingers, unspoken, the further premise that the preservation of the Malay rulers furnishes the very best of arguments for the undisturbed maintenance of British control.

"These States were, when the British Government was invited by their Rulers and Chiefs to set their troubled houses in order, Muhammadan monarchies," Clifford proclaimed. "Such they are today, and such they must continue to be. No mandate has ever been extended to us by Rajas, Chiefs, or people to vary the system of government which has existed in these territories from time immemorial; and in these days, when democratic and socialist theories and doctrines are spreading like an infection, bringing with them, too often, not peace but a sword, I feel it incumbent upon me to emphasize, thus early in my allotted term of office, the utter inapplicability of any form of democratic or popular government to the circumstances of these States. The adoption of any kind of government by majority would forthwith entail the complete submersion of the indigenous population, who would find themselves hopelessly outnumbered by the folk of other races; and this would produce a situation which would amount to a betrayal of trust which the Malays of these

States, from the highest to the lowest, have been taught to repose in his Majesty's Government." "6

Though the other races might very usefully participate in the government in an advisory capacity, as in the Federal Council, Clifford was insistent that they could in no way seek to take over the government themselves. The responsibility of the government was not to them but to the indigenous Malays, the continuous amelioration of whose conditions must be the primary object of the British administration. Although Clifford expressed his amazement at the development both of Malaya and of the Malays, and congratulated the latter on their demonstrated ability to resist the evil influences that had been thrust upon them and to absorb the good, he concluded by warning both the Malays and the aliens that, "owing to the peculiar circumstances of the Federated Malay States, the system of administration must, in its essence, be autocratical." One is left to wonder whether this autocracy is, in its essence, primarily Mohammedan, or British.

POLITICAL AND ECONOMIC STRUCTURE OF THE F.M.S.

The story of the development of the F.M.S. is obviously not complete without a discussion of the turbulent era of reform under Sir Cecil Clementi and of the peaceful reconstruction and stock-taking under Sir Shenton Thomas, but since these can best be treated in relation to the problems of Malaya as a whole they have been allotted a separate chapter of their own. To conclude the present chapter I have thought it advisable, despite the chronological hiatus, to append a brief survey of the present structure, both economic and political, of the Federation.

At the risk of repetition, I must again insist on the basic fact that the Federation is in almost every aspect the creation not of

⁶⁶ *Proceedings*, November 16, 1927. See *Report by W. G. A. Ormsby Gore, on His Visit to Malaya, Ceylon, and Java, 1928* (Cmd. 3235): "They were, they are, and they must remain, 'Malay' States. . . . The States were, when our co-operation in government was invited, Mohammedan monarchies, and such they are today. We have neither the right nor the desire to vary this system of government. . . ." P. 17. Sir Samuel Wilson comments (*op. cit.*, p. 12) that ". . . it seems clear that the maintenance of the position, authority, and prestige of the Malay Rulers must always be a cardinal point in British policy."

the Malays, but of the other peoples who have come into Malaya. It is the latter—the British in the political sphere and the Chinese, British, and Indians in the economic sphere—who found the bounds of the States too small to encompass their activities and reared above them the larger federal structure.⁴⁷ If the rulers consented to the setting up of the Federation and the development of its machinery, they did so not of their own motion but because the control of their States had already substantially passed from their hands, and they were prepared to accept any further transformations which did not too seriously and too obviously impinge upon the sphere of traditional pomp and dignity which had been left to them. As for the ordinary Malay villager, it is to be doubted if he knew anything about what was going on in the higher quarters or would have cared if he did. From this standpoint it may be said that the Federation was in reality only nominally federal in character: basically it was a new State constructed over the heads of the four existing States to protect and advance the interests of the new alien population. Increasingly it drew to itself all the modern functions and powers of government, leaving to the States themselves only the control of local Malay and Mohammedan matters. In these circumstances it is not to be wondered at that it shortly developed, as two High Commissioners pointed out, into an amalgamation rather than a true federation.

Nor is it to be wondered at, either, that in the process of its development the Federation has produced many strange anomalies. As has been seen above, there has never, at least until the recent reforms, been any clear-cut separation between State and federal spheres and the fact of federal amalgamation has necessarily stood out in glaring contrast to the treaty declaration that

⁴⁷ "The introduction of a great agricultural industry, necessitating the expenditure of something approaching one hundred millions sterling, changed the face of the country and forced the Government into the rapid extension of practically all public services—railways, roads, posts, telephones, telegraphs, water supplies, hospitals and many other conveniences—and those responsible for directing affairs—for the idea of advising native rulers had long been abandoned (ed. italics)—decided upon a general policy which appears to have been dictated not by the ambitions of the Malays or other Eastern peoples, but by the wish of Europeans to introduce into the Malay States the same sort of civilization as they had been accustomed to in the countries of their origin." Swettenham, *British Malaya*, p. 350.

the creation of the Federation in no way curtailed the power and authority of the rulers in their States. As a striking example of the absurdities which have been allowed to grow up there may be mentioned the curiously complex system of federal finance. Instead of a straightforward division of the finances of the center and the member units there has been the fiction that there was no federal purse and that the resources of the Federation belonged individually to the four States, whereas the plain fact of the matter was that the States had no share whatsoever in these resources until the decentralization policy returned to them a limited budgetary control in certain spheres. This contradiction has necessitated a confused and cumbersome system of bookkeeping according to which a considerable paper balance is attributed to the three more highly developed west coast States while backward Pahang shows a heavy deficit.⁴⁸ There is, however, nothing to indicate that these paper balances will ever come into the possession of the three creditor States or that Pahang will ever be called upon to make good the sums spent on her development. Federal finance has as a practical matter been handled in a unitary fashion for the general purposes of the whole area, and the bookkeeping reference back to the States is indicative of nothing more than that in the formative years no one had bothered to work out the logical implications of what was going on. The decentralization movement has rationalized the situation in some respects, but it has not, I believe, brought any alteration in the traditional system of bookkeeping at Kuala Lumpur. As in so many other instances the fiction is that the States are the principal entities, the reality that the Federation has almost entirely replaced them.

⁴⁸ Thus the *Perak Administration Report for 1931* states (p. 29): "On 1st January, 1932, the State's liabilities were \$339,951 and its assets were \$38,269,441. The assets included advances to the Federal Administration \$36,613,592, Loans \$493,075, Cash in Treasuries and Banks and in Transit \$754,755"; whereas the similar *Pahang Report* states (p. 44): "On 31st December, 1931, the total liabilities amounted to \$23,814,104 (of which \$23,671,322 was on account of advances by the Federal Treasury) and the assets to \$557,966, thus leaving a net deficit of \$23,256,138." On this basis the Federation has no general surplus since it is divided up proportionately among the States, although in the *F.M.S. Reports* the balance of the State surpluses and deficits is listed as a federal surplus. The Federation does, however, appear to possess in its own right such special funds as the Opium Revenue Replacement Fund.

An equally anomalous situation appears in connection with the share of the rulers in the legislative power. Although Sir Hugh Clifford proclaimed the States to be Mohammedan monarchies it is one of the most striking facts about them that the monarchs themselves have had little to say about their general management. Even within the States it has been the State Councils rather than the rulers which have been the substantial centers of reference in so far as the Residents and their staffs have not concentrated the business in their own hands. Formally speaking, and leaving federal questions aside for the moment, sovereignty in each State appears still to be vested completely in the rulers, but in the exercise of that sovereignty the rulers are bound by their agreement to accept the advice of the Residents and by usage to legislate only through the State Councils. Lacking any affirmative evidence to the contrary one must assume that the ruler is still the sole source of law for his State and that a decree issued by a ruler without the concurrence of his Council would have full legal validity. In the past this situation has not occasioned any practical difficulties since virtually all legislative activity had been taken over by the Federal Council, leaving both rulers and State as remnants of an outmoded past. With the decentralization of certain services, however, the States have again been restored to legislative significance and it requires no great flight of the imagination to picture a conflict between the ruler and the reconstituted State Councils with their newly added non-Malay members. So long as the Councils were confined to spheres which did not seriously impinge on the new world that was growing up in Malaya no one was concerned about the relations of ruler and Council, but the continued existence of an absolute ruler, empowered to legislate freely of his own motion, may prove incompatible with the new order. The transformation of the rulers into constitutional monarchs has been substantially achieved in practice but it has not yet found legal formulation.

The problems posed by the existence of the Federation and of the Federal Council are more serious. Here again the clear and undisputed fact of the matter is that the Federal Council, essentially as the representative of the new forces in Malaya, has

acted as the sovereign legislature of a unitary State, but to state its juristic position clearly and unequivocally is exceedingly difficult. At the first session of the Council in 1909 the High Commissioner proclaimed it to be no more than an advisory body to the rulers of the States as a whole, as the State Councils are advisory to the rulers in each State, but under the then existing treaty it is at least arguable that the rulers were merely individual members of the Council and could be overridden by a majority vote. As has been suggested above, the whole problem of the situation under the 1909 treaty was complicated by the fact that, except for a reference in the preamble, there is nothing in the treaty giving the Council any legislative power whatsoever.

By the Supplemental Agreement of 1927 the rulers were removed, apparently to their pleasure, from the Council, but it is to be presumed that their legislative sovereignty was restored to them, at least in the sense that it is their signature which transforms a bill into an enactment. The enacting clause—"It is hereby enacted by the Rulers of the Federated Malay States by and with the advice and consent of the Federal Council"—and the requirement of signature by each of the rulers puts the matter beyond doubt, although it is equally clear that in the federal sphere the rulers are acting as constitutional monarchs. The content of all laws intended to have force throughout the Federation must be determined by the Council but it is the rulers who give them *legal* force.⁴⁹ From a formal standpoint it is of course true that any one of the rulers might block legislation by

⁴⁹ A question—to my mind, purely legalistic and without practical effect—has been raised as to whether the validity of federal enactments in each State is derived from the signature of the ruler of that State or whether the Federation is to be regarded as a unit for which the rulers jointly legislate. It is my opinion that the latter is the correct view, but the former was argued by Burton, J., in *Pahang Consolidated Company v. the State of Pahang*, *F.M.S. Law Reports, 1931-1932*, Civil Appeal No. 1 of 1932: "The legislative authority issues, from the Rulers. Moreover the signature of the Ruler is essential; and although the failure of any single Ruler to sign would prevent the Enactment from coming into force throughout the whole Federation, yet each Enactment must derive its force in any particular State from the prerogative of the Ruler of that State." Mudie, J., appears to be on more solid ground in contending that in federal matters the rulers have limited their absolute sovereignty by transferring a part of their legislative power to the Federal Council, which now forms, "a constituent part of the legislature of the Federation."

refusing to sign a particular bill passed by the Federal Council, but in actual operation of the system this is virtually an impossibility. The Federal Council is, ultimately, dominated by the official majority composed exclusively of British officers, and the four Residents are at once members of that official majority and representatives of their respective rulers. But since the rulers have agreed to accept the advice of their Residents they cannot, in fact, turn about and veto legislation which the Residents have passed as Council members; although they may, of course, successfully interpose their objections in private conference with their Residents prior to the introduction of the bill into the Council.

However ingeniously the jurist may twist the situation to the advantage of the sovereignty of the rulers it is impossible to evade the fact that in substance the Council is not the legislative body of the rulers or even of the Malays but very definitely of the British officials and the other alien communities. It is, surely, not without significance that the Council sits under the presidency of the High Commissioner and that its unofficial members are appointed by the High Commissioner with the approval of the King, as contrasted with the appointment of State Council members by the ruler. In most respects the Federal Council is more closely assimilated to the customary Legislative Council of the British Crown Colonies than it is to the indigenous councils of protected States.

In its actual operation the Malays have had only a small share. It has been noted above that during the years while the rulers sat on the Council they rarely contributed publicly to its proceedings and there is no evidence that they played a more vital rôle behind the scenes. At present their connection with the Council, aside from the formal signature of enactments, is purely ceremonial: on certain state occasions the Council is opened with military pomp and sultanic splendor, and the rulers file in to sit in dignified silence on a raised dais behind the High Commissioner during the beginning of the proceedings. When they withdraw the Council gets down to business.

To estimate the contribution of the four unofficial Malay members who replaced the rulers under the 1927 Agreement would be

more difficult. While it is clear that they have not occupied a dominating position they have none the less entered actively into the Council's deliberations and have on a number of occasions stepped forward as vigorous and intelligent champions of the Malay cause. The principal criticism that could be made of them is that they have limited themselves too strictly to this cause and have not demonstrated a broad enough interest in the affairs of the Federation as a whole. Furthermore it has proved by no means an easy task to find Malays not already occupying official positions who measured up to the standard set by Council members of other races, the stumbling block of all pro-Malay enthusiasts. Although this is a question which is normally veiled in a discreet (and somewhat embarrassed) official silence, Sir Cecil Clementi brought it into the open in 1933 by commenting in the Federal Council on the fact that the Malay appointees had had to be drawn from the ranks of those "who occupy positions under the constitutions of their respective States which are the reverse of 'unofficial,' so that the term has in this connection been interpreted as a synonym for 'not *ex officio*.'" As an inevitable result these somewhat nominally unofficial members are free to criticize the government only within limits and, as the High Commissioner pointed out, are not free to vote against a government motion in a Council division because of their personal status under the constitutions of their States.⁵⁰ As more Malays progress in modern education and political experience it may be possible to remedy this situation, but to date the Malay record in the Council has not been very impressive. Nor should one have expected it to be since the Council, though in form an advisory body to Their Majesties, is in substance the legislative organ of the alien communities for whom the Federation was constructed.

It is, of course, not only in the Federal Council that this situation is found: despite the efforts of the official proponents of a

⁵⁰ *Proceedings*, January 23, 1933. These remarks were occasioned by the retirement from the Council of Raja Sir Chulan, Raja di Hilir of Perak, of whom the High Commissioner asserted that no Malay of modern times had done more for his country and his countrymen. A son of the Sultan, Raja Sir Chulan carved out a brilliant career for himself both as a civil servant and as the first Malay member of the Federal Council. He was succeeded on the Council by the Raja Muda of Perak, the heir to the throne.

pro-Malay policy it remains the fact that relatively few Malays are to be found throughout the whole administrative structure. All the high administrative posts have remained in the hands of the British officials and in large part the lower technical or clerical posts have been filled by Indians, Chinese, or Eurasians. The same may be said in general and even more strongly of the staffs of private business enterprises where questions of high policy and ethics do not intervene to check the employment of the most efficient and most highly trained. As far as the government service is concerned the depression and the decentralization movement have both operated to the advantage of the Malays, or have been deliberately turned to that purpose. The depression necessitated a considerable retrenchment in government personnel and the occasion was avowedly seized to increase the proportional strength of the Malay element by retaining Malay employees whenever reasonably possible. Furthermore, in Malaya as elsewhere, the need for official economy speeded the process of substituting local officers for the more highly paid imported Europeans, but in contrast to the Indonesians the Malays were not in a position to profit peculiarly from this turn of affairs since Chinese and Indian talents were available at substantially the same rate of pay. The decentralization policy, itself in part a product of the pro-Malay movement, has very definitely served the Malay cause by restoring the State capitals and services to significance and by reducing the scale of State enterprises.

The preponderance of the alien communities in economic life is vividly illustrated by the fact that, according to the official estimate of 1935, the Malays numbered only 643,003 out of a total population of 1,777,421, while the Chinese came to 717,614 and the Indians to 387,917. Of the four States the Malays predominate only in under-developed Pahang where the total population of 186,465 contains 117,265 Malays. Both rubber and tin, the two great mainstays of the economic life of the Federation, are essentially controlled by non-Malay interests, the latter exclusively by the Europeans and Chinese, the former in so far as the larger estates are concerned. A more detailed picture of this situation may be derived from the following table, compiled

from the 1931 census, which gives the number of the principal races engaged in the principal occupations:¹¹

	Europeans	Malays	Immigrant Malaysians	Chinese	Indians
Fishermen	—	5,715	307	7,291	56
Rice Planters	—	78,009	11,113	1,038	1,892
Rubber Estate Owners, Managers, etc.	1,121	1,803	910	1,514	58
Others in Rubber Cultivation	—	27,618	20,825	100,789	131,099
Coconut Estate Owners, Managers, etc.	11	744	669	23	9
Others in Coconut Cultivation	—	4,262	5,982	1,256	8,010
Unclassified and Multifarious Agriculture ..	23	18,168	7,381	16,115	9,883
Tin Mine Owners, Managers, etc.	48	8	—	214	—
Others in Tin Mining	282	543	465	70,704	4,622
Proprietors and Managers of Business	246	475	574	16,894	4,428
Salesmen, Shop Assistants, etc.	144	541	105	16,576	3,790

These figures obviously cannot be taken over-seriously at their face value and would require much manipulation and weighting before detailed results could be drawn from them. In rubber cultivation, for example, the relatively large number of Malays listed as estate owners, etc., dwindles into insignificance when the relatively tiny size of the usual Malay estate is compared with the vastness of the European and at least certain of the Chinese and Indian estates. Much the same is true of the figures for tin mining where in general the Chinese are owners or managers of small mining properties while the European mines have tended to be amalgamated under the ownership or control of great limited companies. With a few such obvious reservations, however, the general picture which the figures present may be accepted as portraying the basic structure of the Federation's economic life. The production of rice, virtually exclusively on small individual holdings, is the predominant Malay occupation and the other races have so far made little or no effort to encroach on that traditional and not highly profitable native activity. There has, however, been a strong tendency for the Malays to diversify their agriculture, as the large group of Malays entered under the classification of Unclassified and Multifarious Agriculture indicates, and in rarer instances to go over more or less completely to coconuts or rubber.

A further insight into the economic life of the F.M.S. can be easily gained by a somewhat more elaborate examination of the

¹¹ From Tables 130, 132-135. The significance of these classifications and the difficulties involved in any strict application of them are discussed in Ch. XI of the *Census Report*.

rubber industry. The importance of this industry is evident from the fact that at the end of 1933 it was estimated that the total area under rubber was 1,517,740 acres, as compared with 214,160 acres under rice and 240,408 acres under coconuts, its two nearest agricultural competitors. Broadly speaking, it may be said that there are two great groups of producers, Malay small-holders and European estates, although other races also have rubber holdings ranging in size from small to large. Under the customary method of tabulation the holdings of under 100 acres, predominantly in Malay hands, total some 566,000 acres, for the most part very small plots on which the Malay has planted a few rubber trees for the extra cash income he can derive from them. Here the agricultural methods applied are on the whole casual, although they are improving with experience and expert official instruction, and there is virtually none of the regimented and scientific production which is characteristic of the larger estates. On this score rubber is a product peculiarly adapted to rather primitive methods of cultivation since it grows and flourishes with relatively little attention, and neither the tapping nor the first treatment of the latex requires much skill or training. These small holdings comprise, however, not much over a third of the area under rubber, the remainder—some 952,000 acres—being concentrated in estates of 100 acres or over, of which 655,000 acres have been absorbed in large estates of 1,000 acres or over. The insignificance of the Malay share in these estates and the relative importance of the holdings of other races is shown in the following table giving the number of estates held by the principal races:**

	Europeans	Malays	Chinese	Indians
100-1000 acres.....	357	23	287	118
1000 acres or over.....	296	—	12	—

The share of the Malays in the estate production of rubber is

** From Tables 3, 6, 8, 10, 14, 15 in D. H. Grist, *Nationality of Ownership and Nature of Constitution of Rubber Estates in Malaya* (Kuala Lumpur, 1933, Department of Agriculture, S.S. and F.M.S., Economic Series, No. 2). The *Annual Report* for 1935 indicates that of late the larger estates have been gaining, while the small-holdings have lost ground: of a total of 1,579,760 acres under rubber, 1,040,000 were in estates of 100 acres or over and 539,760 in holdings of less than 100 acres. The rice acreage in 1935 fell to about 195,000.

further limited by their extreme unwillingness to enter the labor market: the 1931 Census found only 7,373 Malays on estates as compared with 37,863 Chinese and 203,036 Indians. Even these figures give something of a false impression since many of the Malays listed in the estate population are permitted to live on the estates but are not employed there, whereas the reverse is frequently true for the Chinese.

In tin mining, where there is not the possibility that rubber cultivation offers of small private holdings run by a single individual or a single family, the Malays have for all practical purposes no share whatsoever. The ownership of the mines is almost exclusively European or Chinese, and the latter race supplies the great bulk of the labor forces. The same holds true as far as business enterprises of any considerable extent are concerned: the larger concerns are generally in European hands although the Chinese, and to a smaller extent the Indians, offer vigorous and adroit competition, and the Chinese and Indians dominate the smaller enterprises. The two latter races contribute the bulk of the employees of commercial enterprises as well as most of the petty traders and craftsmen, although in both categories there are occasional Malays.

In the political sphere it has been felt necessary to maintain a façade of Malay rule, or, at least, of Malay participation in government, but there was no such necessity in the economic sphere. The result has been, as the above summary indicates, that the Malay has been economically dispossessed in his own country. He is allowed to carry on his life in his accustomed ways, but to date he plays neither a creative nor a servile rôle in the new economy which has supplanted his own as the dominant and the dynamic force in the country. It may be that the future will see the Malay entering into effective competition with the aliens, but he will have no easy task in forcing his way into their economic stronghold.

Without overstating the case too seriously it may be said that neither the political nor the economic life of the F.M.S. bears any real relation to the life of the Malays, and the same is equally true of federal finance. A country the native inhabitants of which continue to live at none too great a distance from the

limits of subsistence has become accustomed to a wholly fabulous income, and even though that income suffered severely in the depression it still remained vastly out of proportion to the private income of its native sons. To set down the figures in bald juxtaposition, the Federation's revenues increased from \$8,434,083 in 1896 to a peak of \$105,404,458 in 1927, and its exports increased from \$28,395,855 in 1896 to a peak of \$445,600,203 in 1926. In a period during which the population increased, roughly, threefold, largely due to alien immigration, federal revenues and export trade were multiplied by twelve or thirteen.

Second in interest only to the extraordinary prosperity which has been attained by the F.M.S. in the past is the amazingly high degree to which its economic eggs have been concentrated in the two baskets of rubber and tin. In calculating the "national" income for 1931 the Federal Retrenchment Commission estimated that out of a total income from production of \$154,019,000 rubber contributed \$54,221,000 and tin \$51,259,000, the next item in line being coconuts and copra at an estimated value of \$8,773,000. The growing of rice, the basic foodstuff of the country, accounted for only \$2,791,000, and manufactures for \$5,830,000.⁸⁸ The obvious result of this situation is a very precarious dependence on the world markets for rubber and tin, a dependence all the more precarious because of the Federation's necessity to import the bulk of the goods which it consumes. It has been said that in the United States foreign trade furnishes just the margin between prosperity and depression, and it can with equal truth be said of the Federation that foreign trade in rubber and tin furnishes the margin between life and death. When world trade, and particularly the American motor vehicle trade, flourishes, the F.M.S. flourishes with it, but when the world is poor the F.M.S. has nothing to fall back on but its accumulated surpluses.

This chronic instability of the Federation's economic structure, and the intimate relationship of government finance to foreign trade, are evident in the following table (in thousands of dollars):

⁸⁸ *Report of the Federated Malay States Retrenchment Commission* (1932), p. 3.

	Revenue	Expenditure	Imports	Exports	Duty on Tin	Duty on Rubber	Land Revenue and Sales
1927.....	\$105,404	\$93,264	\$176,161	\$339,926	\$17,705	\$8,572	\$8,657
1929.....	81,800	84,661	201,393	349,013	15,424	4,313	6,695
1931.....	52,349	62,163	106,201	125,177	5,502	547	4,833
1933.....	47,199	50,259	67,129	111,886	4,885	577	3,989
1934.....	58,926	47,211	84,731	202,725	8,889	2,160	5,142
1935.....	62,364	51,120	87,102	186,771	9,701	2,247	5,593

Despite its lavish administrative life in the boom years the Federation managed to salt away a very considerable surplus and this proved invaluable after the appearance of the depression. In 1927 this surplus reached the sum of \$96,228,644 although in the previous year a gift of £2,000,000 was made toward the cost of the Singapore Naval Base. The following year, however, with the beginning of the collapse in rubber prices, the decline began to set in, and a budgetary deficit of \$13,348,680 brought the surplus down to \$82,879,964. From then on the surplus has been in a constant state of disintegration as each year's budget showed a new deficit. By 1934 the once splendid balance was reduced to \$49,526,824, and even this figure shrinks smaller under closer scrutiny. The readily realizable assets at the close of 1933, excluding those earmarked for certain specific funds, amounted to only \$11,090,187, and a considerable proportion of this balance was made up of surplus loan funds which could be applied only to the specific purposes laid down in the loan enactment. By the following year, however, the tide had begun to turn in the other direction and the surplus rose to \$49,526,824—\$24,252,665 in liquid assets—as government expenditures were cut and revenue increased. At the end of 1935 the surplus had shown a further increase to \$60,771,145.

One disturbing feature in this situation is that during the depression huge financial burdens have been allowed to accumulate in connection with the railways. The F.M.S. Government owns the entire railway system of the Peninsula, with the exception of the Johore State Railway which is leased from Johore, and had expended on capital account in this connection no less than \$235,288,207 up to the end of 1934, the bulk of which had come from revenue. Up to 1931 the railway was paying handsome dividends, but with the coming of the depression net deficits became temporarily the rule, although in 1934 the antici-

pated deficit was turned into a surplus of \$1,574,757. In the interval, however, no adequate provision was made for depreciation. In 1927 a Railway Renewals Reserve Fund was set up from the railway surplus of that year and the profits of succeeding years were added to it until by the end of 1934 the total contributions to it amounted to \$20,156,122, but in the lean years no contributions had been made and the fund had been drawn on until the actual balance amounted to only \$7,478,164. In the interval the arrears in contributions to the fund have mounted high, and the Chief Secretary announced in 1934 that an annual contribution of about \$3,000,000 is needed to maintain the fund on the proper actuarial basis.

The Federation's external debt burden is not, however, very large. In 1921-1922 two sterling loans totalling \$80,185,714 (£19,355,000) were raised through the Straits Settlements, against which a sinking fund has been established which by the end of 1935 amounted to \$27,526,902. In 1934 loans raised by the F.M.S. in London were recognized as trustee securities in the United Kingdom, and the government proceeded promptly to float a three per cent loan for the purpose of refunding part of the Straits Settlements loan at a lower rate of interest. In 1931 a further sum of \$16,000,000 was raised through a local loan for the purpose of carrying through public works of a remunerative character which would otherwise have had to be abandoned as revenues declined at the beginning of the depression. On the other side of the balance sheet appear the loans due the Federation which at the end of 1935 totalled \$30,423,664 of which the principal item is the sum of \$26,228,564 still owed by Siam from her original loan of \$39,685,714.

A further major credit item in the Federation's capital account is the Opium Revenue Replacement Reserve Fund, which at the end of 1935 was valued at \$27,795,584. This fund was started in 1925 with a contribution of \$10,000,000 from revenue and has grown annually up to 1931 by the addition of 15% of the revenue from opium sales plus the accumulated interest on the fund. In 1931 the Secretary of State authorized the cessation of further contributions to the fund from the opium revenue and the crediting of the interest on the fund to the general revenue.

In recent years the Federation's revenue base has been con-

tinually widening and there is not at present any extreme dependence on any one particular source, although because of the economic structure of the country it is obvious that any considerable fluctuations in the price of rubber or tin must have immediate repercussions on government finance. Formerly the export duty on tin and the returns from the sale of opium formed the backbone of the budget, but their relative importance has been steadily on the decline. In 1900 the tin duty brought in nearly 46% of the total revenue, but by 1920 this had shrunk to less than 17% and by 1930 to less than 14%. In the same fashion the opium revenue has shown a constant tendency to decline, falling from 15% of the total revenue in 1924 to less than 10% in 1932. In the latter year the High Commissioner pointed out that from 1921 to 1930 opium had yielded an annual average income of close on \$12,000,000 whereas in 1931 it fell to only \$5,500,000 (1932—\$4,400,000), and furthermore that this was a source of revenue which must be eventually extinguished under the international commitments of the F.M.S. The export duty on rubber is likewise shrinking, having dropped from a phenomenal peak of over \$11,000,000 in 1926 to an average of less than \$500,000 from 1931 to 1933, rising to \$2,160,490 in 1934. With the lifting of the depression and the removal or lightening of the international controls it is to be assumed that the direct revenue from rubber and tin will tend to rise sharply as indicated by the 1934 figures, but there is every reason to believe that their relative contributions to the budget will remain more or less within the present limits.

For the rest federal finance is drawn from a number of different sources," although there is still no income tax or any

" The total revenue of \$43,817,150 for 1932, for example, came from the following principal sources:

Export Duties	\$3,968,928
Import Duties	9,796,721
Excise	5,464,671
Lands and Mines	4,017,683
Licences and Internal Revenue	3,456,907
Fees of Court or office, payment for specific services, etc.	4,583,877
Municipal	2,777,788
Electric Light and Power	1,196,291
Posts, Telegraphs, and Telephones	2,268,984
Interest	3,287,345
(From Report by the Auditor, S.S. and F.M.S., 1932, Appendix I.)	

form of direct taxation. Increasing attention has been paid of late to import duties and their relative contribution to federal finance has been continually on the increase, in part as a straight revenue proposition and in part for purposes of imperial preference. At present the customs tariff covers a wide range of products on almost all of which a preferential duty has been placed on behalf of Empire goods. The most profitable of these duties are those on tobacco, petroleum, and sugar. It was the opinion of the High Commissioner in 1932 that the F.M.S. "will, like the rest of the British Empire, become increasingly dependent on Customs import duties as their main source of revenue," and it was on this score that he strongly recommended the creation of a customs union embracing the whole of the Malay Peninsula "if trade is not to be intolerably cramped and hampered, in view of the number of frontiers concerned, and the interdependence of one territory upon another in matters of commerce." **

It is impossible to enter here into any detailed analysis either of the expenditure side of the F.M.S. budget in general or of the heroic measures which have been necessary to bring those expenditures down from the high figure of over \$109,000,000 in 1928 to just over \$47,000,000 in 1934.** In brief the position may be summarized by stating that the administration allowed itself to be carried away by the flood of wealth which poured into the country in the boom years and built up an administrative structure grossly out of proportion to the basic economic position of the country.** The Retrenchment Commission pointed out that expenditure rose with the rise in revenue and that recurrent charges were allowed to rise too rapidly:

"Personal emoluments which stood at \$8 millions in 1916 and \$14 millions in 1922 now stand at \$22 millions. In 1921 a loan

** See *Federal Council Proceedings*, October 31, 1932.

** The *Report of the Federated Malay States Retrenchment Commission* (1932) undertakes an extended examination of federal expenditure and its recent growth, and makes detailed recommendations as to the necessary measures of retrenchment, a number of which were promptly accepted by the government. See also the *Comments* by the F.M.S. government on the *Report*.

** The Chief Secretary said in the Federal Council on November 18, 1931: "Our administrative structure has been built up on trade prices which are unlikely ever again to represent normality."

of £10,000,000 was contracted for railway and other long-range development schemes, interest thereon and sinking fund becoming a charge on the annual revenues. It appears however to have been overlooked that revenues based on *prices* of rubber far above an economic price were necessarily and inherently unstable, and in 1926 with returning prosperity an era of further expansion, largely departmental, set in. As a result the finances are now burdened with a public debt, increasing pensions, and the cost of swollen departments, at a time of revenue ebb. In the face of a crisis the establishments stand out as costly encumbrances which for want of means can no longer be maintained in their existing form. The administration in the past has relied too much on the mere momentum of prosperity to carry it through times of depression and the necessity for restricting permanent establishments to a scale commensurate with more normal revenue was apparently forgotten in the prosperity of 1926-1929."

If the budgets for 1929 and 1932 are compared, it will be found that the total expenditure was reduced from \$84,660,975 in the earlier year to \$53,740,139 in the latter, and by far the largest saving was effected in the sphere of public works, the total expenditure being cut from \$23,391,751 to \$5,575,980. In the two great social service departments, education and medicine, the former advanced slightly from \$3,095,238 to \$3,232,627 while the latter dropped from \$5,458,019 to \$4,410,958. The debt charges at \$6,904,842 in 1932 were somewhat in advance of those in 1929, constituting nearly 13% of the budget as against something over 7% in the earlier year. The expenditures listed as Pensions, Retired Allowances, Gratuities, etc., showed a very considerable advance, however, rising from \$3,955,573 (4.7%) in 1929 to \$6,114,368 (11.3%) in 1932, in large part because of the extra burdens incurred in this connection through the retirement of officers on the pensionable establishment."

** The extent of the reduction in personnel is indicated by the following statement of the Chief Secretary on October 30, 1933: "For 1931 we provided for an establishment of 21,082, exclusive of the Railway, at an estimated cost of slightly over \$25 millions; for 1934 we are budgeting for an establishment of about 17,540 costing a little under \$18.5 millions. In other words this Government's establishment has fallen in numbers in three years by nearly 17 per cent., and in cost by over 26 per cent. Since the Council

As the federal revenues increase again with the lifting of the depression there reappears the old problem of limiting expenditure to some reasonable figure, of holding down fixed recurrent charges, and of building up a surplus sufficient to tide the country over other lean periods. Despite considerable public pressure for a post-depression jubilee which would take the form of more or less unlimited public spending, the government appears to have decided to follow a cautious policy, neither remitting taxation nor spending up to the limit of its resources.** Instead it will, as the Chief Secretary formulated it in the Federal Council in 1934, use all revenue surpluses "to build up a reserve fund which will be held apart from all other surplus funds, for use solely as an equalizing influence against future phases of weakness in the revenue arising from abnormal economic developments."

If the administration's memory of the effects of the depression continues to be as vivid as it appears to be at present it may well be that in the long run very substantial benefits will accrue to the Federation from it. In the past, as has been pointed out above, the F.M.S. has been run on a lavish scale by Europeans

passed the Supply Bill for 1933 reductions have been effected, or decided upon, of nearly 1,300 Government servants, of whom over 130 are Europeans. But our establishments are still large in proportion to our present revenue, or indeed to the revenue which can prudently be anticipated in the next few years; and further reductions are in contemplation."

On the basis of the figures given in *An Economic Survey of the Colonial Empire 1932* (Colonial Office Publication No. 95, 1934) the High Commissioner stated in the Federal Council on October 22, 1934, that the pensions and gratuity charges of the F.M.S., estimated at 14.4% of the total expenditure in 1933, placed a proportionately larger burden on the revenues than those of any other colony or protectorate in the British Empire except Mauritius, and he warned that these charges were likely to increase still further.

** Despite strong pleas for a reduction in rubber rents and for the remission of at least certain of the food taxes, the government reiterated its determination to stick close to financial conservatism in the budget session of the Federal Council on November 14, 1935, the acting Chief Secretary protesting that Malaya was probably the most lightly taxed country in the world. In the light of past catastrophes the government's stand can only be applauded even if it was damned by considerable sections of public opinion as "surplusomania," but it is highly questionable whether the food duties, hitting hardest those who can least afford it, are really defensible at a time of surpluses. After listing the food imports subject to duties in the F.M.S. and not in the Colony, the *Straits Times* (October 1, 1935) asked: "Can it be wondered at that the Colony reveals no enthusiasm for a Malayan Customs Union?"

primarily on behalf of the Europeans and Chinese, and it has been financed, directly or indirectly, almost exclusively from the highly organized European and Chinese tin and rubber industries. The political and administrative structure must be brought down from the empyrean European heights to which it ascended during the boom years until it comes into some sort of organic relation to the whole society which it serves. Under the lash of the depression a movement in this direction was begun, and it is to be hoped that it will not be lost from sight in the better years ahead. If the economic base of the Federation can be broadened by an effective encouragement of food crops and of other export crops and industries, if the Malay and the Chinese and Indian coolie can be given a real and significant place, it will begin to take on some of the characteristics of an economically sound and socially healthy community; but even this minimum program is more than can be expected within the framework of imperialism.

CHAPTER V

THE UNFEDERATED MALAY STATES

THE Unfederated Malay States, as their negative title indicates, form no single political entity like the Federation with which they are contrasted. Under the common overlordship of the Governor-High Commissioner they join with the Federation and the Straits Settlements to make up British Malaya, but they have no special inner ties among themselves. Apart from this membership in the Malayan Commonwealth and the fact that all five continue to be independent Malay monarchies, they are lumped together only through the historical accident that the Federation was an accomplished fact by the time they came under British protection. That accident has, however, served somewhat paradoxically to bring them together since their very independence has united them on more than one occasion as against the threatened encroachments of Singapore or Kuala Lumpur. All have glanced across the borders to see what has happened to their fellows in the Federation and what they have seen has made them ready to join, under the leadership of Johore and Kedah, in defense of their common interest in maintaining a policy of isolation. The logical and practical necessity of some form of Malayan Union has made isolation in any extreme form an impossibility, but the unfederated States have gained and continue to gain much from their battles for it.

Aside from these broad considerations any attempt to deal with the unfederated States as a unity is foredoomed to failure by the differences between them. The most that can be done is to take the four northern States as constituting a group the members of which have much in common with each other historically, politically, and economically; but Johore must be treated separately for almost every purpose. Even the northern States, despite their former common subjection to Siam, tend to fall apart on closer

examination. Kelantan and Trengganu, indeed, due in good part to their more isolated position on the east coast of the peninsula, present substantially similar problems and have progressed together to a roughly identical state of economic and social development. Kedah on the west coast is separated from them geographically by an upward-jutting strip of Perak and also through its more rapid economic development which brings it in some respects closer to Johore. Little Perlis with its population of under 50,000 can be passed by as essentially an appendage of Kedah, to which it formerly belonged.

This divergence in development and interests may be quickly grasped by an examination of the relative strength of different sections of the population in these States, since it may be assumed, as has been stated earlier, that the size of the alien communities is an admirable index of the extent to which the earlier Malayan way of life has been superseded by the new economy.¹

	Total Population	Europeans	Malays	Other Malaysians	Chinese	Indians
Johore	505,311	722	113,247	121,175	215,076	51,038
Kedah	429,691	411	279,897	6,365	78,415	50,824
Perlis	49,298	3	39,716	115	6,500	966
Kelantan	362,517	124	327,097	3,677	17,612	8,752
Trengganu	179,789	35	163,955	609	13,254	1,371
U.M.S. Totals	1,526,604	1,295	923,912	131,941	330,857	110,951
F.M.S.	1,713,096	6,350	443,618	150,113	711,540	379,996

Reducing these figures to their essential elements the following striking picture is obtained:

	Malay Race	Percentage of Total Population	Chinese and Indians	Percentage of Total Population
Johore	234,422	46.4	266,114	52.7
Kedah	286,262	66.6	129,239	30.0
Perlis	39,831	80.8	7,466	15.1
Kelantan	330,774	91.2	24,364	6.7
Trengganu	164,564	91.5	14,625	8.1
U.M.S. Totals	1,055,853	69.2	441,808	28.9
F.M.S.	593,731	34.7	1,091,536	63.7

It will be noted from this second table that the relation between the alien races and the Malays is almost completely reversed in the unfederated as compared with the federated

¹ *Census Report, 1931, Table 1.* The term "Other Malaysians" covers immigrant peoples from the Archipelago, ethnographically akin but politically alien to the Malays of the Peninsula, and "aboriginals ethnographically far removed from the Malays but more truly 'people of the country' than any other race—in fact the only autochthonous population." *Ibid.*, p. 38.

States, and, further, that the number of Malays in the former is almost double that in the latter. In the unfederated States only Johore shows the alien races in a majority, and their proportion to the Malays declines progressively as one moves down the list to Kelantan and Trengganu. On the basis of these figures it is obvious that one is justified in asserting that the Malay character of the four northern States has been preserved to a far greater degree than is the case in either the Federation or Johore.

These conclusions are further borne out by figures for the revenue and expenditure and the foreign trade of the areas concerned. Here it has been thought desirable to include the figures for both 1929, toward the end of the boom period, and 1932, in the midst of the depression, since they indicate the extent to which the depression made itself felt in each of the States.*

		Revenue	Expenditure	Imports	Exports
Johore	(1929)	\$17,033,312	\$16,200,829	\$45,372,067	\$99,206,986
	(1932)	11,518,363	11,383,156	21,809,020	29,623,453
Kedah	(1929)	6,886,576	7,245,091	8,603,857	34,358,821
	(1932)	5,180,244	5,722,757	7,106,622	11,922,837
Perlis	(1929)	583,329	584,085	Not available	
	(1932)	407,145	421,764		
Kelantan	(1929)	2,481,139	2,215,771	7,522,954	7,983,889
	(1932)	1,677,983	1,664,051	3,161,326	2,428,196
Trengganu	(1929)	1,361,026	1,320,149	5,744,463	6,895,220
	(1932)	986,901	1,095,584	3,128,765	3,965,835
F.M.S.	(1929)	81,799,584	84,660,975	201,393,405	349,012,595
	(1932)	43,817,151	53,740,139	71,133,301	87,851,381

A rough calculation based on these figures and using the 1931 census results for the total populations throughout gives the

* Compiled from the *Annual Reports* for the several areas. For purposes of indicating the contrast between pre-depression and depression figures the Mohammedan year 1347 (June 19, 1928 to June 7, 1929) has been used as equivalent to 1929 A.D. for the States using the Mohammedan calendar (Kedah, Perlis, and Trengganu); and 1350 to equal 1932 for Kedah and Perlis only, as in 1931 Trengganu changed to the Gregorian calendar. In all other contexts the Mohammedan year will be used as equivalent to the year A.D. which falls within it to the greatest extent, as follows:

1928 A.D.	1347 A.H.	(June 19, 1928-June 7, 1929)
1929	1348	(June 8, 1929-May 27, 1930)
1930	1349	(May 28, 1930-May 17, 1931)
1931	1350	(May 18, 1931-May 6, 1932)
1932	1351	(May 7, 1932-April 25, 1933)
1933	1352	(April 26, 1933-April 15, 1934)
1934	1353	(April 16, 1934-April 4, 1935)

No one method is followed in the *Annual Reports* for the different States, as for instance, the Kedah and Perlis Reports use 1348 A.H. as equivalent to 1930 A.D., and the Trengganu Reports 1348 A.H. as equivalent to 1929 A.D.

amount of the revenues and of the export trade per head for each of the States with the exception of Perlis. This calculation presents their respective positions in an unmistakable fashion.

		Revenue	Exports
Johore	(1929)	\$34-35	\$196
	(1932)	22-23	58-59
Kedah	(1929)	16	80
	(1932)	12	27-28
Kelantan	(1929)	6-7	22
	(1932)	4-5	6-7
Trengganu	(1929)	7-8	38
	(1932)	5-6	22
F.M.S.	(1929)	47	203
	(1932)	25	51

It will be seen that the higher the degree of economic life in any area the larger is the alien element in the population as compared with the native. Thus in the four northern unfederated States, although the total population was two-thirds of that of the Federation, the total revenues in 1932 were less than a fifth of the revenue of the Federation and the total exports (excluding Perlis) slightly more than a fifth of the exports of the latter, whereas in the northern States the population was over four-fifths Malay in character as compared with something over a third in the F.M.S. On the other hand, Johore with its alien majority shows a considerably higher revenue and export trade than its four northern colleagues put together, although their joint population is twice as great. In so far as economic development and ethnographic composition are concerned, Johore clearly falls into the same category as the Federation.

Considering this basic divergence in structure and interest, it is, therefore, necessary to deal with the unfederated States separately rather than as a unit. If for certain limited political purposes they put up a united front, their normal life is that of independent entities within the general framework of British Malaya.

JOHORE

The State of Johore is the most difficult of all the States of the Peninsula to characterize and describe in any simple and straightforward fashion. Although its formal position distinguishes it in no very marked way from the other unfederated States, the actual

stance of its government and internal structure sets it off in a category by itself. The usual phrases concerning indirect rule fail to do it justice and serve rather to obscure than to clarify its real position. It is the State which has been longest and most intimately associated with the British, and yet it was the last State to accept a British Adviser. It is the State which most nearly concerns British imperial interests because of its location across the narrow straits from the Singapore Naval Base, and yet it is the State which has retained the greatest degree of substantial independence. It has attained a higher degree of modern economic development and has a larger percentage of aliens than any of the unfederated States, and yet it is usually the acknowledged leader of these States against further encroachment by the British or the Federation.

The explanation of these paradoxes appears to lie primarily in the character and strength of the rulers who have held the throne of Johore since the days when Raffles intervened at Singapore to upset the local balance of power. These rulers, some of whom are commonly asserted to have a considerable admixture of non-Malay blood in their veins, have not been noted for their high moral character or, perhaps, for their scholastic brilliance, but they have been gifted with political talents of a high order. They have known how to bow gracefully to the inevitable and to salvage the best out of it for themselves, how to adapt themselves to the standards and requirements of the new imperialist world which was thrust upon them, and how to play off against each other the various elements and interests, both European and Asiatic, with which they came in contact. Recognizing that Singapore was not the center of the Empire, they have made themselves at home in London and discreetly thrown their influence there into the balance against the local officialdom of Malaya. Belatedly accepting an official British Adviser, they have continued the custom which dates far back into the nineteenth century of supplementing official advice by the advice of private European counsellors and law firms.

Something of a survey of the earlier history of Johore has been given in previous chapters, but it is necessary to supplement what has gone before by an analysis of more recent events. It will be remembered that the son of the man whom Raffles had recognized

as Sultan of Johore had been allowed to keep the nominal title of Sultan but had been given jurisdiction only over the small territory of Muar, while Temenggong Ibrahim had been recognized as the ruler of Johore by the British in 1855. With the death of the former in 1877 the title of Sultan had temporarily passed out of existence. Ibrahim was succeeded in 1862 by his able oldest son, Abu Bakar, then twenty-eight years old, in whose reign of thirty-three years the foundations of the modern State of Johore were laid. Nor did he limit his activities wholly to affairs of state: like his father before him and his son after him he played a shrewd private rôle in the economic development of Malaya and richly lined the family purse. "He lived as a young man half in the old traditional Malay world and half in the world of a cosmopolitan British port," comments the historian of Johore, and this division of his time and his personality continued, with the addition of Europe, throughout his life to his great benefit and profit.

In 1866 Abu Bakar paid his first visit to England where he was granted an audience by Queen Victoria, with whom he soon came to be on somewhat singularly friendly terms, and two years later the British agreed to his assumption of the title of Maharaja. During the seventies when, as has been seen, the British began to take the native States under their wing, "the Governors of the Straits Settlements turned to the ruler of Johore, the only Malay they could trust for information and help." As one item among many, the Maharaja served as a highly useful intermediary between the British and the Malays in the events following the murder of the unfortunate Birch, the Resident of Perak. On this occasion the Sultan of Perak communicated with the Governor through the Maharaja and when it was decided to banish the Sultan from Perak, the Maharaja arranged to keep him under his eye in the capital of Johore. The three chiefs mainly implicated in Birch's murder surrendered to the emissaries of the Maharaja. In recognition of these services it was suggested from London that the ruler of Johore might be created a Sultan and given the throne of Perak, but this was opposed by Governor Sir William Jervois on the ground that the Maharaja was a British creation and not of properly regal blood.*

* Winstedt, *History of Johore*, pp. 109ff.

On the death of the nominal Sultan Ali in 1877 complex problems arose as to the succession to the little territory of Muar with its 800 inhabitants. The acting Governor of the Straits offered the guardianship of this territory to the Maharaja, pending its final disposition, and held that the British should waive the prior right of purchase which had been given them by the agreement of 1855.⁴ Lord Carnarvon, Secretary of State for the Colonies, although he acknowledged that "for administrative and general ability no Malay ruler can compare with the Maharaja of Johore," protested, however, that these advantages should not be purchased at the expense of setting aside the rightful heir and the ruler acceptable to the people. In choosing between the claimants, he stated, due attention must be paid to the custom of the country and the wishes of the people since the latter could not be overridden to reward political services, however meritorious. In consequence the matter was placed before the Muar chiefs who discreetly elected the Maharaja to be their ruler while the Maharaja agreed to come to the financial aid of the late Sultan Ali's family.

The final upward step toward royalty was taken in 1885 when the ruler again visited London and with the approval of Queen Victoria arranged a treaty by which he was recognized as Sultan, while his State came formally under British protection.⁵ This treaty, which, in contrast with other Malayan treaties, was signed not by the Governor of the Straits but by the Secretary of State, did not, however, extend to Johore the residential system which had been established elsewhere on the Peninsula. Its third article did, indeed, provide for the appointment of a British officer to live in Johore but his functions were to be only those of a consular agent. Further provisions of the treaty called for co-operation by the two governments, for the surrender of persons accused or convicted of any crime or offense, for the facilitation of trade and transit communications from Singapore to Pahang, and for the provision of coinage by the Straits Settlements to Johore on the same conditions as to the protected Malay States.

On the score of protection the treaty provided that the Gov-

⁴ See Anson, *About Others and Myself*, pp. 356-357.

⁵ Maxwell and Gibson, *Treaties and Engagements*, pp. 132-133.

ernor of the Straits should at all times to the utmost of his power protect Johore from external attack and that for this purpose Her Majesty's officers should have free access to Johore's territorial waters. These were defined as extending three miles from the shore, or, in waters less than three miles in width, to an imaginary line midway between the shores of the two countries. On his part the Sultan agreed that he would not "without the knowledge and consent of Her Majesty's Government negotiate any Treaty, or enter into any engagement with any foreign State, or interfere in the politics or administration of any native State, or make any grant or concession to other than British subjects or British companies or persons of the Chinese, Malay, or other Oriental race, or enter into any political correspondence with any foreign State." All such correspondence, it was agreed, should be conducted through the British government, to which the Sultan made over the guidance and control of his foreign relations.

That this treaty established a simple protectorate of the classical international law variety and not a colonial protectorate is clear from a comparison of it with the other treaties with the Malay States and with Johore's later agreement of 1914, under which the Sultan, like his neighbors, agreed to receive an adviser whose advice must be asked and acted upon. No British agent such as the 1885 treaty provided for was ever appointed to Johore, but under the 1914 agreement prompt action was taken to bring Johore into line with the rest of the Malay States by the appointment of a British officer to advise the Sultan.

This point as to the status of Johore after the 1885 treaty seems also to be borne out by the well-known case of *Mighell v. Sultan of Johore*⁶ in which the British courts upheld the sovereign independence of the Sultan. This arose when the lady with the curious name of Mighell brought suit against Abu Bakar for breach of promise, alleging that he, masquerading as an ordinary subject of the Queen (with whom he was in the same year negotiating a treaty as Sultan) under the name of Albert Baker, had promised her marriage in 1885 and had taken a furnished house in London. The truth of these allegations was never submitted

⁶ 1 Q.B. 149 (1894).

to judicial test since the Sultan pleaded that the British courts had no jurisdiction over his sovereign person.

The lower court requested the opinion of the Colonial Office as to the status of Johore and was informed that "Johore was an independent State and territory in the Malay Peninsula" and that the relations between the Sultan and Her Majesty the Queen, under the agreement of 1885, were those "of alliance and not of suzerainty and dependence." The Sultan, the Colonial Office held, exercised the usual attributes of a sovereign ruler. This declaration the court held to be final, Lord Esher commenting that "when once there is the authoritative certificate of the Queen through her minister of State as to the status of another sovereign, that in the Courts of this country is decisive." Kay, L. J., agreed with this proposition and held further that even if the treaty were to be examined it would be shown not to prejudice the status of the Sultan as an independent sovereign. His agreement not to enter into treaties with other Powers was held not to be "an abnegation of his right to enter into such treaties, but only a condition upon which the protection stipulated for is to be given." On this basis the court decided, with frequent reference to the *Parlement Belge*,⁷ that an independent sovereign could not be sued in the courts of Great Britain.

The closeness of the Sultan's ties to the British may be seen in the fact that it was not until 1889 that he removed his relatives from Singapore, which had been the seat of the family since the time of Raffles, to his capital across the Straits of Johore, Johore Bahru. To the last he retained the affectionate regard of Queen Victoria. "On 25 February, 1891, he was invited to dine and stay at the Castle," writes R. O. Winstedt. "The ruler with whom the Sultan of Trengganu had once refused to sit, dined seated at the right hand of the Queen, heard her Majesty propose his health, responded in courtly Malay phrases and was carried off to another apartment to talk for hours with her whose words the East held sacred." In 1895 he died in London after an illness in which the Queen sent her own physician to attend him, and was succeeded by his son Ibrahim.

Before his death, however, Abu Bakar succeeded in making

⁷ L.R. 5 P.D. 197 (1880).

Johore unique among the Malay States by the promulgation of a written constitution in April, 1895. This interesting document was drawn up in both Malay and English and was drafted by a British law firm in Singapore, the Sultan's legal advisers.* With the amendments which have been made to it in the intervening years it remains in force as the present constitution of Johore.

No pretense is made in it that it is a Western constitution or that it establishes a democratic form of government: it is essentially a statement and a regularization of the political structure of Johore, as it existed at that time, with the addition of certain clearly defined checks on the ruler and his associates, which only slightly impaired the traditional Oriental despotism. The preamble makes clear that it is the Sultan himself who is handing down the constitution since it states that "We, in Our name and on Our behalf, and for and on behalf of Our Heirs and Successors, the Sovereign Rulers or Sultans of Johore" make and grant a law and regulation for the use of the government, subjects, and inhabitants of Johore. But in coming to the decision that such an act was proper and expedient the Sultan secured "the advice, concurrence and assent of all the Members of Our Council of Ministers, and of Our Council of State and other Chiefs and Elders of the country."

Following the preamble the constitution presents a list of definitions of the Malay terms used for the principal personages of the realm who have a voice in its affairs and participate in the election of the ruler. The ruler himself, it continues, "shall be a person of the Malay nationality, of Royal blood, a descendant of Johore Sovereigns, a male, and of the Mohamedan faith." Normally the Sultan's heir is to be chosen from among his sons unless the principal personages of the realm agree that all these are ineligible owing to their having some great and serious defect derogatory to the quality of a sovereign. The various possibilities as to the succession are examined at length and the provisions for election vary to some extent in the different cases, but the general power of election rests with the principal personages or, as they

* *The Constitution of the State of Johore with Supplements* (Government Printing Office, Johore, 1931).

are termed, the Supporters of the Country. Provision is made for appointment by the Ministers of State of a regent during the minority of a Sultan or during his temporary absence from the country, a provision of more than formal significance considering the liking of the Johore Sultans for foreign travel.

Perhaps the most fundamental limitation on the power of the Sultan is that he "may not in any manner surrender or make any agreement or plan to surrender the Country or any part of the Country and State of Johore to any European State or Power, or to any other State or nation," at the penalty of losing his throne, and similar limitations are placed upon the Ministers and Supporters of the Country.* A further limitation with an entertaining twist to it is that the ruler may not appropriate for his own use a single penny more than the sum fixed from time to time by the Council of State; but this limitation was specifically made inapplicable to Abu Bakar himself, "with the voluntary approval and consideration of Our Council of State."

Two councils are recognized by the constitution as assisting the ruler in the task of governing his country: the Council of Ministers and the Council of State. The members of the former are *ex officio* members of the latter. The ministers individually and as members of their council have the function of being assistants and coadjutors to the sovereign, and it is "expedient, necessary, and advantageous to the Sovereign to take the advice, opinion, and counsel of that body in all affairs and cases concerning the interests of the country and the people." The ministers must be Johore subjects of Malay nationality and the Mohammedan religion, and are appointed by the Sultan although he is assisted in his choice by the co-option of the Council to fill vacancies.

The Council of State contains, in addition to the ministers, other members appointed by the ruler with the advice or concurrence of the Council of Ministers, and is the principal legislative body as well as being an advisory council to the Sultan. Prior to 1914 its members were required to be Johore subjects although

* Article LIX, however, provides that Johore shall always remain in a condition of amity and good understanding with other States, "and especially and particularly with the British or English Nation and Government."

not necessarily Malays or Mohammedans,¹⁰ but after the new treaty with Britain the Council was opened to additional members who were not required to be Johore subjects nor take the oath of allegiance to the sovereign. The purpose of this amendment appears to have been to admit the new British officials and others to membership in the Council. The Sultan retains a veto power which can be overridden only by the passage of the same enactment or regulation in three successive Council meetings and its repassage after the lapse of a year. If it is so repassed, "it shall be expedient on the part of the Sovereign," the constitution reads, "to approve and sanction the same, because the moral responsibility of the Sovereign then entirely ceases." The amending power rests with the Sultan with the advice and concurrence of the Council of State.

By an amendment of 1912 a third Council was added which corresponds to the Executive Council of the Colony as the Council of State corresponds with the Legislative Council. This was the Executive Council, the members of which are appointed by the Sultan and sit at his pleasure. The ruler may act in opposition to their advice, but must record in writing the grounds of his dissent. The functions of the Executive Council are very broad, covering in general routine matters of government, the initiation of legislation "and other matters of importance," in addition to its more specific duty of considering all applications for agricultural and mining lands and all contracts and tenders for public works.

Mohammedanism is proclaimed by the constitution as the State religion but the large group of aliens in the country are protected from discriminatory treatment because they are unbelievers or not Johore subjects. The constitution did not, however, contain any further bill of rights but this omission was partially corrected in 1908 by the first constitutional amendment. This amendment provided that no person could be deprived of his liberty except in due course of law, that the right of habeas corpus should be recognized, that no political pressure should be brought on judges and magistrates, and that the Sultan should act

¹⁰ It is interesting to note that apparently no Mohammedan unofficial member had ever been appointed to the State Council until 1934.

honorably and impartially to all, governing according to law and maintaining the existing religion and the rights and liberties of the people.¹¹

There is good reason to doubt the strictness with which the provisions of this constitution have been observed in practice where they have run counter to the will of the Sultan, but it presents, at the least, an interesting, if somewhat idealized, description of a modernized Malay constitutional monarchy. In its juristic formulation and in the mere fact that it is reduced to writing, it is a unique document for the Malay States, but its basic provisions, as far as the checks by the Supporters of the Country on the ruler are concerned, are clearly in line with Malay tradition. At all times the rulers have been markedly dependent on the support of the chiefs and other local dignitaries, and the life of a ruler who overrode their disapproval was likely to be brief and troubled. Nor should too much emphasis be placed on the fact that Johore has a written constitution: the other States are equally supplied with constitutions, even though they remain unwritten. The case of Negri Sembilan with its far more ancient and complicated constitutional structure is clearly in point.

The constitution presents one side of Johore's political system; the treaty of 1914 and the exchange of notes accompanying it present another of at least equal importance.¹² This treaty, which was pressed upon the Sultan after an exposé of prison conditions in Johore Bahru, contains the customary article to the effect that the Sultan shall receive a British officer "whose advice must be asked and acted upon on all matters affecting the general administration of the country and on all questions other than those touching Malay Religion and Custom." Furthermore, the collection and control of all revenues of the country are to be regulated under the advice of this officer, whose costs with his establishment shall be determined by the Straits Government and be a charge on the Johore revenues.

For a variety of reasons this treaty has been held, as has

¹¹ Alone among the Malay rulers, those of Johore recognized that the modernization and the prosperity of their State required the encouragement of alien immigration.

¹² See Maxwell and Gibson, *op. cit.*, pp. 134ff. The treaty takes the form of substituting another article for the article in the 1885 treaty which provides for the appointment of a consular agent.

Johore's constitution, to set Johore off in a separate category by itself. Indeed a distinguished Singapore jurist (who happened also to be the Sultan's private legal adviser) has written, after an examination of the constitution and treaty, that "it is very clear that the status of the Sultan of Johore is entirely different from and juristically much higher than that of any Indian Prince or any other Malay Sultan."¹³ This sweeping judgment can, however, scarcely stand up under examination although it must be conceded at the outset that, leaving aside the vexed question of the Indian princes, there are a number of interesting formal differences between the status of Johore and that of her Malay neighbors.

The substance of the matter has clearly been summed up in the mere recitation above of the powers of the British officer resident in Johore which places him on a footing identical with that of his colleagues in the other protected States. That he is, according to the treaty, termed a General Adviser—a term borrowed by Johore from independent Siam—instead of a British Adviser as in the other unfederated States or a British Resident as in the Federation, may well be a matter of pride to the ruler to whom he is accredited, but it cannot be held to alter his substantial position.¹⁴ The same considerations would seem also to apply to the fact that the Sultan of Johore alone among the Malay rulers traditionally addresses himself not to the High Commissioner as do the other rulers, but to the Governor. As a former Governor put it, "there is no doubt that the Sultan and all the Johore chiefs look upon this usage as the symbol of independence, and it is one of the small things to which they attach the utmost political importance. The Sultan feels that he is an independent ruler addressing another independent ruler." Of similar importance are the lack of the Union Jack flying over the General Adviser's

¹³ Braddell, *The Legal Status of the Malay States*, p. 26.

¹⁴ In a despatch to the Secretary of State of March 17, 1915, Sir Arthur Young, who was the Governor who negotiated the treaty, wrote that he had "secured for the General Adviser the powers of a Resident, while preserving as far as possible the outward form of the older system. As a consequence of this the Sultan and his people have accepted the new order of things without opposition and the Sultan placed himself and his forces wholeheartedly at the disposal of the military authorities during the Singapore mutiny. . . . Insistence on the term British Adviser would have detracted from His Highness's position and been an unnecessary humiliation."

house and the use of a Malay name, as in Kedah, instead of the common term "Residency" for that house.

Aside from the title of the British officer these are all matters of unwritten custom, but other questions of greater substance were agreed upon in the exchange of notes prior to the signing of the treaty. For the most part these may be taken as constituting no more than a formal statement of the practices which had developed in regard to the other States, but Johore alone has succeeded in securing formal guarantees of their continuance. The first of these provided that in case of disagreement between the Sultan and the General Adviser the opinion of the State Council should be taken and submitted to the Governor along with the views of the General Adviser. Such cases are, however, of very rare occurrence since every effort is made by the British authorities to avoid pressing an issue at a time when it is evident that the ruler will interpose a final objection which would then have to be directly overridden. The treaty does indeed provide in Johore as elsewhere that the Sultan must accept the Adviser's advice but the successful continuance of the system of indirect rule requires that wherever possible a compromise be tactfully found which eliminates the flat opposition of ruler and Adviser. Furthermore it may be assumed that in any case of serious importance arising in any of the States conflict between the two authorities would at all events be submitted to the arbitrament of the Governor-High Commissioner even though no treaty provision made it mandatory, and further submission to the Secretary of State for the Colonies would be likely where fundamental issues were at stake.

As a matter of adjustment to the new order of things, the Sultan asked the Governor's assurance that the appointment of Europeans as members of the State and Executive Councils and the judicial bench would not be objected to, assuming the Governor's agreement that the appointments were necessary and the particular nominees suitable. Similarly the appointment of non-official Europeans was provided for. It was arranged that in future European officers would be appointed or seconded to Johore only with the full concurrence of the Governor, that they should then be regarded as Johore officers for the time being, and that any officer with whose work the Sultan should be dissatis-

fied should cease to be employed in Johore. In addition to a general clause requiring that Europeans and Malays in the Johore service should be treated on terms of equality, the Sultan asked that preference should always be given to qualified Malays when such were available for employment in the service of their own State.

These several documents give a more adequate formal description of the status and structure of Johore than is available for any of the other States of the Peninsula, especially if the looseness of the agreements dealing with the Federation is remembered, but they are clearly inadequate as a general picture of the State.

From a political standpoint the principal place at which they need elaboration—rather than correction—is in the relation between the British and the Malay authorities. It has been said above that tactful compromise is one of the prerequisites of the successful management of indirect rule, and nowhere is this more true than in Johore. By explicit treaty provision the British have the right to compel the Sultan to act upon their advice but both sides are well aware of the danger and futility of forcing the use of this extreme power. The ruler can have no doubts that in any issue of imperial importance—as, for example, the protection of the Singapore Naval Base, relations with China, India, or other Powers, or the carrying out of international economic agreements—the British will ultimately insist upon the execution of their decisions, and such matters of high policy are normally of no great personal concern to him anyhow. The same, in lesser degree, holds true of proposals for the correction of flagrant internal abuses, such as gross favoritism, corruption, and oppression. He will, therefore, be ready to yield on the best terms which it is possible for him to secure, whether those terms imply some form of compensation or the minimizing of evils implied in external control. The maintenance of the formal independence of Johore has been a key point in the policy of its two most recent rulers, but this formal independence is compatible with a vast degree of uniformity with the British Malayan policy in general and with an ultimately almost unlimited British control. The problem for all practical purposes is not one of fighting the proposals of the

protecting Power but of attempting to keep the execution of those policies within the framework of a separate State with its own autonomous ruler who has interests of his own to serve.

For the British likewise the use of their ultimate treaty power is a matter of last resort to be fallen back on only if all efforts at persuasion and compromise fail. Confirmation of this statement may be found in the general declaration of Sir Samuel Wilson that "the maintenance of the position, authority, and prestige of the Malay Rulers must always be a cardinal point in British policy" and more specifically in his authorized declaration to the rulers of Johore and Kedah that "His Majesty's Government have no intention of requiring the Ruler of any Unfederated State to enter against his will into any kind of Malayan League or Union."¹⁵ Since such a union is clearly the goal of British policy in Malaya, it is significant that the very real fears of the rulers, aroused by the proposals of Sir Cecil Clementi, should have been laid at rest by so firm and explicit a guarantee.

The maintenance of the prestige of the ruler is clearly not compatible with a high-handed overruling of his policies and wishes, nor is such action compatible with the good governance of the country. Where the ruler is actively and intelligently interested in maintaining his traditional power in the affairs of state it is impossible to ignore him without running the risk of the gravest consequences. Leaving ethical considerations aside, it is a matter of the deepest significance that the Sultan of Johore is a Malay and is the natural head of the aristocracy and people of Johore. Even though the day to day concerns of government have largely passed out of his hands, he has his own native and underground channels of communication which keep him in close touch with what is happening and with what people are thinking in all parts of the country. As against the alien, furthermore, he has a prestige that enables him to undertake distant reprisals which he is in a position to disavow publicly with the blandest of smiles. The formal machinery of the State is perhaps ultimately beyond his grasp but a little discreet sabotage can do much to wreck any machine. The same tactics are, of course, equally available as

¹⁵ *Visit to Malaya*, 1932, pp. 12, 13.

against any planter, miner, or merchant who falls into the bad graces of the Sultan by acts which he may regard as offensive to Malay prestige or the pursuit of his own interests. These statements, which in varying degree obviously hold true for the other rulers as well, are in no way intended to give the impression of a continuous arbitrary interference on the part of the Sultan, but merely to suggest that in his realm the latter remains a power whose co-operation it is always advisable to retain.

Subject to these important reservations it appears that one is justified in saying that in Johore as in the other Malay States the actual substance of political power and the control of the administrative machine are in the hands of the British authorities in the State. The outstanding ability of the recent Sultans has not been markedly reflected in the lesser officers of State, and it has, furthermore, become a tradition of the ruling house to associate itself closely with European advisers. The change which was brought about by the treaty of 1914 was not one of suddenly imposing British officials on the State but rather of regularizing their status and, gradually, of increasing their number. As early as 1909 by arrangement with the Colonial Office the Sultan had accepted the services as Adviser of a British officer under whose auspices the Johore government was reorganized in the following year. The 1914 Agreement can be regarded essentially as having the effect of a formal recognition on both sides that Johore's status was substantially similar to that of the other protected States of the Peninsula.¹⁶

In the actual administrative structure of the State there is a certain degree of parallelism between the Malay and the British services. At the peak there stands of course the Sultan with the General Adviser beside him, overseeing the general affairs and acting as the principal link between Johore and the other administrations. In the neutral terms of the official *Annual Report*, "administration is carried on by the Malay Mentri or Prime Minister with the Malay State Secretary as the Government's official

¹⁶ The *Annual Report* for the Straits Settlements for 1909, after mentioning the taking over of the northern Malay States from Siam, says: "Johore has also accepted assistance, and Mr. D. G. Campbell, late Resident of Negri Sembilan, has been at the request of the Sultan appointed British Adviser." p. 33.

spokesman and a number of other Malay officials; policy and executive action being subject to the scrutiny and approval of the General Adviser who is assisted by various British officers."

These British officers are seconded to the State from the Malayan Civil Service and the big joint departments of the Straits Settlements and the Federated Malay States, and fill the principal executive offices. Except for local matters of Malay custom and religion, which are dealt with in the somewhat anachronistic and irrelevant Council of Ministers, all important affairs of state pass through the hands of the British officers. The range of their activities may be seen in a mere list of their titles: there are a Legal and a Financial Adviser, Commissioners of Lands and Mines, Trade and Customs and Police, a Principal Medical Officer, a State Engineer, a Controller of Labor, a Protector of Chinese, a Principal Agricultural Officer, a Superintendent of Education, a Conservator of Forests, a Controller of Posts and Telegraphs, and a Superintendent of Surveys. Beneath these heads of departments there are normally other British officers occupying posts of importance, as well as Malays. In local administration the system of parallelism is carried through by having Malay State Commissioners associated with the British District Officers, known in Johore as Assistant Advisers. Although these two sets of officers have nominally identical jurisdiction the usual result is that the burden of administrative work and decision falls primarily upon the British. It has, in fact, been suggested that the system would run more smoothly and efficiently if the State Commissioners were abolished but here the Sultan was hostile to the suggestion and the British authorities wisely dropped the matter. For the lower posts in the Johore service an unobtrusive system of Malay preference has long been in operation but there are as everywhere in Malaya many Chinese and Indians holding office.

The normal legislative process is that bills are drafted by the Legal Adviser (frequently reproducing or closely following Colony or F.M.S. statutes) in consultation with the executive officers concerned, where that is necessary. The bill then proceeds to the Executive Council, over which the Sultan presides and in which he has an opportunity freely to express his opinions. If

approved in the Executive Council the bill comes before the State Council (presided over by the Prime Minister) in which the Sultan has no seat. After discussion and passage in the State Council the bill is presented to the Sultan for his assent and derives its legal force therefrom.¹⁷ The judiciary is divided between the British and the Malays with the higher posts falling to the former.¹⁸ In the body of magistrates there are a considerable number of Malays.

Despite the fact that Johore came so early under informal but effective supervision by the British and that its rulers have always been closely associated with the European community in Singapore, the large-scale economic development of the State came relatively late—a fact which no doubt has its bearing on the postponement until 1914 of the final assertion of British control. Broadly speaking it may be said that Johore's economic modernization did not get seriously under way until the second decade of the present century. As Johore has always been rather a planting than a mining area—although mining has increased somewhat in recent times—it did not experience the large influx of aliens and of alien capital which accompanied the exploitation of the tin resources of the Federation. Nor did the older cultivations prove strikingly successful, although the production of gambier and pepper by the Chinese achieved some proportions. The European experiments in the planting of sago, coffee, tea, and cocoa met only a moderate success.

The turning-point came for Johore with the introduction of rubber, although extensive rubber planting there was delayed until the more readily available areas in the Federation had been appropriated by the new industry which was to sweep Malaya before it into an extraordinary prosperity for the owning and

¹⁷ Up to 1919 the enacting clause was: "It is hereby enacted by H.H. the Sultan in Council." In that year it was changed to read: "It is hereby enacted by the Council of State, with the approval of H.H. the Sultan."

¹⁸ The Courts Enactment, No. 17 of 1920, gives the general structure of the courts. This enactment provides, among other things, that the Chief Justice and Puisne Justices of the Colony and the Chief Justice and Justices of the Supreme Court of the F.M.S. shall be *ex officio* judges of Johore if the Colony and F.M.S. laws allow.

The Muhammadan Law Determination Enactment, No. 27 of 1919, provides that "any court before which any question of Muhammadan law arises may refer such question to a Mufti for his opinion" and that that opinion is subject to final appeal to the Sultan in Executive Council.

investing groups. It was natural that European capital should flow first into the federated States, since they were under more direct and effective British control and in the period from 1890 to 1910 were opening up under British direction far more rapidly than was Johore. An elaborate system of roads and a railroad which was gradually linking up all parts of the Federation were an added attraction to the entrepreneurs of the new industry. In 1909 the tide began to turn toward Johore with the appearance of the first semi-official British Adviser and with the completion of the railway from Singapore to the Federation.¹⁹ In the same year the Sultan issued a proclamation inviting those in possession of gambier lands to plant rubber over areas in which gambier had been abandoned and to take out new grants. This invitation was liberally accepted and interpreted, the actual planting of rubber in many instances going far beyond the former gambier lands. A few years later new deposits of tin were discovered which more than doubled Johore's tin-ore export.

Unfortunately there are no trustworthy figures for Johore prior to 1911, but the statistics since that date bear ample witness to the speed of its development. As a natural response to the economic opening up of the country the population of Johore has increased at a rate almost double that of any other political unit of Malaya. The extent of this increase may be seen in the following table:²⁰

	Total Population		Percentage Increase		
	1911	1921	1931	1911-1921	1921-1931
Johore	180,412	282,234	505,311	56.4	79.0
Kedah	245,986	338,558	429,691	37.7	26.9
F. M. S.	1,036,999	1,324,890	1,713,096	27.7	29.3
S. S.	714,069	883,769	1,114,015	23.7	26.1
Malaya	2,672,754	3,358,054	4,385,346	25.6	30.6

The *Census Report* suggests that approximately three-quarters of this phenomenal increase in the population of Johore in the last decade may be ascribed to fresh immigration, principally of Chinese and Javanese, and compares it to the phase through which Selangor passed in the decade 1901-1911 when its population increased by 74.2 per cent. It may be added that in the

¹⁹ From 1909 to 1923 the water gap between Singapore Island and the mainland was covered by a wagon ferry. In 1923 a causeway closed this gap in a railroad system which was now linked to the Siamese Railways.

²⁰ *Census Report*, 1931, p. 32.

two more recent decades the increase in the population of Selangor dropped from 36.3 per cent from 1911 to 1921 to 32.9 per cent from 1921 to 1931.

General figures have been given above as to the racial composition of the Johore population but it might be well to amplify them here in certain details. Perhaps the most striking difference between Johore and the other Malayan units is the large number of politically alien Malays, coming primarily from the Dutch Archipelago, who have emigrated to Johore and, to some extent at least, have settled permanently there as agriculturalists or as wage-earning laborers. The rubber industry has absorbed the largest proportion of them, either as laborers on estates or as small holders, but many others are engaged in the cultivation of rice, coconuts, and other agricultural products. Relatively very few have drifted into other than agricultural occupations, mining, for example, employing only 105 as against the 22,475 engaged in rubber planting.²¹ The same general conclusions are, of course, valid for the local Malays although a far larger proportion of these than of the immigrant Malays is employed in the various branches of the government service and a smaller proportion has gone into the employ of the large rubber plantations.

In the past Chinese labor has had an almost exclusive monopoly of mining in Johore, but it is now being found that the Malays are at least equally suitable as workers on the big dredges introduced by the British mining corporations. In contrast with the heavy Indian labor forces employed on the rubber estates elsewhere, Johore's estates employ a large proportion of Chinese workers. The figures in this connection are given in the following table which shows the strength and racial composition of the estate population in 1931:²²

	Total	Europeans	Malaysians	Chinese	Indians
Johore	73,306	390	9,155	30,922	32,036
Kedah	48,845	286	6,579	6,089	35,743
Kelantan	5,773	51	1,637	1,092	2,944
Trengganu	758	4	75	667	8
F.M.S.	251,492	1,735	7,373	37,863	203,036
Selangor	96,592	659	1,175	6,363	87,776
Perak	85,954	585	2,402	7,171	75,362

²¹ *Ibid.*, Table 141.

²² *Ibid.*, Table 20. This table also illustrates again the decline in the extent of modern enterprise as one moves down the list from Johore to Trengganu.

The rate of increase in Johore's population since 1911 is probably the most striking evidence of her economic advance, but the same fact is also well illustrated by the figures for her external trade and governmental revenue. Here again the picture revealed is obviously comparable to that of the Federation in its earlier years. The general trends are clearly evident in the following table, which also suggests the ravages of the depression.²³

	Revenue	Expenditure	Imports	Exports
1912.....	\$ 4,348,642	\$ 3,231,406		\$12,520,000
1913.....	4,378,556	3,267,484		14,212,850
1914.....	4,352,897	3,899,698	\$ 8,692,734	16,535,450
1915.....	5,790,394	3,645,421	11,479,494	28,882,000
1928.....	20,698,077	16,445,473	37,502,279	65,327,031
1929.....	17,633,212	16,200,829	45,372,067	99,206,986
1930.....	14,634,966	16,671,946	48,071,047	59,714,461
1931.....	12,102,704	14,778,518	29,449,254	34,995,441
1932.....	11,518,363	11,383,156	21,809,020	29,623,458
1933.....	11,806,152	11,589,496	22,561,488	35,985,800
1934.....	16,660,594	11,692,115	31,213,739	61,077,703

The colossal rise in Johore's trade and revenues up to 1928-1929 indicates the spur given it by the expansion of the rubber industry and the closer association with Britain, while the catastrophic decline after 1929 shows its intimate dependence on world trade and world markets.

In this rise and decline rubber holds the central place. As early as 1914 rubber constituted approximately half of the value of the total exports, with arecanuts and copra, the next highest exports, each contributing about one-eighth of the total. By the next year the value of the rubber export had more than doubled and contributed nearly two-thirds of the total exports.²⁴ In more recent years rubber, despite the great fluctuations in market value, has easily held its own as Johore's principal economic asset, as shown in the following export figures:

²³ Compiled from the *Annual Reports* for Johore.

²⁴ The value of the principal exports in 1914 and 1915 is given in the *Annual Report*, 1915, as follows:

	1914	1915
Rubber	\$8,250,000	\$18,000,000
Arecanuts	2,010,000	2,460,000
Copra	2,150,000	1,730,000
Gambier	1,250,000	1,900,000
Minerals	720,000	2,588,000

The export of tin ore increased by 237% in quantity, principally owing to the discovery of new fields.

	1928	1930	1932	1934
Rubber	\$44,234,992	\$39,259,867	\$13,902,311	\$47,563,787
Copra	6,225,927	5,183,037	3,831,355	1,895,997
Pineapples	5,383,733	5,534,801	4,414,794	4,838,962
Arecanuts	1,199,915	1,328,773	847,664	623,003
Timber	1,197,934	1,349,856	441,751	495,364
Tin-ore	2,038,064	631,645	352,529	721,276
Iron-ore	2,658,193	3,646,254	2,425,343	2,890,900

Despite the new discoveries of tin and the development of iron-ore mining, the latter primarily by the Japanese, it is obvious that the economic importance of Johore now as earlier is essentially dependent on its agricultural industries. It is officially estimated that over seventy-five per cent of the total population of the State is engaged in agricultural pursuits, while just over 2,000 people were reported as engaged in mining in 1934. The extent to which Johore has thrown in its lot with world trade as an exporter of raw materials is strikingly illustrated by the fact that almost the whole of its imports annually fall into the category of "animals, food, drink, and tobacco" and "articles wholly or mainly manufactured." Thus in 1929 these categories accounted for \$42,799,028 of the total imports of \$45,372,067 and in 1934 for \$29,969,005 of the total of \$31,213,739. Since the depression there has been a natural tendency, backed by government efforts, to swing back from the concentration on rubber and other money crops to an increased cultivation of rice and other food crops, but this movement has so far had no marked effect on the general structure of Johore's economy. The area planted with rice, a crop grown exclusively by Malay small-holders, has grown slightly in recent years but in 1934 embraced only 17,000 acres. The total area of land alienated for rubber, on the other hand, is not far short of 1,000,000 acres, and even the relatively new oil palm industry occupies over 30,000 acres, wholly divided up into a few large non-Malay estates, one of which accounts for five-sixths of the total.

In rubber the Malays do better, but the figures as to the ownership and structure of this industry in 1931 demonstrate the extent to which their more simple economy has been replaced by the large-scale activities of aliens. Well over half of the total rubber acreage is contained in estates of 100 acres and over,

and of these only fourteen are owned by Malays, jointly covering 2,884 planted acres and 3,631 acres of unplanted reserve of a total estate acreage of 581,041. There are, unfortunately, no available statistics as to the share of the Malays in rubber holdings under 100 acres in extent, but it is clear that in this category they are also faced by strong competition from the Chinese and Indians. The estates of over 1,000 acres are divided primarily between the Europeans, Japanese, and Chinese, the first holding 87 estates of 235,821 planted acres (62,543 reserve), the Japanese 9 estates of 42,574 acres (4,261 reserve), and the Chinese 25 estates of 58,125 acres (9,303 reserve). It is characteristic of Chinese enterprise in Malaya that their estates should run to a smaller acreage than those of the Europeans and that they should be owned privately rather than by limited liability companies. It is in the category of medium-sized estates that the Chinese come into their own with 326 estates of 86,352 acres (9,287 reserve), as contrasted with 29 European holdings of 17,685 acres (8,210 reserve), and 19 Japanese estates of 9,410 acres (9,431 reserve). Although there are two Indian estates of over 1,000 acres, the bulk of the Indian acreage is concentrated in the intermediate category where their 50 estates embrace 11,440 acres (5,187 reserve).^{**} Manufacturing has been developed only to a very small extent and for all practical purposes is confined to the preliminary treatment of raw materials produced in the State for export.

The predominance of the agricultural interests in Johore is clearly reflected in its sources of revenue but the actual situation is somewhat obscured in this connection by the size of the revenue from the sale of opium and from the customs duties on the import of tobacco. The general situation is shown in the following table which gives the percentage contribution of the principal heads of revenue to the total revenue, exclusive of land sales, for recent years:

	1928	1929	1930	1931	1932	1933	1934
Lands and Forests	13.3	15.8	17.8	19.7	22.4	21.8	22.7
Customs	45.0	34.9	29.1	26.2	28.0	26.9	29.0
Licences, Excise	25.7	30.0	28.3	22.1	21.5	23.6	25.9
Other Revenue	16.0	19.3	24.8	32.0	28.1	27.7	22.4

^{**} See D. H. Grist, *Nationality of Ownership and Nature of Constitution of Rubber Estates in Malaya*. About 750,000 acres, more than 15% of the area of the State, have been set aside as forest reserve.

These global percentages require, however, to be broken up into smaller units to make their significance apparent, and this can best be done by a presentation of actual revenue figures in recent years: ^{**}

	1929	1932	1934
Lands and Forests:			
Lands	\$2,510,582	\$2,199,969	\$3,371,085
Forests	160,123	216,007	218,580
Customs:			
Rubber	1,592,981	144,341	238,176
Copra and Coconuts .	220,882	145,560	23,040
Tin-ore	150,146	40,880	88,648
Iron-ore	371,606	251,495	283,735
Tobacco	1,595,964	948,319	1,343,763
Spirits	1,042,861	229,337	408,801
Petroleum	401,322	794,402	1,012,904
Licences, Excise:			
Opium	4,262,242	1,813,256	(4,000,000)*
Other Revenue:			
Municipal	1,112,531	1,033,949	1,107,524
Railways	470,000	470,000	—
Posts and Telegraphs.	303,329	241,601	299,022
Fees of Court, etc....	312,501	218,611	296,348
Interest	993,467	926,170	1,661,029

* Opium revenue is not entered separately in the 1934 *Report*, so an approximation has been made on the basis of its proportion to total licence revenue in former years.

Despite the depression and the heavy drop in Johore's revenue the financial position of the State has remained extraordinarily sound throughout. At the end of 1929 the State had not only an

^{**} *Annual Reports*. Under the new Railway Lease, no railway revenue was earned in 1934, and only one dollar in revenue is listed under 1933.

The figures on expenditure for 1929 and 1932 are also appended here although the form in which they appear renders them of little use, and the body of the *Reports* throws little light on their significance. No statement is made, for example, on the sums expended for education or for health and sanitation, and the heads of expenditure listed are obviously too broad and too vague to give any real idea as to where the money goes.

	1929	1932
Pensions	\$ 424,986	\$ 591,765
Personal Emoluments	4,525,760	5,312,821
Other Charges	2,967,666	2,306,112
Transport	64,854	80,491
Opium Reserve Fund	1,000,000	250,000
Miscellaneous Services	763,193	360,822
Purchase of Land	242,819	62,961
Public Works (Annually Recurrent).....	1,757,256	1,337,938
Public Works (Special Services)	4,454,295	1,080,232

Under a recent agreement the Sultan receives \$240,000 a year, and this sum is supplemented by grants for special purposes.

Opium Revenue Replacement Reserve Fund of \$10,861,594 but also a surplus of no less than \$26,511,045, and no public debt. At the end of 1934 there was still no public debt, the Opium Reserve Fund had grown to \$15,173,189 and the surplus had again begun to climb, reaching \$27,118,593. In line with similar action in the Colony and the F.M.S. steps have now been taken for the reversion of the Opium Reserve Fund to the general assets of the State. Under the approved scheme for opium suppression the last transfer from the general surplus to the Opium Reserve Fund was made in 1932, and from the beginning of 1933 interest on the investments in the Fund were absorbed into the general revenue instead of reverting to the Fund.

These figures as to the prosperity of Johore, its surpluses and reserve funds, are, no doubt, to the credit of the financial skill of the State's administrators, but it cannot be pointed out too often that they reflect no similar prosperity and overflowing bank accounts among the vast mass of its inhabitants. The Malays remain much as they were in earlier days although their land is more limited and their dependence on the world economy greater. Among the Chinese there are a few who have grown wealthy, as have the Malay rulers and the aristocracy, but the bulk of the wealth has been drained away to Singapore and further afield to Europe, America, and China. To the Malay, Chinese, and Indian laborer the difference between prosperity and depression is the difference between a low or inadequate subsistence level on Oriental standards and a small margin above bare subsistence. Between the statistics and indices of progress and the improvement of the conditions of the people there is a vast gap which has scarcely begun to be bridged. It may be regarded as a splendid gesture of imperial loyalty that the Sultan should present £500,000 to the imperial government to speed the Singapore defenses on the occasion of the King's Silver Jubilee in 1935, but he need only have strolled through the back streets of his little capital to have found more significant uses for his generosity.

THE FORMER SIAMESE STATES

The establishment of British control over the four northern Malay States by the treaty of 1909 with Siam rounded out the

British sphere in Malaya in what appears to be a permanent fashion, although the adjoining territory across the Siamese border also contains Malays and Malay States. Why these latter did not also come under British protection in 1909 is as obscure as many aspects of the history, prior to 1909, of the four which did. No account or documentation of the transfer from Siam to Britain, beyond the treaty itself, seems to have appeared, and the historian of this area is left with scraps of information which frequently fail to piece together into a consistent whole.

Nineteenth century relations between Great Britain and these States, as has been indicated above for the earlier period, were of an uncertain and fluctuating character. After the cession of Penang Kedah was abandoned to its fate and shortly fell under a Siamese control which was recognized by the British treaty of 1826 with Siam. Perlis, like other sections of the State as it was then constituted, was separated from Kedah by the Siamese and placed under an independent ruler, subordinate to Siam. Kelantan and Trengganu, their position dubiously defined under the 1826 treaty, were left in a shadowy borderline of independence between the British and Siamese which different Governors of the Straits interpreted in their different ways. In principle the British, both by the treaty and by their general policy, were committed to non-intervention in the affairs of these States, over which undefined Siamese claims had presumably been recognized. This principle, however, failed frequently to correspond with actual practice, the most notable violation of it being the British intervention in 1862 to preserve their independence as against Siam. This intervention was not approved by the home authorities, other more pressing matters absorbed local attention, and Kelantan and Trengganu were allowed to lapse more and more completely into Siamese control.

The two major factors which distracted British attention from the northern States from the seventies until their absorption into British Malaya were the developments in the States already under protection and the serious controversy with the French over Siam. In both instances the Siamese Malay States were only of subsidiary significance, that is, they appear to have been considered only in so far as their affairs impinged in one way or another on the larger issues to the north and south. With the completion of

the first stages of the economic and political development of the Federation and the stabilization of the position of Siam, the British were again in a position to move forward, in the northern States as to the south in Johore.

A key-point in the problem in the later as well as in the earlier period was the precise nature of the relationship of these States to Siam. As far as Kedah and Perlis were concerned no one was prepared to question Siam's overlordship after its formal recognition in the treaty of 1826, but the position of Kelantan and Trengganu was much more open to dispute.²⁷ On this issue there was open disagreement until toward the close of the century when the British acknowledged Siamese supremacy over all the northern States. For the nineteenth century as a whole it seems correct to say that Kelantan and Trengganu stood in a formally inferior position to Siam but that for the most part they were entirely free from any effective control, over either internal or external affairs, from Bangkok. As a correspondent to the *Times* put it at a slightly later date, "the relation has been one of merely formal admission of a purely external suzerainty," by Malay States governed by Malay rulers.²⁸

One of the latest and staunchest defenders of the independence of Kelantan and Trengganu was Governor Sir Frederick Weld, who has been cited above at some length in connection with his effort to persuade the Colonial Office into recognition of the policy of actual control, as opposed to advice, in the protected States. In the northern States Weld was openly an advocate of British advance, primarily because of the danger of Siam's falling into the hands of some other Power. A dispute on the boundaries of Perak gave him an opportunity to warn the Siamese that he would tolerate no encroachments on what he regarded as the

²⁷ Thus Governor Sir Orfeur Cavenagh wrote in 1863 that "the States of Trengganu and Kelantan form no part of the territories of the Kingdom of Siam; all correspondence between the British Government and their Rulers has invariably been conducted direct through the Governor of the Straits Settlements." But in 1869 Governor Sir Harry Ord wrote: "With regard to the position of the Sultan of Trengganu, I have never heard it questioned but that he was, like the Raja of Kedah and other rulers of Provinces on the Malayan Peninsula, a tributary of the King of Siam, and that as such, it was not competent for him to enter into any direct negotiation with a foreign Government." Sir Henry Norman, *The People and Politics of the Far East*, pp. 530-532.

²⁸ The *Times*, October 28, 1901.

British sphere. The weakness of the British, if they should fail to live up to their obligations to the Sultan of Perak, he insisted to the Secretary of State in 1886, would be contrasted by the Siamese with the forward and aggressive policy of other nations, and the Malay States would take it as a test of British willingness and power to protect them against Siamese aggression. In this connection he brought forward the earlier case of the abandonment of the Sultan of Kedah to Siam: "a policy which has never been forgotten, and tells against us even to this day."

In Weld's eyes, however, these local considerations were of less importance than the questions of high politics. It was his opinion that both Russia and France were intriguing with Siam and were attempting to impress the Siamese with their power, whereas Britain was hiding too modestly in the background. In these circumstances he feared a future in which the British would be pressed by Russia on one frontier and France on the other: "We should then be in the position of the continental Powers, forced to be armed to the teeth in order to repel aggression." For the British to safeguard themselves from this eventuality, he maintained that "our true policy is to extend our influence over all the Malay States of the Peninsula up to British Burmah, so that in the event of Siam falling under French influence, we should be in the position of demonstrating that interference with the Malay States would be a breach with us." The argument that it would be safer to back up Siam he countered by the assertion that "to do so would be to bolster up the weakest, and in its outlying Malay provinces at any rate, one of the most corrupt, tyrannical, and profligate governments in the world—a government which, in spite of some superficial varnish of civilization at Bangkok and a well-meaning king, contains every element of disintegration, and which would crumble at the touch of a strong hand, unless supported by a foreign Power."²⁹

The influence which the British held over the Siamese Malay States at this time is also indicated in others of Weld's letters and despatches. Thus while he concedes that the Regent of Kedah

²⁹ Lovat, *Life of Sir Frederick Weld*, pp. 383ff. In another letter of the same period Weld describes two new British-built Japanese ironclads, then in Singapore, but he adds: "However, we are not likely to have a row with Japan." p. 383.

is a feudatory half-vassal of the King of Siam, he adds that "the Regent is a pensioner of ours, so I have a good hold over him." As for the other States he maintained that it was to a great extent the British who kept them quiet: "If a Malay wants to rise against his ruler," he wrote to Sir Ernest Satow, British Minister to Siam, "he sends to me and asks if he may do so, and I say, *No*." In the same letter he informed the British Minister that the Siamese Ambassador in London had asked the British to administer some of his outlying Malay States and to advance them money. Such a plan, he thought, would be advantageous to all concerned and "in short, settle all difficulties, and *keep out our rivals*—which last is my main object." Despite the Governor's advocacy of a forward policy and the growing friction with the French over their claims on Siam and their activities in Burma, no steps in this direction appear to have been taken.

In the eighties and nineties the lightning of high politics played round and about the Malay States but never seems to have struck them. The independent existence of Siam seemed likely for a time to be snuffed out by the rival pressures of the British from Burma and the French from Indo-China, but the meeting-ground was laid far further to the north in the valley of the Mekong. In 1893 there was a brief period in which war between France and Britain was imminent—a war in which Siam was the only certain loser—but that danger was averted and Siam divided into British and French spheres of influence with a buffer zone between them. That the northern Malay States fell within the British sphere of influence was merely a formal recognition of a state of fact which the French, with their eyes concentrated on tapping the trade of south China, were not inclined to dispute. Because of the very large British share in the trade of Siam, the residents of the Straits were much disturbed at the prospect of a Siam dominated by France, but otherwise the British end of the Peninsula was essentially unconcerned in the struggle.

One exception which may be made to this generalization is in connection with the proposals for the building of a canal through the Isthmus of Kra, some 350 miles up the Peninsula from Penang and 275 miles above the northernmost tip of Perlis. This project has again come to light in recent times, now linked to the name

of Japan although the Japanese authorities have been at pains to disavow that it enters into their speculations. From the scanty records on the subject it appears that in 1893 both British and French interests were sufficiently involved in the project to make a slight ripple on the diplomatic surface, but the ultimate results were entirely negative.

The earliest authoritative investigation of the possibility of a canal at this point appears to have been a brief expedition undertaken in 1863 on behalf of the Indian government by Captain Alexander Fraser and Captain J. G. Forlong of the Bengal Engineers, although Governor Cavenagh of the Straits writes that the Prime Minister of Siam during a visit to Singapore in 1861 referred to the *proposed* canal and said that Siam would not object provided it was carried on by an English company. The Fraser-Forlong report held the canal to be impracticable but advocated the construction of a railroad on the dual grounds that it would facilitate the importation of Chinese labor into the provinces of Pegu and Tenasserim and that, if the British failed to act, the French were likely to seize the opportunity to the detriment of British shipping. The next examination of the region was undertaken in 1883 by an official French survey expedition after a French engineer, Leon Dru, had called attention to the project in two pamphlets of 1881 and 1882.¹⁰ This French expedition was accompanied by Commander A. J. Loftus as Commissioner for His Most Gracious Majesty the King of Siam, and his report branded not only the canal but also the railroad proposed by Fraser and Forlong as impracticable and useless.¹¹

With the decline of the universal enthusiasm for canal building inspired by Panama and Suez, the project seems to have disappeared from sight only to be resurrected in connection with the

¹⁰ *La péninsule malaise* (Paris, 1881), and *Projet de percement de l'isthme de Krau* (Paris, 1882). Dru states that the proposed canal would save four days of dangerous sailing through the Straits of Malacca, and adds that "the French possessions in Indo-China, which are destined in a near future to drain off a part of the trade of the Chinese Empire, would be aided by this more direct route." He also reprints a map by one Captain Z. B. Tremenheere, dated 1843, which appears to indicate that the canal project was of earlier date. The project is also discussed in Maxime Héliène, *Les nouvelles routes du globe* (Paris, 1882), Ch. V.

¹¹ *Notes of a Journey Across the Isthmus of Kra* (Singapore, 1883). The Fraser-Forlong report is printed as an appendix to this volume.

broader issues of the Franco-British falling out over Siam in 1893. Although the French Foreign Office took occasion at this time to insist that no mention of the canal had ever been made in its private or official correspondence, Lord Roseberry was sufficiently concerned to write on September 6, 1893, to the Marquis of Dufferin, British Ambassador to France, that, while he believed that the French negotiator in Siam had not been instructed to ask for a concession for the construction of the canal, he was seriously concerned about the matter. "Any measures or projects of this kind," he wrote, "affecting the Siamese possessions in the Malay Peninsula, lying as these do between the Straits Settlements and the British-Indian possessions in Tenasserim, would seriously concern Great Britain, and Her Majesty's Government have a right to claim that they shall not be intrusted to the nationals of a third Power without their participation and consent."²² It is difficult to believe that any present or future project for the canal would not meet with the same firm objection, even apart from the latest treaty arrangements between Britain and Siam, since its effect would obviously be to divert much of the traffic from Singapore and seriously impair Singapore's strategic value.

Although the outcome of the struggle with France served in a sense to strengthen Britain's hand in connection with the Siamese Malay States, the policy of the Foreign Office "for a time appeared to be to minimise rather than to exaggerate the advantages which the situation conferred. This was more particularly shown in their benevolent attitude towards a revival of Siamese activity in Kelantan and Trengganu which followed the conclusion of the understanding."²³

²² See C. 7395 (1894), pp. 162-163. A letter of September 6, 1893, informed the Foreign Office that a Malay Peninsula Exploration Syndicate had been formed primarily for the purpose of constructing a ship-canal across the Peninsula. "When this Syndicate was formed," it continues, "an assurance was made that the Government of Siam had entertained no objection on principle to the construction of the canal, and that provided certain interests were safeguarded there would be no difficulty in granting a concession." Pp. 161-162. No further mention of this Syndicate is found in the published correspondence, except the official assurance to the Syndicate a few days later that its representations would be borne in mind.

²³ Wright and Reid, *The Malay Peninsula*, p. 150. Chapter X of this work presents the most elaborate account of the relations with the northern States, and particularly of the history of the Duff Development Company in Kelantan.

The first instance in which this turn of policy appeared was the pursuit in 1895 by an expedition headed by Sir Hugh Clifford of some Pahang rebels who had fled into Trengganu and Kelantan. In this case there was a formal recognition of Siamese suzerainty over the States since Siam was consulted by the British throughout and was invited to send a Commissioner with the expedition—the Commissioner, according to Clifford, being far more of a nuisance than a help and deliberately obstructing the pursuit. This submission to Siam was regarded by Clifford, who knew Malay affairs from the inside, as entirely gratuitous. He maintained, as did many other authorities, that the sending of the Golden Flowers was to be taken as nothing more than a token of alliance and friendship and had never been regarded by the Malays as an admission of suzerainty. In Kelantan, because of its geographical position, he found the Siamese relatively strong, but in Trengganu the British influence was definitely stronger. The Malays, he reported, accepted the British but hated the Siamese as infidels who worshipped idols and as men of the same color who attempted to assert a non-existent superiority.²⁴

The most serious and lasting effect of this expedition was one which could in no wise have entered into its calculations: the Duff Development Company concession in Kelantan, which, at least in its origins, also served to strengthen Siamese control. Although it seems clear that the activities of this Company, whose affairs became one of the major political and financial concerns of the Peninsula, were later influential in hastening the transfer of the northern States from Siamese to British protection—its founder claimed almost exclusive credit for adding Kelantan to the Empire—its lengthy and occasionally somewhat fantastic story will be reserved for discussion below in connection with

²⁴ See Sir Hugh Clifford, *Report on an Expedition into Trengganu and Kelantan* (Kuala Lumpur, 1895). Malay hatred of the Siamese is confirmed by the statement of the *Times* correspondent, September 19, 1902, that the Siamese by their cruel and rapacious policy "in the space of a few months have earned, and have even more richly deserved, the fierce hatred of the Malays of this part of the Peninsula." A further significant comment may be quoted from Clifford's report as indicating not only the British opinion of his own day but in large part that of the British and Chinese of the present: "The more one sees of the Unprotected Malay States, and the more intimate one's acquaintance becomes with the Malay Rulers, the more profoundly is one convinced of the utter inability of the Malays to govern one another with anything approaching wisdom, justice, or honesty." P. 56.

Kelantan. For present purposes it is sufficient to note that when R. W. Duff, who had accompanied the expedition as a police officer, attempted in 1900 to secure a concession from the ruler of Kelantan, he was advised by the British Foreign Office to work through Bangkok. Even after the concession had been secured from the Raja and the Siamese had conceded the latter's independent right to grant it the Foreign Office still insisted that Duff obtain the approval of the Siamese authorities.

The status of both Kelantan and Trengganu was still determined, however, by the obscure provisions of the treaty of 1826 and their actual position at the turn of the century was not a pleasant one. On one side they were pressed by the Siamese who were intent on bringing them into effective subordination, and on the other they were under fire from the British interests in Singapore and the Federation which wanted to see them opened to British trade. The securing of the Duff concession brought matters to a head and its lessons were underlined by a complicated intrigue which had its repercussions in Europe. In September, 1902, the French press carried the news that Kelantan had been occupied by three hundred British soldiers—a piece of information which the French delightedly seized upon as another sample of British perfidy and as an encouragement to them to press their own demands on Siam. The actual facts of the case are difficult to disentangle but it appears that the disturbance was caused by an anti-Siamese faction, with which the younger brother of the Sultan was to some extent implicated and which had been backed by British interests.¹¹

Far from utilizing this incident as an occasion to take over Kelantan and Trengganu, the British proceeded to make a further agreement with Siam under which the uncertainties of the 1826 treaty were replaced by an explicit recognition of Siamese suzerainty.¹² Prefaced by a statement that it was the common object of both governments to maintain the security and stability of Siam and its dependencies and to promote the good govern-

¹¹ See Walter A. Graham, *Kelantan, a State of the Malay Peninsula* (Glasgow, 1908), pp. 52ff. Graham was a British official who became the King of Siam's Adviser in Kelantan. See also the *Times*, September 17, 19, 20, and 23, 1902.

¹² See Maxwell and Gibson, *op. cit.*, pp. 85ff.

ment and prosperity of the latter, this agreement contained a draft treaty which was to be signed by the King of Siam on one hand and the rulers of Kelantan and Trengganu, each for his own State, on the other. This draft treaty, which was shortly accepted by both the rulers, was to some extent modelled after the British Malayan treaties, since in addition to specifying that the States were dependencies of Siam it provided that their foreign relations should be conducted through Siam and that they should accept the advice of a Siamese Adviser "in all matters of administration other than those touching the Mahomedan religion and Malay custom." This provision was, however, limited by a further article which stated that Siam would not interfere in the internal administration of the States, otherwise than as provided in the treaty, so long as Siam's treaty rights and obligations with other States were not infringed and so long as peace and order were maintained and the States were governed "with moderation, justice, and humanity." Presumably with the Duff concession in mind the Rajas were required to agree that they would grant no concessions and give no important offices to others than their own natives without Siamese consent. In addition one-tenth of the gross revenues of each of the States was to be paid into the Siamese treasury.

In the cases of Kedah and Perlis this process of regularization and modernization of the relations with Siam did not take place until 1905. There, although the supremacy of Siam had been more clearly and explicitly recognized than in the case of the east coast States, it remained an Oriental relationship of the old type and was not adequate to the pressure of the times. For a decade the financial affairs of Kedah had been going from bad to worse, in good part due to the serious illness of the ruler, who, at his best, gave little heed to affairs of state and lavishly squandered the royal income. The immediate cause of the crash was the extraordinarily elaborate and expensive celebration in 1904 of the weddings of his eldest son and four other royal princes: after this all sources of further credit disappeared. The State's creditors, who are stated to have been principally British subjects, pressed their claims and were supported by the Resident Councillor of Penang in his capacity as British Consul for the Western Malay

States. As bankruptcy became imminent the Raja Muda (the heir to the throne) applied to Siam, with the Sultan's consent, early in 1905 for a loan. In good part through the activities of the Siamese Financial Adviser, W. J. F. Williamson, a treaty was negotiated in June, 1905, under which the Sultan received a loan of \$2,600,000 at six per cent interest on the condition that he also receive an Adviser appointed by the Siamese government, whose advice he agreed to follow "in all matters relating to finance." This officer was to remain in Kedah until the capital and interest of the loan were entirely paid off. At the same time, by an edict of July, 1905, the Sultan created a State Council on which it was agreed that Adviser should have a seat. Williamson himself remained in Kedah for some months to clear up the financial situation and did not return to Bangkok until September when he was replaced by a British officer who had been lent to Siam by the Indian government to act as Adviser. Perlis accepted a similar agreement in the same year.⁷⁷

Not long after these arrangements had been completed negotiations between the British and the Siamese began for the transfer of all the northern States to British protection. Very little information is available as to either the substance or the length of these negotiations but it may be assumed that one of the important factors entering into them was the pressure of German interests for a share in the development of Siam, particularly in connection with railroads. The negotiations were in progress for more than a year before the treaty was finally signed at Bangkok on March 10, 1909,⁷⁸ with the British apparently appearing in force on both sides as principals and advisers.

⁷⁷ Kedah treaty, *ibid.*, pp. 101-102; Perlis treaty, *ibid.*, pp. 105-106. See also the *Annual Report on Kedah for 1327 A.H.* (January 23, 1909-January 12, 1910).

⁷⁸ Maxwell and Gibson, *op. cit.*, pp. 88ff. See Cd. 4646 (1909). The transfer of the States was discussed on several occasions in the House of Commons: March 25, June 21, July 21 and 22, 1909. In view of the later enthusiasm for the rights of small nations it is interesting to note that in reply to a question on June 21, 1909, as to whether Kedah had been consulted as to her wishes in the matter, the Under-Secretary of State for Foreign Affairs stated that since Kedah's complete dependence on Siam had been recognized the British government naturally had no knowledge of what had passed between Siam and Kedah nor could it with propriety receive any direct representations from Kedah. He assured the House, however, that nothing in the treaty would prejudice the position of the Sultan.

For present purposes the vital article of this treaty was the first: "The Siamese Government transfers to the British Government all rights of suzerainty, protection, administration, and control whatsoever which they possess over the States of Kelantan, Tringganu, Kedah, Perlis, and adjacent islands." Succeeding articles provided that the transfer should take place within thirty days after ratification, that a mixed Siamese-British Commission should delimit the new frontier, that Siamese subjects desiring to retain their nationality should have six months in which to domicile themselves in the Siamese dominions, that valid concessions granted or approved by the Siamese in the States should be recognized by the British, and that the Federated Malay States should assume the debts of the States to the Siamese government. For the further protection of the British possessions and protectorates in the Peninsula it was agreed in an exchange of notes that south of the Monthon of Rajaburi (Ratburi) the Siamese government would not cede or lease, directly or indirectly, any territory to a foreign government, allow the establishment of coaling stations or construction or repairing docks, or the exclusive occupation of any harbors which might be strategically prejudicial to British interests.⁷⁹ These broad conditions would appear completely to rule out the possibility of a Kra Canal the control of which would rest with any other Power than either Siam or Britain, although the threat made by France earlier has been repeated in recent years by Japan, at least in the eyes of the press. There can be no question that she has made decided efforts to come to more intimate terms with Siam as one part of

⁷⁹ See also a treaty of 1897 between Great Britain and Siam, *British and Foreign State Papers* (1908-1909) CII, 124-125. Under this treaty the Siamese engaged not to cede or alienate to any other Power rights over any portion of the territories or islands lying to the south of Muong Bang Tapan—a point on the east coast of the Peninsula between Kra and Ratburi. Furthermore Siam agreed not to grant, cede or let any special advantage, whether as regards land or trade, to the government or subjects of third Powers within these limits without the written consent of the British. This treaty was explicitly cancelled by a supplementary agreement of March 10, 1909, being replaced by the treaty described above. In 1925 a new treaty was concluded between Britain and Siam cancelling all former agreements except those expressly designated in the treaty. Among those retained was Annex III of the 1909 treaty, the concession agreement. Treaty Series No. 7 (1926), Cmd. 2642. See also W. J. Ronan, "The Kra Canal: a Suez for Japan?" (*Pacific Affairs*, IX [1936], No. 3, pp. 406-415), which suggests the possibility of a canal built by the Siamese but financed by the Japanese.

ner forward policy in the East and has been encouraged by Siam's passive support in the Manchurian adventure, but it is difficult to judge what success she has had. The building of a canal at Kra would be a vital blow to the British Empire and a master stroke for Japan. Both in Japan and in England the rumor of Japanese activities has met with strong official denials, and, since the British Foreign Office states that the treaty with Siam is still in force, it must be assumed that no project for a canal would be lightly undertaken.

In return for these concessions, which were amplified by an extension to British subjects of the rights and privileges of the natives of the country throughout the whole of Siam, the British agreed to the abolition of consular jurisdiction in Siam. Article V of the treaty provided that the jurisdiction of the Siamese International Courts, established by a treaty of 1883, should be extended to all British subjects in Siam registered in the British Consulates before the date of the present treaty. On the promulgation and coming into force of several of the Siamese Codes jurisdiction over all British subjects was to pass to the ordinary Siamese courts. These matters were further defined and elaborated in an annexed Jurisdiction Protocol.

The effect of this treaty on the four former Siamese States was, for all practical purposes, to place them in the same position relative to Great Britain as that occupied by the States of the Federation and by Johore after 1914. As to their precise juristic position it is more difficult, if not impossible, to speak with accuracy. The treaty provided that Great Britain should take over all rights of suzerainty, etc., possessed by Siam, but it will be seen from what has gone before that the Siamese rights were ill-defined, disputed, and various. In Kelantan and Trengganu, where her rights were least well recognized prior to 1902, she had acquired almost unlimited power by agreement with Great Britain, whereas in Kedah, which had been accepted as a Siamese dependency at least since the 1826 treaty, she had the precise right only of financial supervision. If it is correct to state that Siamese rights in the four States were by no means identical then it seems clear that the rights possessed by the British after the

treaty were equally not identical.⁴⁰ The only escape from this proposition lies in an unwarranted assumption that suzerainty is a clear juristic concept, the content of which must always be the same. But to assume such a clarity in the relations of Oriental States would be as absurd as to assert that all protectorates in the Western world are identical in form and content.

There is no evidence, however, that this difference in the status of the States, whatever its exact character, had any effect on the degree of actual control assumed by the British authorities. There can be no doubt that there was a marked difference in the policy which was followed in the unfederated States as a whole as compared with the Federation, but there is no reason, even in this instance, to attempt to base that difference on the variation in juristic status between the two groups of States. Within the unfederated States themselves the British Advisers and their staffs assumed from the beginning that the entire administration of the States was at their disposal and acted accordingly, leaving any jurists who might be interested to argue as to whether the exercise of any particular powers fitted neatly within the nebulous rights transferred by Siam.

The legal assimilation of these States to the status of the other protected States of the Peninsula was undertaken only by gradual stages. In the year after the transfer both Kelantan and Trengganu entered into new agreements with the British, but in the case of Trengganu provision was made only for a British Agent and a supplementary agreement was necessary in 1919 to complete the process. The settlement with Kedah was delayed until 1923 and that with Perlis until 1930.

The Kelantan agreement followed closely in most respects the draft treaty which had been drawn up in 1902 by the British and Siamese for submission to Kelantan and Trengganu. Its central clause was the familiar one requiring the Raja to follow the advice of the Adviser in all matters of administration other than those touching the Mohammedan religion and Malay custom, but

⁴⁰ Roland Braddell (*Legal Status of the Malay States*, p. 27) says: "Juristically the status of the four States was equal, however the *de facto* control of Siam over them may have differed in degree." No argument is advanced to support this proposition.

British pledged themselves, as did the Siamese in 1902, not to interfere with the internal administration of the State so long as there were no treaty violations, as peace and order were maintained, and as the State was ruled humanely and justly. One variation which may be noted is that it was provided that when the gross revenues of the State should amount to \$100,000 the King of England might require the Raja to maintain a body of Malay or Indian troops for the defense of British territories and protectorates in the Peninsula, whereas the Siamese had claimed one-tenth of the gross revenue in the same contingency.

The agreement made earlier in 1910 with Trengganu is much less far-reaching than that with Kelantan. Described in the preamble as an agreement between "the Mighty Government of Great Britain and the Government of Trengganu, a self-governing Malayo-Muhammadan State," it went little further than to establish Trengganu as a simple international law protectorate whose territories were to be protected by Great Britain and whose political correspondence with foreign governments would be conducted by the British. A further provision prohibited the Sultan from granting any mining concession exceeding 500 acres or other land exceeding 3,000 acres to other than Kelantan natives and subjects without British consent. As in the Johore agreement of 1885 the British Agent in Trengganu was endowed only with "functions similar to those of a Consular Officer." Nine years later, however, this treaty was amended by the substitution of a new article which provided for a British Adviser with the customary powers, including supervision of the collection and disbursement of all revenues.

The treaty of 1923 with Kedah, taken in conjunction with the exchange of notes which preceded it, places that State, from a strict juristic point of view, in a position comparable only to that of Johore. Although the Sultan accepted a British Adviser on the usual terms, he was specifically assured that he would be informed before anyone whom it was proposed to appoint as Adviser was actually appointed and his compulsory acceptance of advice was held in no way to prejudice his right to address the High Commissioner or the King. An unusual provision of this agreement was the direct guarantee that the British would not transfer their

rights of suzerainty over Kedah to another Power and would not "merge or combine the State of Kedah or her territories with any other State or with the Colony of the Straits Settlements without the written consent of His Highness the Sultan in Council." Malay was made the official language and the State Council, which was to assist the Sultan in governing the State, was to consist of the Sultan as president, three other Malay members, and the British Adviser, subject to the appointment of additional members by mutual consent of the High Commissioner and the Sultan. The Malay members of the Council are selected by name or office by the ruler with the approval of the High Commissioner.

The agreement with Perlis in 1930 follows very closely the model set by the Kedah agreement. All the general provisions and safeguards which are found in the latter are repeated in the former with the addition of one article which is duplicated nowhere else. This article provides that the officers of the Government of Perlis shall be Perlis Malays, but if the State Council considers that there is any work which Perlis Malays are not capable of performing, then only shall persons from outside be employed. It is added that, at the discretion of the State Council, Perlis Malays shall be sent outside the State to study at the cost of the government so that they may be of use to the State.

KEDAH

Kedah, like Johore, is a State which continued and developed a distinct personality of its own despite British protection. Trengganu and Kelantan, with the exception of the Duff episode in the case of the latter, have been aside from the main stream of modern development and their rulers and notables have been content to drift along in the ancient Malay ways while the few British officials undertook the task of guiding their States slowly into the more complex channels of the twentieth century. In Kedah, as in Johore, this process has been hastened by its greater proximity to the more advanced sections of the Peninsula and by the early appearance of the railway, which did not complete its east coast links until 1931. But in addition to these factors the personal element has also entered in: if Kedah has not produced any politi-

cal figures as striking as the Sultans of Johore, it has been fortunate in the possession of native sons in high place who have demonstrated real political intelligence and ability. High among these must be ranked the late Regent, the eldest son of the incapacitated Sultan, who was the substantive ruler of the State from 1914 until his death in 1934. One criticism which may be made is that the members of the royal family have clung jealously to the power and the perquisites of office.

There is little, if any, evidence to support the view that the Malays of Kedah are in general any more advanced or politically conscious than the Malays of any other portion of the Peninsula, but the existence of the trifling minority of able leaders has had a real influence on the destinies of the State. The positive formulation and direction of State policy has undoubtedly rested almost exclusively with the British authorities in Kedah, but to a much greater extent than in the east coast States the British have had to take into account the advice and criticism of their Malay associates. The balance of power which has been described as existing in Johore is reproduced in Kedah in a lesser and somewhat less obvious form: the administration is conducted by the British Adviser and his subordinates under the watchful eyes and with the advice of the Malay heads, whose intervention is to be expected in any issue which they regard as threatening the independence and separate identity of Kedah. It should be added that their efforts in this respect are frequently seconded by the British officers, who have a strong tendency to identify themselves with what they consider to be the real interests of the State and to defend these against the occasional onslaughts of higher Imperial authorities. It need scarcely be added that every effort is made to avoid the necessity of recourse to the treaty power of compelling acceptance of advice, although that power stands in the background as a useful threat in cases of urgency. For the most part the relations between the British and the Malay authorities have been on the basis of friendly co-operation, although in 1910, shortly after the State had come under British protection, Sir George Maxwell, the British Adviser, found himself faced by a brief general strike on the part of all the higher Malay officials and councillors who contended that he had over-

stepped his authority.⁴¹ With the exception of this incident, in which the High Commissioner intervened to assist in restoring the peace, there is no record of any serious disturbance of the general harmony which has marked the conduct of the administration.

Of the constitutional position of Kedah, both internal and external, there is no need to speak at any great length. Its formal status as a member of the Empire is regulated by the treaty of 1923, which, as has been seen, extended to it guarantees going beyond any that had been previously granted. The most far-reaching of these guarantees is the provision that Kedah will not be merged with any other State without the written consent of the Sultan in Council and this has recently been supplemented by the declarations of Sir Samuel Wilson. The actual significance of this provision may, however, be questioned on two scores. From a formal standpoint the Sultan is obliged to accept the advice of the British Adviser, subject to a right of appeal to the High Commissioner and the King, and it is at least arguable that he would be under the same necessity in giving his consent to amalgamation with other political units of the Peninsula. More realistically, the actual situation as it has already arisen and as it is likely to present itself in any foreseeable future does not concern the extinction of the independent existence of the State but the gradual—and desirable—extension of a general Malayan control over different elements of the State's functions. The customs duties of the State are already determined in part by the Ottawa Agreements (which, it is understood, were accepted by the Regent and Council only under the threat of the use of the ultimate treaty power to compel acceptance of advice), its rubber and tin production are restricted by international agreement, its legislation necessarily follows that of the Federation and the Colony in many important matters, and increasingly its several specialized services fall under the direction of Malayan authorities. To attempt to pretend that the substantial independence of Kedah is

⁴¹ The *Times*' correspondent in reporting this incident on June 10, 1910, concludes with a significant sample of editorializing in news columns: "It is important that no weakness should be displayed. In view of the great inflow of capital into Kedah for rubber and other developments it is essential that there should be a strong Adviser."

as great today as it was prior to 1909 or 1905 is to ignore the very considerable degree of Malayan union which has been imposed on all the States by gradual stages. In some more remote future the threat of absorption into some other political entity may develop into an actuality, but for present purposes, since no clear-cut issue arises under the treaty guarantee, the Malay authorities of Kedah are condemned to fight a series of rear-guard actions from each of which they emerge shorn of some element of their former autonomy. Even as far as entry into the Federation is concerned the projects that have been brought forward in recent years appear to imply a gradual transition rather than a sudden and complete volte-face. The first stage will be the loosening of the bonds within the Federation, accompanied by a broader use of Malayan advisers for the different government departments, and the second will be a more extended use of durbars or other gatherings of rulers and notables for the purpose of working out more effective methods of co-operation between the States to secure a greater degree of Malayan uniformity in subjects of general concern. From this there may well develop a change in the political structure of the Peninsula which would justify an appeal to the treaty guarantee, but by that time the substantive independence of Kedah, as of the other States, would already have been absorbed into a Malayan unity.

Internally the structure of the State is much the same as that of Johore or of the several States of the Federation. The point at which it is most strikingly differentiated from the latter is in the relatively smaller number of British officers which it employs⁴ and its consequent greater reliance on the services of its native Malays. Many of the posts which in the Federation are still in the hands of Europeans are reserved in Kedah, as in Kelantan and Trengganu, for Malays. It is conceded that this policy has involved a certain loss of efficiency as compared with the more highly developed States to the south but it has been possible to maintain at all times a reasonable standard of efficiency combined with a steady improvement in the quality of the

⁴ In the earlier years of British protection Kedah appointed a few Europeans as Kedah officers, but the more recent practice has been to have British officers seconded from the F.M.S. and the Straits. This gives a wider range of selection and also avoids the danger of a capable officer stagnating in one small agricultural State.

work done by the Malay officers. The great saving in salaries, pensions, and leave costs, added to the enhanced sense on the part of the Malays that this is actually their own country which is administered not only formally on their behalf but also in part with their co-operation, is amply sufficient to outweigh the loss in efficiency.

In addition to the Adviser himself, the principal British officers in the State are the Assistant Adviser, the Adviser Lands, the Legal Adviser, the Protector of Chinese, and the Protector of Labor, while a number of other important posts, such as the Secretary to Government, the Director of Lands, the State Treasurer, the Auditor General, and the Superintendents of Customs and of Posts and Telegraphs, are filled by Malays. The Secretary to Government is in some respects the most important administrative officer in the State and heads a staff containing two Under-secretaries and a considerable Secretariat, all Malay. In his hands is the preparation of all business for the ruler. As the Secretary to Government serves as the link with the Regent, so does the Assistant Adviser, heading a smaller staff, fill the same rôle in a less important fashion for the British Adviser. All routine correspondence and the preparatory work in other matters is taken care of by the Assistant Adviser and the Secretary to Government, while more important business is usually discussed at length by the latter with the Adviser before being laid before the Regent. This system is in marked contrast to the system existing in the federated States where the Resident himself handles all important business through an extensive Secretariat under the supervision of his official Secretary.

As the Malays have not, apparently, in the short time given them, taken kindly to scientific or mathematical training all the technical services, such as Public Works, Medicine and Health, Veterinary, and Surveys, are headed by British officers with Malay subordinate staffs. The District and Land Offices are headed and staffed by Malays although some of them are of an importance which would automatically give them European heads in the F.M.S. The whole clerical service, which in the F.M.S. is largely filled by Chinese and Indians, is restricted to Kedah Malays. As an example of the efficient working of the system it is pointed out that each year an annual rent roll of some

\$750,000 is collected with under 3% of arrears, 5,000 new grants of land are registered, and over 9,000 transactions are recorded in the Register of Deeds, all by Malays with the assistance of one European, the Adviser Lands.

The judicial system is headed by the Court of Appeal which is composed of three European judges who come twice yearly from the Federation and the Straits Settlements, but the High Court is in two divisions, one of which is presided over by a European judge and the other by two Malay judges. In the lower courts the magistrates are all Malays.

The Kedah State Council was established by an edict of the Sultan in 1905 under Siamese pressure. The Council, which was to be composed of the leading officials of the State and was to assist the Sultan in the administration of all public affairs, was composed of five members, including the Siamese Adviser and the Chief Judge, under the presidency of the heir to the throne. Its powers, which were set forth in some detail, included the passage of all legislation, subject to the Sultan's approval; the passage, on its own authority, of all necessary rules, regulations, and by-laws; and the supervision and control of most of the finances of the State. Up to the present time the Council has continued on these lines and exercises in practice all legislative and executive powers, since the Sultan has been unable to take part in matters of State for some decades.⁴³ It has been kept smaller than the Councils of the other States of the Peninsula in good

⁴³ An interesting comment on the juristic position of the Sultan was made by Stevens, J., in *S. K. Pillai v. State of Kedah (F.M.S. Law Reports, VI [1931], 168-169)* a case concerning dismissal from the public service: "Kedah is a Malay State, governed in accordance with Mohammedan law and custom. Its ruler's prerogative (if I may use the term) must, I think, be assumed to be limited only by the established adat of the country, and it is common knowledge that such rulers, unless and until they surrender their powers by treaty or otherwise, exercise and are considered by their subjects to be entitled to exercise almost despotic powers over the people residing within their dominions. It is true that by the treaty now in force with H.M. the King the Sultan of Kedah has agreed to permit a British officer to reside in his territories, and to act on his advice. But such a treaty does not diminish the Sultan's prerogative; it only restricts his personal discretion in the exercise of that prerogative; as the personal discretion of the King of England in the exercise of his prerogative is in effect restricted by the obligation to act on the advice of his ministers. The result, therefore, of the treaty has been to secure that the Sultan exercises his prerogative on the advice of the British Adviser, whose position in this respect is not unlike that of a minister of the British Crown."

part because of the desire of the royal family to keep a close hold on the strings of power, but the limitation of its membership to Malays, with the exception of the British Adviser, is in response to a general recognition by the native Kedah population that any increase in the power and prestige of the Chinese would seriously endanger their economic position and threaten the Malay character of the State. The European planting and commercial interests are represented on the local Sanitary Boards, as are the Chinese, and on the Licensing and Hospital Boards, and the views of the local Planters' Association are frequently asked for on matters which concern it, but no further representation of these alien groups and interests is at present contemplated. The leading Kedah Malays, usually supported by the local British officials, are prepared to undertake any legitimate measure to check any further influx of Chinese, whom they regard as unassimilable and destructive of the native economy and way of life.⁴⁴ It may be remarked incidentally that this conviction is at the root of many of Kedah's objections to closer union with the Federation, which is felt to have encouraged the swamping of the Malays by the Chinese and Indians.

⁴⁴ "In this connection it is interesting to look back to the comments of the Siamese Adviser, G. C. Hart, in his *Annual Report* for September, 1906-February, 1908. Hart cites a statement made by Sir Stamford Raffles in 1817 to the effect that the Chinese seek to get into their hands the farming of port dues and other monopolies and in this way generally ruin the trade: "Their ascendancy requires to be carefully guarded against and restrained and this perhaps cannot be better done than by bringing forward the native population and encouraging them in useful and industrious habits." On this text, Hart comments: "During the ninety years that followed the native population of Kedah have practically abandoned every useful trade that formerly existed with the exception of paddy (rice) planting. . . . The Chinese, on the other hand, besides securing the farming of port dues and other monopolies, have opened plantations and mines, erected mills, and engaged in commerce, with the result that the trade which without their enterprise would have been forever restricted to the export of the surplus paddy and cattle raised in the country, now forms a very considerable State asset. The fact that the duties on this asset have been farmed out for six years to come is a disadvantage which the former government would have done well to guard against and restrain, and which the present government must bear with such patience as it may. There is, however, no doubt that the account is not entirely one-sided: if Kedah owes her prosperity to a large extent to Chinese enterprise, this enterprise has reaped its reward in many a large fortune."

This favorable view of Chinese activities is one which later British officials have been less inclined to share. Their policy has on the whole been rather along the lines indicated by Raffles.

The Kedah State Council, like that of the other States, is rarely the scene of open and heated debate. Although its sessions are normally conducted in an informal manner it is to be regarded less as a deliberative body than as a place for the formal registry of decisions which have been taken elsewhere. Disagreements arising in the Council are usually regarded as a signal for the dropping of the question until it has been privately ironed out. Bills are drafted by the Legal Adviser after consultation with the British Adviser, who then examines them in detail. They are presented to the Council by the British Adviser with a statement of the objects and reasons and are referred to the Enactments Committee, composed of the Secretary to Government, the Legal Adviser, and the Malay Judge. If approved by this committee they then go back to the Council and are customarily unanimously passed without further discussion. Legislation of an important character is usually based on that of the Colony and the Federation.

The economic and social structure of Kedah, as has been indicated above, is midway between the Federation on one hand and Kelantan and Trengganu on the other. The Malays still number two-thirds of the population and the Chinese and Indians under one-third, although there has been a steady tendency for the latter to creep up on the former, as the following table shows:

	Total Population	Malays	Malay % of Population	Chinese and Indians	Chinese and Indian % of Population
1911.....	245,986	197,702	80.3	39,820	16.2
1921.....	338,558	235,031	70.0	92,407	27.0
1931.....	429,691	286,262	66.6	129,239	30.2

It is a significant fact that in the decade from 1921 to 1931 the rate of increase in the total population fell to 26.9% as compared with the more rapid advance of 37.7% in the previous decade, and that this decrease was accompanied by a slowing up in the forward march of the alien races. In the later decade there was a definite swing away from the encouragement of large-scale foreign enterprise by the government, which had been the policy of the earlier years of Siamese and British protection. In those years large compact areas of land were given out for rubber in south and central Kedah without adequate reserves at intervals

for Malay villages, small-holdings, and other forms of cultivation. The result is that these estates are dependent on alien labor, and in the rest of the State there are no accessible estates on which small-holders can supplement their earnings. The present policy is to keep a strict control over the further alienation of large blocks of land, and, where it is undertaken, to alternate estates with villages and small holdings.

The relative strength of the Malays is also shown by the large production of rice, particularly from the coastal rice plain which constitutes the largest rice-producing area in Malaya. The total production of rice is sufficient to satisfy all local needs and to furnish an export surplus, despite the attractions of rubber for the Malay small-holder.⁴⁵ The area under rice is some 244,000 acres as compared with 310,500 acres for rubber, and in 1934 the export of rice with a value of \$2,217,777 ran second only to rubber with a value of \$22,244,820. Tapioca, primarily a Malay product, came next in the list with a value of \$601,587. Rice is almost exclusively cultivated by Malays, but the planted acreage of rubber shows a preponderance of big European estates with some smaller estates in the hands of alien Asiatics.⁴⁶ Since the depression the area under rice and the total production have increased very considerably. Mining plays an insignificant rôle in the State's economy.

On the score of public finances Kedah has from the beginning made a very creditable showing. The first years of British protection were made difficult by the existence of a large number of revenue "farms"—the *Annual Report* for 1327 A.H. (1909) lists no less than forty-seven—which had been previously established and which seriously delayed the reconstruction of the State's finances. As these were gradually eliminated and the direct collection of revenues substituted for them receipts rose rapidly, reaching a peak of \$9,179,487 in 1344 A.H. (1926)—a sum

⁴⁵ In his *Annual Report* for 1330 A.H. (1912), Sir George Maxwell, the first British Adviser, predicted: "Rubber has come and rubber will probably go; coconuts have come and coconuts may possibly go; but so long as rice is eaten in Asia, rice will be the staple crop in Kedah."

⁴⁶ Of the 310,500 acres planted with rubber in Kedah, 213,776 acres are contained in estates of over 100 acres of which 108,423 acres are on the forty-nine estates (all non-Asiatic in ownership) of over 1,000 acres. D. H. Grist, *op. cit.*, Tables 1 and 3.

eight or nine times larger than the annual revenues during the brief period of Siamese protection. For more recent years revenues and expenditures were as follows:

	Revenue	Expenditure
1345 A.H.....	\$8,988,429	\$6,396,507
1347	6,586,576	7,355,338
1349	5,086,701	7,198,036
1351	4,983,345	5,069,401
1352	5,601,761	5,127,156
1353 (1934).....	6,711,272	5,314,856

Until very recently the largest single item on the revenue side has continued to be the receipts from the sale of opium, but the percentage of the opium receipts to the total revenue has regularly fallen off under official pressure. At the beginning of British protection the receipts from this source constituted some 35% of the total revenues but this progressively declined to 30% in 1925, 26% in 1929, and 15% in 1934. In the latter year the land revenue, including land sales, almost equalled the net revenue from the sale of opium. Customs receipts form the other principal source of revenue, the total export and import duties taken together making up not quite 45% of the total revenue in 1934. In this category the largest single item is the import duty on tobacco, followed by petroleum, by the export duty on rubber,* and import duties on sugar and cotton piece goods, in that order.

On the expenditure side of the budget the Public Works Department with its outlay for recurrent and extraordinary public works is far in the lead, but its cost has been drastically reduced in the depression years. An expenditure of \$1,006,251 in 1353 A.H. (1934) for this department replaced that of \$2,159,475 six years earlier, when the extraordinary public works alone came to \$990,152. Expenditure for education has steadily increased, even dur-

* The ravages of the slump in rubber prices may be seen in the following table:

	Rubber export duty
1346 A.H. (1927)	\$959,300
1347	541,851
1348	416,069
1349	119,565
1350	82,236
1351	50,746
1352	137,564
1353 (1934)	510,048

ing the depression, mounting from \$253,592 in 1343 A.H. (1925) to \$403,190 in 1348 A.H. (1929) and to \$436,500 in 1353. Medical and health costs rose from \$312,678 in 1343 to \$484,961 in 1348, but fell off to \$401,483 in 1353.

Kedah has been fortunate in having comparatively large reserves behind it, and in seeing these reserves fall off only to a small degree during the depression. The State's total surplus at the end of the Mohammedan year in May, 1930, totalled \$5,564,777, and at the same point in 1934 this had shrunk only to \$3,964,396, in addition to which \$6,282,919 was held in the Opium Revenue Replacement Fund. By April, 1935, the surplus had again started on its way up, reaching \$5,360,812 while the Opium Fund had also increased by \$100,000. In 1932 contributions to this fund ceased and the interest earned on its investments was credited to general revenue. There is no public debt. In the autumn of 1933 the finances of the State were sufficiently good to allow the restoration of a considerable part of the pay cut which had been imposed on all State officers in the lean slump years—a step which roused the comment that Kedah was now even less likely to look favorably on entry into the Federation, since, as the *Straits Times* remarked, “the F.M.S. governmental lambs are again to be shorn.” **

PERLIS

There is no occasion to give much attention to the affairs of Perlis with its little population of less than 50,000 persons. The State owes its existence to Siam's breaking up of Kedah and can scarcely be said to justify its present independence except on the grounds of its brief antiquity. With its predominantly Malay population, it forms a pleasant little agricultural community on the Siamese border of British Malaya but otherwise has small claim to fame.

** November 13, 1933. “The Northern Unfederated States did not rush into rubber planting with the same impetuosity as did members of the Federation and Johore, and consequently the slump was not felt in the north to quite the same extent. Nor, it may be noted with advantage, was any attempt made to build such a top-heavy administrative structure in the more recently acquired territories where government is carried on efficiently, if on less elaborate lines.”

Its constitutional status, as established by the Agreement of 1930 modelled on that with Kedah, has been examined above and requires no further elaboration beyond a brief account of the somewhat curious circumstances under which that agreement was made. It will be remembered that in 1905 Perlis came under the modernized protection of Siam on the basis of a Siamese loan, and that a Siamese Financial Adviser was to control the financial affairs of the State until this loan should have been paid off. In 1909 Perlis came under British protection through the Anglo-Siamese treaty which provided for the assumption of Perlis' debt to Siam by the Federated Malay States, but no separate agreement was concluded by Great Britain with Perlis. The rights of Great Britain over Perlis were, therefore, the rights which Siam had previously held and presumably ended when Perlis in 1348 A.H. paid to the F.M.S. the last installment of her former Siamese debt.

A somewhat embarrassing situation now arose as the British Adviser, nominally acting only in financial matters but actually controlling the general administration of the State, found himself without legal authority for his position. Happily the Adviser, L. A. Allen, was not confronted with the necessity of asking the ruler directly whether he wanted further advice or not—with the possibility of a negative answer—since the Raja admitted that under present circumstances he and his people could not run the State without outside assistance. On this basis the new agreement was finally negotiated and the position of the Adviser again legitimized.

In internal structure Perlis is a small-scale replica of the other Malay States. The supreme authority in the State is vested in the Raja in Council. The Council, which ordinarily meets once a week under the presidency of the ruler to enact legislation and to consider important administrative matters, contains the British Adviser, a Malay vice-president, and three other Malay members, usually the heads of government departments. The judicial system is extremely simple. It is topped by the Court of the Raja, which acts as an appeal court, but can scarcely be considered overburdened with work since in 1353 A.H. it had to consider only four appeals, two criminal and two civil. In the two previous

years it heard the same number, and in 1350 only three, all criminal. Beneath it is the Senior Court which consists of a Malay judge sitting with the Adviser. In case of disagreement between these two the matter is referred to the Court of the Raja. This court has both original and appellate criminal jurisdiction, but only appellate civil jurisdiction, except in connection with Administration Suits over \$500. The Junior Court consists of a single Malay magistrate who has unlimited civil jurisdiction while his criminal jurisdiction extends only to fines up to \$250 and to imprisonment of one year. A Sheriah Court, composed of the Chief and Assistant Kathis, has jurisdiction in matters relating to the Mohammedan religion.

As the State is primarily agricultural—its capital and principal town, Kangar, having a population in 1931 of only 2,010, of whom two were listed as Europeans—and its revenues are small, the number of British officers is kept at an absolute minimum, but the State to some extent utilizes the services, for purposes of inspection and supervision, of British officers stationed in neighboring Kedah. The census of 1931 could, in fact, locate only three Europeans in the entire State. For practical purposes the whole of the administration is in the hands of the Adviser whose function it is tactfully to "advise" the ruler and his Council as to how the State is to be run. No serious difficulties have appeared as between the Malay and the British authorities, although at the time of the negotiation of the 1930 Agreement it became apparent that the ruler was averse to the introduction of a larger number of European officers, in part because of the added expense and in part because of the threat to the Malay character of the administration.

Rice cultivation far exceeds that of rubber, the area under rice being some 45,000 as compared with only 5,000 acres for rubber.* There are only six rubber estates, which together amount

* The attitude of at least some of the British officials in the U.M.S. may be seen in the comment of the British Adviser to Perlis in his *Annual Report* for 1351 A.H.: "There is fortunately only a small area under rubber in this State and the continued low price of this commodity has had but little effect on the general community. Those small holders who were ill advised enough to abandon their Kampong holdings and padi (rice) fields in favor of rubber have continued to feel the pinch. Many have cut out the rubber trees and have reverted to the cultivation of fruit and coconuts."

to 1,358 acres. Coconuts occupy an area of some 3,800 acres. All these products enter into Perlis' export trade, as does the limited quantity of tin mined in the State," but no detailed figures are available as to the value of the foreign trade.

As is the case in Kedah, Perlis has had no public debt since the payment of the last installment on the former Siamese loan, and has been able to build up a modest surplus amounting at the end of 1353 A.H. to \$362,863, with an Opium Revenue Replacement Fund of \$214,375. The revenue and expenditure in recent years have been as follows:

	Revenue	Expenditure
1343 A.H. (1925).....	\$470,816	\$441,825
1345	614,665	630,768
1347	583,329	584,085
1349	349,189	471,011
1351	513,874	416,574
1352	530,709	464,457
1353	582,382	487,130

On the revenue side of the budget customs duties contributed in 1353 \$297,853, of which import duties gave \$185,556, while receipts from the sale of opium came to \$142,509. The next largest item was the revenue from lands and mines at \$73,262. The two outstanding social services, education and medicine, received \$37,148 and \$21,493 respectively, as compared with \$36,272 and \$23,585 in the peak year 1346 A.H. (1927).

KELANTAN AND TRENGGANU

In Kelantan and Trengganu the idea of the protectorate is being carried out to its logical conclusion in a markedly greater degree than elsewhere in the Peninsula. In the Federation it requires no cynic to suggest that while the form of the protectorate has been maintained the spirit and the actual substance of the

"Owing to the exploitation of an unusually large deposit of tin in 1351 A.H., the *Annual Report* for that year gives an extensive account of the methods and risks of tin-mining in Perlis. Ridiculing the fears expressed elsewhere that Perlis tin would become a menace to the tin market, the *Report* concludes "that the truth of the matter is that even in a period of restriction Perlis tin could never be mined in sufficient quantity to have the slightest effect on the world position and can never be more than the most insignificant percentage of the total Malayan output."

development have been essentially indistinguishable from a colonial régime. The form has been maintained both through inertia and because of the definite advantages to the protectors themselves which that form brings, but the primary consideration has been the maintenance of an efficient administration for the purpose of furthering modern economic development in the four States. To paint the picture in an exaggerated starkness of black and white, it may be said that the Federation represents an experiment in the superimposition of a modern political and economic structure on a simple agrarian people, whereas Kelantan and Trengganu are an experiment in raising a people by the development of its own forces from within. On this basis Johore inclines toward the Federation while Kedah leans somewhat more toward the "backward" States of the east coast.

This difference is immediately and strikingly apparent to the traveller who visits both Kuala Lumpur, capital of the Federation, and Kota Bahru, capital of Kelantan. The former is a relatively highly developed modern Oriental city, reminiscent at many points of Singapore or Penang. With modern paving and street lighting, modern sanitation and housing, it is clearly no offspring of the Malays, who, in fact, contribute somewhat less than a tenth of its population. The work and trade of the city is carried on, for the most part, by the Chinese and Indians, the wealthy among whom live apart in their elaborate mansions, while the Europeans, from the remoteness of their modern offices, Western houses, and well-appointed clubs, control the political and, to some extent, the economic life of the community. Save for the exceptional few who have forged ahead, the Malays have no share in the new city which has sprung in a few decades from tin, rubber, and British protection. They continue either to lead their old lives under the shadow of the city or scratch out a living from the lesser jobs which fall their way. Even in the government service of these Malay States the Malays figure rather at the bottom than in the middle ranks or at the top. The old royalty, of course, lives on in an essentially irrelevant and isolated luxury and the same, in a lesser way, holds true of the old aristocracy. In brief, Kuala Lumpur is a city of European government buildings, European and Oriental banks and businesses,

and Chinese and Indian traders and workers, with reminiscent patches of a submerged Malay world.

Not so Kota Bahru. Here the visitor is first struck by the sense of entering into a town which, with modern trimmings, is an obvious outgrowth of the Malay society. The houses are Malay houses and the streets Malay streets. If many of the shops are actually in Chinese hands, the Chinese themselves, so ubiquitous in Singapore and Kuala Lumpur, are almost conspicuous by their absence. The Malays themselves make up more than seventy per cent of the population, instead of the ten per cent of Kuala Lumpur, whereas the Europeans, according to the 1931 census, are only 0.22% of the total as compared with Kuala Lumpur's 1.38%. The few public buildings and the Residency are all of a type and on a scale which are directly comprehensible and akin to the Malay. If Kuala Lumpur is at heart a European-Oriental commercial capital, Kota Bahru is the modestly prosperous and peaceful market town of a Malay countryside.

The impression which has been suggested above may be confirmed statistically by stating that in 1931 only 6.5% of Kelantan's population lived in towns of one thousand inhabitants or over as compared with a similar figure of 25.4% for the Federation (Johore 16.4%, Kedah 9.4%). Again in Kelantan 69.3% of this urban population is provided by the Malays, in Trengganu 81.5%, in Johore 29.3%, in Kedah 33.1%, and in the Federation 11.9%. From these summary figures it will be obvious that these east coast States have preserved a rural structure, based on Malay small-holders, to a far greater extent than has the Federation, and that their towns are built from the natural swarming of the Malays themselves rather than from the influx of alien races who have come to exploit Malaya's riches. The visitor to Kuala Lumpur will be asked to marvel at the progress that has been made away from the old Malay civilization and, perhaps, be taken to see the somewhat quaint surviving Malay kampongs; in Kota Bahru he will have pointed out to him the progress that has been made in bringing the Malay into the modern way of life.

In the report on the census of 1931 it is said of Kelantan: "This is possibly the most characteristic Malay area in the

Peninsula and certainly the purest racially. There is little to attract the Chinese immigrant to a region which is essentially rural and agricultural, the immigrant from Java or Sumatra rarely penetrates as far, and there is little room for the Indian labourer in a small-holding system of agriculture. The population is, therefore, except for a small Siamese admixture, practically pure Kelantanese Malay."

It is, perhaps, necessary to repeat that what has been said above does not imply that in Kelantan and Trengganu the Malays rule the land in contrast with the British rule in the Federation. The degree of British rule is, in fact, not easy to distinguish in the two regions except in terms of its general spirit and direction: in each case it is the British officials who supply the whole motive power in the administration and determine both policy and execution. Although the Sultans and their traditional Malay associates play a rôle of greater importance in Kelantan and Trengganu than do their counterparts in the Federation, it is not unreasonable to assume that, aside from the possible psychological effect on their Malay subjects, they could be entirely removed from the government without any serious consequences to the functioning of the political machinery. To transform the British Advisers into the administrators of districts in a Crown Colony of Malaya would necessitate very little change in the political structure of the country, and would, by itself, increase the actual authority of the British officials only nominally.

Such a change would, however, presumably be accompanied by a change in the general direction of governmental policy. In the Federation, it has been argued, there is only a slim margin that separates that policy from a colonial régime; in Kelantan, Trengganu, and Kedah the margin is far greater. To an extraordinary degree the British officials serving in these States, from the Adviser down, have come to identify themselves with the States they serve; almost, in fact, to regard themselves as champions of the particular State in which they happen to be located. There is no great array of alien economic interests to bring pressure to bear on them and they have no desire to see such interests introduced at the expense of the native tillers of the soil. It is they, and not the Sultan or his Malay councillors, who conceive

and execute policy, but in shaping the policy their chief concern has been the well-being and development of the Malays over whom they rule.⁵¹ In matters of imperial or of general Malayan concern they must, of course, bend to the will of their superiors in Singapore or Downing Street, but even in such matters they will do battle to safeguard as far as possible what they conceive to be the local Malay interest. Instead of pursuing the more showy goal of perfecting an efficient and complex Western administration supported by and in large part existing for a highly developed imported economic structure, they have interpreted their task as being that of utilizing and gradually amending the existing administration for the purpose of implanting and nourishing the seeds of change in the traditional Malay economy.

In the case of Kelantan this later developed policy got off to a bad start due to the complications arising from the Duff Development Company concession. Briefly referred to above, the story of this concession deserves to be told at full length because of its unusual legal and political implications. Beginning with the golden vision of a police officer accompanying a punitive expedition in the unexplored jungle, it came to involve several of the imperial governments, vast sums of money, and two lawsuits which ended only with their ultimate appearance before the House of Lords.

Despite his difficulties with the Siamese and the British Foreign Office, Duff succeeded in 1900 in getting a concession of some

⁵¹ The British Adviser in his *Report* for 1932 insisted that the Kelantan Malays could more than hold their own if they were given a fair chance but that "if they continue to be exposed to the fierce and unrestricted competition of other Asiatic races whose environment over centuries has produced in them exceptional qualities of character and industry against which few nations can prevail, then the Malays of this State must gradually yield all along the line and lose the position which they now hold. Economic penetration by such immigrant races must be prejudicial to their progress and their development. The declaration of Malay reservation areas under a law based on the Malay Reservations Enactment of the Federated Malay States has helped them to retain their lands; but something more is required to prevent them being ousted from the trade in many articles, as they have been in the rubber dealing business. Moreover their case is still worse if the persons who oust them are of a type who have no interest in them beyond exploiting them and who cannot be relied on to give them a fair deal. It is the protection of the race rather than of the individual which is the problem always before the Government; and this problem still remains to be solved. There would be no problem if there were no Asiatic immigrant population."

3,000 square miles from the Raja of Kelantan, who, according to Duff, was gibbering with terror under the Siamese threats of reprisals if the concession were granted. With the concession went broad governmental powers which virtually handed the control of the entire area over to the Company, in addition to what Duff describes as "sole commercial rights of every description." The Raja for his part received £2,000 and 2,000 shares in the Company. After some negotiation the Siamese acknowledged the validity of the concession and the British Foreign Office reluctantly lent its support when Duff threatened to float his Company in Paris or St. Petersburg rather than London.⁵² In 1902 the British and Siamese agreed on the draft treaty which defined Siam's rights over Kelantan, and in the succeeding year W. A. Graham, an Indian official who had been for some years in the Siamese service, was sent to Kota Bahru as Siamese Adviser, with the approval of the British government. Other officials were borrowed by Siam from the Federated Malay States for service in Kelantan.

The political set-up in Kelantan at this time has been graphically recorded by Graham both in his official reports and in his book on the State, which, taken together, give an excellent, if not too flattering, picture of a Malay State in something of a state of nature.⁵³ A reading of them is sufficient to dispel any lingering romantic notion that the British, or even the Siamese, intervention disrupted a somewhat primitive but still idyllic government. The vividness of the reports in particular invites quotation at length and stands out in sharp contrast to the usual colorless recitals which invest the customary annual reports on British colonies and protectorates with such imperial dullness.

The general tenor of Graham's comments may be gathered from his prefatory statement in his account of 1904-1905 that the report "records the continued evolution of the administration out of the chaos which preceded it. The report covers the critical period which came when the novelty of good government had worn off and His Highness and his relatives, no longer amused

⁵² A letter from Duff recounting the negotiations of this period is printed in Wright and Reid, *The Malay Peninsula*, pp. 153-161.

⁵³ The annual reports to the Siamese government, printed in Bangkok, and Kelantan, *A State of the Malay Peninsula*.

by it, began to realize the serious nature as well as the far-reaching and somewhat unpleasant results of the game which they had been induced to play at."

The major point of difficulty which the new Adviser found was in the financial sphere and in the introduction of a public treasury which should be something more than a casual and private purse for the Raja and his family. "The local mint," Graham recorded, "continues to turn out large quantities of tin money which is probably the very worst coin made in any part of the world." The privilege of minting rested in "a sort of company" composed of the ruler and his uncles—who to this day pass by the name of the Wicked Uncles—and they divided the profits, if any, between them. When the newly organized government prepared to take over the job, the uncles rushed to make what they could from speedy counterfeiting. "It was, however, found quite impossible to make coin so badly as the genuine article, the consequence being that several cases of uttering or possessing false coin were soon detected by the police."

The fiscal system consisted of the paying in to two or three clerks in the Raja's palace of such revenues as made their appearance. These clerks made a casual record of their receipts and then passed the money into the interior of the palace whence it never emerged again "unless, at uncertain intervals, grudgingly to pay long-standing accounts for jewelry and similar luxuries." Salaries were payable only in the interval when the revenues were still in the hands of the clerks; at all other times payments which it was no longer possible to avoid were made by advances from the opium or export farmers at rates usually disadvantageous to the State. "His Highness's bank consisted of a cache in the hills a few miles distant from the capital, and thither mysterious convoys of elephants were periodically escorted, laden presumably with wealth."

Under the ministrations of Graham this state of affairs was speedily changed, and by 1907 he somewhat regretfully remarked that the annual report was beginning "to take on the aspect of a periodical abstract of the ordinary routine work of government offices." A minority of the formerly privileged, however, found it difficult to recognize that the State and its revenues had ceased to

be their personal playthings and for some time their agitations and complaints disturbed the growing calm. Universal corruption, the extravagant claims of the aristocracy, and oppressive injustice—the outstanding characteristics of the old order—had all to be combatted and replaced by more acceptable methods of transacting the public business.

In neighboring Trengganu the situation was substantially the same although there it continued longer since it appears that Siam did not take advantage of its right to send an Adviser, and Trengganu did not enter on the road to reform until after the transfer to Great Britain in 1909. There the government was almost completely lacking, according to Graham, since the ruler had alienated most of his powers to his relatives in order to pass his life in religious seclusion. The revenues, as in Kelantan, were devoured by the relatives. "There were no written laws, no courts, and no police. All manner of crime was rampant, the peasantry was mercilessly downtrodden, but the land was full of holy men and the cries of the miserable were drowned in the noise of ostentatious prayer. In fine, Trengganu presented in the beginning of the year 1909 the type of untrammelled Malay rule which had fortunately disappeared from every other State in the Peninsula."⁵⁴

But Trengganu was at least burdened with no Duff concession. From the beginning of the reformed administration under Graham, Kelantan was engaged in the expensive process of negotiating with the Company for a revision of the concession. At regular intervals in the succeeding two decades the annual reports proclaim that at last a satisfactory solution has been arrived at by which the *imperium in imperio* of the concession is transformed into a mere commercial concern. In the report for 1904–1905 it is stated that the "so-called rights" of the Company, which practically excluded one-third of the area of the State from the operations of the government, had been reduced, for a financial consideration, to a point where further friction was eliminated.

In 1909 there took place the transfer of Kelantan from Siamese to British jurisdiction, despite, as one writer puts it, "the poor

⁵⁴ Walter A. Graham, "Trengganu," *Encyclopædia Britannica*, 13th ed., XVII–XVIII, 483.

potentate's dismay at the news of the dreaded annexation."⁵⁵ At the same time the Federated Malay States and Siam entered into an agreement to connect up their two railway systems from Singapore to Bangkok, Siam receiving a loan of £4,000,000 from the Federation. For three years thereafter abortive negotiations were carried on between Kelantan and the Duff Company until in 1912 at long last a Deed of Cancellation was signed under which disputed railway rights were straightened out, the Company gave up certain lands and received the right to select others, and the State paid the Company £300,000. These funds were made available to Kelantan by the Federation.⁵⁶

Again all the clouds had cleared away temporarily. But by the next year the troubles had started again in connection with the interpretation of the railway clauses of the agreement. In its first efforts at arbitration under the agreement in 1916 the Company lost, but it was soon back in the fray. It now asked for £125,000 to waive its right of action for non-completion of a road to meet the railway, coupled with an offer to surrender certain rights under the Deed, but the government refused. In 1917 the Company claimed that even though the agreement had been interpreted to deny the Company's right to dictate where the main railroad should be built, another clause required that the government should connect up its line with that of the Company within the concession. Here, it protested, there could be no doubt of breach of contract by the government—a breach all the more flagrant, as the chairman told the general meeting of the Company in 1917, since "to Mr. Duff and the Duff Company remains the honor of having added Kelantan to the British Empire."⁵⁷

⁵⁵ The *Times*, May 24, 1909. This issue contains a long and colorful description of Kelantan by a correspondent who states, *inter alia*, that "for some reason or other British rule is dreaded by all but the Chinese traders, who see a prospect of bigger profits and a large volume of trade."

⁵⁶ The *Kelantan Annual Report* for 1912. See also the Company's circular to its shareholders, the *Times*, June 12, 1912.

⁵⁷ The *Times*, December 12, 1917. Mr. Duff inclined to the same view, as is indicated by his remarks to the general meeting in 1921: "When, in 1909, the British Government, under agreement with Siam, assumed suzerain powers over Kelantan, those powers had been secured to the British Government largely, if not entirely, as a consequence of this Company's work." He took credit to the Company also for averting the danger of a German-financed railway from the frontiers of the British protectorates to Bangkok. *Ibid.*, December 21, 1921.

For two years negotiations were carried on in connection with this claim and when no agreement could be reached an arbitrator was appointed under the terms of the 1912 settlement. The relevant section provided that the award of the arbitrator should be final and that he should be selected by agreement between the Company and Kelantan, or, if this should prove impossible, by the Colonial Office. When the two parties failed to agree the Colonial Office appointed Sir Edwin Amery Speed, a former colonial official. While the arbitration was proceeding, all points in dispute, except the railway issue, were settled by the Company's selection of the new lands to which it was entitled and its acceptance of a cash payment of £12,500 and two loans totalling £52,500. These sums were again advanced by the Federation.

In 1921 the award of the arbitrator was finally handed down, fully sustaining the Company's claim as to Kelantan's breach of contract in failing to complete the railway and directing an inquiry as to the nature and amount of the damages. At the Company meeting of that year Duff jubilantly reported the award and announced that, as the Company's business had been held up for eight years, its claim for damages would be a heavy one. This claim was later set at the figure of £1,091,269. Kelantan, however, refused to accept the award and challenged its validity in the Court of Chancery, the Court of Appeal, and ultimately the House of Lords. In each instance the court upheld the arbitrator and awarded costs to the Company. In the grievous slump that had overtaken rubber prices in the post-war years, these costs were peculiarly important to the Company which had been put to heavy expense by the long drawn out arbitration and litigation.

At this point the curious complexities of imperial policy and jurisprudence began to show themselves. There could be no doubt in the mind of anyone familiar with Malayan affairs that it was the Colonial Office which pulled the strings that had brought Kelantan into the British courts, yet when the costs began to be awarded against Kelantan the Company was officially informed by the Colonial Office solicitors that it could look for payment of these costs and of the damages arising from the arbitral award only to Kelantan and not to either Great Britain or the Federated

Malay States. The Colonial Office recognized that Kelantan was a protected State and stated that the Secretary of State for the Colonies would ask the Sultan to give effect to any award that would be made "as and when the resources of the country permit," but it added that Kelantan was a poor State and that its debts to the Federation must have priority over other borrowings. Most significantly: "the Secretary of State cannot and will not urge the Sultan to impose oppressive taxation on his subjects to provide for the payment of any amount that may be awarded against that State."⁵⁵ This part of the imperial dilemma was neatly posed: the Colonial Office, on Kelantan's behalf, would press expensive suits through the British courts against the supposedly final award of the arbitrator, but it would not use either its power or its funds to secure payment from Kelantan if the case turned against the State.

The other part of the dilemma made a speedy appearance when Duff brought matters to a head by suggesting to the Colonial Office that the Company retain, as part payment for what it was owed, the sum of £1,725 which was then payable to the Crown Agents as interest on Kelantan's loans to the Company. When the Crown Agents declined the suggestion the Company paid in the sum due and then promptly secured a garnishee order attaching all debts owing from the Crown Agents to Kelantan and asked for an order on the garnishees to pay £1,725 to the Company. Now the State (or, more realistically, the Colonial Office) took refuge behind a sovereignty which, on one hand enabled it to utilize the British courts in attacking an arbitral award and, on the other, removed it from the jurisdiction of those same courts.

The first weapon of the government in answering the Company's suit was to produce a letter from the Secretary of State in which he pleaded Kelantan's sovereignty. After reciting the

⁵⁵ See the report of the Duff Company meeting, the *Times*, November 21, 1922. Duff conceded that in law the Company's only claim lay against Kelantan but he added: "It is monstrous that a great department of the British Government should try to saddle the whole burden of a debt on to an impoverished protected State, which it only incurred as a result of an action taken at the instance of British officials, and which it was powerless to prevent, even if it had known of it at the time." *Ibid.*, December 29, 1923. As will be seen below, the courts took much the same view.

facts of the transfer from Siam to Great Britain, this letter maintained that not all the former rights possessed by the King of Siam were exercised by His Britannic Majesty and that the present relations between Britain and Kelantan were those of friendship and protection, as regulated by the 1910 Agreement. On the conclusion of that Agreement the ruler had assumed the title of Sultan with British approval. "His Majesty the King does not exercise or claim any rights of sovereignty or jurisdiction over Kelantan," the Colonial Office insisted. "The Sultan in Council makes laws for the Government of the State, and His Highness dispenses justice through regularly instituted Courts of Justice, confers titles of honor and generally speaking exercises without question the usual attributes of sovereignty."⁵⁶

Reluctantly the several courts involved bowed to this plea of sovereignty, holding, as in *Mighell v. Johore*, that the word of the Secretary of State was conclusive; but not without a few caustic comments. The Master of the Rolls, Lord Sterndale, expressed grave and realistic doubts as to whether the Sultan had practically any control over what he had done and suggested that he probably did what he was told to do by the High Commissioner or the Colonial Office. He announced, further, that he would feel no grief in seeing a higher court reverse his decision since he had no sympathy with sovereign States which entered into litigation over commercial transactions, and, when they failed, proclaimed it to be beneath their sovereign dignity to pay for that litigation: "I should have thought it much more consistent with sovereign dignity to pay." But in the present instance the Secretary of State had declared the Sultan sovereign, and the latter had submitted to the British courts only for certain purposes and without submitting his person or property to any order for execution.

⁵⁶ 1, Chancery Division, 1923, 385, at 397. Russell, J., conceded that Kelantan had submitted to the jurisdiction of the British courts by initiating proceedings, but held that this initial submission "does not preclude the sovereign State from now invoking that international comity which induces this country to decline to exercise by means of its Courts any of its territorial jurisdiction over the property of a sovereign State within its territory." 400. The Colonial Office also attempted to maintain that the funds in question had already been transferred (without the knowledge or consent of Kelantan) to the Crown Agents' F.M.S. account, but this was disallowed as merely a matter of careless bookkeeping by the Crown Agents.

This problem of the costs had already arisen in the lower courts when Kelantan pressed its attack on the validity of the arbitral award to the House of Lords. There the Company contended that the appeal should not be heard since Kelantan was at the same time denying the jurisdiction of the courts over the costs issue. The Lords declined to throw out the case on this contention, although they proceeded to sustain the lower courts in upholding the validity of the award. Viscount Cave, however, seized the occasion pointedly to remark that it was now incumbent on Kelantan and on the Colonial Office, under whose direction the State was operating, to consider carefully whether the plea of sovereignty could be justly insisted upon to prevent the enforcement of the award and of the order of the courts for payment of costs.**

On the costs issue there was no dispute in the House of Lords as to the conclusive character of the Secretary of State's definition of Kelantan's status, but Lord Carson confessed that if he did not have to believe the Secretary of State he would find great difficulty in arriving at the latter's conclusion. "It is, in my opinion," he added, "difficult to find in these documents the essential attributes of independence and sovereignty in accordance with the tests laid down by the exponents of international law."** With this verdict the circle of the imperial dilemma was completed: a protected State could be manipulated to bring suit in the British courts against a British company, but the courts were not open to the company to enforce their decisions, nor would the Secretary of State use his powers to compel the State to comply with them.

This Gilbertian version of justice was not, however, allowed to govern British practice although it remains in the judicial records to guide the student of the legal status of protectorates. In 1925, after arduous hearings and examinations, the arbitrator awarded

** 1 (1923) A.C., 395, at 414.

** 1 (1924) A.C., 797, at 830. Viscount Finlay, on the other hand, while admitting that "it is obvious that the Sultan of Kelantan is to a great extent in the hands of His Majesty's Government," found that "the enclosed documents do not negative the view that there is quite enough independence to support the claim of sovereignty." On this point Viscount Cave contented himself with pointing out that it was sometimes difficult to determine precisely where sovereignty disappears and dependence begins.

£378,000 and costs to the Company. Early in 1926 the Secretary of State informed the Company that he was communicating with the High Commissioner as to the means by which Kelantan would meet its debts, and soon after the State began payments through the Crown Agents. As Kelantan itself was obviously unable to produce sums of the magnitude involved, as well as carry its past debts, other Malayan governments came to its aid as a demonstration of Malayan solidarity—and, no doubt, of the power of the Colonial Office.** The Federated Malay States wrote off a loan of £300,000 and repaid \$977,142 which had been paid by Kelantan in interest, and the Colony granted a loan of \$4,125,000 to Kelantan free of interest for five years.

The principal condition imposed by the Federation and the Colony—backed by the Colonial Office—as the price of agreement to this solution of the financial problem was that Kelantan and the Company should devise some less expensive method of settling their disputes in the future. The Colonial Office had indeed suggested that the Company drop the arbitration clause from the agreement entirely, but the latter declined to place itself at the mercy of Kelantan's courts until they should be reformed. A way out was found by providing that Kelantan should institute a Supreme Court and a Court of Appeals on the lines of those existing in Johore and that all disputes between the government and the Company should go before these courts. In the interim before the courts were reformed it was agreed that any dispute should be referred to the final arbitration of the Chief Justice of the Colony or a judge of the Federation or the Colony named by him.

Despite the apparently sweeping character of this settlement and the number of times when it had been previously announced that the Company had been reduced to the status of any ordinary commercial and land-holding concern, there still remained certain problems to be solved. It was not until 1930 that final agreement

** See *Legislative Council Proceedings*, October 11, 1926, and *Federal Council Proceedings* of the same date. It is of interest to note that the four rulers were all absent from the Council on the day of the vote. The Chief Secretary was able to point out that the deduction of these large sums from Federal finances in no way endangered the Federation since, allowing for the setting aside of money for the Naval Base and writing off the Kelantan loan, the assets still exceeded the liabilities by \$78,000,000.

was arrived at and a new deed cancelling all previous deeds was solemnly signed by Kelantan, the Company, and the Federated Malay States Railways Administration before all the members of the Kelantan State Council. This time the Company received £140,000—met by Kelantan through loans from the Colony and the Federation—for the sacrifice of its rights and once again was proclaimed to be in the same position as ordinary holders of land under grant in Kelantan both in relation to the State and to the railway administration.

For three decades the normal progress of the State of Kelantan was overshadowed by the fantastic by-products of the Clifford expedition in pursuit of Pahang rebels. If Duff felt that he had a legitimate grievance against the State and the Colonial Office in their futile and expensive efforts to overthrow the arbitral award of 1921 and the provocative later handling of the matter by the Colonial Office, the State was certainly entitled to feel that it had been made to pay through the nose (in good part at the actual expense of its neighbors) for the weaknesses of its Raja of 1900. The serious errors in judgment of the Colonial Office can in no way wipe out the fact that the Company was determined to squeeze the last possible drop out of the contract which Duff had secured from the simple and terrified ruler. Duff's claim of having brought Kelantan into the Empire can scarcely be taken too seriously since it seems reasonable to assume that that step would have been taken sooner or later at all events. That the Company hastened the economic development of the State is presumably indisputable—although one may question whether that type of development was desirable—but it must also be recognized that the extravagant, if legally justified, claims of the Company more than once blocked the path of the administration.

On the score of the constitutional structure of Kelantan and Trengganu there is little that need be added to what has gone before. Both are Malay States under British protection and neither has embarked on constitutional experiments of any considerable significance. In both States it is the British Adviser and his staff who hold the commanding positions while the Sultan and his Council formally possess the sovereignty which the Brit-

ish courts so stoutly upheld.** The British staffs have in each case been held to a minimum compatible with the control of key posts and the Malays have been encouraged to fit themselves to occupy the remaining administrative positions. Thus in Trengganu, for example, in addition to the British Adviser there are seconded officers from the Malayan Civil Service holding executive offices as Commissioner of Lands and Mines and as Collectors of Land Revenue in the three districts into which the State is divided. Similarly seconded officers from the Malayan professional and technical services are in executive control of the Police, Public Works, Medical, and Survey departments. Otherwise the administration of the State is carried on by Malay officers, the principal of whom are the State Commissioners of two of the districts, the judge, and the Superintendent of Marine and Customs. In Kelantan the set-up is somewhat different, the seconded officers from the Malayan Civil Service being the Adviser, the Legal Adviser and Judicial Commissioner, the Assistant Adviser, who also fills other posts, the State Treasurer who is also a district officer, another district officer who is also Controller of Labor, and a sixth official who performs the varied functions concerned with Marine and Customs, Opium, Posts and Telegraphs, the State Auditorship, and the Public Prosecutorship. The police and several of the technical services, as in the case of Kelantan, are headed by British officers.

Minor differences in the structure of the State Councils may be discovered in the two States but as the system actually works these are of no practical importance. In the first place, it is an open secret that the control of legislation is vested for all practical purposes in the hands of the British Advisers and, in the second place, it is the almost invariable practice for legislation of more than a trivial character to be modelled on that of the Federation, modified only in minor respects to fit it to local conditions and institutions. In each State the Council consists of fifteen appointed members, almost exclusively Malay, under the

** The functions of the Sultan may be glimpsed in the comment in the *Annual Report* for Kelantan for 1913 that "His Highness the Sultan visited the gaol on more than one occasion, opened the new hospital, and, having purchased a new motor car, travelled a good deal, with the result of calling attention to several road troubles."

presidency, in Kelantan, of the Sultan himself and, in Trengganu, of the Mentri Besar or Chief Minister. In Kelantan the Adviser is a member of the Council whereas in Trengganu he is statutorially not a member, due to the fact that the law establishing the Council was passed prior to the treaty of 1919. This indicates no less a degree of control by the Adviser, however, since it is officially stated that he in fact attends all meetings of the Council when he is in the vicinity and invariably is asked to give his advice before any resolution is passed. If a meeting is held in his absence, no business is brought before the Council on which his advice has not been previously obtained. In both States the Councils serve rather as bodies officially ratifying decisions arrived at elsewhere than as free deliberative bodies. The Malays dislike open dissension and any disagreement arising in the Council normally means a postponement of the matter for private discussion outside the Council.

In judicial structure also there is some degree of variation. In Kelantan, presumably due to the arrangements with the Duff Development Company, the Judge of the High Court is the Judicial Commissioner, a British officer of the Malayan Civil Service with legal experience who also acts as the Legal Adviser to the State. Trengganu possesses no such specialized official and its Appeal Court consists of the British Adviser and two persons of the rank of Minister or State officers of high rank appointed by the Sultan. The Civil Procedure Code of Kelantan provides for revision of High Court decrees by the Sultan in consultation with the British Adviser and a similar appeal is also allowable in practice in criminal cases. The Trengganu Courts Enactment, as amended, provides that no death penalty and no imprisonment of longer than fifteen years may be imposed without the confirmation of the Sultan in Council. Beneath the High Court in Kelantan are the Courts of Magistrates of the first and second class, both British and Malay, while in Trengganu the Appeal Court is superimposed on the Supreme Court, which has three branches consisting of a Malay Judge in one district and the Assistant Adviser and the State Commissioner sitting jointly in the other two, and on similar Magistrates Courts. Matters concerning the Mohammedan religion, and particularly marriage and divorce,

are dealt with by special Mohammedan courts, known as Courts of Kathis, from which appeal lies to the Sultan. Trivial local matters fall within the jurisdiction of the courts of the native headmen. In both States codes of law and procedure have been evolved, or are in the process of being evolved, from the codes of the Colony and the Federation.

Owing to their more modest economic development neither Kelantan nor Trengganu has reached the heights of prosperity attained in the Federation and in Johore. Instead of the large surpluses which these latter States have been able to accumulate, they have shown the debit balances which are naturally associated with an early stage of economic evolution. The surpluses of the Colony and the Federation have, in fact, been utilized to tide them over the lean first years of modernization. Thus at the end of 1934 Kelantan was indebted to the Straits Settlements for loans totalling \$5,237,684, to the F.M.S. for \$300,000, and to the Colonial Development Fund for \$29,040; while Trengganu's debts, exclusively to the Straits Settlements, amounted to \$4,060,000. It will be remembered that in Kelantan's case large loans arising from the Duff troubles had been cancelled.

The general situation in regard to revenue and expenditure is indicated by the following tables: **

Year	Kelantan		Trengganu	
	Revenue	Expenditure	Revenue	Expenditure
1911.....	\$ 487,467	\$ 574,850	\$ 191,418	\$ 188,044
1914.....	762,772	805,965	183,723	183,470
1917.....	910,291	757,946	545,857	399,337
1920.....	1,328,955	1,403,208	547,619	759,054
1923.....	1,396,855	1,271,887	779,032	766,534
1925.....	1,804,180	1,401,961	1,302,008	1,067,956
1927.....	2,448,090	2,949,438	1,402,151	1,542,404
1929.....	2,481,139	2,215,771	1,391,471	1,524,706
1931.....	1,524,139	1,961,124	Omitted	
1932.....	1,677,983	1,664,051		
1933.....	1,801,418	1,563,782	986,901	1,095,584
1934.....	2,200,769	1,710,790	1,165,578	1,060,306
			1,699,319	1,405,157

** From the *Annual Reports* for 1933. In the case of Trengganu the *Reports* were drawn up on the basis of the Mohammedan year up to 1931, when the Western calendar was adopted for official use in all financial matters. Consequently the figures given above are actually for the Mohammedan years which correspond only approximately to the Western years named in the left-hand column. The Trengganu figures for 1931 are omitted since they cover only the eight months from the end of the Mohammedan year 1349 to the beginning of 1932 A.D.

For more recent years the value of exports (including re-exports) and imports were:

Year	Kelantan		Trenghganu	
	Exports	Imports	Exports	Imports
1927.....	\$9,021,621	\$6,530,025	\$7,743,341	\$5,644,097
1928.....	6,213,236	7,356,769	6,895,220	5,744,463
1929.....	7,983,889	7,572,954	7,268,240	5,528,194
1930.....	4,189,374	6,276,226	5,227,489	4,799,763
1931.....	2,854,079	2,977,158	3,689,970	3,028,906
1932.....	2,428,196	3,161,326	3,965,825	3,128,765
1933.....	3,454,098	4,057,602	4,570,747	2,693,951
1934.....	5,576,086	5,571,181	6,580,970	3,460,829

As far as government revenues and foreign trade are concerned Trenghganu is in a somewhat better position than Kelantan since in 1934 its revenues amounted to about \$9 per capita as compared with about \$6 for Kelantan while its foreign trade came to slightly under \$56 per capita in contrast to Kelantan's \$30. In both States receipts from customs form the principal item in the government's income, followed by receipts from opium and land revenue. Neither State has any hut, poll, or income tax, but that the existence of the present taxes is bitterly resented, at least in Trenghganu, may be seen from the uprising of 1928. In March of that year in response to rumors of disaffection among the Malays in the back country over the collection of land fees and royalty on forest produce, the Sultan and some of his ministers went to one of the central points of trouble to investigate the grievances, which were believed to be part of a broader religious movement. When it was found that no acceptable remedies for their complaints were forthcoming, the Malay peasantry organized its forces and in May compelled the withdrawal of a police detachment of five Malays. A body of twenty-five Malay police, followed by further reinforcements, was then sent to deal with the matter. Without further examination of the grievances the police shot into the band, said to number over 2,000, and in the process of dispersing them killed eleven men, who died, no doubt, firm in the belief that they were guarding both their religion and their immemorial rights of free access to the forests. Twelve of the ringleaders were arrested and sentenced to varying terms of imprisonment. Now a more elaborate study of the problem was made and it was found that this was a poverty-stricken region in which many were seriously underfed. With the building of a road

through the region the situation has begun to change for the better. A further result is that the Sultan and the British Adviser have adopted the custom of periodical visits of inspection to outlying regions in order to keep abreast of events occurring outside the comfortable precincts of the capital.

In both Kelantan and Trenghganu rice-growing remains the principal occupation, although neither produces enough rice to enter the export trade in quantities of any significance. As was the case at earlier times in other parts of the Peninsula Kelantan was up to 1924 a rice-exporting State but that year marked a turn toward the importation of rice due primarily to the native shift to the lucrative and relatively easy production of rubber. It is estimated that in the succeeding years Kelantan spent between nine and ten million dollars to buy rice grown outside the State. Since the depression there has been a swing back to rice cultivation in both States, officially aided and encouraged by the governments, but it may well be that the effect of the completion of the East Coast Railway in 1931 will be to speed the transition from food to export crops. In Kelantan the usual government activities directed toward the encouragement of rice have been supplemented by a grant and loan from the Colonial Development Fund for the irrigation of rice lands and, since January, 1933, by an import duty on rice.** The total area planted with rice in 1934 in this State was 148,518 acres as against 75,491 acres planted with rubber. Over one-third of Kelantan's rubber acreage is held in estates of over 100 acres, but there is one Malay estate of 1,050 acres and four Malay estates of just over 100 acres each. In Trenghganu rice is estimated to occupy about 40,000 acres and rubber 30,000, the great bulk of which is made up of small holdings.**

** In 1932 Kelantan passed a rice mills enactment which provided that no person should mill rice except under and in accordance with the provisions of a license issued by the State Secretary after approval by the Sultan in Council. The purpose of this enactment was to limit the hold of the Chinese over the rice crop, break the alleged ring of Chinese middlemen, and open up new opportunities for the local Malays.

** In 1933 Kelantan was listed as having 30 rubber estates of 100 acres or over held by non-Asiatic public limited liability companies as compared with only two for Trenghganu. Neither had any estates owned by private limited liability companies, but in the category of privately owned rubber estates Kelantan had two estates of over 1,000 acres (one Malay and one Chinese) and fifteen estates (four Malay) of between 100 and 1,000 acres, as compared with none for Trenghganu. See Grist, *op. cit.*

Rubber enters significantly into the export trade of both countries, but Kelantan is dependent upon this commodity to a far greater degree than its neighbor. In 1934 rubber accounted for \$4,533,829 of Kelantan's total export and re-export trade of \$5,576,086 (1929: \$5,732,427 out of a total of \$7,983,889), its nearest competitor being copra with a value of \$185,256. Trengganu in the same year exported only \$1,722,323 worth of rubber while its iron-ore export came to \$2,102,124 and its export of dried fish to \$791,223. Tin-ore occupied fourth place among Trengganu's exports with a value of \$653,309 as compared with \$5,927 for Kelantan. The production of iron-ore has risen rapidly in Trengganu in recent years, the mines being owned, as are the iron mines of Johore, by Japanese firms.* In contrast with the other produce of the State, which goes almost exclusively to Singapore, the iron ore is shipped direct to Japan. The two mines in Kelantan are worked primarily by Chinese coolies although a smaller number of Indians are employed as lightermen or railway men. A small quantity of manganese is also in Japanese hands in both Kelantan and Trengganu, the 1934 export from the former State amounting to 8,968 tons valued at \$105,338, while the latter, according to the official report, exported a larger quantity, 9,681 tons, but valued it at the markedly smaller sum of \$77,451.

* The value of Trengganu's exports of iron-ore in recent years has mounted as follows: 1928—\$241,288; 1929—\$331,753; 1930—\$374,920; 1931—\$870,995; 1932—\$855,839; 1933—\$1,510,867; 1934—\$2,102,124.



CHAPTER VI

THE STRAITS SETTLEMENTS

As the guardian of the gateway of the East and the tiny home of a profusion of races, the Colony of the Straits Settlements¹ holds a unique position among the British possessions, but as far as its constitutional status and administrative structure are concerned it has little to distinguish it from the other Crown Colonies of the Empire. It is one of the major advantages of the system of indirect rule, in contrast to direct colonial government, that it allows of the type of individualization and differentiation which is so striking a feature of the Malay States: beside them the Colony, despite its racial variety, pales into a drab uniformity to the established Imperial patterns. A formal sketch of its government would serve to distinguish it only in minor degree from the governments of similar colonies throughout the world.

In many ways the connection of the Straits with the rest of the Peninsula is tenuous. With the exception of the Dindings, recently retroceded to Perak, and little Province Wellesley, only Malacca is on the mainland and linked to Malaya proper by population and method of production. Here alone of the three Settlements do the Malays have a numerical predominance but by so slight a margin—precisely 51% in 1931—that they can look forward with no confidence to its continuance. Aside from the fact that a numerical majority is of no vast advantage in a country wholly ignorant of the practices of democracy, the Malays tend definitely even in Malacca to be in a position of economic inferiority. Singapore and Penang, essentially creations of British rule, are markedly non-Malay in population and live

¹ Only the Settlements of Singapore, Penang (including Province Wellesley), and Malacca are considered in this study, although for administrative purposes Christmas Island and the Cocos or Keeling Islands are included in the Settlement of Singapore, and Labuan constitutes a separate Settlement within the Straits Settlements.

not by mining and planting but by shipping and trade. In the former Settlement the Chinese were estimated in 1934 to contribute 390,948 of the total population of 525,228. It is the Chinese who lend both the city and the remainder of the island its distinctive flavor, although there are several scattered groups of Malays either continuing their old way of village life or drawn into the lower ranks of the new urban economy. Penang's population of 339,292 is less sharply dominated by the Chinese element which contributes 162,878 persons as against 121,916 for the Malays and 47,962 for the Indians. In all three of the cities the European element forms a tiny minority which is in evidence only in the small areas which have been taken over by it: in Singapore they number 8,298, in Penang 1,625, and in Malacca 329.

In the economic sphere the hold of the Europeans, the large majority of whom are British, is unquestionably dominant, but, because of the strength and ability of the Chinese, it is by no means as exclusive as is customary in colonial regions. It has frequently been said that the Chinese form the wealthiest section of the population, but the significance of such a statement is not what it appears to be on the surface, since the bulk of the Chinese enterprises are owned and controlled by men living in the Settlements whereas the ownership and ultimate control of the larger European commercial, shipping, banking, and planting concerns are located in Great Britain or elsewhere. With few exceptions the Europeans in the Straits are employed in the upper ranges of the administrative hierarchy or of the European commercial enterprises. The Chinese population, on the other hand, embraces all classes in the population from the coolies, rickshaw pullers, and house boys at the bottom, through the large group of skilled workers, clerks, independent merchants and traders, and small manufacturers or processors in the middle, up to the higher group of professional men and of owners of large economic ventures at the top. There have been a good number of Chinese millionaires and a few Europeans and Indians who have won their wealth in the Straits and spent or lost it there, but the bulk of the large European investment has come to Malaya from the safe distance of Europe or America and the profits from it are drained back to

the original source. A lesser drain on the Malayan economy is of a type familiar to the United States, the sending home of remittances by the immigrant Chinese and Indians.

A major share of the wealth and labor of the Straits is engaged in the *entrepôt* trade—receiving, processing, and transshipping the produce of the hinterland and the surrounding regions—but it is frequently overlooked that the Straits play a not insignificant rôle in the agricultural life of Malaya. Mining is confined to a trifling production in Malacca, but in both rubber and coconuts the Straits make a substantial contribution. The agricultural centers are naturally the mainland districts of Malacca and Province Wellesley, the former having nearly 200,000 acres under rubber and the latter some 70,000 acres. The acreage on the islands of Singapore and Penang is necessarily more limited but together they contribute over 50,000 acres of rubber, the bulk of which is located in Singapore. That the share of the Malays in rubber is as small in the Straits as elsewhere in the Peninsula is indicated by the fact that 64% of the acreage under rubber is divided up among 342 estates of 100 acres or more. As in the Malay States the larger of these estates are primarily in the hands of Europeans with the Chinese and Indians coming in somewhat more strongly as the estates grow smaller. A few estates of just over 100 acres are in the hands of Malays, but the bulk of their holdings is in the remaining 36% of rubber land divided into small properties of less than 100 acres, although here too they must face the competition of the Chinese. In the production of coconuts the Malays fare slightly better since a good part of the total area of some 82,000 acres under coconuts in the Straits is broken up into small holdings of under 100 acres. But their profits in this field have been sharply limited by the low price for copra and always tend to be cut to the bone by Chinese middlemen who throughout Malaya have taken over the troublesome but remunerative task of bringing the produce of the small-holders to market. The cultivation of rice, exclusively a Malay occupation, has shown a tendency to rise slightly in recent years but it still accounts for only some 70,000 acres. To these varied occupations, the list of which might be extended almost indefinitely, an important addition is

the fisheries, the annual catch from which was valued in 1933 at a conservative figure of nearly \$2,000,000. Some picture of the variety of the Straits may be gleaned from the official comment that "there were 12,612 fishermen employed in the Colony, of whom 6,652 were Malays, 4,497 Chinese, 903 Japanese, 501 Indians, 76 Eurasians (a category changed in 1934 to 'of Portuguese Descent'), and 1 Siamese."

In brief, the Straits form a complex amalgam of all the races of the East brought together under the firm controlling hand of Britain. Many fortunes have been made there and more have been drained away, but for the masses of the people who have come to the Straits of their own free will or have been brought there with a greater or less degree of compulsion—leaving aside the pressure of starvation in their home countries—the basic standards of life have shown no serious tendency to rise. The Malay peasant is able to supply his simple needs with greater facility when the prices of rubber and copra are up than when they are down, but at the best he can count on little more than enough to cover the necessities of life. The Indian coolie on the rubber estate does, perhaps, find in a minor degree a better material life than that to which he was accustomed at home, but his wages are kept down to a bare minimum. For the hordes of Chinese coolies who have flocked to the cities to escape the pressure of population at home the margin between life and starvation is so slight as to be almost indistinguishable to the European; and during the depression that margin has been pressed even lower. If many of the Chinese have won through to ease or luxury, there are vastly greater numbers who have gone under in the fierce struggle for survival.

It can cause no wonder in this great medley of races and classes, of rich men and beggars briefly drawn together in scattered settlements for the pursuit of life and power, that there should be little overt interest in the ordinary workings of the colonial government and its relations to the protected States of the mainland. The government itself rests, remote from the concerns of the ordinary individual, in the hands of a small clique of upper British officials who bring into their private consultations a handful of the higher strata of the British unofficials of the community and somewhat less than a handful of corresponding

strata of Chinese. There are, of course, considerable sections of the population which, because of their economic or other connections, watch with interest the movement toward a closer political and economic union between the Malay States and the Colony, but up to the present the general attitude of most of the inhabitants of the Straits has been one of indifference. To a good number of the European residents of Singapore and Penang the Malay States are almost as remote a mystery as they are to the man in the street in London or Manchester.

The constitutional structure of the Straits Settlements is based on the familiar model of that existing throughout the Crown Colonies, and there has been little fundamental change in it since relatively early days. At the head of the system, under the Secretary of State for the Colonies, stands the Governor, who is normally brought to the Straits from service in other Colonies, although occasionally, as in the cases of Swettenham and Clifford, men who have served all or some part of their careers in Malaya are elevated to the Governorship. It appears, furthermore, to be an established tradition, not limited to the Straits, that the Governor, whether he be a local or a foreign product, should be received with jubilation, should come to the end of his term amidst almost universal execration, and should shortly be remembered as belonging to the "good, old days." On the balance the system of appointing the chief executive officer from outside the Colony seems a desirable one since it brings new blood and new ideas into what always has a tendency to harden into a self-satisfied bureaucracy and places the high office above the local feuds and cliques. One condition of its success, however, is that the new incumbent be prepared to seek the advice of the local authorities and temper his inevitable ignorance of the local set-up by their more intimate acquaintance with it—a condition which is, unfortunately, not always observed.

The day to day administration of the Straits is carried on under the direction of the Colonial Secretary, an official who has risen from within the local hierarchy and who is "the Governor's chief lieutenant and Prime Minister." * Under the eye of the

* Sir Anton Bertram, *The Colonial Service* (Cambridge University Press, 1930), p. 31. This work presents an authoritative survey of Crown Colony Government throughout the Empire. See also Sir George V. Fiddes, *The Dominions and Colonial Offices* (London, 1926).

Governor, the Colonial Secretary is the general administrator of the Colony, acts for the Governor during the latter's absence, and serves as the usual channel of communication through which both officials and the public at large reach the Governor. He is the head of the civil service and all official papers of importance pass through his secretariat, either for final decision or for submission to the Governor. His functions in the Straits may be compared with those of the recently abolished Chief Secretary in the Federation and the Secretary to the High Commissioner in the unfederated States. The former office of the Chief Secretary, located in Kuala Lumpur and having the corresponding function of serving as the channel of communication between the High Commissioner and the F.M.S., achieved a degree of independence considerably greater than that of the Colonial Secretary, although the newly installed Federal Secretary is to be brought back to the status of the latter. The Secretary to the High Commissioner, on the other hand, is normally a junior officer whose powers rarely go beyond those of serving as a channel of communication and of co-ordinating the correspondence and the information concerning the five States under his jurisdiction. At a lower level in the Straits are the Resident Councillors of Penang and Malacca, who are in charge of the particular affairs of these Settlements, an office filled in Singapore by the Colonial Secretary in addition to his other multifarious duties.

Closely associated with the Governor in all his activities is the Executive Council, a body whose advice he is expected to ask in all matters which are not too trivial or too urgent to be laid before it or which are not of too confidential a nature. Under the presidency of the Governor, this Council consists of the General Officer Commanding the Troops, the Colonial Secretary, the two Resident Councillors, the Attorney-General, the Treasurer, two other nominated official members, and three unofficials, one of whom is a Chinese.

This Council meets only at the Governor's summons and it considers only questions which he submits to it, although if he refuses to submit any question when requested in writing by a member to do so, the latter may require that his written application be recorded together with the Governor's answer in the

Council's minutes, which are periodically submitted to the Secretary of State. The Governor is left free to reject the Council's advice and act on his own discretion but in any such case he must report the matter fully and promptly to the Secretary of State and each member of the Council may require that his opinion be entered on the minutes. These several provisions render it impossible for the Governor, despite his very extensive powers, to act irresponsibly and autocratically without having the Colonial Office descend upon him in a relatively brief time. Furthermore, since the Council meets behind closed doors, it serves the Governor as a cabinet in which official business may be threshed out in private and in advance of any public announcement of policy or action.^a In practice virtually all official business is examined by the Council before further action is taken.

For the administration of the law of the Straits—a compound of English common and statute law, local enactments, and adjustments to native custom—a judicial system similar to that of a number of other Crown Colonies has been developed. The Judges of the Supreme Court exercise original jurisdiction in all serious criminal and civil cases, judging cases which their col-

^a A potential source of difficulty in this connection, although there is no record of its actual occurrence in the Straits, is the difference in the status of the official and the unofficial members of the Executive Council. This difficulty is well stated in the Despatch from the Governor of Kenya to the Secretary of State of October 13, 1920: "Within the Council all members are bound to give the Governor the best of their advice as individuals. But the principal loyalty of the unofficial members is not as Executive Councillors to the Governor; it is, on the contrary, as colleagues to other colleagues outside the Council, whose views as a body may differ entirely from those of the Government. In other words, although the Executive Council enjoys most of the powers of a Cabinet, its members have no joint obligation upon them to support the advice of the majority to the Governor. There is, in fact, no Cabinet responsibility. . . . In matters of great public interest it is not possible to rely upon the proceedings of the Executive Council remaining confidential." Particularly for the unofficials on the Executive Council who were also members of the Legislative Council this problem became so acute that the Governor felt impelled to withdraw the consideration of the Estimates from the Council unless the unofficials would agree to support them when finally submitted to the Legislative Council. Failing to secure such an agreement, the Governor withdrew the Estimates on the ground that their consideration by the Executive Council would cause material prejudice to the King's service. He recommended that the unofficial members be removed since to retain them would place an intolerable strain upon their dual loyalty. See *Papers Relating to the Closer Union of Kenya, Uganda, and the Tanganyika Territory*, Colonial No. 57, 1931, pp. 36-38.

leagues, if not themselves, may be required later to hear in appeal. However, there is a further ultimate, though inconvenient, recourse to the Judicial Committee of the Privy Council. When exercising appellate civil jurisdiction, the Court is styled the Court of Appeal. Appeals from convictions had in criminal trials before the Supreme Court may be taken to the newly constituted Court of Criminal Appeals, set up in 1934 on the basis of an ordinance of 1931, which is composed of not less than three Judges of the Supreme Court with a provision excluding Judges too deeply involved in the earlier conviction. For lesser cases, limited in civil matters to \$500, District Courts are constituted in each of the Settlements, one each for Penang, Malacca, and Labuan, and two for Singapore, but this still leaves a highly centralized judicial system as compared with the decentralization introduced in Ceylon, Cyprus, and Palestine, where District Judges have a far wider original jurisdiction in both civil and criminal cases, bringing justice close to the people and making a sharper distinction between original and appellate jurisdiction. Below the District Courts are the Police and Coroners' Courts, varying in number in each Settlement. With the exception of the earlier charterless period, the judiciary of the Straits has led a fairly even existence and its history has been mainly one of an ever-widening jurisdiction as the Colony's legal business has become more clearly a matter for local settlement.⁴

Subject to the powers of the Crown, as exercised by the Secretary of State, to disallow and to refuse to assent, the legislative power is vested in the Legislative Council, a somewhat cumbersome machine dominated by the official majority. Its competence is sufficiently broad to allow it to legislate on most matters of interest, but at a number of points it is hemmed in from above by restrictions which prevent the Governor from assenting to bills dealing with certain enumerated subjects without instructions from the Secretary of State, or unless the bill contains a clause suspending its operation until the King's pleasure is known. In matters of urgent necessity the Governor may bring

⁴ See Roland Braddell, *The Law of the Straits Settlements*; Bertram, *op. cit.*, Ch. VI.

such a bill into operation, but he must then immediately transmit it to London with his reasons for assenting to it. By a provision common to Crown Colony constitutions the Governor may give his assent to no bill whereby persons not of European descent or birth may be subjected to any legal disabilities or restrictions to which Europeans are not also made subject.* In imitation of the system obtaining in Great Britain no money bill may be introduced except by the Governor or with his express consent.

These limitations upon the powers of the Council are not, however, felt as any considerable burden by the politically minded members of the community. It is in the matter of the Council's composition that the argument begins. Although the membership of the Council has undergone various changes in the course of its existence—chiefly along the lines of increasing and diversifying the unofficial membership—the principle of the official majority has been rigidly maintained and there is still no indication of any official intention to relax it.* At the present time the Council consists of twenty-seven members, of whom the Governor as president is one. The remaining twenty-six seats are divided equally between the officials and the unofficials, but the balance of one vote is sufficient to insure that the governmental steamroller can be called into action whenever necessary.

The official members, eleven of them sitting *ex officio* and two by appointment, are the official members of the Executive Council, plus the heads of the more important departments. The judiciary is not, as it was in the earlier days, represented on the Council, but room has gradually been made for the heads of the services which have more recently come into importance and which at present occupy much of public attention, such as Edu-

* Other subjects are divorce, currency, the issue of banknotes, the establishment of banking associations, differential duties, the discipline or control of land, sea, or air forces, the royal prerogative, the rights and property of British subjects not residing in the Settlements, Imperial trade and shipping, and provisions to which assent has been previously refused or which have been disallowed. See the *Royal Instruction to the Governor*, XLI.

* Although the problem of the official majority was submitted to Sir Samuel Wilson during his visit to Malaya, no mention is made of it in his *Report*, Cmd. 4276 (1933). See the statement of the senior unofficial member of the Council on the conference between Sir Samuel Wilson and the unofficials, *Straits Budget*, December 8, 1932.

cation, Medical and Health, and Chinese Affairs. As officials these members are at the command of the Governor and of Downing Street and their vote is a foregone conclusion when the whip is cracked.⁷ Whatever the personal opinion of its members, and there have been a number of occasions when it obviously disagreed with authority, the official bloc votes as a single unit with a predetermined and inescapable majority.

The unofficial membership has grown increasingly diverse as the years have passed and, although the Europeans have continued to outweigh the other unofficials, the various Asiatic communities have secured some representation. The only breach in the principle of the appointment of unofficials by the Governor, subject to the confirmation or disallowance of the Crown, is in the allotting of two seats to members elected by the Chambers of Commerce of Singapore and Penang, respectively, a step which was taken in 1924. The other eleven unofficials are selected from the three Settlements and from the several races in them in such fashion as to secure as far as possible the representation of the various elements in the community. The *Royal Instructions* provide that, in addition to the two Europeans elected by the Chambers of Commerce, three Europeans shall be appointed from Singapore, and one each from Penang and Malacca. Similarly, it is provided that there shall be three Chinese members, one selected from each of the three Settlements if possible. The other races which secure a representation of one member each are the Malays, the British Indians, and the Eurasians. Racial representation on this basis may satisfy other criteria but it is grossly out of line with a numerically accurate racial representation when it is remembered that 59.6% of the population of the Straits is Chinese, 25.6% Malay, 11.9% Indian, as against one per cent for the Eurasians and under one

⁷ In the Straits both the *ex officio* and the nominated official members are subject to the Governor's command, but in other colonies in the past there has been a rather vaguely defined rule to the effect that the latter should be able to vote freely. In his *Report* on his visit to East Africa in 1929 (Cmd. 3378 [1929], p. 27), Sir Samuel Wilson stated that from his experience as Governor of two colonies he could see no objection to restoring the older practice of allowing these members to vote freely: "I am inclined to think that it is a procedure which might well be adopted in all Colonial legislatures which include nominated official members." If this step should be taken the hold of the official majority in the Straits would be broken and a considerably greater degree of leeway allowed, but it is improbable that such a relaxation of official discipline would be viewed favorably.

per cent for the Europeans.⁸ It is, perhaps, arguable that the Council representation is an adequate reproduction of the actual balance of the social and economic forces in the community, but it can find no justification in terms of the usual democratic theories of the West.

The answer is, of course, the obvious one that the Council is not supposed to be a democratic parliament and that there is no intention of turning legislation over to the representatives of the people. The Council is intended only to fulfill the double function of advising the government as to the wants and sentiments of different elements of the community and of giving the government a public platform from which to announce its policies in order to test out the public reaction.⁹ If this line of argument is frankly stated and accepted as the basis of the Council's existence, then the question as to the numerical strength of the races in the Council becomes of minor significance. Ten (or even thirteen) Chinese members would have precisely as much and precisely as little chance to carry their will into effect as the present three, and there would be a gain for the Chinese community as a whole only in the fact that more sections of their own community would be given a chance to air their views. The important question on this basis is not the numerical strength but the quality of the representatives selected by the Governor, normally on the basis of consultation with the associations or outstanding individuals of the different racial groups.¹⁰ On this score there

⁸ These percentages give the total strength of the races in the Colony and would require very considerable correction if only British subjects were taken into account.

⁹ The position of the unofficials in the Legislative Council was authoritatively stated by the Secretary of State in 1875 in answer to a petition of the Colombo, Ceylon, Chamber of Commerce, asking that the officials, except those also sitting in the Executive Council, be permitted to vote freely. Rejecting this request the Secretary of State added: "The Unofficial minority does all that is required, or can be permitted, by resisting and calling attention to anything which the public may deem objectionable in the Government Policy." See Lennox A. Mills, *Ceylon under British Rule, 1795-1932* (London, 1933), p. 110.

¹⁰ This conclusion is sustained by a comment in the *Report of the Joint Committee on Closer Union in East Africa*, Vol. I, 1931. Here it is stated with reference to Kenya that the nominated and elected unofficials "are definitely so elected and nominated in order that the Governor may have on his Council chosen representative advisers of different races and interests. . . . So long as this system is maintained, the number of representatives of the different communities is of minor importance provided always that the membership is of sufficient strength and competence adequately to express the views of the community which it represents." P. 41.

is relatively little complaint against the Governor's fairness and good judgment in making his selection, but inevitably there are some to maintain that the unofficials are hand-picked to secure a minimum of friction in the Council. One grave shortcoming of this system, inevitably present in all colonial areas, is that labor and the lower classes generally can secure no direct representation, especially since in the Straits trade unionism has made little advance. The appointed unofficials, even if they are not hand-picked for their complacent acceptance of the things that be, are chosen from the highest strata, while British officialdom is almost exclusively recruited from the upper and middle classes at home.

There is no occasion to reopen here the entire controversy as to the desirability in principle of maintaining the system of the official majority. That is a debate which has been carried on in all corners of the Empire and which is unlikely to be settled on any theoretical grounds so long as the British have the power to hold control of the colonies and continue to find it profitable to do so, although it must be conceded that in recent times there has been a tendency, notably exemplified in the case of Ceylon, to attempt the gradual extension of self-governing institutions. In the case of Kenya the British government authoritatively laid down the policy that "the goal of constitutional evolution, in Kenya as elsewhere, is admittedly responsible government by a Ministry representing an electorate in which every section of the population finds an effective and adequate voice,"¹¹ but it may legitimately be doubted whether this policy of a Labor government—not too daringly applied by the Labor government itself—would find acceptance by the remaining British parties. Democratic self-government for Dominions primarily inhabited by the British themselves, or, at least, by Europeans, is seen as a very different matter from self-government for British colonies inhabited by Chinese, Indians, Malays, or Africans. Minority representation of enlightened segments of public opinion by appointment or even by election involves some of the trappings of democracy and enables the government to keep in touch with

¹¹ *Statement of the Conclusions of H.M.'s Government in the United Kingdom as regards Closer Union in East Africa*, Cmd. 3574 (1930), p. 7.

that opinion, but at bottom it means nothing more than that political control is kept constantly in the hands of the official British hierarchy; and the official majority is the keystone of such a system.¹² Many plausible and some acceptable arguments may be brought forward in its defense but it must be obvious that its fundamental justification lies in the fact that Britain rules many alien lands and intends to continue to rule them.

In the Straits Settlements that buttress of autocracy has not to date been very bitterly resented by any section of the population although there have been sporadic attempts to secure a change. The two basic reasons for the lack of enthusiasm for change are that on the whole the British colonial service has ruled intelligently and with an even-handed justice and that the population itself is broken up into a large quantity of discordant racial and class elements. Of the first of these reasons there is no need to say more than that the record of the Colony's government discloses surprisingly little in the way of protest from any section of the public against the policies of Downing Street and its subordinate officialdom. That there is much and continuous grumbling from one section or another of the public and of the press is to be taken for granted, but the grumbling rarely concerns itself vehemently with issues of any basic importance. In general, the politically minded feel that their destinies are in good hands and, of even greater importance, perhaps, that within the colonial system no fundamental revision of the constitutional arrangements would be likely to produce a government better fitted to its tasks.

It can scarcely be open to question that the one section of the population to which a greater degree of democracy is likely to appeal is the Chinese, but even for this group the issue is by no means clear-cut. For the British unofficial community any considerable extension of the principle of majority rule is unmistakably suicidal since it would be overwhelmed by the almost solidly Oriental population. Furthermore, the British in the Straits are themselves aliens who for the most part take little

¹² "The official majority is in fact the very kernel and essence of Crown Colony Government." Bertram, *op. cit.*, p. 168.

continuing interest in the ultimate destinies of the Settlements. The major part of their time is devoted to their own private concerns, they remain Britons whose essential roots are still in the home soil, and they see little reason to doubt the capacities of the British officials—again, with the reservation as to grumbling about the high-and-mightiness of the “Heaven-Born”—to rule the Colony with which they themselves are so fragmentarily identified. To champion the cause of democracy is to champion the Chinese. Of the other races, the Malays and Indians are both in a minority and have developed virtually no political consciousness, while the Eurasians form an insignificant and essentially pathetic lower middle class appendage to the society.

The Chinese hold a majority of the population of the Straits, running as high as nearly 75% in Singapore, but to leave it at that would be to obscure entirely the real nature of the Chinese problem. The Chinese form no single community which can be viewed as a political or social entity for other than statistical purposes. Even leaving aside the vital distinction which must be drawn on economic lines between rich and poor, between coolie and house boy on one side and banker and industrial magnate on the other, there still remain two other cross classifications of basic importance: the local born as against the immigrant Chinese, and the various stocks of Chinese as against each other. No simple line can be drawn, certainly, separating the Straits-born from the immigrants as far as political consciousness is concerned. The possession of British nationality must be a relevant political fact, but no competent observer will deny that of the 38% of the Chinese in the Straits whom the Census of 1931 recorded as Malaya-born¹⁴ a considerable proportion, often with some share of Malay blood in their veins, are far more intimately linked to the Colony than are the newer immigrants. In some instances the connection with the Straits is even centuries old, in more a matter of several generations. Beyond these are the several different stocks of Chinese with their different dialects,

¹⁴ To avoid misunderstanding, it is reiterated that only Chinese born in the Straits Settlements are British subjects, whereas those born in the Malay States are subjects of their respective rulers.

customs, and traditions.¹⁴ When these facts are taken into account it is obviously impossible to expect that the Chinese community will present a united front in any demand for political advance toward self-government, at least until a national China has been born from the present confusion of the Orient.

In this background of Babel it is comprehensible enough that the popular demand for some variation on the theme of home rule should not have grown sufficiently vociferous to trouble the authorities very deeply. Even the ancient maxim of divide and rule need scarcely be brought into play where the population to be ruled is itself so little likely to unite. Up to the present the British have been able without disturbing themselves from their normal routine to counter any demand for change by pointing to this inchoate heterogeneity and by the indisputable assertion that only a tiny fragment of the population has so far demonstrated any interest in seeing the official majority swept away. There are, indeed, no indications that the bulk of the population has concerned itself in the least with the matter, leaving aside the small group of communistically minded Chinese and the larger body of ardent Chinese patriots, neither of which finds much time for what is in their eyes a trivial tinkering with the local constitution.

The major effort which has been made for the reform of the Legislative Council was initiated in 1920 by the Straits Settlements (Singapore) Association, a small body of which the membership is chiefly European.¹⁵ The Association took a referendum of its members on the basis of a ballot containing eighteen questions as to the Council and its composition. A total of 138 answers were received, of which 109 were from Europeans and Eurasians, 14 from British Indians, 12 from Chinese, and 3 from Malays. The answers showed an overwhelming desire for a

¹⁴ In 1931, the *Census Report* (p. 80) listed the following stocks, or tribes, as they are there called, as being the most numerous in the Straits:

Hokkien	287,125
Cantonese	141,975
Tin Chin	115,123
Hakka (Kheh)	52,369
Hailam	35,679

¹⁵ For an account of this effort and its subsequent effects, see *Council Reform* (Singapore, 1931), compiled by the Association.

change in the present system and for an increase in the number of the members of the Council, but the retention of the official majority was upheld by 93 to 32. A large majority (115 to 13) opposed the nomination of all unofficial members and a smaller majority (86 to 43) favored their election, by communities as opposed to geographical areas (117 to 9). It was generally felt that the election of community members should be entrusted to public bodies or associations, and that such bodies should be composed exclusively of British subjects while the candidates for election should meet a residence qualification. The question as to how to gauge the claim of a community to representation obviously presented difficulties since it was voted 99 to 21 that this should not be determined by numbers only and 114 to 2 that it should not be determined by property only, although the scant majority of 58 to 54 accepted the vague principle that it should be determined by numbers and property taken together.

The results of this ballot are given at some length despite the smallness of the numbers participating because they give an adequate sample of the articulate upper class opinion in the Straits and because they appear to have served as the basis for a further official inquiry into the subject. On October 13, 1920, the Legislative Council accepted the motion of the Acting Colonial Secretary that a Select Committee be appointed to consider whether any and what changes were desirable in the Council's constitution. This Committee, predominantly composed of unofficials, in due course reported a plan which proved too far-reaching for official acceptance, although certain features of it were adopted.

The recommendations of the Committee were prefaced by a general examination of the situation of the Straits, which took as its starting point the extraordinary mixture of races and languages and the absence of any large indigenous population. "The Straits Settlements," it was stated, "have been the source of many fortunes but few have looked upon the land as their home. The instinct of loyalty to a motherland has been confined to the Malays, the Eurasians, and a growing body of Straits-born Chinese." But it was pointed out that in numbers and wealth these classes constituted only a small proportion of the population, which was predominantly non-British in nationality. To

the mass of aliens no franchise could be given but it was essential that the government keep in touch with their needs and aspirations. Furthermore the Committee contended that any shift toward representative government faced not only these mutual antipathies and different levels of civilization, but also the fact that there was no widespread political consciousness and no experience of self-government. It conceded that there had been no general demand for change: "It would not be too much to say that hitherto amongst all classes there had been general contentment with the form of Government." But, despite these arguments, the Committee maintained that the shock of the war and the wave of new political ideas were changing this picture and that there was now a demand for reform.

The Committee then turned to the problem of the official majority and found it to be an institution which robbed the Council of most of the significance which it might have had both as a legislative body and as a debating chamber.¹⁸ In consequence its report advocated the abandonment of the official majority, subject to the creation of adequate safeguards. It was assumed that the diversity of the small unofficial majority recommended would probably enable the government to control the Council through its unitary official vote but in addition the Committee suggested the adoption of certain articles of the new Ceylon constitution, under which the official majority was likewise abandoned. These articles were calculated to ensure the passage of legislation considered necessary by the government and to prevent the passage

¹⁸ The Committee's condemnation of the official majority is a useful summary of the arguments against it: it was of the opinion that internally the Council "is not efficient as a public debating Chamber for legislative measures; we feel that there is a sense of unreality about its debates; the shadow of the Official majority hangs over its proceedings; there is in fact no debate; it serves mainly as an opportunity for the airing of unofficial views to which attention may or may not be paid at the discretion of Government; the real work of the Unofficials lies outside the Council as Unofficial advisers to Government and of this the public knows nothing; its ostensible function as a deliberative assembly with one vote to each Member is merely form and not substance. Secondly we are of opinion that externally it does not arouse public interest and inspire confidence. The main reasons for this we consider to be:—(a) that the population has no voice in the appointment of its members; (b) that the Unofficial membership as at present constituted is not able to keep in touch with the views of certain sections of the population; (c) Council procedure with an Official majority results in an identification of the Unofficials with the Government rather than the public." *Ibid.*, pp. 20–21.

of undesirable legislation.¹⁷ They also gave the Governor the power to halt the Council's proceedings on any bill or resolution by certifying that it affected the public safety or tranquillity and to record only the votes of the officials in the passage of any bill which he declared to be of paramount importance. These safeguards, it was assumed, would place adequate powers in the hands of the Governor to eliminate any serious dangers from the existence of the unofficial majority, but would not, if discreetly used and reserved only for major occasions, rob the Council of its reality. This radical amendment of the constitution of the Council the government declined to accept although in 1924 it did put into effect, with modifications, certain lesser proposals of the Committee.

On the score of membership the Committee recommended that the Council contain twelve officials in addition to the Governor, with an increase in the unofficial membership to fourteen by the addition of more Asiatic members. The racial composition of this unofficial majority was to be seven Europeans, three Chinese, two Indians, one Malay, and one Eurasian. The elective principle was to be applied to only two of the European members, elected by the Chambers of Commerce of Singapore and Penang, in which voting would be confined to British firms and companies. This refusal to extend the principle of election to the Council was based on the argument that more education and political experience were necessary before the democratic techniques of the West could be applied. The general lack of interest, the Committee reported, in the present proposals to modify the Colony's constitution was itself an unfortunate demonstration of the political apathy of most of the populace. This apathy, it was suggested, might in part be overcome by further encouraging unofficial participation in the work of local Boards and municipal administration. Furthermore, no satisfactory electorate or electorates were discoverable. A general mixed electorate was held foreign to Oriental ideas and precluded by racial and religious prejudices, and unofficial associations were regarded as furnishing too slight and shifting a foundation for the exercise of the franchise. Except for the Chambers of Commerce, the

¹⁷ The Committee asked the adoption of sections 51, 52, and 53 of the Ceylon Constitution.

Committee looked favorably on such associations only in the case of the Chinese British subjects and even here it spoke against them. Its grounds for reaching this conclusion were that the Chinese seemed lacking in political interest and experience and that the Chinese Council members must be regarded to some extent as the spokesmen for the alien Chinese, whose interests, it was thought, could be better represented by nominated members than by members elected by another section of the Chinese community. As a practical difficulty it was pointed out that the line which would have to be drawn between British and non-British subjects was not clearly defined and that an attempt to register all British subjects would involve great difficulties.

The upshot of this investigation of the Council was, then, a small addition to its membership which did not disturb the fundamental principle of its organization.¹⁸ Since that time there have been occasional attempts on the part of sections of the unofficial community to secure a further revision but none of these has succeeded in impressing either the general public or the government.¹⁹

In its practical operation there can be no doubt that the official majority acts to crush out the vitality of the Council. Its sessions, very scantily attended by the public, if at all, have the weight of an infinite dullness upon them and the spectator has frequently the sense that a mumbled rigamarole is being carried on with very little relation to the realities of the life of the Straits. It is true that the official majority is used as seldom as possible to override the opposition of the united unofficials but its rare use does not serve to conceal the fact that it is always present. The give and take of the usual parliamentary debate is markedly absent, the greater part of the official business being

¹⁸ Sir Anton Bertram (*op. cit.*, p. 193) after reciting the above changes, comments: "Otherwise there was no change and the Council contentedly continued under its official majority."

¹⁹ In 1930 the Straits Settlements (Singapore) Association put forward another plan calling for equality of officials and unofficials in both Councils, the Governor having a casting vote. The Legislative Council unofficials were to be elected by a panel of qualified British subjects of all races, and the Executive Council unofficials appointed. This plan the *Straits Times* (November 14, 1930) editorially dubbed "a ludicrous scheme" and "crass folly." The branches of the Association in Malacca and Penang sent out ballots in 1931 and 1932 the returns from which indicated the desire to see an unofficial majority in the Legislative Council.

run off with a few set speeches and formulas. The questions submitted in writing give the unofficials an opportunity to extract information from the government and occasional bills provoke a spirited debate, but it is normally only in the speeches following the motion for adjournment that the unofficials really take the floor to draw attention to abuses and point out their remedies. Even at this point, however, the procedure lacks vitality since the unofficials rise to speak one after another on their several topics and are then answered, or left unanswered, in the concluding official speeches. "His Majesty's Opposition" is not only completely irresponsible in the sense of having no possible access to the seats of power but it is also constantly aware that even the instructed private judgment of its official colleagues is subject to the commands of Downing Street.

The cases in which the official majority has been used are relatively few in number and have tended to cluster about one issue—the Defense Contribution²⁰—but there are enough of them spread on the record to indicate that the discussion is by no means purely academic.²¹ The problem of the Defense Contribution is now at least temporarily settled, but the central issue of the official majority still remains. It is not improbable that

²⁰ This controversy is briefly summarized in a note at the end of this chapter.

²¹ The more important of them, up to 1919, are recorded in the brief history of the Council contained in Walter Makepeace, *One Hundred Years of Singapore, 1819-1919*, I, 149-159.

A recent instance of the use of the official majority which stirred up much local antagonism was the overriding of the united opposition of the unofficials to the inclusion in the Estimates for 1933 of provision for the Governor's yacht and for a Royal Naval Volunteer Reserve Unit, the latter being linked to the perennial issue of the Defense Contribution. See *Legislative Council Proceedings*, October 19, 1932. On this occasion the conservative and the more liberal press joined in whole-hearted condemnation. The *Straits Times* (October 20, 1932) commented: "If the Government of this Colony had set out deliberately to exasperate public opinion and provoke it to an open show of resentment, it could not have devised means more effective than the proceedings at yesterday's meeting of the Legislative Council. The official majority was flourished on two occasions to force through measures which do not bear any resemblance to those matters of vital necessity for which the precaution of an official majority was designed." It re-affirmed its faith in the official majority system but held such actions a grave menace to its continuance. The Chinese-controlled *Malaya Tribune* expressed itself more strongly on the following day: "Malaya is being dominated by a narrow-minded officialdom imbued with a deep sense of its own self-sufficiency. . . . What was once truly a 'benevolent bureaucracy' has been deplorably transformed into an irritating autocracy which is, unknowingly, committing suicide by recklessly exposing its own failing."

the community at large continues to agree with the Select Committee's observation that "for the present it is better to retain the bureaucratic form of government,"²² but it is inevitable that there should be a growing demand for a greater public control over and share in that bureaucracy.

It is clear that this demand has not yet risen to a point where it is strong enough to force the British into concessions but the time has at least come when it is necessary to give the problem serious consideration. The statesmanlike policy, if the British would continue their hold, would be to foresee and forestall such an eventuality by a generous recognition of the adversary's claims or, better, to convert the potential adversary into as good an ally as possible. It is reasonable to assume that the percentage of local-born will constantly rise—from 1921 to 1931 the percentage of Malaya-born in the Colony rose from 46.1 to 50.0—and this implies a growing body of persons who are more or less strongly identified with the country. It can also be assumed that the bulk of this population will be Chinese whom it is essential to conciliate and win over to a local loyalty if the future development of the Straits under the British is to be as peaceful as its past. To meet any immediate demand created by the existence of this group, which is increasingly progressing in Western education, two steps appear to be necessary: the evolution of the Legislative Council into a more significant and representative body and the gradual opening of the civil service to trained Orientals.

As far as the first point is concerned it must be conceded at the outset that under the present system the time does not seem ripe for the abandonment of the official majority. Despite all

²² An interesting confirmation of this statement is to be found in the comments of H. E. Nixon, an unofficial member of the Council, on September 26, 1932. Despite the financial difficulties of the moment he contended that the fundamental financial strength of the Colony and its continued lack of disorder during the depression furnished a wonderful testimonial to the departments particularly concerned and also to the form of colonial administration. "If the prosperity of this Colony is to be maintained," he continued, "I for one hope that the day is far distant when it will be necessary to make any radical change in our present form of government. Should this Colony ever fall upon unfortunate times, I can foresee some future historian referring to the present era of the Straits Settlements as its 'golden age' when the art of governing was left to the trained expert and the ordinary people were allowed to pursue their ordinary avocations unhampered by the virus of politics. (Applause.)"

that can be said against it, it appears to be a temporarily indispensable instrument. No one can deny that as a political mechanism it is both irritating and clumsy, serving fundamentally only the purpose of bridging the transitional period from a completely autocratic rule to self-government. It finds a moral justification, as Lord Milner once pointed out, only in the belief that the British "are better judges, for the time being, of the interests of the native population than they are themselves." **

But even where this belief is not seriously challenged, as is still broadly the case in the Straits, the official majority tends for all concerned to be a necessary evil rather than a good in itself. The irritation which it arouses among the unofficial Council members is obvious and wholly understandable: they believe that they are elected or appointed to carry the public will into effect but they know that they are in a minority on any contested issue. "Nor is the position always congenial to intelligent officials," writes a distinguished British authority; "it is sometimes very dissatisfying and even humiliating. It has a tendency to demoralize, discourage, and dull them. It blunts their sense of personal responsibility, and notably, within my observation, diminishes their readiness to express their own real advice and opinion when they suspect or fear that it may be different from that of the Governor." ** Even for the Governor himself, unless he be a very thick-skinned autocrat, it must be a most unpleasant experience to override the unanimous opposition of the representatives of the public by what in a sense is no more than a show of force.

Like other similar mechanisms the official majority can be said to prove its worth only in so far as it works to develop the conditions under which it can be superseded, but in the Straits the creation of those conditions has been made virtually impossible by the masses of aliens who have flocked in and out of the

** House of Lords, May 12, 1920 (cited in Sir F. D. Lugard, *The Dual Mandate in British Tropical Africa*, 2d ed. [London, 1923], p. 119).

** Lord Olivier, "Crown Colony Government," *Crown Colonist*, April, 1932, p. 205. The writer continues to point out that "an impatient and supercilious attitude is fostered in the Government side toward the unofficial opposition" which is presumed to oppose from "habitual unreason and factiousness." But, despite this sweeping condemnation, Lord Olivier is very cautious in his recommendations concerning the abandonment of the official majority.

ports. That much more could have been done in education and in securing the loyal collaboration with the government of the settled portions of the community is undeniable, but this would not have changed the basically migratory character of the population of the Straits. It would be absurd to hope for the early building up of a stable and homogeneous population in great and growing ports, strategically situated on world trade routes and between two vast countries swarming with surplus man-power, dependent on the fluctuations of world markets, and serving a rapidly developing hinterland, itself keenly sensitive to world economic conditions.

It is tempting to follow in the footsteps of the Select Committee and advocate the substitution of an unofficial majority, but in the light of the local situation and, perhaps even more, in the light of the experience elsewhere in the Empire, that is a step which cannot be taken lightly. ** Increasingly it is coming to be accepted as axiomatic in Imperial thought that the destruction of the official majority, even under the safeguard of the powers of certification, is inevitably a destruction of more than was intended. In the West Indies and Ceylon this has been established as a matter of experience; in Kenya it has been asserted as a matter of fundamental principle. Once the bulwark of the official majority is swept away there is a swift and powerful movement toward the introduction of full responsible self-government, a movement which is irresistible unless the Colonial

** Despite the many and fundamental differences between the Straits Settlements and the West Indies it is suggested that there are instructive parallels to be drawn between the present situation in the Straits and that revealed in the *Report of the Hon. E. F. L. Wood* (later Lord Irwin), then Undersecretary of State for the Colonies, on his visit to the West Indies and British Guinea in 1922, Cmd. 1679 (1922). The four basic reasons which he gave in concluding that responsible government could not be granted to the West Indies—in addition to the lack of demand for it—are all equally applicable to the Straits (pp. 6-8):

- "1. The population is of various color, religion, and race. Great blocks of it are backward and politically undeveloped.
- "2. The absence of a leisure class and the danger that a financial oligarchy would in fact take control in its own interest.
- "3. The controlling influence of the Secretary of State is essential to secure uniformity of administration among these adjacent colonies.
- "4. The small proportion of the population exercising the franchise."

He did, however, feel that progress was necessary in two stages, an increase in the elected membership and then the abandonment of the official majority, subject to safeguards.

Office is prepared to take the difficult retrograde step of re-establishing the official preponderance in the Legislative Council. The Legislature, now directly responsible to the general public, even though some of its members owe their seats to appointment, is placed in flat and open opposition to an executive directly responsible to the Colonial Office. The situation presents immediately the old and insoluble problem of the irresistible force and the immovable body.

"If the transference of political control to a local electorate cannot be expected to take place within any foreseeable future, it is essential that the form of government adopted should not be one the inevitable tendency of which is to evolve in that direction," states the Hilton Young Report on East Africa.²⁶ "The rejection of responsible government as the goal of political evolution has as its consequence the rejection also of a form of government in which an elected majority in the legislature and an irremovable executive are able each to paralyze the action of the other, while both lack the freedom and power to carry out a far-sighted, positive, and constructive policy." This statement of principle appears to be indisputable and must be taken into account by any who are prepared to advocate that the Straits abandon their official majority.

In neighboring Ceylon, where conditions are for certain purposes comparable to those in the Straits, the experiment was made and with none too happy results. There, by the Orders in Council of 1920 to 1924, an unofficial majority was created, the bulk of which was elected from territorial and communal constituencies. The elaborate and courageous report of the Donoughmore Commission, even though, as the Governor asserted, it painted the picture somewhat blacker than need be, must be accepted as portraying accurately the general nature of the intolerable complications which arose.²⁷ "The most striking char-

²⁶ Cmd. 3234 (1929), p. 96. This was followed by the *Report of the Joint Committee, op. cit.*, p. 41: even with the suggested safeguards of the Governor's veto and power of certification, "an unofficial majority, whatever may be said to the contrary, does morally and in fact become responsible."

²⁷ Cmd. 3131 (1928), pp. 18-19. Perhaps the most remarkable feature of this report is that it did not limit itself to a condemnation of the liberalization of the constitution which it was considering, but went ahead on the basis of that condemnation to recommend that a far more liberal instrument, an approximation of full self-government, be substituted for it.

acteristic of the Ceylon Constitution," it insisted, "is the divorce of power from responsibility. . . . On a counting of heads, those who have the controlling votes in the Council are not called upon to bear the responsibility for their decisions: those who have to bear the responsibility are without the controlling votes." Among the major defects of the system it listed the reduction of the government to impotence, the failure to train the unofficial members of the Council in the assumption of executive responsibility, and the irresistible tendency for the unofficials to put themselves in the artificial position of a permanent opposition, sniping at the government from every possible vantage point. Following the recommendations of the Donoughmore Commission, the new constitution of Ceylon, far from turning back to the older safe haven of bureaucracy, not only re-affirmed the unofficial majority but also went vastly further in setting up a complex machinery of ministers and committees drawn from the legislature and responsible to it. The success of this hybrid constitutional structure has been considerable in both political results and political education, but it is obvious that its usefulness is limited to the period of transition from Crown Colony to Dominion.

The broad conclusion to which one is forced is that there has not yet been discovered any successful intermediate form between dependence and independence, and, on grounds of principle, it is reasonable to assume that none is discoverable. Either there is self-government—not necessarily in the sense of democracy but in the sense of government by local authorities not responsible to any external superiors—or there is government from the imperial center: between the two is a no-man's land inevitably filled with the noise and clash of conflict between the two opposing forces. In the Dominions the result was an independence limited only by the somewhat nebulous framework of the Commonwealth; in India the outcome of the experiments can scarcely be encouraging to the seeker after a means of squaring this particular circle. The Philippines might, perhaps, be cited as an example to the contrary of this general proposition, but there a large measure of responsible government, with American constitutional admixtures, was initiated at an early stage and

the Jones Act was framed with the definite intention of being shortly superseded by independence. Under Harrison's benevolent eye it operated in fact as the equivalent of responsible self-government, but with the advent of General Wood the predicted clash of wills took place. Under later Governors-General moderately successful compromises were worked out but they were regarded by the Filipinos, or, at least, by the Filipino politicians, as being no more than an interlude before the establishment of the recently sanctioned Philippine Commonwealth. The same may be said of the Netherlands Indies where the majority of the politically minded Indonesians eye the new experiments with undisguised hostility and copy the non-co-operative tactics which Gandhi applied in India. The Dutch experiments are considerably less far-reaching than those in Ceylon and the Philippines but, like them, they can be said to work only in so far as they creakingly bridge the gap that still sharply separates the islands from self-government.¹⁸ In brief, it may be repeated, none of the devices which have been resorted to in the way of a liberalization of colonial régimes has proved to be more than a temporary and quarrelsome halting-place on the way toward a complete removal of external checks—or on the way toward a complete restoration of them.

If these conclusions be accepted, then the only realistic question that can be asked is whether the Straits Settlements have in fact arrived within hailing distance of independence or home rule. If they have, there is every reason to embark on the stormy journey which leads to it; if not, then it is better to abide by the established forms with their clear certainty of direct

¹⁸ For a brief review of the history of the Volksraad, see Amry Vandembosch, *The Dutch East Indies*, Ch. VII. That the problems of the Netherlands Indies are the same as elsewhere is evident from his concluding remarks: "The position of a legislative body in a dependency is at best a trying one, little less so than that of the executive. The executive has two masters, for it cannot ignore a responsibility to the colonial legislature, while the legislature is in danger of oscillating between the extremes of a feeling of utter futility on the one hand and of unrestrained criticism on the other." P. 106.

See also W. H. van Helsdingen, *Tien Jaar Volksraad Arbeid, 1918-1928* (Weltevreden, 1928).

H. Colijn (*Koloniale Vraagstukken van Heden en Morgen* [Amsterdam, 1928], Ch. II) poses sharply the problem involved in attempting to build up a native parliamentary majority in a colony where the ultimate decision still rests with the home authorities.

control by the Colonial Office.¹⁹ This is obviously a question which must be periodically reopened and re-examined without prejudice, but at the present time there is little doubt that the answer must be in the negative, for both internal and external reasons. Internally the major factors involved are the migratory character of the population and its lack of homogeneity, but if the present trend toward a more stable population is continued these factors will weigh less heavily in the scales. With the increasing stabilization and the move away from the boom years there must also be taken into account the possibility of the appearance of strongly marked class lines, dividing horizontally a society traditionally torn by the vertical cleavages of race and religion, but no effective signs of such a transformation are yet evident.

Externally the difficulties are two-fold: the relation of the Straits to the Empire as a whole and their connection with the rest of Malaya. The selection of Singapore as the great British naval center of the East imposes obvious limitations on the powers which could be granted to the local government, but for most practical purposes the Base and its adjuncts could be administered as a separate entity. Even aside from the narrower naval question the several ports constitute commercial centers of the greatest importance for the Empire and it is difficult to conceive the voluntary surrender of them to a predominantly Chinese electorate without safeguards of so sweeping a character as virtually to nullify the powers granted. As far as the hinterland is concerned, it seems most unlikely, as it would be most unwise, to attempt a solution of the problem of the Straits which would not at the same time be integrated with the development of the Malay States. If one may assume that this development will increasingly take the form of a federal structure, then the Straits Settlements could, perhaps, be left to administer locally those powers left in the hands of the federal units while it sent

¹⁹ One must agree, further, with the conclusion of Lord Olivier (*op. cit.*, p. 208) that it seems probable that "notwithstanding the anomalous and unsatisfactory features of the Crown Colony form of Legislature, the Colonial Office is bound to be very unwilling anywhere to concede a transition to an elected or free unofficial majority, unless it is prepared to abandon control by the British Government altogether." . . . a most unlikely eventuality for the Straits in any foreseeable future.

its representatives to participate in the work of a central Malayan council or parliament. The interests of Malacca are on the whole more closely identified with the mainland than with the islands, but Singapore and Penang are likely to remain distinct in both population and economy to a degree which would entitle them to a separate management of their local affairs. A further reach into the future might, perhaps, disclose a federal Malaya with its capital located at Kuala Lumpur and with Singapore and Penang being administered as autonomous municipalities by locally elected councils. But these are speculations which reach out beyond the present elements of the situation.

Even though the official majority be retained there is one lesser road of political advance which might well be followed. This is the extension of the elective principle in the Legislative Council. By its judicious use it should be possible to arouse a wider and more intelligent interest in public affairs, to encourage such sentiments of homogeneity as may exist in the community, and to test out the political aptitude of the people before it is put to the ultimate test of an actual self-government. Here the fundamental problem is one of finding an acceptable and viable electorate. To flee to communal representation is the easiest course but also in the long run the most dangerous, as the experience of India has amply shown. Wherever it has been tried it has been found to intensify rather than to minimize communal conflict. It was the opinion of the Donoughmore Commission that the very existence of communal representation in Ceylon had tended to prevent friendly and harmonious relations between the different sections of the society: "Only by its abolition will it be possible for the diverse communities to develop together a true national unity."⁹⁹ As a means of selecting advisers for the Governor from the several camps it is a not unacceptable device, but as a means of developing a homogeneous community capable of running its own affairs without the constant embarrassment of

⁹⁹ *Op. cit.*, p. 99. Recognising that the appetite for communal representation grows by what it feeds on, the *Report* further stated (p. 106): "It is precisely for this reason that we have urged the abolition of the present system of communal representation which has exercised an influence on society wholly pernicious in that it has created an ever-widening breach between communities and has tended to obscure the national interests in the clash of rival races and religions."

conflicts of race and religion it must be regarded as a failure. Even though it be conceded that the relationships between the races in the Straits, friendly as they are on the whole, seem inadequate to the purpose of building up a single community which can be trusted to elect its representatives without undue regard for race or creed, none the less one must go further and visualize the continuing and embittered feeling which communal representation would bring with it.

The only real advance that could be made in this direction would be the creation of a joint electorate of British subjects.¹⁰¹ No greater concession should be made to the principle of communal representation than the reservation of a certain number of seats for communal candidates voted upon by the general electorate if it appears that a monopoly of seats is falling into the hands of some one racial group, but even here the correction of the abuse of the complete absence of representation for one or more important elements could be better undertaken through appointment by the Governor. In the actual demographic conditions of the Straits this abuse would not, however, be as likely to occur as appears on the surface since the Malays have a stronghold in Malacca and the Indians are moderately strong in Penang.¹⁰²

¹⁰¹ A distinct advance would be made if some system could be devised by means of which Malayan birth would be recognized as conferring British nationality or at least a status equivalent to it for local purposes. In the light of present conditions it is an absurdity that a Chinese born in Singapore or Penang should be a British subject while a Chinese born in Johore or Selangor is not.

¹⁰² Election by racial or other associations can scarcely be recommended since they are necessarily limited in membership and since serious difficulties are likely to arise in determining which of two or more rival associations is to receive official recognition.

Aside from the Chambers of Commerce the two principal associations existing at present in the Straits are the Straits Settlements Association and the Straits Chinese British Association, each of which numbers its members only in hundreds. The practice of election by the Chambers of Commerce has not proved an unqualified success. There is a considerable complaint that the Chambers are dominated by a few old-established firms and that the elections are manipulated by a small clique of insiders.

It should be noted however, that R. O. Winstedt (*Constitution of the Straits Settlements* [Royal Institute of International Affairs, London, 1931], p. 5) suggests that "in a country so full of foreign immigrants that voters would have to produce at the polling-booths legal evidence of being British subjects, it may be surmised that any extension of the franchise will probably take the form of allowing more and more public bodies to elect members of the Council."

The one point at which the hold of the official majority is temporarily relaxed in the present operation of the Legislative Council is in connection with matters of finance where the un-officials are brought into a more effective co-operation than in connection with general legislation. Although the entire preliminary preparation of the budget is in the hands of the official hierarchy, the unofficials are given a special opportunity to formulate their conclusions concerning it before it is presented for passage to the full Council. The responsibility for the preparation of the Annual Draft Estimates rests with the Colonial Secretary, who draws them up in consultation with the Treasurer on the basis of the reports of the department heads, and they are then submitted to the Governor for his approval. The effective control of the Legislative Council appears at this stage with the submission of the Estimates to a Select Committee, at first sitting in three parts, one representing each of the three Settlements and composed in each case of the unofficial members from that Settlement plus the Resident Councillor in the case of Penang and Malacca and plus the Colonial Secretary and the Treasurer in the case of Singapore. These parts then meet as a single Joint Select Committee the report of which is also submitted to the Council together with the Estimates and the reports of the three parts. In these committees, which meet *in camera*, the unofficials are in a position to express their opinions freely on all the budgetary details and, because of their temporary majority, their views carry the day. A useful opportunity is also presented to the government to lay before the unofficials a fuller statement of its reasons and intentions than may be convenient in the public sessions of the Council itself. A victory for the unofficials in the Select Committee may well, however, be short-lived since in the full Council the official majority again comes into its own and, if need be, guarantees the government the final voice, subject only to the disallowance of the Secretary of State. A further element of control by the unofficials occurs in connection with supplementary votes for expenditure involving an increase in the amount provided by the Annual Supply Ordinance. All applications for such votes must be submitted, prior to approval by the Legislative Council, to a Finance Committee composed of

three unofficials under the chairmanship of the Treasurer.** Aside from budgetary matters the unofficials also exercise a certain amount of influence over the government to the extent that they are consulted as informal advisers, but as this is exclusively a personal matter it is not easy to determine how considerable a rôle it plays. From the private remarks of different unofficial members of the Council it is obvious that they share unequally in the confidence of the government.

Although the Legislative and Executive Councils are the most imposing bodies in which the unofficial community has a share they by no means exhaust the list. The three municipalities are governed by Municipal Commissions, the members of which are appointed by the Governor although a number of them are in fact nominated by the Chambers of Commerce and by various public bodies representing different elements of the population. An obvious step in advance, serving to spread political education and experience, would be the frank extension of the elective principle to these Commissions, again on the basis of a common roll of British subjects, leaving in the Governor's hands the power to appoint additional members to fill in glaring deficiencies in representation. Although the functions of these Commissions do not frequently lead them into the realms of high politics, they do involve the more mundane experience of the day to day administration of large cities, and in that way might be utilized as an invaluable training ground for the broader work of the Colony's Councils and higher administrative posts.

In addition to the Municipal Commissions there are two other main groups of bodies on which the unofficials are represented in varying degrees of strength: Advisory Boards drawn from the various racial and religious communities to keep the government informed as to their views and needs, and a number of other boards and committees associated with one or another branch of the administration, as, for example, the Education Board, which, under the Director of Education, has considerable financial and other control over the school system, Harbor Boards, Licensing Boards, and Hospital Management Committees.

** A brief survey of financial control is given in Appendix J of the *Report of the Straits Settlements Retrenchment Committee, 1932*.

The financial career of the Straits Settlements has on the whole been a singularly prosperous one, as has been the case, almost without exception, of the other Malayan administrations as well. Vitally dependent as the Settlements are on world trade in general and in particular on the markets for rubber and tin, the Colony's finances have naturally been subject to violent fluctuations but the general course has been steadily upwards and the deficits of bad years have been more than taken care of by the surpluses of good ones. Both the post-war slump and the world depression of 1929 cut heavily into the revenues of the Colony, but by the end of 1935 the general surplus had risen again to a total of \$71,229,371 in addition to an Opium Revenue Replacement Reserve Fund of \$61,111,267. As against this surplus there must be set off a number of commitments and contingent liabilities, but even with these subtracted the surplus is still one such as to dazzle the statesmen of most of the independent countries of the world.*

The figures of revenue and expenditure for recent years clearly indicate the position:

	Revenue	Expenditure
1900-09 (average).....	\$ 8,785,000	\$ 8,759,000
1910-19 ".....	16,857,000	13,004,000
1920 ^a	42,469,620	39,260,318
1922.....	34,103,462	24,797,084
1924.....	28,639,160	26,706,315
1926.....	36,465,213	36,955,640
1928.....	38,092,221	35,007,608
1930.....	32,408,305	39,240,315
1931.....	26,601,528	46,802,558
1932 ^b	44,562,295	34,196,483
1933.....	31,585,190	30,476,291
1934.....	34,244,603	30,937,262
1935.....	35,040,380	34,764,640

^a 1920 was an exceptional year since the actual revenue was two and a quarter times that estimated and the actual expenditure almost double. On the revenue side \$5,000,000 not estimated for came from the Income Tax, dropped in 1923, and the opium revenue exceeded its estimate by \$11,000,000. On the expenditure side \$9,500,000 not provided for in the Supply Ordinance went to make up the loss on the sale of rice and \$5,500,000 more than the estimate were contributed to Imperial War Funds.

^b The impending deficit for 1932 was met in good part by the transfer of \$10,000,000 from the Currency Guarantee Fund. See *Legislative Council Proceedings*, April 4, 1932. A similar transfer of \$20,000,000 from the Currency Guarantee Fund was made in 1925, at which time \$30,000,000 were laid aside in the Opium Revenue Replacement Fund. Another transfer of \$19,000,000 from the Currency Guarantee Fund was made in 1929.

^c For a fuller statement of the position, see the section on Public Finance and Taxation in the *Annual Reports*.

The formal public debt of the Straits is swelled by two items: 1. Indebtedness of \$59,257,302 (against which there is a sinking fund of \$21,211,048) on behalf of the Singapore and Penang Municipal Commissioners and Harbor Boards, the interest and other charges on which are met by these bodies; and 2. a sterling loan of \$80,185,714 for which the F.M.S. is responsible.

Spurred into action by the somewhat appalling and growing deficit of 1931, following on the smaller deficit of the previous year, the unofficial members of the Legislative Council called toward the end of 1931 for the appointment of a Retrenchment Committee similar to that which had been appointed to meet a like situation in 1922. In October the government agreed to this request, appointing a committee of five unofficial councillors under the chairmanship of the Colonial Secretary. To the work of this Committee, which received on the whole the cordial support of the government, must go a large part of the credit for the reduction in expenditures, indicated in the table above, which made possible the reappearance of a balanced budget in 1933. The Report of this Committee and the Comments on it of the government serve as a useful source of information on the Colony's finances and financial practices.**

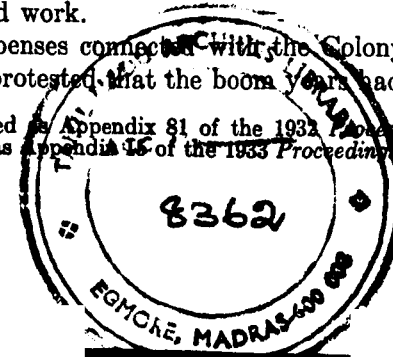
No fundamental criticism of the government's policy was contained in the Report of the Committee although it was contended that certain departments had been allowed to expand unduly in the boom years, that too much had been spent in too haphazard a fashion on public works, and that the recurrent large surpluses had encouraged too cavalier a treatment of expenditures running beyond the annual estimates. In general terms the Committee stated the necessity of undertaking a 13% cut both in annually recurrent charges and in personal emoluments, accompanied by a drastic reduction in expenditure for public works extraordinary. The departments which came in for particular attack were, somewhat curiously, those most immediately concerned with public and social welfare: police, education, and medical. For reasons which remain obscure, the Committee laid it down as a principle that "it is obvious that in dealing with Departments those that have in recent times rapidly expanded must be those to offer the greatest reductions"—which can only be taken to mean that the departments providing the social services which have recently come into demand must be the first to cut their vitally needed work.

In regard to the expenses connected with the Colony's police forces the Committee protested that the boom years had induced

** The Report is printed as Appendix 81 of the 1932 *Proceedings*; the Government's Comments as Appendix 16 of the 1933 *Proceedings*.

V 435

1137



"a certain irresponsibility as regards expenditure" which had allowed the rate of increase of police costs far to outrun the rate of increase of the people to be protected. To this charge the Inspector-General of Police replied that for the past decade the department had been attempting to repair the damage caused by a long period of negligence prior to 1923, during which time "the value of the gazetted officers of the Force was largely running to waste; there was no organized attack on crime; criminal statistics were definitely inaccurate; criminal records were non-existent; society activities and all their concomitant criminal troubles were proceeding practically unchecked and without Police investigation." To this past negligence the Inspector-General laid the partial inability of the police to deal with the crime wave, primarily stemming from the Chinese secret societies, of 1925-1926. At this time, he conceded, the police, far from inviting public co-operation, were killing it: "The Asiatic public rapidly lost confidence in the Force to such an extent that even well-to-do persons living in the heart of the town allowed themselves to be blackmailed on their doorsteps without calling in the police or raising an alarm." He reported that by 1932 this situation had been largely corrected but he insisted that no large-scale reduction was possible in the present troubled times even though Malaya had so far been blessed with an abnormal quietude during the depression years.**

In respect of education, the Committee stated that costs had almost doubled between 1924 and 1932 and that the department had expanded much too rapidly. To correct this situation it was recommended that greater use be made of local teachers, that there be no more capital expenditure on schools during the slump, and no increase in grants-in-aid. The government agreed that there had been a rapid expansion of educational facilities in recent years in response to insistent public demand, but denied that it

** See Appendix A3 of the Government's *Comments*. In his Report for 1934 the Inspector-General of Police, despite an unusual drop in crime in that year, again issued a warning as to the future: "In the event of an appreciable and progressive rise in crime, and in the commercial development of the city and its surroundings, it would be fatal for the efficiency and prestige of the force to return to the conditions of seven to eight years ago when large sections of the population found that they could not rely upon the presence of police within reasonably easy reach to assist them in case of trouble."

had been over-hasty, pointing out, to its own shame, that even at the time of writing only 12% of the children of suitable age attended English schools. In its defense it drew the attention of the Committee to the fact that the 5.69% of the total revenue of the Straits which was spent in 1931 on education was a smaller percentage than in other important colonies and dependencies in the Empire. The particular recommendations of the Committee were, however, accepted in principle. The recommendations and answer in respect to the Medical Department were of substantially the same order.

In the revenues of the Straits by far the largest single item continues to be the income from the opium monopoly. In the first two decades of the present century just under half of the total revenue was derived from this source. Under the pressure both of the Straits authorities and of the depression opium's share began to decline sharply after 1928. By 1930 the income from this source had been reduced to 27% of the total and three years later to 22%, but the lifting of the economic clouds boosted it again to nearly 25% in 1934.* The declining revenue from this source is already being compensated for by the Opium Revenue Replacement Fund, the interest on which has been taken over into the general revenues since January 1, 1932, instead of being turned back to swell the capital of the Fund. With the closing of the register of opium smokers, the opium revenue will suffer a further decline, necessitating greater inroads on the Fund while new sources of taxation to replace it are being considered.

The next largest items on the revenue side of the budget are the duties on tobacco, petroleum, and liquor, which, taken together, amounted to over \$10,000,000 in 1934, considerably overtopping the opium revenue of \$8,723,428. A significant use of the official majority occurred in connection with these duties in 1931

** Opium Revenue:

1900-1909 (average) ..	\$ 4,346,000	1928	\$13,926,000
1910-1919 " ..	8,255,000	1930	8,830,000
1920	19,983,000	1931	6,075,000
1922	14,651,000	1932	6,891,900
1924	11,531,000	1933	7,001,000
1926	12,961,000	1934	8,723,000

(From *Straits Settlements Statistical Summary*, 1932, and *Annual Reports*.)

when the government decided that they must be raised in order to meet the threatening financial situation and to bring the Colony's duties into line with those in the Federated Malay States. To escape wholesale evasion of the new scale of duties the motion imposing them was sprung on the Legislative Council without notice and they were made effective as from the date of passage. The unofficials immediately and unanimously protested both on the score of the suddenness of the move and of the undesirability of further taxation during the depression period, but the Governor was unable to do more than express his regrets at the unofficial opposition. "It does not mean," he stated, "that the Government is unwilling to hear the unofficial point of view on this subject and to give it very careful thought; but the procedure, I am afraid, is, as it inevitably must be, this:—the Resolutions will be passed today." Whereupon, the whip having cracked, the two sides solemnly registered their votes and the resolutions were passed.** In an effort to ensure that similarly unpleasant situations—the Governor referred to "the extremely invidious position" in which he had been placed—should not arise in the future, the government introduced at the first session of the Council in 1932 a Public Revenue Protection bill, based on legislation in force in the United Kingdom and in Ceylon. This bill provided that the Governor might, after consideration by the Executive Council, provisionally bring into force new duties which must be submitted to the Legislative Council within a fortnight. After explicit assurances had been given by the Governor that this measure had no connection with the Malayan Customs Union then under discussion, the bill was accepted by the unofficials and passed.**

The other major sources of revenue of the Colony are stamp and estate (death) duties, pawnbrokers' licenses, fees of court or office, payments for specific services, rents on government

** See *Proceedings*, September 28, 1931. The new duties were thirty-five cents per gallon on petroleum, from \$14 to \$1.20 per gallon on different kinds of liquor, and from \$1.60 to seventy cents per pound on different kinds of tobacco.

** See *Proceedings*, January 26, and April 4, 1932. Following the policy of Imperial Preference, the duties on tobacco and liquor were changed to a preferential basis by resolutions of May 30 and October 10, 1932. See below, pp. 366f.

property, and returns from the Posts and Telegraphs Department. In addition large sums annually flow into the Colony's coffers in the form of interest, primarily on the surplus and, in more recent times, on the Opium Revenue Replacement Fund. Beyond the charges for licenses there is no direct taxation.

On the expenditure side of the budget the two items which have competed with each other for the honor of standing highest are the Defense Contribution and Public Works Extraordinary. The former has varied according to the size of the budget, and in recent years has run as high as \$4,239,729 in 1930 and as low as \$3,947,143 in 1932. To arrive at the full military expenditure it is necessary to include the cost of the local forces which came to \$579,150 in 1930 and fell to \$330,522 in 1934. Public Works Extraordinary, which naturally form a more flexible item in the budget than the Defense Contribution since they are wholly at the command of the local authorities, have varied from a peak expenditure of \$8,197,700 in 1931 to a depression figure of \$3,283,572 in 1934. Expenditure for recurrent public works has been stabilized at about \$1,000,000 in recent years, while the costs of the Public Works Department itself rose steadily from \$428,135 in 1928 to \$794,178 in 1932, falling to \$632,865 in 1935. The third place among the Colony's expenditures has been held by the police forces whose services have cost about \$3,000,000 annually since 1930, rising from eight per cent of the budget in 1928 to just under ten per cent in 1933. Owing primarily to the rapid expansion of government services in the last few decades expenditure under the general heading of Pensions, Retired Allowances, Gratuities, etc., has been mounting steadily and is still on the way up. In the first decade of the present century the costs under this heading averaged only \$330,000 a year, in the second decade \$504,000, but by 1930 they had arrived at \$1,795,839 and in 1935 occupied fourth place in the budget at a total of \$2,380,902.

The development of the expenditure on the two outstanding branches of the social services, education and health, may be summarized as follows: **

** If the several medical items appearing in the budget are lumped together, health expenditure supplants the police costs in third place.

	1913	1929	1935
Education	\$304,879	\$1,427,988	\$2,002,648
Medical	252,370	348,582	369,731
Medical, Health Branch.....		627,620	539,753
Medical, Hospitals and Dispensaries.....	365,746	2,248,416	2,241,751
Medical, Social Hygiene Branch.....		99,033	91,658

To cut through this maze of figures to the basic realities which they represent in the life of the people is by no means an easy task. An attack on the government without an adequate appreciation of the extraordinary difficulty of its position serves only to confuse rather than to clarify. But this much at least may be said: until very recent times the government has not interpreted its function more broadly than in terms of the police power. The goal that it set itself was the maintenance of conditions under which business could carry on most efficiently with a certain formal guarantee of racial equality in the pursuit of wealth. This goal inescapably implied a move beyond a strictly interpreted police power into such fields as the opening up and maintenance of means of communication, the introduction of modern sanitation, and a minor degree of education. Such utilitarian measures did not imply that the government took upon itself any responsibility for the adequacy of the lives of its subjects. One must remember that the government of the Colony is run by a small group of insiders living a life the comforts and luxuries of which are rarely impaired by too close contact with the sordid poverty which has set its stamp on the great bulk of the population. It may be that something of a change can be seen in recent years, but it is still no exaggeration to say that it is a government run by and for those who have won through to power and wealth, and devil take the hindmost.

NOTE: THE DEFENSE CONTRIBUTION

The long and bitter controversy over the contribution of the Straits Settlements to local and imperial defense originated in 1889 when the Secretary of State for the Colonies, under pressure from the War Office and the Treasury, reached the conclusion that the increased prosperity of the Straits justified their payment of a larger sum than in the past. There was no doubt that

the Straits revenue had grown since the transfer from the India Office in 1867; but the home authorities based their estimates on the increase in shipping, a delusive basis for an entrepôt colony in which 75% of trade was passing trade, swollen since 1869 by the opening of the Suez Canal. To buttress the capacity to pay argument, the condition of the transfer was instanced: "that the three Settlements, if incorporated into one Colony, would be in a position to defray their own expenses, civil as well as military without any charge on the Imperial revenues." (C. 6290 [1890-1891], p. 4.) No account was taken of the fact that since that date Singapore had been made an imperial coaling station, the increased defense costs of which resulted in good part from its imperial importance.

In answer to the orders of the Colonial Office an appropriation of £100,000 was passed by the official majority in the Legislative Council, although the private views of the officials were made clear when, with two exceptions, they joined the unofficials in a resolution of protest. While recognizing their duty to provide a larger contribution toward the cost of the garrison, they respectfully submitted the opinion "that the sum of £100,000 per annum is more than the Colony should be called upon to undertake, bearing in mind that by far the larger proportion of British trade passing through the Straits does not belong to, and only indirectly benefits, the Settlements, and that the protection of Singapore as a naval station, independent of any advantage to the Colony is, from its position, of paramount necessity to the maintenance of the Empire in this quarter of the world."

The resolution proposed that the Colony should in no case pay more than one-half of the actual cost of the whole military defense in addition to supplying extra barrack accommodations, but for fear that the cost of the garrison might be increased indefinitely, drawing the Straits' contribution upward with it, it was stipulated that the levy should be assessed according to local, not imperial, needs. It proved impossible, however, to convince the home authorities that any such separation of the local from the imperial was feasible, or to produce any satisfactory definition of where the line should be drawn. After three years spent in debating the question in lengthy memoranda, in

which the Straits Association as well as the Legislative Council and the Governor joined, the Colony's proposal had shifted from supplying half the cost of the garrison to a demand for a payment based on a percentage of the annual revenue of the Straits.

In 1893 a Gladstone Government replaced the Conservatives and hopes were expressed in the Legislative Council that the new Cabinet, headed by the famous champion of the oppressed, would not allow the Colony to be squeezed dry of funds needed for public works and advances to the Malay States. A formal sort of relief was offered by the new Government but only as a temporary measure: for the years 1894 and 1895, in view of a decrease in Straits revenue resulting from the depression, the amounts payable were to be £80,000 and £90,000. For the three years after that, the contribution was to be respectively £100,000, £110,000, and £120,000. Thus the new arrangement meant simply a deferred payment of the original demand. Furthermore, the contribution was to be made in pounds sterling, an additional hardship in view of the devaluation of the Straits dollar. (C. 7784 [1895], p. 84.)

To justify his action the Secretary of State pointed out that the British taxpayer had only 36% as compared with the Straits 80% of revenue to devote to civil purposes; and even if the Straits contributed their £500,000 in the next five years, the British taxpayer would still be burdened with an additional £273,650 for Straits defenses. The well-worn point that the agreement at the time of transfer had guaranteed that the Straits would not be an additional burden on the home government for defense expenditure was also advanced with the customary disregard of the change in conditions since the sixties. (*Ibid.*, p. 85.)

Following the practice of his predecessor, Governor Sir Charles Mitchell aligned himself with the unofficials. In an able despatch he argued that the large military expenditure of Great Britain could not be compared with Straits expenditure, since the former resulted from war debt, "the interest on which may reasonably be deemed to be the payment by the people for the great European and world-wide advantages they have gained as the consequence of its expenditure." Furthermore, if the home government had less to spend for civil purposes, its responsibility for

public works was less exclusive than that of a tropical colony. The despatch concluded with the renewed suggestion that the contribution be placed upon a percentage basis, to be paid in Straits dollars. (*Ibid.*, pp. 95-96.)

Though the Governor had to confine his protests to correspondence, the unofficial members of the Council were under no such restraint, and shortly they made their disapproval felt in the only way open to them—by resigning from the Legislative Council on January 4, 1895. The three Penang members preferred to keep their posts and make further efforts to reach a compromise; but proof that the Singapore members had the backing of a strong public opinion was given by the simultaneous resignation of the Justices of the Peace and the Chinese Advisory Board, and the refusal of the Singapore Chamber of Commerce to nominate a successor for its resigning Council member.

The deadlock between Colony and Colonial Office lasted until June, 1895, when the home government gave way, perhaps influenced by the Governor's assertion that relations with the unofficial community were being strained to a point where they imperilled good government. The new offer of a percentage contribution to be paid in Straits dollars was acceptable to the Colony and was there regarded as a moral victory. The sum was fixed at 17½% of the Colony's revenue, exclusive of expenditure on barracks, and with a further condition that the contribution should not exceed the cost of the garrison. In 1899 a small modification was made, raising the amount to 20%, but this was merely a technical change which brought the expenditure on barracks within the fixed contribution. The extent of the victory was less than it might seem since the demand of the War Office for £100,000 a year was approximately equalled by the 20% of the revenue which it secured. Moreover, with the rise in Straits revenue, the percentage contribution soon came to cover the entire cost of the garrison and even to leave a considerable surplus beyond the amount actually spent on the garrison.

During the World War the Straits contributed large sums to the imperial war chest, but their generosity was meant only for the emergency and not as an abrogation of the principle that regular contributions should be confined to local purposes. With

the transformation of Singapore into the principal British naval base in the East after the Washington treaties, it was inevitable that the home government should attempt to exact larger sums from its rich and flourishing colony, despite the grave local need for an extension of all the latter's social services. The Straits were pledged to a defense expenditure up to 20% of their revenue, but to place the Base under the heading of local defense would have almost doubled the already heavy payment made yearly for the garrison and would have provided a large windfall for the Admiralty.

At this turn of affairs the Colony realized the present unwisdom of the 1895 settlement. There was no choice but to fight the battle of the 1890's over again, but this time in an effort to secure a fixed and not a percentage contribution. From 1928 to 1931 the matter was debated. The Imperial government in 1931 made an effort to satisfy the Colony by fixing the amount at \$5,000,000, which was to include "a voluntary annual gift toward the cost of Imperial defence generally." The compromise did not satisfy the Colony which renewed its demand for a contribution fixed at \$3,600,000, plus a voluntary separate annual gift to imperial defense. Again there was bitter talk of the need for an unofficial majority to protect the Colony against mulcting by the home government. After each skirmish with the Council the Governor referred the matter back for further instructions from the Colonial Office. There was no need to force through a grant by steamroller tactics since the 1895 agreement still held and could in theory be enforced to the limit by the Imperial government.

After repeating the process of attrition by which the earlier settlement had been reached, a compromise was finally secured in 1933. It was agreed that for five years, beginning April 1, 1933, the Colony should pay into the Imperial War Chest \$4,000,000 per annum, plus a free gift to be determined by the unofficials. All these negotiations, it must be remembered, took place at a time of deep economic depression when suffering was widespread in the Straits and when it was possible to allot to such social services as education and health not much more than half the demanded imperial contribution. Under the new agree-

ment it was still open to the unofficials to demand that the amount paid should not exceed 20% of the Colony's revenue, and to the home government to demand an increased contribution. Assurance was given that increase or decrease of the fixed sum would not be made without the approval of a majority of the unofficial members, but it is clear that neither at home nor in the Straits is this settlement regarded as closing the issue.

Compared with the agreement reached in 1895, the new arrangement was a triumph for the unofficial minority. In the former argument they had been forced to abandon completely their point that local and imperial defense could be assessed separately and to compromise on a percentage assessment. The agreement of 1933 gave them a fixed annual payment and a form of insurance against arbitrary increase. What gift they make to imperial defense is at least nominally voluntary and voted by themselves, not by the Council as a whole. To a limited extent they have secured power of the purse, but the money that flows out of it is destined rather to relieve the British tax burden than to raise the standards of living of the inhabitants of the Straits.

In each year since 1934 the unofficials have voted an extra grant of \$500,000 for imperial defense, and each year their contribution has been officially praised in Parliament as a "generous gift." Yet there is evidence that even in London it is known that all things are not as they should be. In commenting on the fact that \$100,000,000 has been contributed by British Malaya to imperial costs since the War, the *Crown Colonist* writes: "There is some criticism of the country's munificence in this direction while the problem of social services has not even been examined, and while the thousands on the verge of starvation in Singapore today exist by virtue of private and usually anonymous charity." (April, 1936, p. 192.)

CHAPTER VII

MALAYA TODAY

FROM the end of the World War to the coming of the depression British Malaya experienced an era of internal peace and unbounded prosperity for the upper classes comparable to that of the United States in the same years. There was, indeed, at the beginning of the period the brief post-war slump but all memory of it was wiped away by the wealth that flowed into the country, largely from its booming American trade and in part under the aegis of the ultimately disastrous Stevenson rubber restriction scheme. Politically, aside from certain Chinese Communist disturbances which reached only a trifling section of the community, the one breach in the peace was the Guillemard-Maxwell controversy which was fought out within the official hierarchy and had few popular reverberations. In varying degrees all elements in the population shared in the new prosperity, "politics" concerned no one except the officials who came from England to run Malaya's affairs, and, most important of all, racial relationships were a model of harmony and good feeling for all the world. Malaya could afford to watch complacently the disturbances which shook neighboring China, India, and the Netherlands Indies. But great changes were in the air.

On the economic score the collapse of the Malayan boom was bound to follow shortly after the pricking of the American bubble since the United States absorbed directly over 40 per cent of Malaya's exports: out of a total export trade of \$1,290,000,000 in 1925, when the price of rubber soared skyward, the United States took \$643,100,000, and in 1929 the total was \$931,000,000 of which the United States took \$393,200,000. By 1931 the total exports had fallen away to \$430,000,000 and the American share to \$134,000,000. The almost complete collapse of the markets for rubber and tin and in lesser degree for the other Malayan prod-

ucts temporarily wiped out the staggering gains in the foreign trade of the Peninsula and brought it back to a lower point than it had touched in the post-war years. Governmental revenues and expenditures necessarily followed the same course, and the lavish spending which had marked the boom years of the twenties in both official and private circles gave way to a grieved and sober calculation as to how to make both ends meet. The tide of immigration which had flowed so strongly into Malaya from China and India to meet the labor demands of mines and estates was now reversed and flowed sharply back.

Accompanying this economic debacle there was, substantially for the first time in the history of Malaya, political turmoil which reached deeper than the upper crust of the population. Inevitably the swift transition from prosperity to poverty turned all eyes critically toward the government and its officials and worked to arouse the latent race hostilities and suspicions. When all classes of all races were being warmed by the golden sun of the boom there was no occasion to bicker either among themselves or with the "heaven-born"; but when the sun was obscured and the chill rains began to fall it became necessary to crowd for space under the limited shelter. Into this already precarious situation there was injected the further disturbing element of a revival and refurbishing of the old political issues, buried during the Clifford régime, by Sir Cecil Clementi who was transferred from the Governorship of Hong Kong by the Labor Government to take office as Governor of the Straits and High Commissioner for the Malay States early in 1930. Decentralization in the Federation, the disappearance of the Chief Secretaryship, and Malayan union all were shoved again to the center of the stage as they had been earlier, but with the striking difference that this time considerable sections of the populace left their proper places in the pit and joined the official actors in the discordant play. Due to the depression, to the revival of the political issues, and to other factors, the pride of Malaya in the absence of racial animosities was shattered by the emergence of an overt and wordy conflict between the Chinese and the British in which the Malays played, on the whole, the passive rôle of having their destinies decided for them in the clash of the two outsiders. That this conflict did

not get further than words is to be explained by the fact that it was fought almost exclusively by the higher strata of the Chinese society who recognized clearly enough that their essential interests would be hit almost as hard as those of the British in the event of any radical overturn. To the observer of this time of the depression and of Clementi's Governorship there was given a strong sense of witnessing the passing of an age of innocence and a transition to a less happy age of political realism. Without too gross exaggeration it may be said that this was the Malayan phase of the awakening of the East, although the Malays themselves still stand aside from the main currents of the age.

Clementi's campaign for reforms, which he had discussed with the Labor Government's Secretary of State for the Colonies while on leave in London just previously, was opened on August 18, 1931, at a significant Durbar at Sri Menanti, Negri Sembilan, attended by the rulers of the four federated States, the Chief Secretary, and the four Residents. Here he announced his program, which he later elaborated before the Federal and Legislative Councils, for a general Malayan union and for decentralization in the F.M.S.¹ As his starting point he took the striking fact that in an area substantially the same as that of England there are no fewer than ten administrative units: the Colony and nine Malay States. Counting the federated States as one entity there are still left, as he put it, "seven administrative units, functioning with little collaboration or co-ordination, existing (as it were) in water-tight compartments," and related to each other only through the single Governor-High Commissioner.

The principal stumbling block in the way of securing a greater cohesion among these several units in their common interests, he saw to be, as his predecessors had seen before him, the departure of the F.M.S. from the intentions of its founders and its development into something like an amalgamation. In general terms his conception was that the four federated States should be placed, to cite his vague phrase, "on very much the same constitutional basis" as their unfederated brethren, loosening the federal knot, which was now too closely tied, in order that its loops might be

¹ For excerpts from the proceedings of the Durbar, see Appendix 38, *Federal Council Proceedings*, 1931. See also *ibid.*, November 16, 1931; and *Legislative Council Proceedings*, September 28, 1931.

extended to include the other political entities of the Peninsula.* Such a step he saw as leading to an increased understanding between all the States in matters of common interest and, at a further remove, "to the emergence of a brotherhood of Malay nations, each proudly guarding its historical individuality and autonomy, but joining hands with the rest in enterprise that may be for the good of the Malays of this Peninsula as a whole and of the immigrants of other races who have made this country their home." Perhaps he would have been wise to emphasize that in all probability the greatest long-run gain from such a Malay brotherhood would accrue to the spreading network of British and Chinese industry and investment. At all events the problem of overcoming the local particularism of Malaya, the result of its patchwork history, was thus for the first time placed in the forefront of the new political program.

Because of the necessity of dealing with the overcentralized F.M.S. before the other aspects of the scheme could be effectively handled, the immediate implications of Clementi's detailed plans were largely confined to the Federation, but certain concrete suggestions were made embracing all the Peninsula's political units. The most striking of these was that which called for a customs union for Malaya, involving freedom of trade between the several units and a common external tariff. Such a union was advocated not only as an obvious step in a general process of administrative rationalization but also as an almost inevitable concomitant of the impending introduction of import duties which would allow the various units to secure further revenues on a more stable basis than hitherto. The High Commissioner recognized at the outset that the real problem in this connection did not lie with the States but with the Colony, unalterably wedded, as it was, to the free trade principles of Raffles; but he hoped that a

* The *Straits Times* (November 12, 1931) gave this plan its editorial blessing with a rare but vigorous straightforwardness: "The Federation as it exists at present, and as it apparently would exist for many years to come if Sir George Maxwell had his way, is a barrier to Malayan unity. . . . The Federation has served its purpose. It has been an administrative triumph but a political failure. . . . Which is better? The continuance of discontent in the F.M.S. and suspicion in the Unfederated States? Or nine States, each autonomous within its own boundaries but combining together in the many matters in which they have a common concern? Statesmanship can give but one answer."

united front on the mainland would bring sufficient pressure on Singapore and Penang to force their entry also. Before much progress had been made in this direction, the situation was further complicated by the demands of London that the Ottawa Conference result be embodied in the Peninsula's tariff structure.

Other concrete proposals called for the creation of a Malayan Railway Board in which the F.M.S. would have the first share but which the other administrations might join under certain financial conditions, and the creation of a central Postal Board which would represent Malaya as a unit in the Postal Union and co-ordinate the work of the several administrations, leaving each State free to manage its own internal affairs and—delighting the heart of the philatelist—to issue its own stamps. More broadly, there was a general invitation to the Colony and the unfederated States to join with the Federation in certain enterprises which could be more efficiently and economically administered on a Malayan basis.

It is unnecessary to examine in detail the proposals particularly affecting the Federation. In brief they envisaged the immediate transfer to the States of such services as Agriculture, Co-operation, Education, Medicine, Mining, and Public Works; while reserving for the federal authorities control of Railways; Posts, Telegraphs, and Telephones; Surveys, Customs, and the more important central educational, health, and research institutions. The transferred services were not, however, to be handed back completely to State control: the program called for the appointment of central officers for such services who would be the Directors of the services in the Colony and Advisers to the Malay States, although it was left unspecified whether these officers would be advisers to the unfederated as well as to the federated States. In the Medical Service, for example, each State would retain a Senior Medical Officer heading the State service, but under the general supervision of the central Adviser who would co-ordinate the work as a whole, make recommendations to the several administrations, and control the appointment and transfer of medical officers after due consultation with the administrations concerned. In this way it was hoped to secure a general uniformity of conditions without too great an infringement

of the autonomy of the States. Irreconcilable differences between State governments and their professional advisers would be settled by reference to the High Commissioner.

It will be obvious that these provisions as to the future Malayan status of the department head-advisers in themselves implied a considerable breach with the independence which Kuala Lumpur had previously cherished, although several important branches of the administration were already headed by officers holding a joint Straits Settlements and F.M.S. appointment.* Their proposed new status implied, however, a considerable further shift: where before they had been federal officers in the F.M.S. heading federal departments, at the same time being Colony officers heading Colony departments, they now became Malayan officers advising State departments. It was a reasonable assumption that the coming years would see a marked increase in the power of Singapore and an equivalent decline in the Federation's separate powers.

This assumption was much strengthened by the reappearance of that old bugbear of decentralization: the abolition of the Chief Secretaryship. In this connection the High Commissioner minced no words and in consequence threw into the opposition all those who had sided with Maxwell in the earlier dispute over the same issue. Clementi emphasized that the new incumbent had entered on his duties with the clear realization that his post would disappear: as someone remarked, his function, like that of the Cheshire cat, was to grin himself out of existence, leaving only

* Thus in 1905 the Forest Department was re-organized on a joint Straits Settlements and Federated Malay States basis, and this example was followed in the next year by the Education Department. From 1912 to 1926 Labor, Agriculture, Surveys, Fisheries, and Posts and Telegraphs were established as joint departments in that order. The first Malayan appointment came in 1922 on the strength of representations by the War Department that the title of the General Officer Commanding the Troops, Straits Settlements, placed him in a false position in the States. As a result "Straits Settlements" was dropped from his title, and "Malaya" added to it. The other Malayan appointment came also through external pressure: as the result of representations from the Government of India, in connection with the recruitment of Indian labor by the unfederated States, the Labor Department was converted from its "S.S. and F.M.S." status into a "Malayan Labor Department," under a "Controller of Labor, Malaya" in 1925. In 1921 and 1931 the census was taken on a Malayan basis by the "Census Officer, Malaya." See Sir George Maxwell, "The Constitutional Problems of Malaya," *Crown Colonist*, August, 1932, pp. 74-75.

the grin behind. At the Durbar Clementi stated that the new constitutional order would not admit of any authority interposed between the State governments and himself, and he added that any officer whom he might later appoint to help him with work emanating from the Malay States would definitely possess no authority, would be of lower rank and status than the Residents, and would be allotted merely secretarial duties. At the best, in other words, the successor, if any, to the Chief Secretary would occupy a seat not of remote and independent authority but of the same lowly order as that occupied in connection with the unfederated States by the Secretary to the High Commissioner. In the minds of overheated federal patriots this declaration conjured up visions of Kuala Lumpur reduced to the status of a country village while Singapore waxed fat on its spoils.

Especially in his address to the Federal Council the High Commissioner was firm that no such disintegration of the Federation was implied in his schemes and that he sought no more than the restoration of a federal character to what had drifted into being a unitary State. He desired, he said, to make it quite clear that the Federation, or League, of the four States would remain intact, and that "the only contemplated change lies in the direction of an extension of the League to embrace other Malayan administrations desirous of joining it"; but to many of the officials and unofficials of the Federation its continued existence without the Chief Secretary and without independent administrative departments was essentially inconceivable.

In the two key points of legislation and finance the new policy was not very precise, although it was stated that the Federal Council would continue to legislate for the long list of necessarily federal topics and also to hold the keys of federal finance. It was, however, evident that any effective decentralization would imply the shifting of far larger and more important burdens to the State Councils than they had previously borne—the High Commissioner estimated that the work of the Federal Council would be reduced roughly by a half under the new system—and it was strongly suggested that they be enlarged and improved by the addition of competent unofficial members, a step which the States were prompt to take. With this resurrection of the State Councils from being moribund Malay appendages to the general structure,

Clementi suggested that in the future no one should be appointed as an unofficial member of the Federal Council who was not already a member of his State Council.

This general program was put forward as representing the wishes and needs of the rulers,⁴ and received their immediate approval at the Durbar at which it was announced. The only reservation which was publicly made was that of the Sultan of Perak who utopianly suggested that, since the federated States had demonstrated their loyalty for so long a period, they should be placed on a constitutional basis not only comparable to that of the unfederated States but involving an even larger measure of autonomy. This unanimous approval of the rulers was far from being echoed by the rest of the Peninsula, however: from almost all other quarters there arose a clamor of surprised pain which grew louder and louder and more and more widespread as time passed. In the Colony all the free trade sentiments burst loose again; in the Federation practically every element of public opinion except the Malays joined in vigorous dissent from almost every feature of the plan⁵; in the unfederated States the dangers

⁴ Serious doubts were expressed in some well-informed quarters as to whether the rulers had, in fact, any intense desire for a change. Sir George Maxwell, for example, in a letter to the *Malay Tribune* (July 25, 1932) said that throughout his long service in Malaya, he had never heard any suggestion from a ruler that he was dissatisfied with the system. "I have good authority for the statement," he continued, "that since the Sri Menanti Durbar all four Rulers have found an opportunity of informing the High Commissioner that they are opposed to any change in the duties and powers of their Residents. . . . The public cannot be blamed if it imagines that centralization in Singapore can be the only result, if, indeed, it is not the aim of the present policy."

It was my own opinion that, although the rulers presumably looked favorably on the new policy when it was presented to them, the original suggestion and the main force behind it came from other quarters.

The rulers' approval of the plan was formally presented at the Pekan Durbar on April 28, 1932. On that occasion the Sultan of Perak, speaking for all the rulers, stated that after mature consideration the rulers expressed their full concurrence in the High Commissioner's proposals, and asked for the prompt transference to State control of all matters not agreed to be truly federal.

⁵ "After all, why should any non-Malay individual, any British firm, any planting company, even any Civil Servant, welcome decentralisation? In so small an area as the Malay Peninsula it is obvious that the more centralised an administration is the more efficient and the cheaper it is likely to be. The non-Malay inhabitants of the Federated States are perfectly satisfied with the system under which they now live, and any important changes must inevitably raise in their minds the fear of deterioration and dislocation of the governmental services that have served them so well." *Straits Times*, October 5, 1932.

of Malayan union were promptly advertised. Even a considerable proportion of the officials privately backed up the almost unanimous opposition of the European unofficials, and the Chinese gradually lent their whole-hearted support to it under the pressure of various forces.

As the occasion grows more remote it is increasingly difficult to comprehend why so great a furor should have been created by the announcement of a plan the principal elements of which must inevitably commend themselves to any common-sense view of Malaya's affairs; but it is an undeniable fact that it aroused a resentment the unanimity, bitterness, and intensity of which are unparalleled in Malayan history.* To explain this situation it is necessary to look beyond the plan itself, although certain features of it undoubtedly justified the fears of those who saw their particular interests attacked and were unable to take a long-run view of the future prospects. The driving of the Chinese into opposition was not a necessary result of the plan itself, and the same may be said of many of the other hostilities which it shortly generated. The two main factors which brought so many fundamentally diverse elements into a common opposition were, on one hand, the increasingly bad economic situation, and, on the other, the type of diplomacy utilized by Clementi. The former caused a general unrest which was only too eager to find a specific outlet, and there were many who protested, as similar groups protested against the policies of Franklin D. Roosevelt in the United States, that it was unwise to tamper with the basic machinery at a time when there were so many immediately pressing problems in the economic sphere. These dissatisfactions were intensified by the inability of Clementi to conciliate some of his opponents and thus divide the attacking forces. It was widely contended that the whole scheme, despite Clementi's denials of its finality in detail, had been brought forward in too elaborately cut-and-dried a fashion

* As a somewhat extreme example of the bitterness, see *Tolong-Lah* (Kuala Lumpur, April, 1932), produced in aid of The Planters' Benevolent Fund of Malaya. Among many other violent gibes, it remarked: "Rumor—ever a lying jade—has it that as soon as the now independent Malay States are merged into the Confederated States of Malaya as a British Crown Colony, the dignity of a peerage of the realm will be conferred upon H. E. Sir Cecil Clementi. Speculation is rife as to the title His Excellency will take: some say it will be 'Barren Policy of Malaya.'"

and that there had been no adequate consultation of local opinion. Instead of winning over to him outstanding individuals and groups by a preliminary process of consultation and compromise, the Governor-High Commissioner proceeded in a rational but impolitic fashion to thrust the whole scheme forth at once and then to insist on its speedy execution. There was no pause to persuade the different interests involved of the desirability of supporting, in their own or the general Malayan interest, the parts of it which affected their own concerns. The result was a general uproar: on one side stood Clementi in a splendid isolation of somewhat icy reason, apparently unable to comprehend why his rationality should meet so hostile a reception, and, on the other, almost all the vocal elements of public opinion, clinging to the established order and traditions and in part personally aggrieved.

A further unfortunate feature of the situation was that the groups and individuals who supported the new policy were almost necessarily those best calculated to prejudice it further in the eyes of the European unofficials and the Chinese. The scheme appealed primarily to the Malays of the Federation, in so far as they troubled themselves with politics at all, since it seemed to offer a greater opportunity for Malay rule on the order of that existing in the unfederated States and for a breaking down of the centralized British control at Kuala Lumpur. In the unfederated States, however, the only Malay sentiment which found public expression—that of the ruling clique—equally naturally was hostile to the scheme because of the greater degree of control by Singapore which it foreshadowed, and this hostility was in general shared by the British officials serving in those States.

In the F.M.S. the attitude of the officials was more divided and more complex. It was my impression that the bulk of them were opposed to the new policy for a variety of reasons, but, as officials, they were not in a position openly to combat the High Commissioner. They feared that decentralization would adversely affect the prized efficiency of the federal administration, that it would damage the credit of the Federation, discourage the large-scale enterprise on which the Federation so largely rested,

and serve to set back the clock in almost every sphere. While expressing a sincere affection for the Malays, these officials for the most part had little faith in the possibility of Malay development and frankly, if occasionally regretfully, looked to a future in which the Chinese would cut off the Malays from even the small share in their country which remained to them. On this basis it seemed a Quixotic and futile gesture to waste time in the pretense of handing back the States to Malays who were not fitted to receive them, not much interested in getting them, and not able to hold them when they had them. Since such official views could secure only very meager public expression, the field was, in many ways unfortunately, monopolized by a small minority of officers whose earlier experience had been largely in one or more of the four northern unfederated States. The conditions existing there had brought them into closer and more favorable relations with the Malays than was generally the case in the F.M.S. and had given them a strong taste for the simpler, more native, structures as opposed to the Federation's centralized and elaborate European administration. In consequence they rallied to the support of the High Commissioner's program, taking a strong and more or less open pro-Malay position which necessarily implied hostility to Chinese aspirations and, to a lesser extent, to large-scale Western enterprise. Through their advocacy, and the emphasis which they laid on certain features of it, the entire policy came to be identified for many with a disastrous process of "going native" at the expense of the foreign interests which had made the country what it was.

To the Chinese in particular this type of policy seemed peculiarly dangerous and threatening. In good part, of course, their attitude was determined by the same considerations as those which moved the rest of the unofficial community, whose economic interests were largely inseparable from theirs, but there were also special difficulties. In an era of aroused Chinese nationalism, they had already been put on their guard by Clementi's onslaught on the Kuomintang in Malaya, which was taken to indicate an anti-Chinese bias on his part. Despite their amiable protestations, they had little affection for or interest in the Malays, and no belief in the ability of the latter to share in the management

of the complex affairs of the modern world. Unlike at least certain of the British officials they felt no moral responsibility for the future of the Malays and, like the British unofficial community, examined Clementi's proposals almost exclusively in the light of their own diverse interests. That part of the proposals which involved a greater unity and uniformity among the Malay States they could applaud, since it promised an extension of their economic interests through the disappearance of annoying internal barriers within the Peninsula and through the implied increase of British control in the unfederated States. This argument was, however, outweighed by the fact that their present interests chiefly centered in the F.M.S. and the Colony, as did those of the British, and the immediate effect of the new policy was largely confined to a breaking down of the centralized federal structure. The one other State that directly concerned them was Johore, and there their interests were as amply protected as in the Federation and they could make profitable use of the slightly greater flexibility of governmental supervision. As Tan Cheng Lock, one of the principal Chinese leaders, significantly phrased it in the Legislative Council, the plan appeared to call for the concentration of executive and political power in the hands of the Resident of each of the federated States, supported by the Malay Sultan and his rajas and chiefs ("who, after all," he remarked, "form a very minute class of the population"), under the general supervision of the High Commissioner. Even in the enlarged State Councils the official and Malay elements would decidedly outnumber and overwhelm the unofficials, including the Chinese. "So one naturally fears," he continued, "that the decentralisation scheme will tend to develop, produce and perfect in the Malay States a purely autocratic form of government based on the taxation of the people, whose energy, labour, capital and enterprise are the mainstay of those States, without their adequate and effective representation therein as is largely the case in the Unfederated Malay States." Added to this objection there was the dislike of the

⁷ October 12, 1931. At the close of this session the High Commissioner answered Tan Cheng Lock in vague terms by stating that it was the British aim to promote the welfare of all British subjects and to provide them "with healthy and happy homes"; an answer in no way calculated to calm Chinese fears.

Chinese merchants in the Straits for a customs union which would act to interrupt the free trade on which their fortunes were based. When it became apparent that the most ardent backers of the new policy were the most outspoken pro-Malay and anti-Chinese officials the Chinese joined in the fray whole-heartedly in defense of the existing structure. It seemed clear that there was no way in which they stood to gain in the immediate future from a loosening of the federal tie, while they stood to lose both politically and economically. With minor exceptions, their objections coincided very closely with those of the European unofficials.

So intense and far-reaching did this controversy become that the Colonial Office adopted the expedient in the autumn of 1932 of sending out to Malaya an impartial observer to examine the situation on the spot, hear the opposing parties, and report as to the facts and possible solutions. To what extent the shift from a Labor to a National-Conservative government may have influenced this decision it is impossible to say, but it is certainly a factor to be taken into account. The man entrusted with this delicate mission was Brigadier-General Sir Samuel Wilson, Permanent Under-Secretary of State for the Colonies, who three years earlier had visited East Africa under similar circumstances to discuss the recommendations of the Hilton Young Commission. In preparation for his visit, which was rightly regarded as the culmination of the whole controversy, all parties organized their forces and prepared their documentation in an effort to wring from him a report which would bear out their claims. The report itself, when it appeared in the following year, was almost universally accepted as being a very able compromise between the opposing positions, from which no one could extract a complete victory, and as furnishing a platform for future action on which all, with reservations of one sort and another, could agree.*

Although the problem was at bottom a Malayan one it has been thought advisable to break up the treatment of it in terms of the groups of units concerned.

* An excellent summary of the report combined with a general survey of the situation was published in the *Times*, October 17, 1933. See also Sir Frank Swettenham's letter, *ibid.*, October 19, 1933.

THE FEDERATED MALAY STATES

The two primary problems in the Federation were the devolution of further powers to the member States and the reduction in status or the abolition of the Chief Secretary. Neither of these was new: the former in particular had been officially and unofficially accepted in principle for a long time back as a necessary move, and the latter had behind it the authority of more than one High Commissioner.

In his devolution proposals, Clementi was, in fact, only hastening on the execution of a program the principles of which had already been adopted. The question was not one of suddenly initiating a new and radical policy but rather of pointing out that the earlier pledges to the States and their rulers of increased competence had not been honored in any very substantial way. Under the pressure of Guillemard and, perhaps, of Maxwell State budgets had indeed increased and a number of services had been transferred to State control, but these services were not of such a nature as to arouse much enthusiasm or attract much attention. Virtually all legislation remained in the hands of the Federal Council—in 1931, for example, only two bills each were passed by the State Councils of Selangor and Perak, both supply enactments—and its financial control extended to practically all subjects of importance. As one of the ablest Malayan journalists wrote in 1932, "decentralization, which has been declared for the last ten years to be necessary, has been carried out to the extent that the State governments now control Sanitary Boards, museums, bands, game wardens, and a few other things. . . . All that remains of the independence of Selangor, after thirty odd years of federation, is the control of a dozen minor services, and the only government of which the enlightened public takes any notice is the Federal government."*

This almost complete submersion of the individual States in the Federation might have been passed by as embodying the natural and logical development if it had not been for the continued

* "A Journal in the Federal Capital," *Straits Times*, August 13, 1932. This article gives an admirable brief review of the decentralization controversy through the years.

existence of the unfederated States and their relative prosperity. As it was, the difference between the two systems was too striking to be ignored. Furthermore, public attention had recently been drawn to it by the comments of W. G. A. Ormsby Gore, Parliamentary Under-Secretary for the Colonies, in his report on his visit to Malaya in 1928.¹⁰ Drawing heavily on Sir Hugh Clifford's speech of the previous year as to the character of the Malay States as Mohammedan monarchies, Ormsby Gore remarked that the Federation had developed a more direct British administration than the other States, which had wisely followed the indirect system utilized in the Emirates of Northern Nigeria. Acknowledging that there could be no going back on the *fait accompli* of federation, he expressed the view that the spirit and intention of British policy in Malaya had been carried out more simply and more completely in the unfederated States, and hoped that the latter would for a very long time retain their individuality by keeping themselves free from the toils of the Federation.

This praise of the unfederated States, combined with an unaccustomed disparagement of the glories of the F.M.S., was carried on a stage further by Sir Cecil Clementi in an effort to demonstrate to the opponents of decentralization that his policy by no means necessarily implied the ruin of the Federation's finances. Where these opponents normally based their arguments on the existing Federation as a financial giant surrounded by pathetic and poverty-stricken neighbors whose development it had reluctantly financed, the High Commissioner could demonstrate easily enough that Johore and Kedah, which he chose as examples, had in fact amassed substantial surpluses and were preparing budgets for 1933 which left them in a somewhat sounder position than the Federation itself. Nothing, he insisted, was contained in the record which indicated that financial control in the federated States was more prudent or more efficacious than financial control in their unfederated brethren: indeed, he added, "it is in the Federal Government rather than in the State Governments that improvident and extravagant methods grew up in the past, for which we suffer here and now." It can have afforded the proud Federal councillors little consolation to bear in mind Clementi's

¹⁰ Cmd. 3235 (1928).

suggestion that they remember the happy position of Johore and Kedah while they listened to the "melancholy statement" about to be made in explanation of the Federal budget.¹¹

Despite these somewhat dubious assertions as to the relative financial sanity and good health of the unfederated States it was in the field of finance that the High Commissioner met his first decided check as far as the decentralization program was concerned. There was general agreement, in principle, that the F.M.S. was overcentralized and that it would be pleasant and tactful to encourage the Sultans by the restoration of some measure of State control. It was also agreed by most critics that the very wealth of the Federation in its boom days had encouraged unduly lavish spending and that stricter financial supervision was essential; but it was a different story when it came to actual transfer to State control of what were regarded as key federal services and the money to pay for them. Here the Secretary of State for the Colonies of the new National-Conservative government joined in to support the unofficials and the large-scale industries, protesting that it would be "unwise, unsound, and unfair" to decentralize the services which regulated conditions in industries such as rubber or tin where uniformity was clearly essential.¹² With this backing from the highest quarters the European

¹¹ *Federal Council Proceedings*, October 31, 1932. This financial comparison, which attracted wide attention, by no means passed unchallenged. In the adjournment speeches on November 1, 1932, the unofficials proceeded to reply, one of them summing up their case in the suggestion that "generosity to our neighbors in times of prosperity is the main cause of the present financial position of the Federation, and, moreover, that it is in a large measure due to that generosity that the very satisfactory figures quoted by Your Excellency were made possible." A previous speaker had already pointed out that the F.M.S. had borne the whole cost of such undertakings and contributions as H.M.S. *Malaya*, the contribution to the Singapore Naval Base, the Malayan Information Agency in London, the whole of the capital cost of the railway passing through Kedah and Kelantan, and many other undertakings which had benefited the unfederated States. It was further suggested that if Kelantan and Trengganu were included the comparison was not quite so happy.

Conceding these points, Clementi again asserted "that the critics of decentralisation should understand that State Governments, by past and present experience, have proved themselves to be more, and not less, economical than the Federal Government."

¹² House of Commons, April 22, 1932. The *Times* (October 20, 1932) commented editorially in connection with Sir Samuel Wilson's visit that "the main tasks of statesmanship in Malaya are concerned with large economic realities which reckon little of State frontiers."

and Chinese were in a position to block the transfer to the States of other than minor and non-essential services, the principal exception being public works, which the Secretary of State had agreed to regard as properly a State service.

It has been said above that the financial implications of the new policy had been left almost untouched at the Sri Menanti Durbar, and to fill in the gaps here the High Commissioner appointed a committee composed of the Auditor, S.S. and F.M.S., the Financial Adviser and Treasurer, F.M.S., and the Resident of Pahang. Being a wholly official committee restricted to recommending financial changes necessary to give effect to the decentralization policy, it was not completely trusted by the unofficials who saw Clementi's program as a rash and scatter-brained attack on federal finances, but its report was gleefully received as spelling the doom of the policy.¹⁴

The basic principle adopted in the report was the opening assertion that "in no circumstances should the policy of administrative decentralisation be applied in such a manner as to impair in any degree the financial stability and credit of the Federation." It was the assumption of the committee that federal finances had already been severely shaken by the depression, that they were facing new and serious strains, and that future schemes of development must depend upon loans. Therefore any reforms which would operate to weaken the financial strength and credit of the Federation might shortly prove to be disastrous. Insisting that "political devolution cannot be purchased at the price of financial dissolution," the committee frankly concentrated its attention on the maintenance of federal credit and acknowledged that its recommendations did not go very far on the road to State financial autonomy. Unlike the High Commissioner the committee felt it necessary to warn against the extravagant tendencies of local governments and to suggest the institution of a system of very stringent supervision of State finance, exercised particularly by the federal Financial Adviser and the High Commissioner.

¹⁴ *Federal Council Proceedings, 1932, Appendix 22.* On the basis of the High Commissioner's proposals the committee assumed that the States would have control, under the general supervision of Malayan advisers, of a considerable number of services. The most significant of these were: Agricultural, Chinese, Courts, Education, Forests, Medical, Mines, Public Works, Drainage and Irrigation. For a critical analysis of the report, see an article by Sir George Maxwell, *Straits Times*, September 13, 1932.

The extent of its insistence on the continued priority of the Federation in matters of finance may be seen from the fact that in its sample draft estimates for 1933 it allotted to the Federation revenues totalling \$30,111,682, derived principally from export and import duties and excise revenue other than that from the sale of opium, as against \$23,377,695 for the four States combined, derived from opium, lands and mines, and other local sources. Furthermore, the States were to turn over to the federal treasury, in order to create a federal reserve fund of \$35,000,000, all surpluses beyond those necessary to maintain a liquid working balance. It is of interest to note that in this report, as in substantially all similar documents, no mention is made of the rulers and that it is correctly assumed throughout that the active agent of the State is the Resident, joined, in some instances, by the State Council.

The stand taken by this committee was on the whole endorsed by Sir Samuel Wilson, although he was in a position to go further since he was not bound by his instructions to work within the limits of the new policy as laid down by the High Commissioner. In consequence, he was able to state, as the committee would no doubt have liked to do, that "from the financial point of view any changes should for the time being be strictly limited to those which will tend at once to check extravagant expenditure and strengthen the financial position of the Federated Malay States." As a practical matter he recommended that for a period of four years there should be no basic change in the financial relations of the Federation and the States, i.e., that the Federation should continue to collect and appropriate all revenues and that the Federal Council should then vote a block grant to each State to meet the total cost of the State services. At the end of this period the collection and appropriation of certain of the revenues would be turned over to the States to be followed ultimately by others sufficient to meet all their expenditures without federal subvention. From a financial standpoint, therefore, Clementi's reforms were in good part blocked for the immediate future and the States were left in precisely the same state of financial dependence as formerly, although the funds at their disposal were to be increased.

As far as the transference to the States of control over the

services suggested at Sri Menanti was concerned, Wilson accepted the proposals of the High Commissioner, although he warned that the day when it would be practicable or desirable to place the rulers in the Federation in exactly the same position as the rulers in the unfederated States was a long way off. He agreed that the federated rulers had been promised and expected control of their own domestic affairs except where a unified policy was clearly necessary, but he took pains to emphasize the fact that such a transference of control was advisable essentially for political reasons, while "from a purely economic point of view it would no doubt be advisable in a country the size of Malaya to have one Central Government administering the whole territory." Nor does he appear to have been under any illusions either as to the extent to which the rulers would themselves participate in the strengthened State governments or as to the likelihood of luring the unfederated States into the federal fold. In brief, the earlier policy of Guillemard was to be carried forward, but at the same time the Federation was to remain the principal factor in the situation and to retain control of the purse strings.

Although no mention was made of it in the High Commissioner's address at Sri Menanti, the problem of securing a higher degree of unification of the Malayan judicial systems was one of the matters which shortly came to be tied in with the broader issues of decentralization and of Malayan union. In the Federal Council session of September 13, 1932, one of the British unofficals rose to confront the High Commissioner with the widespread rumors that there was to be some sort of amalgamation of the judiciary of the Straits and the Federation and to plead vigorously against the taking of such a step. The High Commissioner conceded the truth of the rumors, but insisted that matters had gone no further than a joint discussion between the Chief Justices of the two administrations and Colonial Office authorities. In November the F.M.S. Bar Committee submitted to Wilson a memorandum outlining its misgivings and seeking his intervention to check further developments. The proposal that there should be one Chief Justice stationed in Singapore and acting for both the Colony and the Federation, the Bar Committee countered by pointing out that in the Colony the fount of justice was

the British King and that the Supreme Court administered a law, the basis of which was the common law of England, whereas in a Malay State the fount of justice was the ruler and the law administered was Mohammedan law tempered by Malay custom. The obvious anomaly of having one court for several countries politically distinct and with different laws was sharply pointed out. The degree of interchangeability of judges was regarded as already adequate, and it was feared in this, as in other matters, that if a Chief Justice for Malaya should be stationed in Singapore, the needs and wishes of the Federation would be disregarded.¹⁴

In his report Wilson repeated without comment Clementi's further proposal that the separate entity of the several federated States should be recognized by constituting a High Court of Justice for each State which would be linked together at the top in a single Supreme Court of Malaya having jurisdiction over the Colony and the F.M.S. with a single Chief Justice at its head. This Supreme Court was to comprise a High Court of Justice in the Straits, the State High Courts, and a Court of Appeal having jurisdiction to hear appeals from all the High Courts. As in the rest of the Malayan unification scheme, if the unfederated States elected to use the services of the Court of Appeal, its jurisdiction could be extended to them. Leaving the matter of the single Chief Justice for the Colony and the F.M.S. for later consideration, Wilson stated that he could see no substantial objection to the Chief Justice of the Colony being empowered to sit as a judge

¹⁴ These views were directly challenged by A.K. à B. Terrell, Judge of the Supreme Court of the Straits Settlements and the F.M.S., in his *Malayan Legislation and Its Future* (Singapore, 1932), Ch. IV. Dismayed by the legislative chaos in the Malay States and the Colony, Mr. Justice Terrell proposed far-reaching reforms which he hoped would result in "the judicial system of Malaya being reorganised by the appointment of a single Chief Justice for the whole of Malaya and a permanent Court of Appeal . . . there are constitutional difficulties in the way of effecting an absolute fusion, but there would appear to be no objection to the Chief Justice of the Colony being also appointed Chief Justice of each of the individual States just as the Governor is also High Commissioner." "In Malaya," he continues, "the unsatisfactory constitution of Appeal Courts has become accentuated by the practice which has recently grown up of the judges in the Colony and in the F.M.S. working as it were in water-tight compartments. In theory the judges of the Colony are judges of the F.M.S. and vice versa, but in practice only judges in the Colony sit on appeal from a judgement given in the Colony, and the position in the F.M.S. is the same." P. 84.

in the Federation. This step was taken by an F.M.S. enactment of 1934 which established the Chief Justice of the Colony as an *ex officio* judge of the F.M.S., thus placing both Chief Justices in a similar position, both sitting as members of the Court of Appeal in both territories. When last heard of, Clementi's proposal of a single Chief Justice for the Federation and the Colony was still under consideration by the Colonial Office. Even less advance has been made in the larger problem of a general unification of the judicial systems of the Peninsula. The lack of a regularly constituted Court of Appeal in the unfederated States, with the exception of Kedah and Johore where judges of both the F.M.S. and Colony courts may sit on appeal cases, is made even more serious by the lack of a provision for appeal to the Privy Council from the four northern States. In the Colony there is an appeal to the King-in-Council as of right, but the Malay States are not subject to the Orders of the Privy Council except at their own request. In 1906 the four Sultans of the Federation requested that the Privy Council entertain appeals from the F.M.S. Court of Appeals, and the same step was taken by Johore in 1921, but it has not been followed by the other unfederated States.¹⁶

The major point of conflict remains to be considered: the abolition of the post of Chief Secretary. Sir Samuel Wilson recognized clearly and explicitly that in the eyes of the Europeans and Chinese and of the commercial community as a whole this was the crux of the situation and that it was on this point that earlier movements toward decentralization had gone to smash. He stated, as was undoubtedly the case, that without exception the representatives of the business interests and of the unofficial members of the community, backed by a large number of officials, believed that the post should not be abolished unless another were substituted for it, filled by a senior officer residing in Kuala Lumpur who would assist the High Commissioner in co-ordinating Federal policy and remain accessible to representatives of the public.

These views were vigorously and clearly stated in a Memorial drawn up for presentation to Sir Samuel Wilson by a conference

¹⁶ *Ibid.*, p. 85.

of delegates from Malayan public bodies¹⁶—in itself a remarkable tribute to Clementi's ability to weld the forces opposing him into a united front. This Memorial paid the customary lip-service to the idea of entrusting a measure of local control to the individual States, applauded the cautious sentiments expressed by the committee on financial changes, and proceeded to devote its main attention to the threatened supplanting of the Chief Secretary by the High Commissioner. Its basic assumption was that the successful continuance of the Federation was dependent upon the maintenance at Kuala Lumpur of a resident head who knew the country intimately and who would be in a position to represent the interests of the F.M.S. to the High Commissioner at least as strongly as the Colonial Secretary represented those of the Colony to the High Commissioner's *alter ego*, the Governor. If the Chief Secretary were to disappear, however, the executive headship of the Federation would pass to the High Commissioner, who, living in Singapore and being frequently a stranger to the country, would substitute government from Singapore in the interests of the Colony for the present government from Kuala Lumpur in the interests of the Federation. Already, the memorialists contended, an unfortunate system of partly absentee administration had been introduced into the five important departments whose heads lived in Singapore and held joint appointments, and they regarded the extension of this system to include the Federation's principal bulwark as an abandonment of all the Federation had achieved and stood for.¹⁷ It is not unfair, I think, to summarize the position of these leaders of the opposition by saying that as against the

¹⁶ The Memorial was presented at Kuala Lumpur on November 29, 1932. The bodies associated in the conference numbered fourteen, and included such varied organizations as The Planters' Association of Malaya, The F.M.S. Chamber of Mines, The Selangor Chinese Chamber of Commerce, The Engineering Association of Malaya, The Selangor Indian Association, and The Bar Committee of the F.M.S. The Memorial itself was approved by almost all the constituent bodies, and, as printed, was accompanied by a separate statement of the views of each of the bodies. These statements give a very valuable presentation of the points of agreement and disagreement between the various economic and racial groups.

¹⁷ In this Memorial, as elsewhere, a further question was put: "Is it compatible with the dignity of the representative of His Majesty's person that he should be the chief executive officer of States to which he is accredited and which, although protected, are nevertheless Sovereign States?" This formalistic objection is scarcely one to which much substantial attention need be devoted.

Malay States they insisted on the maintenance of a centralized European control and as against the Colony's trading interests they asserted their independence as producers. Of a deeper concern than this for either Malay States or Malays there is little if any trace: the enterprising journalist who labelled the Memorial the bible of economic imperialism in the F.M.S. was not without justification.¹⁸

Managing in some fashion to survive the furious bombardment to which he was subjected by both sides in Malaya, Wilson brought forth a proposal which, although it made certain concessions to the unofficial British-Chinese opposition, was essentially a vindication of Guillemard's and Clementi's claim that the Chief Secretaryship must disappear. The abolition of the post with its present powers and duties, he reported, was vital to the success of any policy of decentralization, but he was prompt to add both that the Chief Secretary could not be dispensed with until the greater part of his powers and duties had been transferred to other hands and that even in that somewhat remote future it would still be necessary to retain an executive head of the existing federal machinery. This new officer would, however, be lower in status and equipped with much slighter powers than the present Chief Secretary.

The final formal step in this direction was announced by Clementi's successor, Sir Shenton Thomas, in the Federal Council on November 14, 1935, causing scarcely a ripple on the calmed and again prosperous waters of Malaya.¹⁹ The Chief Secretary

¹⁸ This journalist continued to state: "In the light of the historical data the only possible conclusion is that the Conference has not been able to subordinate its own commercial, industrial and professional interests to the political necessities of the Federation, and that it expects to enjoy in a federation of protected Malay States all the advantages that are offered by a British colony. In other words, it has demanded almost exactly the same degree of centralised control in all the matters with which its members were peculiarly concerned as is exercised over the Straits Settlements by the Colonial Secretary in Singapore." "A Journal in the Federal Capital," *Straits Times*, December 10, 1932.

That economic issues were also the heart of the earlier decentralization controversy is stated in a *Straits Times* editorial of February 15, 1934, which asserts that Sir Laurence Guillemard "came into violent conflict with powerful capitalist and racial interests in the Federated Malay States over his decentralization policy."

¹⁹ The old Malayan guard in England protested in its organ, *British Malaya* (January, 1936), against this meek public acquiescence in a step

disappears and into his place there steps a Federal Secretary, but, learning perhaps from earlier experience, the change is not confined to name alone as in the reforms of 1909. The Federal Secretary is now lowered in both status and salary, a matter strikingly symbolized by the transfer of the Federal Secretary to the official residence of the Resident of Selangor and the elevation of the latter to that of the former Chief Secretary. In precedence the new officer now follows the Residents instead of heading the list. A significant feature in the High Commissioner's announcement of his plans was the statement that the Federal Secretary is to deal with matters affecting all Malaya and not merely the F.M.S., although it appears that for present purposes at least he is to confine himself to Malayan matters in which the F.M.S. are particularly interested. There can be little doubt that this is intended as a further move toward a Malayan union but there is much spade work remaining to be done before such a union can appear in full bloom. In general the High Commissioner defined the functions of the Federal Secretary as being those of a co-ordinating officer who will consult officials and unofficials, prepare cases for submission to the High Commissioner, and act as the latter's mouthpiece. In lesser matters where the issue is clear the decision will rest in his own hands as far as strictly federal affairs are concerned, but in State matters he has no authority to disapprove the recommendations of the Residents without the consent of the High Commissioner although he may approve such recommendations at his own discretion. In brief there is to be a strong senior officer located at Kuala Lumpur and sitting in the Federal Council, but his subordination to the High Commissioner is clearly established and his powers over the Residents and the State governments have been very sharply reduced. "He will remember always," as the High Commissioner put it, "that the authority in the States is the Ruler, and that the British Resident is the High Commissioner's representative therein. It is the right of the Rulers and of the British Residents that they should have free

which in earlier and better days had been blocked by violent public clamor, but the *Straits Times* in an answering editorial of February 21, 1936, pleads that there have been storms enough in Malaya and that it is time for *British Malaya*, having failed in sabotage, to accept defeat gracefully.

access to the High Commissioner." But since the first appointee to the new office has served previously as Controller of Labor, Malaya, he will not need to be reminded either that Malaya is for many purposes a single British unit nor that the authority of the rulers in their States is the authority of the British Residents.

The future of the Federal Secretaryship in actual status and power must depend in large measure upon the progress of an all-inclusive Malayan union, which would imply the setting up of new central machinery to deal with matters of interest to Malaya as a whole and the absorption into it of what then remains of the existing federal machinery. It appears to be generally recognized that in an area which has seen as highly integrated an economic development as the F.M.S. it is impossible to turn all matters back to the States: central control is essential and inevitable. Furthermore, it is generally conceded that this work of control and co-ordination cannot be carried on by the High Commissioner alone and that a senior officer residing in Kuala Lumpur is a vital necessity.²⁰ If all the Malay States were to be drawn into a common federation and that federation were to include, or, at least be closely linked to, the Colony, a great part of the present administrative complexities would disappear and administration from Singapore of the whole area as one for federal purposes would be far simpler. The often advanced argument that the unfederated States have developed adequately without any common authority other than that provided by the High Commissioner ignores the fact that these States have not yet been effectively drawn into the network of common economic interests which has linked the federated States into an indissoluble whole. To recognize this is not to say that there is not room for considerable devolution within the Federation, but it is to say that, short of a radical shattering of its economic life, the only fundamental change which can come to the Federation is a widening of its base to include the other Malay States. This situation seems to have

²⁰ The Wilson Report stated: "It would be impossible for the High Commissioner to do the necessary co-ordination himself." An examination of the actual position and powers of the Chief Secretary, particularly in relation to the High Commissioner, is to be found in an interesting exchange of somewhat abusive letters between "Klyne Street" and the Chief Secretary, reprinted in the *Straits Times*, July 28, 1932. See also Sir George Maxwell's letter to the *Straits Times*, November 1, 1932.

been grasped by Clementi but it is precisely the point at which the least advance has been made. On this basis it seems clear that the Federal government must continue to occupy the center of the stage and that the Federal Secretary, more closely associated, perhaps, with a council of Residents, and more directly under the control of the High Commissioner, must continue as an important personage until a new and broader federation has been created to replace the old.

As the High Commissioner insisted from the outset it has been necessary to strengthen the four State governments concerned in order to enable them to deal effectively with their new powers, but it is essential to bear in mind that this process has not necessarily involved any increase in the actual share in these governments of the Sultans in particular or the Malays in general. It is unnecessary to rehearse here the argument which has been advanced earlier to the effect that from the earliest days of British protection the administrations were in fact in the hands of the British Residents and their staffs, and that neither Sultans nor State Councils played any very substantial rôle. Despite the common assumption in Malaya at the time of the controversy over the new policy—an assumption not without its propaganda implications on both sides—that decentralization meant handing over power to Malay Sultans and their subjects, it was actually the far more logical assumption that it would be the Residents and the British officials in the States who would be the principal beneficiaries, in so far as control was actually given over to the States and not merely transferred to a new centralization in Singapore.

In a characteristically able article forecasting the probable future of Selangor the Kuala Lumpur correspondent of the *Straits Times* wrote that "to the cynic this idea of returning to a separate State government in an area no larger than an English county is a sort of Anglo-Catholicism in British colonial policy, an attempt to resanctify symbols that have lost their meaning and to revivify beliefs that are dead. Separatism in Malaya, says the cynic, is to Sir Cecil Clementi what mediævalism is to Mr. Chesterton, a faith as romantic as it is inapplicable to modern circumstances.

"One can only reply that a choice has to be made one way or the other. If we are to have a centralised bureaucracy let it be an honest one, and let us admit that the Sultans are nothing more than picturesque anachronisms in a British colonial super-State. Or, if we choose the alternative, let us create the realities as well as the forms of State government." ¹¹ To call for such honesty in a world where fictions play as large a rôle as they do in indirect rule of the F.M.S. type is to call for the moon: so long as the Sultans serve a useful British purpose they will be retained and the colonial super-State will modestly conceal itself behind their anachronistic trappings. Nor is the issue only one of colonial government from Kuala Lumpur or Singapore as against the restoration of Malay States.

There is also another element in this situation. The Federated Malay States, as has been seen, have largely lost their Malay character and have taken on a markedly Chinese-Indian-British complexion. Even though it is an obvious point of British strategy to insist on the priority of the claims of the Malays, no government can in fact ignore the interests of the great non-Malay populations. The British are faced by the dilemma inherent in indirect rule: the continued maintenance of the old forms of government and of the old ruling caste when the governed themselves have evolved beyond those forms and are tending to repudiate that caste. In Malaya this dilemma presents peculiarly difficult problems because of the difference in race between the rulers and large bodies of the ruled. In practice an advanced Chinese population cannot be turned over to the control of a Malay autocrat and his chiefs, and even the form of Malay autocracy can be retained only so long as it is an open fiction covering rule by more enlightened elements. Once the racial issue had been raised by Clementi's pro-Malay supporters there was no other course for the Chinese, Indians, and Europeans to take than to fight for the retention of the federal government, which was definitely theirs as opposed to the Malays', or, if that proved impossible, to demand a large share in the reformed State governments. Decentralization, as a practical matter, cannot be a matter of going back to the days before British protection; it can

¹¹ July 15, 1933.

be a question only of re-asserting the powers of the British Residents as in pre-Federation days, coupled with a greater or less degree of overt recognition of the political claims of the non-Malay inhabitants of the States.

That this represents the actual state of affairs was strikingly brought out in the House of Commons in a passage at arms between Colonel Josiah Wedgewood and the Secretary of State for the Colonies, Sir Philip Cunliffe-Lister, on July 14, 1933. On receiving the news that the government accepted Sir Samuel Wilson's recommendations and that they were almost universally approved in Malaya, Wedgewood vigorously protested that this was to sanction the thoroughly vicious principle, already visible in India, of shuffling off British responsibility in favor of some native chief, sultan, or raja, instead of creating a government representative of and existing for the people. To this charge the Secretary of State replied in terms sufficiently significant to warrant a quotation at length. He conceded that the Chief Secretary was to be eliminated but he denied that the treaties on which British control rested were to be altered even by a comma. Financial control, he said, was rightly to remain in the Federal Council. And even with the elimination of the Chief Secretary and the transfer of certain departments to State control, he continued, "in future exactly the same officers will conduct the administration of all these departments as they are being conducted today. They will not be rajahs, they will be British civil servants and they will be answerable directly to the High Commissioner (whose responsibility to the Secretary of State remained unchanged). It is simply a question of whether it is more convenient and more practicable that the same British officers with the same responsibility should act through the conduit pipe of the Chief Secretary or be responsible to the High Commissioner: that is what the honourable and gallant Gentleman calls handing over exclusive control to a number of rajahs." Comment would be superfluous.

In the practical operation of Clementi's reforms, as modified by Sir Samuel Wilson's recommendations, the results appear to have been much along the lines so sharply defined by the Secretary of State although it is to be hoped that he somewhat over-

stated his case for purposes of debating advantage. A number of departments have been handed over to the States and the State budgets have been rising. In the budget prepared for 1935, the Federal Council voted to each of the States lump sums which together amounted to less than half of the Federation's total estimated revenue, leaving the further allocation of these sums among the several departments and services to the State authorities. It should be noted that these lump sums were arrived at by a Council of Residents, under the presidency of the Chief Secretary, in which the Financial Adviser participated, and that they were then examined by the Finance Committee of the Federal Council before the Council itself passed on them. The predominance of the federal element, on one hand, and of the British officials, on the other, is clear. With the return of a considerable degree of prosperity in the last two or three years the concern of the public and, as far as one can see, of the officials has been with the building up and ultimate disposition of a huge surplus, amounting to over \$60,000,000 at the end of 1935, in addition to the Opium Revenue Replacement Fund of over \$28,000,000; but in all this there has been virtually no mention of the individual States or their finances.**

The strengthening of the State administrations has taken the dual form of extending the degree of State control over the departmental officers serving in the State and in enlarging and modernizing the State services and State Councils. In the first respect a distinction was drawn by Sir Samuel Wilson between the Public Works and Medical Departments, where executive control was to pass definitely to the State department heads under the advisory supervision of central Advisers stationed in Singapore, and the other decentralized departments in which the executive authority would continue to rest with the central Advisers who would, however, in the new order derive their authority per-

** The *Straits Times*, while warning against a return to the "squandermania" of the past, has consistently opposed the Federation's recent financial policy as involving an "over-rigid economy" and an "over-generous indulgence of posterity, going beyond the requirements of sound financial policy." In particular it has pleaded the cancellation of food taxes bearing most heavily on the poor and a reduction of quit rents fixed at a time when rubber sold at several times its present price. See editorials of May 27, July 3, November 28, and December 19, 1935.

sonally by written warrant from each State government under the hand of the Ruler in Council. Furthermore, the State Clerical Services have been expanded to embrace the new State functions and have taken over some of the posts formerly existing in the federal service.

The expansion of the State Councils, which have been waked from their long slumbers by the increase in their legislative and financial powers, has necessarily consisted primarily in adding non-Malay members, both official and unofficial, to secure a higher degree of competence, to co-ordinate State and federal activities, and to give representation to the other elements in the society.** So long as the State Councils had no public business extending significantly beyond local religious matters no one was concerned as to their composition, but once they assumed real powers their reconstruction was inevitable. Such reconstruction, however, doomed their continuance as Malay Councils arising naturally from the native society: it presents a real problem to attempt to build up assemblies "made up of keen-witted and hustling business men and officials on one side and Malay chiefs on the other." In some quarters it was proposed that these difficulties could best be overcome by the creation in each State of a Council with two chambers, somewhat along the lines of Johore, one representing the old Malay elements and the other the new and active forces,** but this proposal met with no considerable acclaim. In consequence the old Councils have been accepted as the basis of the new structure but with a revised membership which radically changes their character. It appears that to date

** For a disparaging review of the position and activities of the Councils in the F.M.S. see Sir George Maxwell's article in the *Straits Times*, September 29, 1932. "It would be unfair to the State Councils to confer upon them powers in excess of their competence," he writes. "Everyone who knows how inexperienced the State Councils are in matters of finance will agree that it is better that the State Councils should have a real control of a little rather than a fictitious control of a great deal."

** See an editorial in the *Malay Mail*, November 29, 1932. Under this scheme the ruler would preside over the upper chamber which would deliberate in Malay, while "representative public opinion could be freely ventilated in English in the lower chambers," under the presidency of the Resident. An editorial in the *Straits Times* (October 8, 1932) made the pertinent comment that "the Malay patriot has to choose between a substantial amount of power conferred upon an enlarged and cosmopolitan State Council or a small amount of power conferred on the old type of State Council."

no wholly acceptable solutions have been discovered for the various problems that have inevitably intruded themselves. Among these may be mentioned the difficult situation created by the presence of the ruler in a Council which is supposed freely to debate the questions of State, and the language problem which also troubled the Federal Council. The traditional practice is, naturally, that the Councils should be conducted in Malay, but this is a language with which the new members are likely in most cases to be grossly unfamiliar, their acquaintance with it frequently not going beyond the bastard Malay which serves as a crude *lingua franca* throughout Malaya. On their side, the rulers and chiefs are likely to be equally unfamiliar with English. In these circumstances, if there is to be any joint debate, the business of the Councils must be continually interrupted by the tedious translations of the interpreters.

In more general terms, if the above analysis is substantially correct, it may well turn out that the principal effect of decentralization is not the ruination of the complex federal machinery and economy by Malay rulers and chiefs, but rather the beginning of a revolutionary process which will have the result, perhaps, of pushing aside those rulers and chiefs unless they demonstrate their ability to fit in with the modern world.²⁵ The ancient structure of the States has been able to survive until the present day in large part because they have been left as insignificant backwaters while the main streams were diverted through the federal channels of Kuala Lumpur. Now a considerable part of those streams are flowing through the State capitals, but the old channels are by no means broad enough and strong enough to hold them. The problem which only the future can answer is as to whether the Malays will be able to hold their own against the other races or whether, in the States as previously in the Federa-

²⁵ That the Malays themselves are aware of the possibilities in this connection is indicated by an article in a Malay journal, a translation of which appeared in the *Malay Mail*, November 12, 1931. This article asserts that the Malay members of the State Councils have usually been chosen either on grounds of birth or of subservience to the ruler and only seldom because of their ability and experience. "Can we sincerely hope that the Malay country will always be secured in our possession, or the Rulers on their thrones, if such a state of affairs is allowed to continue? . . . The Malay Peninsula belongs to the Malays. Our right is indisputable. It will remain so as long as we are fit to guard, control, and manage it."

tion, they will be driven back step by step until again only a fiction of power remains to them.

MALAYAN UNION

It has been seen that in those parts of his proposals which dealt with decentralization in the Federation Sir Cecil Clementi scored a considerable success despite the great volume of public opinion which opposed him. Even on the key issue of the Chief Secretaryship his views ultimately carried the day, and today the F.M.S. is beginning to resemble the federation which it set out to be as against the unitary State which it had become. But his success here is counterbalanced by the failure to date to achieve significant results along the lines of bringing the other Malayan administrations into a common political or economic framework. It is true, in spite of a manifest tendency in that direction, that no full-fledged Malayan union could be expected until the federated States had been restored to some measure of dignity and autonomy, but even with this reservation it remains an extraordinary phenomenon that so little should have been accomplished in the way of bringing uniformity out of diversity.

The idea of Malayan union is so wholly obvious that it had, of course, been put forward on a number of occasions prior to the Sri Menanti Durbar but never as an official program to be carried through in the more or less immediate future.²⁶ Its official announcement brought no troop of adherents flocking to its banners. In a remote and general way it was accepted as no more

²⁶ See, for example, the speeches of J. H. M. Robson in the Federal Council on June 20, 1922, and November 17, 1923; Lowther Kemp in the Legislative Council on October 23, 1922; L. R. MacPhail, *Straits Times*, October 25, 1921. The Malayan Chinese leader, Tan Cheng Lock, proposed in the Legislative Council on November 1, 1926, that the "ultimate political goal should be a united self-governing British Malaya with a Federal Government and Parliament for the whole of it. . . . I think it is high time that we commenced to take action towards forging the surest and strongest of that United Malaya by fostering and creating a true Malayan spirit and consciousness amongst its people to the complete elimination of the racial or communal feeling."

In 1912 A. Wright and T. H. Reid wrote: "A wise policy will be directed not to exaggerating differences between separate States and between the States and the Colony, but to minimising them. The ideal of a united Malaya must be kept steadily in view in the interests of a wise and economical administration." *The Malay Peninsula*, p. 350.

than a statement of the ultimately inevitable and perhaps desirable,²⁷ but as a practical matter to be put into effect immediately by taking concrete steps it was fought tooth and nail. Each step that would have to be taken meant the dislocation of the established order and the crushing of certain interested toes. The Federation in general felt that it was big enough, that an extension of Malayan unity meant the loss of its own individuality and the increase of Singapore's power at the expense of Kuala Lumpur, and that it would have to bear the financial burden of developing the more backward northern States. The unfederated States were in mortal fear of the loss of their sovereign independence and the disruption of their more rural way of life by the high-powered planting, mining, and commercial interests of the Federation and the Straits. The Colony took no very keen interest in the affairs of its hinterland and was in particular strongly disinclined to abandon its free trade traditions by merging itself into a Malayan customs union ringed about by a considerable range of tariff barriers.

It was difficult to attack the general validity of the scheme, but easy to oppose or sabotage each of its particular manifestations. Here again Clementi opened himself to the attacks of the opponents of his policies by rushing ahead too speedily with an unfortunate neglect of the need for gradual persuasion and conciliation. Particularly in dealing with the unfederated States it was essential to wean them away gradually from their cherished independence, treading gently and insidiously past their always watchful suspicion of external interference, but this appeared to be a method of proceeding to which the High Commissioner could not adapt himself. Despite the strong counsel of men long intimate with Malaya and the Malays he insisted, for example, on the speedy announcement of Malayan Advisers to head or supervise departments which were separate in each of the States, only to find that the rulers, to the concealed pleasure of their British associates, declined to acknowledge the validity of the appointments for their States. It was the opinion of the old hands at

²⁷ There were, however, a number of voices raised in favor of the plan, as, for example, that of the *Straits Echo* (Penang, November 18, 1932), which welcomed a swing of local opinion in that direction: "A United Malaya is such an integral part of any constructive Malayan policy that difference of opinion on this point must appear ludicrous to Sir Samuel Wilson."

Malayan diplomacy that the rulers could without great difficulty have been cajoled in a roundabout fashion into an acceptance of much of the new program, but as matters were actually handled the rulers felt that their prerogatives had been overridden and their resistance was immeasurably stiffened.

The unfederated States—notably Johore and Kedah, as usual—were naturally the storm centers of the agitation against the scheme for Malayan union. Neither the Colony nor the Federation was much interested in this aspect of the new policy and both presumably regarded it as a somewhat visionary proposal which could be better considered when it came closer to realization. Furthermore, even apart from the economic miseries of the time, each had troubles of its own sufficient to absorb the bulk of its attention, the Colony in connection with the proposed customs union where it bore the brunt of the fighting and the F.M.S. in connection with the whole issue of decentralization. But the relative indifference of these two senior partners to the potential Malayan League in no way impaired the vigor of the campaign carried on against it by those who would have had to give up their own independent firms in order to be admitted as junior partners.

From a formal standpoint Kedah was in a somewhat better position to protest the new policy than was Johore since the third article of the Agreement of 1923, re-establishing British protection after the lapse of the transferred Siamese debt agreement, expressly stated that the British would not merge or combine Kedah with any other State or with the Colony without the written consent of the Sultan in Council; but Johore is in fact regarded as being on the same footing. That such written consent was unlikely to be forthcoming was made abundantly plain in the memorandum which the Regent submitted to Sir Samuel Wilson: "The Government of the State of Kedah is definitely opposed to any proposal which would in any way combine the State of Kedah with any State or Colony, or which would modify in any degree the rights and privileges now enjoyed by the State." While asserting its deep gratitude for the peace and safety enjoyed under British protection and for the assistance provisionally rendered by British officers seconded from the F.M.S. and the Colony, the government of Kedah insisted that its goal was

to create a model Malay State in which the administration would be carried on by Kedah-born Malay officers. Aside from the purely political aspect of independence it is evident from this memorandum, as from Kedah's general policy, that she is afraid of losing her Malay character through a too speedy opening up of the country and the inrush of alien immigrants which would almost inevitably be its accompaniment. The Regent could boast of the assistance which the State, as primarily a rice-growing area, had been able to lend to the Straits and the F.M.S. during the disastrous and expensive rice shortage of 1919. It is obvious that the Kedah authorities, British as well as Malay—and the same would hold true of the three other northern unfederated States—fear that any form of Malayan union would impair the ability of the State to pursue its more modest Malay aims and would expose it to large-scale development by alien capital and labor of the type characteristic of the Federation.

Since Johore could plead neither special treaty safeguards nor a peculiarly Malay character as the basis for its objections it rested its case essentially on established precedent and the traditional independence of the State. It is not without interest to note that in the case of Johore the official representations to Sir Samuel Wilson were supplemented by a memorandum of protest drawn up by the unofficial members of the State Council—two Europeans, two Malays, and two Chinese—who, it might be thought, would be likely to welcome Malayan union as a means of broadening their horizons and escaping from the inevitable parochialism of a small Malay State. On the contrary they asserted that while Johore was unconcerned by decentralization confined to the F.M.S., it would at all costs maintain its present political independence if that decentralization should turn into a unification of all essential services ultimately leading to a super-federation embracing all Malaya. Furthermore, they sharply criticized the Governor for ignoring the existence and opinions of the Sultan and the Council by appointing and gazetted Advisers on Medical and Health Services, Public Works, and Drainage and Irrigation, to include Johore, without consulting either the ruler or his Council. Johore, they maintained, was prepared to consider on their merits any proposals for such appointments which might be brought

forward, but only if the State were consulted in advance, if the conditions were acceptable to the Sultan and his government, and—a large order—if no political interference or significance were involved or implied. Because of Johore's large economic interests the unofficials also drew up an elaborate indictment of the proposed customs union, a matter which was of less direct concern to Kedah.

There are a number of reasons for the strong line taken by the Johore unofficials, who undoubtedly represented correctly the general temper of public opinion. They knew that their ultimate interests in the way of law, order, and decent government were adequately safeguarded by the British officials in the State and on its borders, and they had no serious complaints about the system as it was operating. Of greater immediate importance they enjoyed, profited from, and were naturally loath to lose the more personal and more flexible type of administration which the independence of Johore allowed, and in which they were able to exert their influence more effectively than they could in a larger unit. Entry into a Malayan union would probably mean a stiffening up of the administration and would certainly mean that the considerable degree of autonomy which remained to Johore in shaping its laws and administrative system would vanish at a good many key points into a general Malayan uniformity.

To these several protests Wilson lent a somewhat surprisingly sympathetic ear. In his report he repeated the assurance that he had made in person to the Sultan of Johore and the Regent of Kedah that "His Majesty's Government have no intention of requiring the Ruler of any Unfederated State to enter against his will into any kind of Malayan League or Union." He accepted in full the argument that it would be impossible to expect the unfederated rulers to join in any co-operative enterprise until the federal knot had been loosened so as to appear less terrifying, but he expressed the opinion that there were many subjects on which joint discussion would be of advantage to all the administrations without endangering the domestic independence of any of them. Since he saw as a long way off the day when the rulers of the federated States would be placed on exactly the same footing as those in the unfederated States he believed that the best that

could be accomplished in the foreseeable future was the holding of periodic conferences or Durbars, on the model, as he put it in Kedah, of the Imperial Conferences.

This verdict appeared to close the door with some thoroughness to any considerable advance in the direction of a united Malaya, but there can be little doubt that the future will witness, as has the past, a gradual but continual encroachment on the autonomy of the several administrations. In so small an area with so many common problems it is inconceivable that there should not be increasingly joint and uniform regulation of such matters as basic questions of economic and labor policy, the regulation of alien immigration and residence, opium, medical services, education, etc. On the face of the treaty arrangement it might appear a simple matter to achieve uniformity throughout on all necessary matters by instructions sent from the center to the Residents and Advisers, whose advice it would then be necessary for the rulers to accept and act upon, but to follow this line would be to violate the established precedents of British policy in Malaya. With occasional exceptions every appearance of coercion has been scrupulously avoided and reliance has been placed on conciliation and persuasion as far as both rulers and Councils are concerned. A further consideration is that any significant breach in this policy would be almost certain to mean a direct appeal by the State authorities to the Secretary of State for the Colonies.

The demand of these State authorities for independence tends, however, to be limited on the whole to matters of form rather than of substance. They are, for example, normally quite prepared to accept for local enactment substantially the same texts for laws as those in force in the F.M.S. or the Colony, but they insist that they accept these texts of their own motion and that the local legislation derives its validity solely from the local legislature. Again, they are reluctantly prepared to accept of their own motion the services of Malayan Advisers for the different departments but only on the condition that these Advisers have no final executive or administrative authority in the State. In this connection they have attempted to hold out for the two principles that the Advisers should visit the State only on the

invitation of the State government and that they should not draw a regular salary from the State but be paid a separate fee for each visit.**

Within the limits described above a large measure of uniformity has in fact been attained between the several Malayan administrations but there is room for considerable improvement. In the realm of legislation it has, for example, recently been pointed out by one of the highest judicial officers of Malaya that owing to the sovereign character of each of the State legislative bodies there is an annoying, and occasionally even a dangerous, tendency to introduce local variations into enactments which should be uniform throughout.** It is the accepted practice for the unfederated States to base their enactments on those of the Federation or the Colony, but it remains at the discretion of the State's Adviser and Legal Adviser to accept such enactments in full for introduction to the State Councils or to make such modifications in them as may seem to them desirable. Since these officers are likely to be men of only limited legal training and experience there is a constant danger that they will not only throw their State out of line with the other administrations but will also cause to be written on the statute books laws inadequate to effect their intended purpose. As a remedy for this situation Mr. Justice Terrell suggested that the work of drafting laws be centralized in the Attorney-General's office in Singapore and that, following the precedent set in the case of the heads of the Medical and Public Works Departments, the Attorney-General of the Straits

** This latter issue has caused considerable controversy particularly because it is a standard charge that the unfederated States have not paid their own way in the past. In 1932 the decision was reached in Singapore that from January 1, 1933, these States must make regular provision for a share in salary, leave pay, etc., of the Advisers, the size of the share to be determined by the number of days actually spent visiting the State. Although it appears that the States were not to be called on to pay a similar share of the central office expenses of the Advisers the memorandum embodying the above decision contained the following significant comment: "The Unfederated Malay States have practically been financed by the Colony and the F.M.S. for many years past in regard to these professional matters, and have borne no share of the heavy overhead charges. The time has now come when the Colony and the F.M.S. can no longer afford to do this, and in fact Johore and Kedah are very much better off financially today than the F.M.S."

** Terrell, *op. cit.*, Ch. III, "Legislative Chaos in the Malay States." The author suggests that with the restoration of legislative power to the four federated States the problem is likely to grow more rather than less serious.

Settlements be appointed Legal Adviser to the Federation and all the Malay States, with assistant Legal Advisers in each of the States to point out local needs and peculiarities. The theoretical excellence of this suggestion cannot be disputed but it remains to be seen whether State pride will admit of its acceptance.

In other realms the situation is equally confused and is bound to remain so until the long process of federal decentralization has achieved its goal and the unfederated States have been securely drawn into a well-defined Malayan union. In the present transitional period it is frequently difficult to distinguish with any precision the powers attached to the "bewildering variety of titles and functions" which have appeared in the official hierarchy of Malaya.³⁰ There is, for example, a Director-General of Posts and Telegraphs, Malaya, but it appears that his functions are in fact limited to the Colony and the Federation since the unfederated States failed to accept Clementi's proposal for a Malayan postal union. On the other hand, because of the pressure brought by the government of India, all Indian labor problems throughout the country are dealt with by a single Controller of Labor, Malaya. As for the Chinese, the *Dominions Office and Colonial Office List* for 1935 presents under the Straits Settlements a Secretary for Chinese Affairs, S.S. and F.M.S., while under the Federated Malay States the same official appears as Secretary for Chinese Affairs, Malaya. For some of the recent appointments and titles taken by themselves it is difficult to discover any rhyme or reason, but the general trend leaves no doubt either that the Federation is definitely moving backwards toward a real federalism or that Malayan union is hesitantly advancing, albeit with some obscure haphazardness in both instances.

These controversies of recent years over decentralization and a united Malaya have naturally turned a spotlight on what is perhaps the most interesting and significant aspect of Malayan affairs: the striking difference between the system of government

³⁰ "So far as the lay mind can understand these mysteries, there are now four categories of department heads in this country, and they may be defined as follows: (1) those who give orders in the Colony and advice in the Federation, (2) those who give orders in both the Colony and the Federation, (3) those who give orders in the Colony and advice in all the Malay States, and (4) those who have some sort of executive authority throughout the country." *Straits Times*, February 8, 1935.

which has been evolved in the unfederated as compared with the federated States. Since the High Commissioner had set as his goal an equality in status between the two groups of States it was inevitable that attention should again be attracted to the peculiar fact that States administered by the same body of British officials and, in part, under substantially similar treaty provisions should have developed along such diverse lines. It is as a laboratory of experiment in methods of colonial administration that Malaya has made its major contribution.

In the opinion of Sir George Maxwell, who has had an intimate experience of both systems as Adviser to Kedah and as Chief Secretary, it is essential to draw a sharp distinction between the Residential and the Advisership systems: "A Resident administers the government of the State on behalf of the Rulers, issues orders in his own name, and carries them out. An Adviser is consulted by the Ruler, but issues no orders of any kind." As an analogy which he admitted stated the case somewhat too strongly he suggested that the difference between a Resident and an Adviser is like that between a business manager and a consultant.³¹ In my own opinion this line of approach is neither correct nor profitable.

In the four States taken over earlier and joined together in the Federation it is quite true, as I have emphasized above, that a purely advisory system was the original idea and that it broke down in practice and was promptly replaced by the "Executive

³¹ Maxwell's views were elaborated in *The Crown Colonist* of August, 1932, and again in the December, 1932, issue of the same periodical, the latter in answer to a *Straits Times* editorial of September 3, 1932. This editorial states in part: "Some differences between the way things are done in the Federated and Unfederated States are a practical necessity, of course, but if Sir George means, to put it bluntly, that in an Unfederated State the Adviser advises and in a Federated State the Resident governs, we can only reply that the Unfederated States seem to have made a better bargain with Great Britain than their federated brethren have done. And those who administered what are now the Federated States in the early days, and those who brought them into a federation certainly did not intend to lower their prestige vis-à-vis their neighbours. . . . Secondary differences there must always be, but surely British administrators must make up their minds to adopt as broad principles in any and every Malay State, federated and unfederated, the political and administrative training of the Malay race, the paramountcy of the interests of that race, fair dealing for the non-Malay subjects of the Ruler, and the promotion of the welfare of the State in every way. Why those broad principles should be applied differently by an Adviser and a Resident is difficult to see."

Officer" system. Under the latter British officers carried out a speedy reconstruction of the States along European lines and encouraged the economic development of the area by alien capital and labor. By the time of the Federation political control was already essentially sewed up in British hands and the change was largely one of substituting a centralized British administration (primarily on behalf of British and Chinese interests) for a decentralized one. Alien enterprise flourished increasingly and in a short time Kuala Lumpur found itself transformed from a remote country village into the large and modern capital of one of the key economic units of the world.

Up to this point there would be relatively little disagreement: the argument begins in connection with the nature of and the reasons for the different system which exists in the unfederated States. It is, of course, essential to recognize, as Maxwell has pointed out, the difference in degree of education and mental equipment of the Perak or Selangor Malay of 1874 as compared with that of the Johore or Kedah Malay in 1909 and to compare the degree of civilization and development of these States at those dates (although the results would be quite different if one were to introduce Kelantan and Trengganu into the comparison instead of Kedah and Johore), but these comparisons by no means tell the whole story. The more important thing is to see that while the extent of British control in the two systems is substantially the same,** the results to date are markedly different.

Admittedly it is no easy task to discover the reasons for this variation in spirit, but it at least seems clear that when the British Advisers took over the unfederated States they had in fact the same plenitude of power as their colleagues in the Federation, that they used it liberally, and that the practical control of the

** In this connection it is impossible to follow Maxwell's suggestion that "the difference in the 'British Control' does not lie between the two systems, but in the executive power increasingly exercised in the Federated States by the High Commissioner who has no executive control over the Unfederated States." The struggle in the Federation almost from the beginning has been to break the strangle-hold of the Chief Secretary (who has found his most ardent defender in Maxwell) over the Residents and the State governments, and it is in his hands that the executive control has actually been centered. Furthermore, the High Commissioner as the local representative of the Crown has complete ultimate authority over the Advisers to the unfederated States and through that channel over the State governments.

several administrations has remained in their hands throughout. In defense of his new policy Clementi laid it down that "no intentional distinction has ever been drawn between the status of the British Residents in the Federation and of British Advisers in the Unfederated Malay States,"** and the evidence would seem to bear him out completely on this point. Yet there is the fact, evident even to the casual observer, that the unfederated States, with the exception of Johore which must stand in a category by itself, have retained their Malay character to a degree unknown in the F.M.S.

As I have indicated above, my own explanation of this fact would be primarily in terms of the time at which the different States came under British control, to which must be added the fact that the east coast States, Kelantan and Trengganu, were relatively inaccessible until the recent completion of the railway and were thus removed from the main stream of development. The earlier period was still dominated by the belief that the proper destiny of a colony or protectorate was a speedy European-type development for the advantage of the imperial power. There was, furthermore, less sympathy for and trust in non-European peoples and institutions and, correlatively, a far more naïve faith in white supremacy. In addition the administrators of the newly protected States had before them the example of the Federation in which alien prosperity had been purchased at the cost of an almost complete submergence of the original Malay population. The average British or Dutch colonial administrator does not like to feel himself exclusively either the agent or the ally of the European economic interests which are operating or would like to operate in his territory. He is well aware that his ultimate function is the promotion of those interests and, in part at least, he is likely to assume that their advancement is an essential condition of native advancement. But, working against the domination of this train of thought, there is his natural inclination to take the side of the natives against such alien interests, an inclination which is strengthened by the gulf of suspicion and latent or overt hostility which very frequently separates the offi-

** See his memorandum on decentralization, *Malaya Tribune*, October 6, 1932.

cial corps from the unofficial European community. The official, in all probability, has no greater practical faith in the ability of the native to handle his own affairs than has the business man and is at least strongly disinclined to move in the direction of real self-government, but he still regards himself as the guardian of the native interest, as he sees it, against any threat of undue exploitation or displacement. There is no occasion cynically to dismiss the protestations of colonial officials of sincere affection for their native charges, but these protestations must be corrected by a recognition that in the official mind the best native is the one who unquestioningly accepts his inferior destiny and looks upward to his wiser master with soft and submissive eye. The natives who have become Europeanized in the cities are not only a disturbing element to the officials but they also present a challenge which it is impossible to meet within the framework of imperialism: hence the tendency in recent decades to look with greater kindness on the simple and "unspoiled" natives of the villages. Given these several factors the variations which have developed as between the two groups of States in Malaya become somewhat more comprehensible.

In the unfederated States as compared with the Federation the goal that the Advisers have set themselves is more nearly the gradual development of true Malay States, that is, States in which the basic economic control remains in the hands of the Malays and which are largely self-sustaining, in which the political structure remains simple and attuned to Malay needs and capabilities, and in which the Malays themselves are gradually trained to take a real share in the operation of the machine.³⁴ There is general

³⁴ One of the Advisers outlined his conception of his functions in the following terms: The Adviser is a staff officer of the High Commissioner, and his policy is governed in principle by the High Commissioner's policy. That policy must cover: (a) the elimination of oppression, corruption, and injustice; (b) a balanced budget, reasonable reserves, and no excessive taxation; (c) the encouragement of foodstuffs, especially rice; (d) the training of Malays to administer their own country; (e) the equitable treatment of seconded officers; and (f) a greater uniformity with the rest of Malaya in such services as the Post Office, Health, and Customs. "Within these obvious limits the British Adviser is allowed an astonishingly free hand."

This Adviser also drafted the three following significant principles as essential to the success of indirect rule:

"1. The British Adviser must be content to seek an ultimate efficiency and honestly seek to build up a Malay administration by avoiding

agreement among the Advisers that in this work they have been left a surprisingly free hand by Singapore, and they look with undisguised dismay to a day when they might fall into the clutches of Kuala Lumpur. In the Federation the Chief Secretary, the federal department heads, and the federal bureaucracy gathered into their hands the great bulk of the powers formerly exercised by the Residents, while in the unfederated States the Secretary to the High Commissioner has been confined to the rôle of acting as a co-ordinating agency and as the mouthpiece for a High Commissioner who rarely intervenes in State affairs. As one of the Advisers put it to me: "The viewpoint of Singapore seems to be that you are sent to govern a State, and if you can't do it on your own then there must be something wrong with you."

In addition to the routine secretariat questions, such as those concerning seconded officers, leave, passages, pensions, etc., which must be handled centrally, there are, of course, always a certain number of matters on which instructions issue from Singapore which must be followed. For the most part these embrace either international questions, such as, on one hand, League and Labor Office conventions, and, on the other, multilateral agreements of the type of the tin and rubber restriction programs, or imperial questions such as the implementation of the decisions of the Ottawa Conference. In such matters the Advisers have, short of resignation, no alternative to acceptance of orders and setting the State machinery in operation to achieve the desired results, although they may, of course, submit their objections to the High Commissioner in terms of the inapplicability of the proposed measures to their particular State.

In this background of freedom it is easily understandable both that there should have been an increasing movement toward decentralization in the F.M.S. and that the unfederated States should have been loath to endanger their privileges by entry into

the easy form of immediate efficiency which can be obtained by having everything done by European officers along European lines.

"2. The British Adviser must not have the soul of an audit clerk and be irritatingly officious in matters of detail.

"3. The British Adviser must be imperturbably patient and good-tempered, ready to wait his time and not rush things, and avoid being right at the wrong time and in the wrong way."

a general Malayan union or, much worse, into the existing Federation. The fears so widely expressed in Kuala Lumpur that the restoration of the federated States to power would mean in fact only the substitution of the harsh alien rule of the High Commissioner for the familiar and benevolent control of the Chief Secretary were ridiculed in the unfederated States, whose experience had convinced them that the very remoteness of the High Commissioner was one of the strongest arguments in his favor. Nor were the unfederated States impressed by the contention that federal decentralization would bring about the ruin and disintegration of the States affected. On the contrary, following the High Commissioner's lead, they pointed out that although they had stayed clear of federal entanglements and of elaborate European staffs they could boast of their relatively stable and prosperous financial structure and of their very respectable achievement in modernizing conditions in many lines, securing comparable results with a markedly smaller expenditure. Where the federal authorities feared financial disaster from devolution, those in the unfederated States stressed the economies which they had been able to effect through a close and direct control over the department heads, a control of a type denied to the States in the Federation.

Inevitably the Federation as it stood before the introduction of Clementi's reforms seemed abhorrent to officers trained in the four unfederated States of the north, and there were several such officers rising to prominence in the Federation at the time he brought forward his proposals. But it must not be thought that their opinion was universally shared in British officialdom in Malaya; as a matter of fact they were likely to be pointed out with scorn as Malay fanatics who had lost their better judgment.

A number of different factors enter into this clash of opinion. To some extent undoubtedly it was a purely individual matter depending on the areas in which the particular officer happened to have served and his personal experiences there, but there were also other more significant elements, of which two may be mentioned here. In the first place, there was the basic consideration as to the general purposes of British control: was it to be directed primarily to the general advancement of the Malays who would in due course take over the management of their modernized but

still simple and remote States, or was it to develop Malaya as speedily as might be into a flourishing segment of the British Empire intimately knit into the fabric of world commerce? If the former, then clearly the unfederated States were the model to be followed; if the latter, then the Federation must be maintained, strengthened, and broadened. In the second place, there were those who had faith in the Malays and those who had none. As indicative of the views of the latter, who represent, I believe, the majority of the officials, I cite here my contemporary notes on conversations with two of them, who must, of course, remain nameless:

(1) "All the Malay talk is nonsense: they have not got the stuff for it. This has been *British Malaya* for a good long time back, more so in the F.M.S. than elsewhere, but Johore and Kedah are substantially run by the British too. To talk of it as a Malay country is ridiculous: even in population it is heavily non-Malay, in government it is British, and in economics it is Chinese. John Chinaman is a hard-working, able, and useful man who doesn't want to be bothered with politics—he knows that the British do that better than he does and is quite prepared to let them do it. But turn back the country to petty Malay rulers with a few British Advisers, and in ten years the Chinese will demand to rule the country, not because they want to govern, but because the Malays are making such a rotten job of it."

(2) "The Sultans should be bought out and the whole area made into a colony run in more or less unitary fashion. The Sultans are anachronisms and in their best days represented nothing more than local chiefs over pirates and other ne'er-dowells. They by no means had control over the whole area now represented by their States and their present position is infinitely beyond anything their fathers could have imagined. Now we are encouraging the Malays to dislike the other races and to expect Malay power in a Malay State which never can exist. In not many years this will lead to disaster, with the Malays then regarding the British as their worst enemies. X (one of the outstanding champions of decentralization and of the Malays) is a brilliant man but certifiably insane on the Malay question."

To such charges as these the answers are, of course, obvious, if not wholly convincing. In brief, it is contended that the Malays

have been in contact with Western civilization for only a few decades and that in the Federation at least the plums have in the main gone to the other races while the ordinary Malay villagers have had to get along with the second best in every respect. Despite these handicaps it is asserted that they have made very real progress and can be trusted to continue onwards and upwards if they are given the type of training, attention, and protection which has been afforded them in the unfederated States. In such a controversy it is impossible for the somewhat casual visitor to Malaya, who is moreover cut off from any intimate acquaintance with the Malays by the difficulties of language, to offer any very significant opinion. The most that can be done is to present the opposing opinions of experts and to let the reader arrive at such conclusions as he may. On one side there can be no doubt that to date the Malay has not shone with any great luster in competition with his more advanced and more aggressive rivals, but on the other side it must be conceded that at least in certain spheres he has made real strides forward. Whether he is endowed with potentialities which will enable him to take his place in the world on terms of equality and, more significantly, whether he can mature swiftly enough to resist the constantly increasing encroachments of the Chinese, are questions which only time can answer.

At all events, whatever the counter arguments in terms of administrative efficiency, it is from this standpoint an admirable thing that historical accident should have divided Malaya into several areas of experiment, and one begins to have more sympathy for those who claim that Malayan diversity is of greater value than Malayan uniformity. It is to be hoped that in the inevitable progress of the idea of a united Malaya sufficient room will be left for the unfederated States to continue their own experiment along their own lines.

MALAYAN CUSTOMS UNION AND IMPERIAL PREFERENCE

At the Sri Menanti Durbar Sir Cecil Clementi not only proposed that the several Malayan administrations form a political union but also advocated the creation of a common customs union. This suggestion met with a hostile reception in almost all

quarters and its subsequent progress has been almost exclusively negative despite its obvious advantages.

The existence of a multiplicity of tariff barriers in an area as small and compact as Malaya is an absurdity for which it is difficult to find any justification even in the diversity of the historical origins of the administrations involved. In earlier years the annoyances occasioned by this multiplicity could pass without attracting any considerable attention because of the very restricted list of articles on which duties were levied. Since the depression, however, there has been a strong tendency everywhere except in the Colony to place greater and greater reliance on a general import tariff as a means of increasing and stabilizing government revenues, a movement which Clementi himself was anxious to further, and with the development of imperial preference the tariff schedules have become more elaborate and more complex. As the foreign import trade of Malaya is concentrated in the three Straits ports and in Port Swettenham in the F.M.S. it seemed clear to the rational mind of the High Commissioner that the duties should be collected at these points on a common basis and then pooled for distribution among the various units. It was his opinion that the Malay States would find little difficulty in coming to an agreement since their export duties were already at nearly the same level and there was no reason to assume that varying import duties would be required on grounds of differing views of economic policy. The real problem clearly lay with the Colony, but it was Clementi's hope that if the States unanimously moved toward the union the Colony might be persuaded to join them.

Sentiment in the Straits was shortly made manifest in unmistakable terms in the report of a Committee, predominantly unofficial and representing the local trading community, which the Governor appointed to consider the desirability of a union from the standpoint of the Straits and the steps which it would be necessary to take in establishing it. This report was prefaced by the statement that the Committee regarded a customs union "as essentially opposed to the interests of the Colony and undesirable in any circumstances that can be foreseen." A similar verdict was rendered in the following year by an official Com-

mittee appointed by the High Commissioner to consider the matter from the standpoint of the Malay States.

Both of these bodies conceded that a customs union would lead to greater administrative efficiency and economy, but neither felt that the prospective advantages outweighed the disadvantages arising primarily from the different economic interests and needs of the seven units concerned. A further obvious difficulty arose from the fact that a common scale of duties would have to be accepted by the seven co-equal and independent legislatures of Malaya, no one of which felt the slightest inclination to abandon its legislative prerogatives. If it be objected that the Governor-High Commissioner held a whiphand over all of them by means of which he could compel identical legislation throughout, the answer can only be that in Malaya things are not done in that fashion except in cases of international or imperial urgency.

For the Colony Committee the major stumbling block was naturally the abandonment of the cherished heritage of free ports and the loss of a large part of the entrepôt and exchange trade on which the Straits had grown great and prosperous. In brief the Committee's arguments ran as follows: The interests of Singapore and Penang are largely extra-Malayan,** despite the importance of the trade with their Malayan hinterland, since they have become the trade focus of an immense and wealthy area stretching from the Madras coast to China and embracing Burma

** The following tables, compiled from Appendix D, *Report of the Customs Duties Committee, 1932*, give a view of the total trade of the Straits Settlements (excluding bullion and coin) and the "local" trade with the Netherlands Indies, British India and Burma, Siam, the Philippines, and British Borneo:

	Total Imports	Local Imports	Percentage of Local Imports
1910	\$ 345,794,244	\$152,910,922	45.3%
1915	426,742,190	165,140,710	38.7
1920	1,064,712,324	354,892,371	33.3
1925	945,212,349	618,620,261	66.6
1930	630,905,004	387,900,067	61.4

	Total Exports	Local Exports	Percentage of Local Exports
1910	\$ 307,299,751	\$ 87,317,976	28.4%
1915	398,532,272	108,893,040	27.3
1920	878,893,484	207,441,387	23.6
1925	1,087,871,458	203,066,051	18.6
1930	557,575,890	126,196,142	22.6

and Indo-China on one side and the vast resources of the Malay-sian Archipelago on the other. As the tin and rubber industries are the backbone of the mainland economy so this exchange through Singapore and Penang of the general tropical produce of surrounding regions for imported manufactured goods is the backbone of the Colony's economic life. Both for the Chinese dealers and for the great European commercial enterprises it is essential that the present complete freedom from restricting regulations be continued, and no system of bonded warehouses or drawbacks could compensate for the loss of freedom which customs formalities would involve. Malacca is conceded to be in a somewhat different position since its local exchange trade with foreign territories is not an important factor, but its considerable trade with its own hinterland has been possible because of the cheapness and convenience which its free port implies. For the Malay States a revenue tariff is an easy, valuable, and legitimate method of taxation whereas the Colony's prime consideration is the maintenance of the policy of free trade and free ports: "The Colony possesses a trade which is much larger than, entirely different from, and quite independent of its trade with the Malay States and to effect adverse changes in regard to the former to obtain theoretical improvements in the latter would be a mistaken policy."

The Colony Committee assumed on the whole, although it indicated no particular interest in the matter, that internal free trade and a common external tariff barrier would be of advantage to the Malay States with the probable exception of Kelantan and Trengganu, but it went no further in offering the Colony's support than to suggest a scheme under which the duty on goods being exported to the States would be levied on their behalf at the point of departure from the Colony.

Even this assumption of the value of a peninsular union, excluding either the whole of the Colony or its two main ports, was challenged by the Malayan Committee which came to the conclusion that it would not be of any considerable benefit to the trade or to the customs administration of the States. The statistics assembled by this body demonstrated that the great bulk of the trade of the mainland is with Singapore and Penang and only

in small part between the States themselves.²⁶ Furthermore, as the bulk of Malayan trade is carried by sea and there is direct communication by water between the Colony ports and each of the States, most goods already pass only a single customs barrier and hence would not be benefited by a customs union. The one substantial advantage which this Committee found in the project was the encouragement of local production and manufacture destined for Malayan consumption through the opening up to it of an internally free market no longer subject to the hazards of tariff legislation by each of the administrations; but it was suggested that this difficulty could be overcome almost equally well by the general adoption of a scheme of Malayan preference.

In the unfederated States authoritative voices were promptly raised to join the general clamor against the proposal, with Johore and Kedah leading the way. The unofficial members of the Johore State Council, roused to indignation by the cavalier way in which the High Commissioner had dealt with their sovereign State, protested vigorously to Sir Samuel Wilson that while Johore might have to fall in line if all the Malayan administrations accepted the union, she would resist any attempt to form a mainland union since practically all her economic connections were with Singapore. The defense of Johore's tariff autonomy was combined with a biting condemnation of the F.M.S. tariff which it was feared would be adopted by the threatened union: "This tariff penalizes Empire goods, presses on the poor, and is a vexatious nuisance to the inhabitants out of all proportion to its yield." Countering the argument that Johore's separate tariff

²⁶ "A certain amount of padi and rice, cattle, poultry, fish and other minor produce passes between the States but by far the greater part of the peninsular trade which crosses existing customs barriers consists of exports of local produce for foreign consumption and imports of foreign produce for local consumption. The approximate position is that of the total trade of the F.M.S., 56% is with Singapore and Penang, 3% is with Malacca and the Unfederated States, and 41% is foreign of which the greater part is transshipped at Singapore or Penang. It will be realised of course that the trade between the Federated Malay States and the Colony is mainly trade in goods of foreign origin or foreign destination for which Singapore and Penang are local markets. The dependence of the Unfederated Malay States on the Colony ports is still more marked. Kedah and Perlis trade relations are direct with Penang while the trade relations of Johore, Kelantan and Trengganu are direct with Singapore." *Report of the Customs Union Committee (Straits Budget, March 30, 1933).*

administration interfered with Malayan trade, the unofficials protested that goods sent through the State by rail were not interfered with and that sea-borne goods destined elsewhere were not landed in the State.

In Kedah the opposition to the union was equally vigorous, but it was based, aside from the desire for political independence, primarily on the considerable importance which the State attached, as the Malayan Committee pointed out, to the export duties which it levied on rice, cattle, and other articles of peninsular consumption not only for revenue but also with the object of maintaining the cost of living at a relatively low level. In the opinion of the Regent, and of the British Adviser as well, entry into a Malayan customs union would operate seriously to endanger the continuance of the general social and economic policy which the State had adopted.

There thus emerged in Malaya no less than three types of economic policy: the Colony with its concentration on foreign trade, the F.M.S. and Johore with their concentration on production for the foreign market, and the four remaining States largely producing commodities for local consumption. It was on this rock that the customs union was shattered.²⁷

The drive for imperial preference which set in at about the same time as that for the customs union achieved vastly greater success. The decisive consideration here, of course, was that this was an issue on which the home government was prepared to apply the screws, but it is also not without significance to note that in adopting a tariff schedule embodying the desired preferences each State was formally exercising its own sovereign powers whereas the customs union almost necessarily implied the transference of power to central administrative, and perhaps legislative, bodies. Nor should it pass without notice that the screws were applied with considerably greater vigor and effect in the sovereign States under British protection than in the Colony where His Majesty's official majority had only to be given the word of command.

²⁷ On the customs union issue Sir Samuel Wilson contented himself with remarking in his *Report* that the problem was very complex, that Committees were studying the matter, and that no final opinions were possible until the whole situation had been further explored.

In view of the large gifts made by different Malayan administrations to the Imperial government on occasion and the frequent expressions and demonstrations of loyalty there is no ground for any suggestion that Malaya, as far as its controlling upper fringe is concerned, is not adequately Empire conscious, although a British Trade Commissioner warned home manufacturers in 1931 that they would be unwise to rely much upon the fact that their products were British.¹⁰ The natural flow of Malaya's trade has been in other directions, and her great centers have distinctly a cosmopolitan rather than a strictly British air. As a producer she is very largely concentrated on the export of rubber and tin, and for these the United States is much the best customer: in 1929 these two commodities constituted 95% of Malaya's exports to the United States and her American exports taken together accounted for more than 42% of all her exports.¹¹ The influence of American economic activities can be seen in the assertion made during the Congressional tin investigation of 1934 that President Roosevelt's devaluation of the dollar drove American consumers to turn dollars into tin, thus bolstering the price of tin to the considerable profit of the Malayan economy.¹² The

¹⁰ "Though there is probably a predilection for British goods it is not strong enough to counteract any considerable difference in price. Of all nationalities the British residents are probably the least patriotic in their purchases of daily requirements." R. Boulter, *Economic Conditions in British Malaya* (Department of Overseas Trade, London, 1931), p. 14.

¹¹ See *Memorandum on the Trade and Tariff of British Malaya* (American Council, Institute of Pacific Relations, May 18, 1934).

The following table (in \$000) further indicates the character and importance of Malayan export trade with the United States (from tables in *The Foreign Trade of Malaya*, S.S. Government Gazette, August 12, 1932):

	Total Merchandise Exports	Exports to U. S.	Total Rubber Export	Rubber Export to U. S.	Total Tin Export	Tin Export to U. S.
1930.....	\$637,661	\$226,871	\$241,086	\$145,176	\$124,462	\$72,326
1931.....	401,445	132,077	119,271	76,876	84,425	48,701

The rubber and tin exports include, of course, not only Malayan produce but also goods sent to the Straits from surrounding countries for re-export:

	IMPORTS TO MALAYA (\$000)	
	Rubber	Tin—ore
1930.....	\$42,167	\$40,745
1931.....	18,995	30,132

¹² *Tin Investigation: Report* (Washington, D. C., 1935), pp. 22ff. and pp. 952ff. The Bank holiday and the devaluation of the dollar stepped up purchases until by the end of 1933 American tin consumers had bought 59.21% more tin than in 1932. The price of tin had risen 130% and the world's visible supply of tin, a constant menace to the tin market, had been cut in half.

United Kingdom's share in Malaya's export trade in 1929 was only 14.3%, rising in 1931 to 15.1% while the American share fell to 31.1%. On the score of imports into Malaya the British showing is relatively better, but even here although the United Kingdom contributed 13.7% of Malaya's imports in 1931 as compared with only 2.5% for the United States, she fell far behind the Netherlands Indies with 38.1%. As Sir Stamford Raffles foresaw, the greatness of the Straits ports has been built up very largely on the basis of their rôle as middlemen in the trade between surrounding regions and the rest of the world.¹³ Although the trade of her own immediate hinterland has been of increasing importance for Singapore her prosperity has rested primarily on her ability to serve as a center of exchange, the manufactures of the industrial world flowing out in payment for the tropical products which her merchants have collected, sorted, treated, and reshipped. Whatever Malaya's other attachments to the Empire—and they are many and powerful—economically she is linked rather to the world at large than to Britain.¹⁴

¹³ The importance of this entrepôt trade is evident in the fact that Singapore and Penang supplied the largest market for the produce of the Netherlands Indies until 1932 and still rank a close second to Holland as well as holding a large share of the import trade of the Archipelago. In 1931 they imported Netherlands Indies goods to the value of f.151,231,000 (1929—f.324,943,000) as compared with f.130,432,000 (1929—f.231,320,000) for Holland itself. However, by 1934 the position had changed, Holland importing f.104,327,000 from the Indies as compared with the import of f.96,445,000 for Singapore and Penang. *Indisch Verslag*, 1934, Table 245A.

A striking illustration of the rôle of the Straits in this connection is the trade in mineral oils of which Malaya itself produces none (value in \$000):

	Imports to Malaya	Exports from Malaya
1930.....	\$149,537	\$100,745
1932.....	83,323	59,459
1934.....	69,621	46,244

¹⁴ The importance which Great Britain attaches to her economic position in Malaya is, however, indicated in the following passage from L. B. Beale, *A Review of the Trade of British Malaya* (Department of Overseas Trade, London, 1929), p. 4: "British Malaya is, to a greater extent than is realised at home, the testing ground of British commercial strength in the Middle East. If the United Kingdom can secure and hold a substantial share of the trade of Malaya, her future position throughout this portion of the world is largely assured." This Trade Commissioner pointed out, however, that "the United Kingdom is not keeping pace with her competitors," her share in the import of manufactured goods having fallen off from nearly a half of the total in pre-war years to less than a third.

Up to 1932 no preferences for empire trade had crept into the tariff schedules of the Peninsula, except in the earlier case of tin.⁴⁴ There had been a considerable "Buy British" movement, sporadic official efforts to persuade or compel buying in the home market, and the usual official preference in the form of purchases through the Crown Agents for the Colonies but there was no tariff discrimination in favor of home merchants. Although there was considerable variation in the customs tariffs of the different administrations—it has been stated that there was no single item on which the tariffs were uniform throughout Malaya—they were brief and equally applicable to all countries. In the Colony the only duties were those levied on liquor, tobacco, and petroleum, while in the F.M.S. these duties were supplemented by a dozen others, the bulk of which had been added in 1931 for revenue purposes.

The demand for imperial preference struck Malaya in February, 1932, in the form of a cable from the Secretary of State for the Colonies to the Governor-High Commissioner announcing that the home government, abandoning its ancient ways, was introducing preferential duties on colonial products and requesting that the colonies and protectorates follow suit. The first response to this request was that of the F.M.S. where the tariff was shifted over in March to a preferential basis which was further extended in June. In the Colony action was delayed until the April session of the Legislative Council when the government introduced resolutions calling for imperial preference on liquors and tobacco, but this delay was explained as being no more than a chronological accident. Despite official pledges to the effect that

⁴⁴ Spurred by the threat of the erection of large smelting works in the United States which, it was feared, would transfer the control of the Malayan tin industry to American hands, the F.M.S. in 1903 imposed a differential export duty on tin ore. In addition to the regular export duty on tin ore, an additional duty of \$30 per picul (133½ pounds) is levied on tin ore which is to be smelted elsewhere than in the Colony, Australia, or the United Kingdom. The practical effect of this provision has been to give the Empire a virtual monopoly of smelting its own tin ore and to preserve tin-smelting as one of the Colony's principal industries. See *Colonial Tariff Policies* (Washington, D. C., 1922), pp. 337-339. The Sub-Committee of the House Committee on Foreign Affairs conducting the tin investigation in 1934 concluded that the value of the smelters lay in their ability to control the industry and recommended that the United States "discourage the importation of metallic tin and encourage the importation of tin-ores for the purpose of establishing an American tin smelting industry." *Tin Investigation: Report*, p. 39.

the new duties had no connection with the customs union and that they would not be used as an opening wedge for the destruction of the free trade principle, the unofficials were sufficiently disturbed at the prospect to ask for a postponement of the discussion of the resolutions until the next session of the Council. When final action was taken the opposition was unable to muster the unanimous vote of the unofficials and the resolutions passed without the necessity of falling back on the official majority. Johore and Kedah likewise fell in step at the word of command although their ready compliance here was later cited as justifying or extenuating their resistance to other features of the Clementi program. Even though it aroused no great amount of comment at the time it deserves to be pointed out that while the Colony granted preference only on liquors and tobacco the other administrations were dealing with duties on a materially longer list of articles which hit much closer home to the ordinary consumer, especially those on foodstuffs and textiles. Official apologists could demonstrate with imposing statistical accuracy that, in the annual expenditure of the Malay villager and of the mine and plantation coolie, the increase caused by the new duties and preferences would amount to only a trifling sum, but what they failed to emphasize was that no increase in costs was tolerable which would serve further to reduce a standard of living already reduced to the barest bone.

The next major advance along the preferential road was taken toward the end of 1932 as a result of the Ottawa agreements. Now the tariff schedules everywhere in the Malay States began to bloom with new items and with preferences. By the end of the year the Federation, Kelantan, and Trengganu were all equipped with a relatively elaborate imperial customs tariff covering a general list of products. In Johore and Kedah the response was somewhat more limited in scope but both undertook a considerable preferential expansion of their duties.⁴⁵ In striking contrast

⁴⁵ The unofficial members of the Johore State Council seized the occasion of the November Council meeting to protest strongly against the new duties which had been gazetted in the previous month. The burden of their complaint was that the duties in part pressed hard on the laboring classes in a time of depression, that they were unnecessary as a revenue measure, that despite preferences they actually imposed duties on imperial goods formerly on the free list, and that they paralleled the F.M.S. duties to a degree which aroused grave suspicion of their being part of the customs

to this policy of forcing sovereign Malay States into the imperial economic network, no greater sacrifices for the imperial cause were called for in the Colony than a few unimportant amendments to the existing tariff which did not extend its reach by a single item, although the imposition of a surplus registration fee on non-British motor cars acted in fact as an almost prohibitive import duty. The Governor did his best to warn the Colony against the threat to its trade with the mainland if it stood aside from the preferential movement " and to inspire the unofficial objectors with a sense of the greatness of Empire and the obligations flowing therefrom, but he failed to achieve any noticeable change in public opinion.

Before Malaya was able to settle down and undertake the necessary adjustments to the new economic policy which had been imposed upon her a new blow descended in the form of a demand for the imposition of a quota system on the importation of foreign textiles. Following the announcement in the House of Commons on May 7, 1934, that the colonies and protectorates were to be asked to introduce import quotas on all foreign imports of cotton and rayon goods based on the average imports in the years 1927-1931, the acting Governor issued a communiqué specifically naming Japan as the country against which the quotas were directed, stating that the first quota should be reckoned from May 7, and calling for early legislation. Immediately on hearing this news the Singapore Chamber of Commerce got in touch with the government and a month later held a meeting which by a vote of 23 to 9 approved a resolution requesting the government to abandon the project. One speaker bravely defended the quota principle on the grounds that British trade

union. In reply the General Adviser could do no more than point out that with the change in imperial policy Johore had no alternative but to follow instructions. See *Straits Times*, November 2, 1932. In Kedah a similar opposition was met by the same answer.

"The dismay in the Straits at the introduction of the new principles of protection and preference was considerably increased when it was learned that the F.M.S. preferential duties were applicable only to direct unbroken shipments and not to Empire goods re-exported from Colony warehouses. Although there was some protest in the Federation against this ruling, on the whole it was felt both that Colony merchants were getting what they deserved for their refusal to join the imperial gesture and that the result was likely to be an extension of the business of F.M.S. merchants and of Port Swettenham.

was being severely and unfairly threatened by the Japanese, that the shipping interests would be the principal beneficiaries of a dropping of the quotas, and that Britain herself had departed from the "archaic policy" of freedom without encountering the widely predicted ruin. The rest of the speakers, however, did battle for the traditional freedom of the Straits ports and enlarged upon the dangers to the entrepôt trade involved in any change in policy, one of them stressing the fact that the effect of the quotas would be to raise the cost of living for the poorer classes of the community."

At the session of the Legislative Council on June 11, 1934, the Acting Governor did his unavailing best to demonstrate to the unofficials that despite the apparent paradox Sir Stamford Raffles was really with the government's measure in spirit since his primary interest had been not in free trade but in the advancement of the cause of Empire: "What, gentlemen, would Raffles' attitude have been if in his day British merchants and British merchandise had been in danger of being ousted from the Malayan market?" To this plea the unofficials responded by a renewed advocacy of the arguments which had been brought forth in the Chamber of Commerce debate and by unimperial doubts as to whether justice lay on the side of those who would impose higher prices on an Asiatic population in order to aid Lancashire merchants and manufacturers who could no longer compete successfully with their rivals." When the division was

"This meeting is reported in the *Straits Budget*, June 7, 1934. The chairman stated that in the five-year period 1927-1931 the average re-export of cotton piece goods from Malaya was 33,000,000 yards or 25% of the imports. In 1932 the re-exports rose to 40,000,000 yards or 28%, and in 1933 to 45,000,000 yards or 30%. "The goods re-exported are almost exclusively of foreign origin, and it is estimated that 80% is Japanese."

"The same contention was advanced among others by the Association of British Malaya in a protest of July 5, 1934, to the Colonial Office: "Put crudely, it is a case where producers in Lancashire, hurt by the intensive competition of Japan, seek some protection or redress at the expense of a large section of the mercantile community of the Colony—British subjects and others—and also at the expense of the people of the Colony of many nationalities, but all contributing to the life and health and advancement of a British possession. Under these circumstances, it is the duty of this Association by its constitution, to endeavour to maintain what the Committee regard as the Colony's greatest asset, its much prized covenant, the freedom of its ports. In the view of the Committee the Colony is entitled, for itself and its people, to defend its interests as against the wishes, or even the possible advantage of Lancashire, and having regard to the unquestioned loyalty of the people of this Colony, their unusual generosity to the Mother

taken the seven unofficials present went down to defeat before the London-commanded official majority, and the measure was forced through at a single sitting. On June 20th, the *Government Gazette* carried the quotas and the provision for re-export."⁴

For a variety of reasons, such as accumulated stocks of textiles, the delivery of goods previously ordered, and smuggling, it has so far been difficult to determine with any degree of precision the effects of the quotas, but the government has announced its conviction of the success of the scheme. Imports from Great Britain have shown a marked tendency to increase and there can be little doubt that Lancashire will regain at least a considerable portion of the trade which Japan has been capturing from her."⁵

Country in time of trouble, and the substantial contribution which they make to the Imperial Funds for their protection, it appears to the President and Committee of this Association that the voice of the Colony should prevail."

The Colonial Office reply pointed out that this was a question of imperial policy which it was felt impossible to apply to Malaya without including the Straits. It added, however, that the system applied in the Straits differed from that generally in force elsewhere: "In the first place the figure of imports debited against the quotas will be reduced by a figure corresponding to the amount of re-exports during the period; and in the second place provision has been made for re-export depots in which goods destined for re-export may be landed without being subject to quota restrictions." See *British Malaya*, August, 1934.

⁴ The imposition of these quotas on the Colony brought some consolation to the F.M.S. where in 1933 the import duties on certain classes of piece goods had been raised to give in effect a greater degree of imperial preference. The *Malay Mail*, Kuala Lumpur's leading newspaper, commented editorially on June 24, 1933, on the "extraordinary situation" created by the difference in imperial policy in the Straits and in the Malay States: "There have been some misgivings whether the Protecting Power was justified in ordering the people in a 'protected' State—which is not British territory—to pay a higher price for imported necessities of life in order to benefit British manufacturers, especially when no such order was issued in the adjoining British Colony. But so long as the higher duty did not exceed 20% the order was accepted in that spirit of fatalism which is characteristic of Eastern peoples. It can hardly be expected, however, that duties of from 40 to 75%, and in certain cases even higher, will be paid with equal complacency."

⁵ The following figures as to the import of cotton piece goods into Malaya were officially presented in the House of Commons on May 30, and July 12, 1934 (in thousands of yards):

	1929	1930	1931	1932	1933
United Kingdom	86,013	32,098	21,577	39,085	25,875
Japan	34,734	56,337	49,798	85,779	99,466
Total Imports	166,307	117,988	99,926	149,960	145,901

In 1934 the quantity of Japanese piece goods imported showed no very large decline but for 1935 the quota was set at 34,668,000 yards from which 10,000,000 yards were deducted for excess imports in 1933, approximately a two-thirds cut in the 1933 figure.

Despite protests from various bodies it is the official claim that the provisions for the re-export trade have worked in such a fashion as to provoke little if any disturbance in the commerce of the Straits ports. Trade with the Netherlands Indies has undergone something of a decline but that with Siam has risen sharply. In general the available statistics indicate that the entrepôt trade is holding up well although the broad trend appears to be in the direction of commercial and shipping practices which will increase the direct relations between neighboring countries and the rest of the world at the expense of the Straits. The threatened rise in price to the consumer has made itself evident, but in the present generally unstable condition of world economy it is difficult to know how large a share of the rise must be laid at the door of the quotas.

In 1935 the general increase in Malayan trade which had characterized the previous year was continued and, presumably under the influence of the preferential duties, the share of the British Empire in Malaya's imports continued to rise at the expense of all other regions. Exports to the United Kingdom fell, while those to the United States maintained their upward trend. The present situation is indicated by the following table: (000's omitted) ⁶

Country	Imports		Exports	
	1934	1935	1934	1935
United Kingdom	\$ 67,339	\$ 75,099	\$107,294	\$ 93,972
British Possessions and Protectorates	72,230	82,041	67,216	81,250
Continent of Europe.....	19,925	22,553	87,944	74,537
U.S.A.	8,257	9,104	188,555	213,588
Japan	37,502	30,413	51,381	52,685
Netherlands Indies	159,799	150,458	36,452	38,658
Other countries	102,104	105,834	27,798	27,261
Total	\$467,156	\$475,502	\$566,640	\$581,951

One significant result of the preference movement in general and of the textile quotas in particular has been the emergence of a split within the Colony's commercial interests between the importers of British goods and local manufacturers on one hand and the shippers and exporters on the other, the former inclining to a favorable view of the new protective system, the latter standing resolutely by the free trade tradition. There appears to be a

⁶ *Report of Registrar-General of Statistics, 1935.* The average of wholesale prices in 1935 showed a slight increase over 1934, food and tobacco prices rising by 1.6%.

growing realization by those profiting from it that the Straits are a part of the British Empire and that, in a world of warring national economies, the imperial connection cannot be too cavalierly disregarded.⁵¹

An invaluable survey of the whole economic position of the Straits was undertaken in 1933 by a Trade Commission representative of all varieties of established interests and races. Its report, issued after nearly a year and a half of hearings and research, did not recommend any drastic changes in the existing order, but its conclusions effectively underlined policies and points of view which had already found wide acceptance. On the score of both imperial preference and of the proposed customs union its attitude was hostile, although in the latter connection four of its members were interested in a further exploration of the possibility of a mainland union which should include both Penang and Malacca, leaving only Singapore to work out its separate free trade destiny. Despite its recognition of the severity of Japanese competition as the most remarkable feature of the Colony's trade, it could find little which benefited either Malaya or the Colony in the preferential system. To the hope of developing local industries and manufactures through protective tariffs it gave little encouragement because of the smallness of the Malayan market, foreign tariff barriers, and the insistence of home manufacturers on a preferential status: its conclusion in this respect was that the maintenance of the established policy of free ports continued to promise greater returns than any venture on untried paths.

Of the two problems discussed here the customs union was of Malayan interest and was allowed to continue without solution while the preferential duties were of imperial interest and were pressed to speedy decision. Despite the arguments which can be advanced against it there can be little question that a Malayan

⁵¹ This view is cogently argued by the Commercial Correspondent of the *Straits Times* (*Straits Budget*, April 25, 1935): "Of one thing we must be sure: whatever our own immediate problems, whatever our particular individual interests, the welfare of the port and the country, of its population and therefore also of its trade, industry and production, can only be safeguarded by Imperial policy. If one or the other private interest has to be sacrificed on the altar of this policy, it is for the good of the whole."

"It is therefore also not desirable that Singapore should remain a free port."

customs union is an advantageous and a progressive step. Other far vaster areas with at least equally diverse interests have been able to devise tariff systems which bridged the gap between different sections with a reasonable degree of success, and there is no reason to suppose that Malaya cannot do likewise. It is to be presumed that as far as the unfederated States are concerned only minor damage would be done them if they were merged into a Malayan economy, and they would stand to gain, as would the other areas, from the encouragement to local industry, not to mention the savings in the cost of customs administration and the reduction of the problem of dealing with smugglers. Essentially only Penang and Singapore stand to lose and here much could undoubtedly be done through an extension of the re-export provisions which have been applied in the case of the textile quotas. For imperial preference, on the other hand, there is almost nothing to be said from the Malayan standpoint, unless it be on the score of the greater glory of empire and the greater profit of British exporters. The bulk of Malaya's exports have not received and cannot receive any equivalent preference in the imperial markets. Only a trifling percentage of Malaya's population is British born and a not much larger percentage is sufficiently wealthy to be able to indulge in the cash sacrifice involved in such imperial gestures. Furthermore, by far the larger part of the area is not British but merely under British protection. With whatever cynicism one may regard the affairs of empire it is to be regretted that the practical interpretation of imperial trusteeship should be so flagrant an advance of the British at the expense of the native interest.⁵²

THE RETURN OF THE DINDINGS

As a counterweight to this indefensible procedure might be set the retrocession to Perak of the Dindings, a coastal strip with an

⁵² See "The Future of Colonial Trusteeship," *The Round Table*, September, 1934, p. 743. Here it is strongly argued that in forcing the preferential system on her colonies and protectorates Great Britain has necessarily abandoned the proud claim of Joseph Chamberlain that she develops the colonial empire as the trustee of civilization for the commerce of the world: "To talk of 'co-operation' unless we are sure it is voluntary goes far to justify what is said abroad of our national hypocrisy. We are face to face in fact with an imperial issue of quite first-rate importance."

area of less than 200 square miles, but in the actual accomplishment of this piece of generosity there was not much to hearten the champion of an ethical interpretation of imperial affairs. The Dindings had presumably been ceded to Great Britain by Perak in 1826, although there is some dispute as to the interpretation of the treaty of that year, but it was not until 1874 when the treaty of Pangkor reaffirmed the cession that the territory was definitely incorporated into the Colony of the Straits Settlements and occupied by the British. The nominal purpose of the cession was to give Britain a base from which to combat piracy in the Straits of Malacca but it appears that the territory was never utilized for that purpose. With the disappearance of piracy the disadvantage of the situation became apparent to all concerned. To Perak it was a constant aggravation that a strip of its coast should be outside its own jurisdiction, and to the British it was more of an annoyance than a benefit to hold a small isolated territory which had to be administered from Penang, a hundred miles away. From the end of the nineteenth century on it was the regular plea of Governors as well as of several Secretaries of State for the Colonies, that the Dindings be returned to Perak.

It was not until 1934 that affirmative action in this direction was taken, and then the main motivating force was the desire to secure more easily guarded customs frontiers which would permit the F.M.S. to enforce their growing list of preferential duties. On June 6, 1934, an agreement was signed by the Acting Governor, on behalf of H.M. the King, and the Sultan of Perak, which provided that the latter should, from the date of the entry into force of the agreement, have "full sovereign rights and title over the territory of the Dindings and such territory shall once more form part of the State of Perak." ** Before the agreement could come into force it was necessary to secure the consent of the Imperial Parliament, a proceeding which evoked some highly significant comments on the actual status of the Malay protectorates. In the House of Commons on November 1, 1934, the Secretary of State for the Colonies, Sir Philip Cunliffe-Lister, pointed out the desirability of rewarding the Malay Sultans for their loyalty to the

** 24 & 25 Geo. V. Dindings Agreement (Approval) Act, *Parl. Papers* (1933-1934), vol. I.

Empire, as evidenced very concretely by their unparalleled generosity in regard to imperial defense. He defended the cession on the basis of administrative and fiscal difficulties involved in leaving the Dindings in the Straits Settlements: since the Straits had only a very limited list of dutiable articles, the Dindings furnished smugglers with an excellent base for evading the wide and growing customs tariffs of the F.M.S.

A number of objections were promptly raised from the floor of the House, the bulk of which reflected an apparently widespread fear that the beneficent but all too soft-hearted British Empire was handing back some 20,000 people from its own wise rule to the tyrannical oppression of an Oriental despot. But the Secretary of State was in no way backward in proclaiming that not only did the Federated Malay States want to regard themselves as a part of the British Empire, but also that, as far as administration was concerned, they were substantially indistinguishable from the Crown Colonies. In reply to the accusation that the administration in the F.M.S. was conducted at a much lower level than in the Colonies, he dispelled any lingering illusion that the Federation constituted an experiment markedly different in character from that being carried on elsewhere in directly ruled regions. "If I had put to me by the hon. Member the invidious question as to whether I thought the administration was better in the Malay States than in a Crown Colony, upon my soul I should find it very difficult to answer," he stated. "The only answer is that it is equally good in both." At this point a former Secretary of State for the Colonies, L. C. M. S. Amery, interjected: "It is the same." "It is the same," Cunliffe-Lister continued, happy to find his somewhat cavalier disregard of indirect rule confirmed, "and therefore it is the same standard. The man who is the Governor of the Straits Settlements is the High Commissioner for the States. It is the same person and the policy is the same throughout. Under the Treaty by which the Federated Malay States come under the protection and become part of the British Empire, it is the duty and the obligation of the Sultan to take the advice and to act upon the advice of the Resident, who takes his instructions from the High Commissioner on every single question, except Malay religion and custom. What in effect

does happen is that a most admirable system of administration, with social services, schools, and so on, exists in the Federated States exactly as in any of the Crown Colonies." Furthermore, he added, anybody who knows the F.M.S., and particularly Perak with its large business interests, must know that there is a unified civil service, changed about from the Colony and the Malay States. In similar fashion the Secretary of State disposed of the charge, involving the alleged Japanese activities looking toward a canal at Kra, that the cession of the Dindings was strategically unsound, by stating that the project had the full approval of the Defense Services.

The population of the Dindings, according to the 1931 Census, was 19,592, of whom 7,468 were Malays, 7,008 were Chinese, 4,778 were Indians, and 22 were Europeans. The interests of these persons were protected by an article in the treaty which provided that all rights to property of private persons or corporations should be maintained, and by a further article stating that nothing in the agreement should operate to affect the nationality of any persons domiciled or habitually resident in the Dindings. This latter article raised a somewhat delicate issue. The Secretary of State was asked whether it meant that the inhabitants remained direct British subjects or became British protected persons, and he replied that he would not go into "the very subtle distinction between a British subject and a British protected person, but the Article does what it says. Everybody who is there at the present time and who is a British subject, will remain a British subject in the technical sense of the term." Which did not shed any vast light on the subject. Nor is it necessary to add that the inhabitants of the territory were given no opportunity to express their opinion as to the transfer: that would no doubt have been, in the classic phrase coined by Calvin Coolidge in connection with a proposed Filipino plebiscite on independence, to trifle with the sacred feelings innate in mankind. That there were objectors both in the Dindings and in the Straits was clear from the local controversy aroused by the issue. The non-Malays felt strongly that they were being sacrificed for the sake of imperial policy, and this feeling was enhanced by the continuing dispute over the pro-Malay policy of the Federation. A lesser

ground of objection was that the port of Lumut in the Dindings is considered to be the best natural port on the entire western side of the Peninsula and that the Federation might develop it at the expense of the trade of Singapore, Penang, and Malacca. On this score the F.M.S. issued assurances that it had no plans for such a development.

On February 16, 1935, the formal transfer took place, and the Perak flag instead of the Union Jack flew from the District Officer's residence. Although the Sultan ordered special services of thanksgiving and prayer in all Perak mosques for His Majesty's health in gratitude for the retrocession, the State paid the Straits Settlements the sum of \$86,850 for the buildings, bridges, roads, and other immovable property of the Colony government.

CHAPTER VIII

THE DUTCH FORWARD MOVEMENT

It appears to be one of the fundamental laws of imperialism that its own momentum carries it far beyond its original anticipations. Once a beginning has been made the conquest must be pushed on at the frontiers even though the home authorities may at times seek rather a diminution than an increase of imperial responsibilities. Thus, as has been noted above, the rival East India Companies, despite their purely commercial intentions, were forced by the logic of the imperialism of the day into the acceptance of a considerable degree of territorial government. The history of the nineteenth century in India is in good part a record of the continual expansion of the British sphere despite the spasmodic efforts of the home authorities to check its growth, and it has been seen that the independence of the Malay States proved to be more than the neighboring Settlements could long endure. The need for strategic frontiers, for a logical rounding out of the territory in hand, and for the suppression of the trouble-making adjacent peoples combined with the expansive enthusiasm of the local officials and unofficials to override the cautiousness of the home governments.

In the last quarter of the nineteenth century this tendency of imperialism was given almost free rein. Under the pressures generated by the development of capitalism the home governments relaxed the firm control which they had tried from time to time to impose on their colonial authorities and, now reluctantly, now willingly, sanctioned a policy of advance. Even apart from direct economic pressures the new imperialism was in the air and claims were staked out for the future lest all the desirable places of the earth be gobbled by one's insatiable rivals. For both Britain and Holland, with their already vast possessions, it is

difficult to see that expansion was an immediate economic necessity, as Jules Ferry later claimed it to be for France and the German economic interests for their country, but once the game was begun problems of prestige began to enter to complicate the matter. Statesmen trembled at the thought that some distant corner of the globe, ignored by their predecessors, might pass irrevocably from their grasp. For Holland in particular the situation was peculiarly distressing since vast stretches of the Archipelago to which she laid claim were far from being in that state of effective occupation which the Berlin Conference of 1884-85, in re-editing the rules of the game, recognized to be essential for the establishment of a valid and indisputable title.

The turning point in the Dutch position came with the signing of the Anglo-Dutch treaty of 1871 under which the British abandoned their objections to the extension of the Dutch domain in Sumatra.¹ This restoration of freedom of action released the Dutch from their pledge of 1824 not to interfere with the independence of Achin and, although it took no less than thirty years of intermittent warfare to persuade the Achinese of their destiny, the ultimate result was an increase of power which soon gave the Dutch effective control over the entire Archipelago.

The problem of dealing with the Achinese under the restrictions of the treaty of 1824 had worried the Dutch almost continuously for half a century.² Piracy was rampant in Achinese waters and had frequently involved the ships of other Powers, as well as those of the Dutch. Thus in 1831 an American ship was plundered with some loss of life and two years later an American frigate was sent to bombard the Achinese port at which this incident had occurred. British ships more than once also fell victims to the daring Achinese pirates. Under these circumstances, and fearing that some other Power might decide to intervene, the Dutch succeeded in 1857 in concluding with the Sultan a treaty of permanent peace and friendship by which both bound themselves to combat piracy. It is, perhaps, worthy of note that before entering into the treaty the Sultan consulted

¹ See Aitchison, *Treaties*, I, 352-362.

² See E. S. de Klerck, *De Atjeh-Oorlog* (The Hague, 1912), vol. I; E. B. Kielstra, *Beschrijving van den Atjeh-Oorlog* (The Hague, 1883-85), I, Chs. I-III.

the Governor of the Straits Settlements who advised arriving at an understanding with the Dutch. The benefits of this treaty, however, soon demonstrated themselves to be more illusory than real, because of the desperate struggle of the Achinese to preserve their independence in face of provocative encroachments by the Dutch on States—notably Siak and its dependencies—which the Achinese claimed to be under their suzerainty. Relations became steadily worse instead of better, and the Dutch gradually became aware that the policy of holding back from further expansion in the outer islands would have to be abandoned.

This situation became further complicated when Great Britain in 1863 began a serious diplomatic battle with the Dutch on the grounds that the latter were violating the 1824 Agreement by extending their possessions in Sumatra and were endangering the rights of British trade. Lord Russell went so far as to state to the Dutch that "if steps are not shortly taken for removing the just cause of complaint . . . a state of things will arise which cannot fail to be most injurious to the good relations between the two countries." In both the Straits and India the feeling was widely expressed, in terms reminiscent of Raffles' animosities, that the Dutch would shortly exclude all British commerce from the east coast of Sumatra. As the exchange of diplomatic courtesies went on, however, it became evident that the British were abandoning their protests on the score of Dutch expansion and were concentrating on the protection of their trade rights. It quickly became apparent that the interest of both parties would best be served by a revision of the 1824 treaty in such a way as to free Sumatra for the Dutch and to guarantee equal treatment for British commerce. Dutch interest in such a treaty was heightened by the discovery in 1869 that the Achinese had offered to place themselves under the sovereignty of the Sultan of Turkey in order to secure aid against the Dutch. The Turks had failed to accept the offer, after inquiring from the Dutch as to the status of Achin, but it was a clear reminder that the Achinese were desperately seeking a means of escape from the Dutch menace. It is by no means an irrelevant circumstance that in that same year the northern tip of Sumatra, occupied by Achin, had sprung into a new prominence with the opening of the Suez

Canal. The final signature of the treaty of 1871 after lengthy negotiations satisfied the aspirations of both the British and the Dutch and extended to its logical conclusion the principle of the treaty of 1824, but for the Achinese it meant the relinquishment of their dwindling hope of British support.*

The breaking point was reached early in 1873 after the discovery that certain Achinese agents had been negotiating with both the American and the Italian consuls in Singapore to win their assistance against the Dutch. The exact nature of these mysterious negotiations, conducted in secrecy and after dark, has remained somewhat obscure, but it seems clear that the Italian consul held aloof, although there had been some talk in Italy of establishing Achin as a penal settlement, while the American, one Major Studer, rashly let himself be drawn in much further than was justified. Without any authorization from Washington Studer went so far as to prepare a draft treaty with Achin and to communicate with the admiral of an American squadron in the China Sea in an effort to persuade him to undertake the protection of that State. At the same time the Achinese were also to some extent involved in negotiations with the French for the same purpose. Despite the fact that the several home governments promptly disavowed any intention of interfering in Achin, the Dutch regarded these "traitorous" activities of the Achinese as virtually ending the possibility of a peaceful settlement. To back down now would be regarded as a sign of weakness in Europe, America, and the East: no course was left but to show the mailed fist.*

On the 22nd of February, 1873, the Governor-General telegraphed home that at a meeting of the Council of the Indies it was unanimously decided to send an envoy with four battalions to Achin as speedily as possible "with an ultimatum to recognize us as sovereign or war. We must receive America with a *fait accompli*." Early in March word was received from Washington that no American intervention was contemplated, and the Dutch were then free to proceed against the Achinese without fear of foreign complications. For a brief period futile negotiations were

* See de Klerck, *op. cit.*, I, Ch. IX.

* See *ibid.*, I, 384ff; Kielstra, *op. cit.*, I, 46ff.

undertaken with the Sultan, less, it seems, with the hope of a peaceful settlement than in order to demonstrate to the Achinese and to the world at large the desire of the Dutch to avoid war. When it became apparent that the Achinese were merely stalling for time, war was declared on March 26th.⁶

The long and intricate story of the thirty years of warfare which followed need not concern us here. The first twenty years of that period were filled with a succession of blunders which left the Dutch at the end much where they were at the beginning, save that the complete conquest of the country, which would have been relatively much easier in 1874, was now made very difficult by the intensified hatred of the Achinese and their training in warfare. Ignorance of the country and its ways and uncertainty as to the degree of control necessary to make Dutch sovereignty effective were the main factors which forced the prolongation of the struggle.⁷

Despite the optimistic expectations of the military the first expedition, after the loss of the general in command, was forced to withdraw at the end of April when it discovered the actual strength and tenacity of the Achinese. In January, 1874, a new and stronger expedition succeeded in capturing the *kraton*—the palace of the Sultan—and it was felt that the victory was won. A few days thereafter the Sultan died. Instead of allowing the coronation of a successor the Dutch Commander-in-chief in Achin speedily proclaimed that after a brave defense by the Achinese the people had been conquered and the *kraton* captured, that the Sultan was dead, and that "the land, therefore, through right of con-

⁶ On April 4, 1873, the American Minister to the Netherlands reported to the Secretary of State that the Dutch government was supported with great unanimity at home but that there was deep concern as to the final outcome of the war. "A few believe that it will secure to the Netherlands the control of the island, but a much larger number believe that it will prove to be a very long and a very expensive struggle, lessening materially, if it does not wholly destroy, the value of the East Indian possessions." *Foreign Relations of the United States*, 1873, II, 713.

⁷ Snouck Hurgronje, smarting under the accusation that it took the Dutch thirty years to bring the Achinese to terms, insisted that actually Holland had not engaged in that many years of warfare: "Her error rather has been that she has continually suspended the action she has begun and that she indulged in long periods of quiescence,—while the most serious trouble of all has lain in the fact that the strings of policy were pulled by ignorant majorities in the Mother-country." *The Achinese* (Leyden, 1906), I, vii.

quest, belongs to the Netherlands Indies government." An offer of protection was extended to such chiefs and regions as acknowledged their submission and resumed a peaceful way of life. This assumption that the conquest was completed met with only one stumbling block: the failure of the Achinese to recognize that the fall of their capital meant their defeat. For more than two decades they carried on a harassing warfare which kept the Dutch at bay. It was not until 1896 that the tide began to turn. From this time forward, acting under the advice of the distinguished C. Snouck Hurgronje, who had an unrivalled knowledge of the Achinese and of Islam, and the able military leadership of General J. B. van Heutsz, the Dutch abandoned half-measures and undertook the actual conquest of Achin. By 1904 the entire country and its neighboring dependencies were under the effective control of the Dutch and the war was regarded as ended, although in the succeeding years minor armed outbreaks continued to disturb the peace.⁷

The whole of Sumatra was now at their command but much of the rest of the Archipelago knew only a nominal Dutch overlordship. With the native States and communities close to the coasts of the various islands the Dutch had a considerable acquaintance, but the interior at most points remained a place of dark mystery illuminated only by the chance reports of straying European explorers, merchants, or officials. Even with the coastal States relations were in good part a heritage from the Company's days and were in a perpetually unsatisfactory condition. Often elaborate treaties had been signed at some point in the past—occasionally on terms of formal equality, more frequently with a recognition of Dutch suzerainty—but neither party took much heed of their provisions unless some special emergency arose. A strong or remote State over which the Dutch had happened to acquire extensive treaty rights might find itself free of control while a less powerful one would be taken completely under the

⁷ An interesting brief review of the events leading up to the war and of the war itself is given in E. B. Kielstra's *Indisch Nederland* (Haarlem, 1910), Ch. VIII. Kielstra is here chiefly concerned to argue that the Achinese war had a far higher degree of justification than the Boer War, and that the Dutch were therefore morally justified in expressing horror at the activities of the British in South Africa.

Dutch wing with only the scantiest of treaty authorizations. Almost nowhere in the outer islands was there established a regular and continuous government of the type which is now universal.

The first effect of the Achinese war was to make this situation worse rather than better. As the Java war and the Culture System had held the Dutch back from expansion earlier in the century, so now the new war strained Dutch resources to the uttermost, occasionally even forcing partial withdrawal from regions formerly under control.* Furthermore, its gloomy progress played directly into the hands of those who, in the mid-century vein, opposed an expansionist policy: the maxim "*Qui trop embrasse mal étreint*" made frequent appearance in their speeches and writings. That this view was held in the highest circles is apparent in a speech, typical of the anti-expansionist sentiment of the time, made in the States-General in 1878 by Otto van Rees, one time vice-president of the Council of the Indies, later Minister of the Colonies, and Governor-General from 1884 to 1888. It was his opinion that officials in the Indies should be warned to move gingerly since the governance of Java and Sumatra already imposed burdens greater than could be carried. All the other islands, with the exception of Banka and Menado, he regarded as harmful luxuries because they cost much money and thus hindered the proper development of the more productive parts of the Archipelago. Even worse than the expansion into the outer islands, van Rees declared, was the expansion of the administrative concerns of the Dutch throughout their

* In 1876 in a report on conditions in the outer islands, the Director of the Department of the Interior (Binnenlandsch Bestuur) spoke, in terms equally applicable elsewhere, of the loss of Dutch authority in the Moluccas. This he attributed in good part to "the miserable war with Achin, which, through its dragging progress and shifting chances of war, has struck such a severe blow at the belief in the invincibility of our arms and consequently at our prestige in the entire Archipelago; which does not allow us to take the necessary firm steps elsewhere because it lays claim to all our available forces." Faced by an aroused Mohammedanism throughout the islands, the officials felt unable to apply corrective measures because they knew that they could not be backed up by the central authorities. In Northern Celebes the Director reported that the native chiefs were lending their support to piracy and slave-raiding instead of suppressing them as the treaties with the Dutch required. Throughout the Archipelago he found that Dutch authority was ignored and the existing treaties violated at every point.

possessions—a complaint which was widely voiced. In addition to complete abstention from territorial expansion there must be reduction rather than increase in the functions of the administration, largely because of the lack of Dutch officials competent to perform the new tasks. On this basis he pleaded for the retention and, where necessary, the re-establishment of native States which might then continue to operate under the supervision of a limited number of Dutch officials. A new order of imperialism was dawning but there were many who had not yet seen its light.

For some two decades this view predominated although there were a few bolder spirits who advocated an advance, for the most part because of fears that other Powers might be drawn into the vacuum which the Dutch policy of abstention left behind it. From 1875 to 1881 the theory of advance was championed by Governor-General J. W. van Lansberge who expressed his doubts as to whether the nominal sovereignty of the Dutch over large stretches of the Archipelago would serve to hinder others, notably Germany and Italy, from hoisting their own flags. As an additional, but unavailing, argument he pointed out that affairs in the outer islands were slipping from bad to worse and that the postponement of intervention would only make it more difficult and expensive.

Toward the close of the century, however, a new spirit began to be felt as van Heutsz succeeded in putting an end to the long drawn out blunders of the Achinese war and Dutch self-confidence returned. With the departure of van Heutsz from Achin at the end of the war and his assumption of the Governor-Generalship in 1904 a determined policy of expansion was undertaken which soon established Dutch rule as a reality throughout the islands. Even now the remoter stretches of the interior in Borneo and Celebes are only just beginning to feel the continuous pressure of the Dutch administration, but the period toward the end of and after the Achinese war rapidly put an end to the justified doubts which the Dutch held as to the legitimacy of their tenure in terms of effective occupation. Nowhere else in the Archipelago did the Dutch find themselves confronted with an opposition comparable in any real sense to that of the Achinese.

It is not, of course, to be understood that in this period the

Dutch undertook the conquest of areas which had lain outside their formal sphere of jurisdiction, but rather that they adopted elsewhere the type of policy which had brought them success in Achin after 1896. Where before they had been content with occasional military expeditions which ended normally in the signing of treaties, thereafter ignored by both sides, they now consolidated their victories and instituted a series of civil governments. After the military had departed, these stayed behind to supervise or run the administrations and to see that treaty provisions were observed. For the first time in the history of the islands outside Java the Dutch accepted the responsibilities which colonial government implies. Indeed it may be said that the acceptance of responsibilities even overshot the mark. In a number of cases, as in Achin, Bali, and Celebes, the Dutch destroyed or pushed aside native governments which a later generation of colonial administrators, imbued with the idea of indirect rule, would have been glad to have at their disposal.*

In many newly acquired regions, however, the native States were left in existence but a major innovation was introduced into the method of dealing with them.¹⁰ As van Heutsz and Snouck Hurgronje saw the end of the Achinese war approaching it became evident to them that it would be necessary to devise some form of permanent settlement for the problem of maintaining

* The earlier hostility to the native States may be seen in an Advice of the Council of the Indies of November 10, 1876: "Every native administration left to itself, whether it is governed by the ruler or by lesser chiefs who have raised themselves to that station or have been chosen by the people, is fundamentally bad, a canker which gnaws at the rights, interests, and welfare of the people, an obstacle which arrests the development of industry, a constant danger for public peace and order." The Council took the stand that "true humanity imposes on us the heavy duty of taking the many thousands under our care and gradually securing the realization of the benefits of an above all righteous European administration."

See also the report of a Resident on conditions in Madura in 1867 where one directly ruled regency stood between two regencies left under native rule; in the former conditions compared with those in Java, the blessings of European rule springing to the eye, while in the latter the native government damaged the morality and the welfare of the people. The regents and the aristocracy were reported as regarding their subjects as not much better than beasts of burden. Kielstra, *Indisch Nederland*, pp. 42-43.

¹⁰ For purposes of uniformity and convenience the official Dutch term *Zelfbestuur*, which means literally "self-government," has throughout been translated as "State" or "native State," except where the literal version is obviously more appropriate. In the same way *Zelfbestuurder* has been translated as ruler or native ruler.

Dutch control over Achin's former vassal States. The two alternatives which the past history of the Indies presented to them were incorporation of the new territories into the directly ruled possessions of the Dutch, as had happened to the heart of Achin, or the conclusion with the numerous and scattered chiefs of elaborate treaties of the type utilized in earlier days. The latest of these, on which there were several variants, was the model treaty of 1875 which ran to no less than twenty-six articles, laying down in detail the obligations which the State assumed and its relation to the Dutch suzerain.

The new departure was placed before the government by van Heutsz in a significant despatch of November 12, 1898, the composition of which is attributed to Snouck Hurgronje. Here the absurdity of the old system of dealing with native States was exposed at length. The old style long treaties, it was asserted, were regarded by the chiefs as merely the form in which they testified to their dependence on the government, and neither the Dutch nor the chiefs themselves paid any serious attention to their specific provisions. The chiefs hoped to be bothered as little as possible by the Dutch and had, in fact, made use of Dutch weakness openly to engage in piracy, in the harboring of criminals, and other activities flagrantly in violation of the treaties. On the other hand, the Dutch officials likewise introduced a number of measures which had no treaty justification, and the chiefs, where a strong hand was applied, obeyed the official orders without even thinking to examine their relation to the treaty provisions: in brief, the treaties were ignored because they entirely failed to represent the actual relationship. The chiefs accepted Dutch supremacy in its entirety and acted accordingly in so far as it was brought home to them that the Dutch meant business; where it became clear that that supremacy was a fiction they followed their own pleasure.

It was further contended against the old treaties that they tied the hands of the Dutch too tightly. Where new problems arose which had not been foreseen, it was held to be a practical impossibility to carry on negotiations for amendment of the treaties with all the petty chiefs involved. Indeed, there might well come a time when the chiefs, growing in wisdom under

Dutch instruction, would demand that the various articles be strictly adhered to, instead of merely taking them as a rigmorole representing a total of Dutch supremacy. As the areas became pacified, furthermore, private interests would multiply, and it was considered all too likely that among them would be some of an evil legalistic turn of mind to advise the chiefs as to how to evade Dutch control by judicious treaty interpretation. "We are opening the way to such opposition," it was asserted, "by obligating ourselves to consult the chiefs as if they were persons of political magnitude about all sorts of measures concerning which they simply await our orders."

On this realistic examination of the existing practice and its future prospects was based the proposal that the vassal States should be directly incorporated into the Dutch territories with the provisional maintenance, for opportunistic reasons, of the indirect form of administration. The "opportunistic reasons" were frankly stated to be that indirect rule was less expensive in both men and money. The chiefs, on this basis, would be solemnly reinstated in office on two conditions: that they recognize the exclusive supremacy of the Netherlands, of which their territories form a part, and that they obey all the instructions given them by the proper Dutch authorities.

As a somewhat less desirable alternative it was proposed that the native States be maintained without incorporation into the Dutch territories, but that their chiefs be required to sign a declaration the two articles of which embraced precisely the same conditions. It is significant that it was added that the consequences of demanding this declaration "would be exactly the same as the declaration of these vassal States as direct territory." Although in the light of future developments the accuracy of this comment may be doubted, it is an adequate representation of the intentions and expectations of the creators of this so-called Short Declaration.

It was this second solution which the government accepted, in part because of fears that England might object to the more far-reaching step. The only change that was made in the draft declaration of van Heutsz and Snouck Hurgronje was the addition of a third article stating that the ruler undertook not to

enter into relations with third Powers. From that time forward the Short Declaration, which bears a close resemblance to the treaties which Great Britain imposed on the Malay States in 1874 and thereafter, became the standard instrument by which the relations between the government of the Indies and the native States were determined, although certain exceptions were allowed in special circumstances. The old treaties had bogged down in a mass of detail which no one bothered to observe in the era of anti-expansionism; the new declaration gave the Dutch a free hand of which they were prompt to take advantage in their drive toward imperial power.

One point which remains to be made clear is that, whatever the present-day opinion as to the ethical and other values of the system of indirect rule, its application by the Dutch, as by the British, in the heyday of their advance was strictly on grounds of expediency.¹¹ Direct rule meant sending in enough men and money to establish an effective government by your own efforts. Indirect rule meant that the old administrative structure was preserved under the supervision of a very limited number of European officials and that the finances of the area were as far as possible derived from the established local sources of revenue as gradually supplemented by the new sources opened up under the European superiors.¹² Furthermore, indirect rule, where discreetly managed, meant that a great part of the burden of maintaining the authority of the government was removed from the

¹¹ That Snouck Hurgronje was no confirmed adherent of the system of indirect rule is also apparent from a memorandum which he drew up concerning another Sumatran area on January 26, 1900: "It is difficult to decide in general whether the direct form of government deserves preference in the Indian States or rather the indirect; that depends on all sorts of local circumstances, considerations of expediency, and above all on the strength of the native government with which one is concerned. In both cases the goal must certainly be the same, although there are differences in the means whereby and the time within which the whole shall be attained: steadily one must work toward the reformation of the native misgovernment according to our own political principles. We bring a native State not a step ahead and gain not a thumb's breadth of influence there if we let the extortion and tyranny of the native chiefs go untouched."

¹² In confirmation of this view there may be cited the comment of A. W. F. Idenburg, van Heutsz' successor as Governor-General, concerning the maintenance of the native States in conquered territory: "It seemed possible in this way to establish a permanent, real governmental influence in the vassal States without significant sacrifices from the general finances." "De beteekenis van van Heutsz," *De Indische Gids*, LI (1929), 162.

Europeans and placed on the shoulders of the already established rulers with their more direct access to the loyalty of the people. If the co-operation of these rulers could be won or forced the system of indirect rule clearly had vast advantages, particularly for the small Netherlands with their relatively scanty resources of man-power and wealth. Indirect rule in modern times began as a device to bridge the gap that temporarily barred the way to direct rule: in its continuance it was discovered to have other virtues of its own.

A key point in the Dutch forward movement was the formulation of a new general policy by Governor-General van Heutsz in 1907. This policy in theory called for: 1. the judicious extension of Dutch influence in regions where the existing circumstances stood in the way of the social freedom, welfare, culture, and development of the country and the people; 2. the abandonment of the policy of abstention from interference with the internal affairs of States left with a greater or less degree of self-government; 3. peaceful efforts so to change the relationships with the native States as to give satisfactory guarantees of a gradual improvement in administration and justice; 4. special attention to finance in order that the revenues might serve the development of the country and its people; 5. a decisive insistence, with the avoidance of anything which might lead to the use of force, that the rulers of the native States strive for the welfare and the improvement of the economic conditions of the people; 6. incorporation of the native States into the government territory only at the request of the chiefs or the people or where it appeared unavoidable in the interests of the people; and 7. in the Javanese principalities an administrative organization which would lead to the gradual assimilation of social and economic conditions to those existing in the directly ruled areas.¹³ With the adoption of this new policy the old régime came to a definitive end and the new came into its own.

From this time forward the maintenance of the native States,

¹³ See W. Verbeek, "De zelfbesturende landschappen buiten Java," *Koloniale Studien*, III (1919), 461-462. From 1885 to 1915 the number of European officials in the outer islands increased from 250 to 401. See *De Buitenbezittingen 1904 tot 1914* (Mededeelingen van het Bureau voor de Bestuurszaken der Buitenbezittingen, Afl. X, Deel I, 3).

except under extraordinary circumstances, may be regarded as an integral part of Dutch policy. In 1909 it was again explicitly affirmed in the speech from the Throne. The adoption of the policy was, however, a very different thing from actually allowing a substantial right of self-government to rest in the hands of the rulers and their associates, and it was a commonplace of the early years of the present century that the rulers had, in fact, been pushed aside while the Dutch officials took over the management of their States. Where the functions of government were not completely taken over by the Dutch administration, they were all too frequently left to the rulers only in the fictitious form of "consulting" the latter by having them sign the necessary documents. Indeed, in various quarters, high and low, the opinion appeared that native States which had signed the Short Declaration had abandoned their right of self-government and had been absorbed into the general territories of the Indies, but both in Holland and in Batavia a strong stand was taken by the government against this misguided interpretation. The official policy was authoritatively stated to be, not only that the Short Declaration States continued to enjoy the rights of self-government, but also that they should in no instance be regarded as standing in a less favorable relationship to the central authority than States with long treaties.

In 1914 the further implications of this policy were developed in an official circular sent out to the heads of all regions in the outer islands embracing native States.¹⁴ Here it was laid down as the guiding principle that the rulers and their associates should be increasingly trained to carry on the actual work of administration along the lines approved by the Dutch and under the supervision of Dutch officials. The conduct of the government of the native States with no effective participation by the rulers was held to make of indirect rule "only the giving of a legal form to an essentially illegal exercise of power by the European officials." It was insisted that the European officials regularly and habitually keep the native authorities informed as to what was going on and even compel them to take an active part in the affairs of State, especially the drawing up of the budget. The

¹⁴ *Bijblad op het Staatsblad van Nederlandsch Indie*, No. 7960.

notables of the State were each to be put at the head of a special service, such as justice, police, or finance, and the European officials were to deal directly with them and the ruler himself, leaving to them the contact with the lower native authorities. In conclusion the circular pointed out that unless the practice of treating the rulers and notables of the native States as figureheads was abandoned, the money and effort expended in educating them along modern lines would be not only wasted but quite probably actually harmful. It may be doubted whether this circular and other similar official efforts to make indirect rule a reality had any very substantial results, despite the strong declarations of the government on paper.

Perhaps the most striking and far-reaching, and also one of the most obvious, innovations introduced into all the petty principalities which fell under Dutch sway was the reform of the financial system. Just as the British had found it necessary to act promptly in this respect in the Malay States, so the Dutch proceeded as soon as possible to separate the State's finances from the finances of the rulers and the notables by whom they were surrounded, and to establish special State treasuries under Dutch supervision. Up to 1910 these reforms were carried out in a somewhat haphazard fashion, but thereafter the process was carefully regulated and supervised by the central authorities. The ruler, instead of pocketing the State revenues and undertaking such expenditures as events forced him into, now found himself reduced to a regular civil list provided in a regular and precisely framed budget.¹⁶ This was, obviously, a reform which was both inescapable and to the general advantage, but it had the immediate effect of virtually removing the control of the purse strings and so of a great part of public policy from the hands of the ruler. To him the whole process was an almost inexplicable novelty, and one for which he and the other notables had, naturally, no liking. This was especially the case since the revenues of the States regularly increased under efficient management and with the introduction of new taxes: in the formative years from 1910 to 1914 the total revenues of the native States grew from f.9,198,933 to f.14,891,849. From the standpoint of

¹⁶ In addition to his fixed salary the ruler was usually allowed a share in the profits flowing in from concessions and similar projects in order to interest him in the economic development of his country.

an effective native rule the matter was further complicated by the occasional amalgamation into single treasuries and budgets of the finances of neighboring States regarded as too insignificant to function by themselves, and also by the necessity of meeting the demand of the central government that it be recompensed for its direct and indirect expenditure on behalf of the States—the so-called *Restitutie-post*.

The whole process of composing, abiding by, and manipulating a fixed budget of this complexity was a relatively simple matter for the trained Europeans, but for the rulers it tended to remain merely a mystery. It was easy for the distant authorities in Batavia to order that the rulers should share actively in budget-making, but far easier on the spot to draw up a budget in a European office and then submit it to an uninterested ruler for his formal signature. Nor is this wholly a matter of the past. It is a current tale in the neighborhood of Macassar that not long ago the annual budget of one State for two years in succession bore the signature of a ruler who had departed this earth some time earlier.

There can be no doubt, however, that this situation has improved as the system of indirect rule has gradually evolved from its infancy. Both European officials and native rulers have had an opportunity to come to a better understanding of the system and the native authorities in particular are now men who have grown up in the new order and have an immediate understanding of Dutch principles and practices. In earlier years it was a different story. Then the rulers were in the vast majority men who had had no, or virtually no, contact with the modern world and who were not easily won over to the strange European devices nor easily trained to take a share in them. The difficulties which the first European officials faced in this lack of human material to work with was immeasurably increased by the fact that almost everywhere the States, to European eyes at least, were in need of reform from the ground up. Here as elsewhere the many available reports as to the conditions obtaining under undisturbed native rulers can leave no illusions as to the idyllic character of the simple life. Overweening privilege and oppression on one side, and poverty and ignorance on the other, were the general rule. It is not to be wondered at that the Dutch

officials, like their British brethren in the Peninsula, utilized the form and fiction of indirect rule to get things done speedily and efficiently. It was a relatively easy and, in the circumstances, a logical process for the trained Europeans to take the administration into their own hands; but it is a far more difficult and, especially for the man on the spot, a less logical thing to turn the European-constructed machinery back into the hands of the native rulers.

There is no occasion to attempt here any complete account of the extension of Dutch rule throughout the Archipelago in the period of van Heutsz, but a brief survey of the history of the paradisaical island of Bali, lying just to the east of Java, may serve as a sufficiently typical illustration of the process, despite the fact that the long-lingering Hinduism of the Balinese marks them off culturally from the other peoples of the islands. It is here, as elsewhere, the story of a long neglect, followed by the speedy assertion of Dutch power, culminating, in this instance, in the establishment throughout the island of direct rule strongly tempered by the retention of the native authorities.

Under the Company and during the first third of the nineteenth century no real contact had been established between the Dutch and the nine Balinese principalities which divided the island between them in an uneasy balance of power.¹⁰ In 1839, at a time when Dutch relations with Britain were strained and it was feared that the latter might establish themselves on Bali in inconvenient proximity to Java, treaties were for the first time made with all the Balinese rulers, placing them under Dutch sovereignty and regulating the right which they claimed and acted on to seize all ships wrecked on their coasts. Except for the formal recognition of Dutch supremacy, valid as against the possible pretensions of other Powers, these treaties proved to have no practical consequences whatsoever.

From 1846 to 1849 three expeditions were sent out with the purpose of punishing the Balinese for their "unfaithfulness" and persuading them to toe the mark in the future. These expeditions met with varying degrees of success but no effort was made

¹⁰ The Company's principal contact with Bali was a contract for the delivery to the Dutch of Balinese slaves of whom there were said to be 13,000 in Batavia in 1778. This contract was broken off by the British during their period of rule in Java.

to take a firm hold on the fruits thus won. In 1854 and 1856, through a series of political accidents, two of the principalities were taken over by the Dutch, who appointed native regents to head the local administrations. The first Dutch official was placed in one of these principalities in 1861. The treaties with the other States bound the rulers, in high-sounding phrases, to govern righteously, advance the welfare of their people, and oppose the slave traffic, but as the chief preoccupation of the Dutch was to withdraw from interference with their internal affairs no attention was paid to any of these obligations.¹¹ Repeated interventions were, however, made inevitable by the constant and destructive warfare waged by these States among themselves. A favorite military sanction of the time was the destruction of the irrigation systems of the enemy's subjects, a matter the seriousness and costliness of which will be apparent to anyone who has seen the marvellous terraces and aqueducts which form the basis of Bali's agriculture.

After a series of experiments of lesser magnitude a Residency of Bali and Lombok (Bali's neighbor on the east) was established in 1882 but the powers of the Resident were somewhat nominal inasmuch as his effective jurisdiction extended only to the two principalities which had been incorporated into the Dutch possessions. Owing to the policy of non-interference and to the hostility of the Balinese no complete tour of the island was made by a Dutch official until eight years later. This tour exposed the generally bad conditions and the oppression throughout the country as well as the continued existence of widow-burning, which went on unhindered by the Resident's protests. An indirect but unmistakable warning was given to the Balinese rulers in 1894 when a strong Dutch force overran Lombok and in the succeeding year placed the whole of that island under direct Dutch rule. One consequence of this event was that a third principality, which had been a vassal State of Lombok, was automatically joined to the Dutch possessions, its ruler, who had shown his friendliness to the Dutch, being reinstated by them as regent under the official title of *Stedehouder*. After the lapse of five years a fourth principality, suffering under the at-

¹¹ Kielstra (*Indisch Nederland*, Ch. IV) gives a scathing résumé of the Dutch activities in Bali in this period.

tacks of its neighbors, turned itself over to the Dutch, its ruler likewise being reinstated as *Stedehouder*.

It was not until after 1905 that the lessons learned in Lombok and Achin were applied to Bali, but even before that date a new policy was in the process of formulation. In an official despatch of 1903 the Governor-General pointed out that the continual disturbances in south Bali made the further maintenance of the policy of abstention very difficult, if not impossible. The new ethical policy which was being preached on every side made it unavoidable, he insisted, to intervene where non-intervention meant the assumption of moral responsibility for evils which could be checked. The clear implication of his comment was that one could not make even an ethical omelet without breaking a few native eggs.

The point of departure of the new policy was the blockading of the coast of one of the principalities in 1905 as a result of the plundering of a ship wrecked on the coast and the failure of the ruler to pay the indemnity demanded by the Dutch. This blockade gave way in the following year to a military expedition which soon had the whole of Bali at its command. Twice in the course of the expedition the troops were confronted by rulers, who, facing defeat and deserted by the mass of their people, preferred to die fighting rather than to submit. Surrounded by their families and followers, all armed with spear and *kris*, the rulers flung themselves on the Dutch guns until all—men, women, and children—were wiped out. "That was the Balinese *poepoetan*—the hero's death of a people for whom a human life had little value."¹⁰ When the smoke from this affray cleared away two more of the principalities had been absorbed into the Dutch territories, leaving only two whose affairs were still regulated by treaty, the ninth having disappeared completely as an independent entity in the course of the wars of the nineteenth century. These two survivors had only a brief time in which to enjoy what had now become a nominal independence: within five years both had been drawn completely within the Dutch sphere.

The decisions of the government, now in the hands of van Heutsz, as to the precise policy to be followed in these new circumstances are of decided significance. Noting that it was the

lack of sufficient Dutch officials which had motivated the decisions of 1895 and 1900 to leave two principalities under their former rulers as *Stedehouders*, it was now stated that this lack had been overcome and that a more intensive Dutch rule might be inaugurated. But it was insisted that this was to mean no overriding of the native authorities: they were to be conscientiously consulted in every case and, if possible, brought to agree with such steps as were taken. In the instructions issued in 1907 in the name of the Governor-General in connection with these two ex-principalities, where the substance but not the form of indirect rule had been retained, there occurs a passage worthy of citation at length because of its emphasis on such moral advantages as may exist in indirect rule:

"The relationship in which the government stands at the moment to the regions concerned is that it can extend its interference in the affairs there as far as it itself chooses. But His Excellency regards it as most desirable that this be undertaken with discretion, since the danger would easily arise that with too much interference the good, which undoubtedly exists in rich measure in the native society of Bali, would be entirely lost. Because that society stands on a high level of Oriental culture and because the more highly developed class, to which the notables belong, is characterized by clear intelligence and great political ability, that island offers a splendid opportunity to apply a new political principle which is pushing its way forward. This new principle calls for laying in the hands of the children of the country as great a share in the government as possible; for the limitation of our rôle to that of giving general guidance, vigilance against abuses, and the assurance of the interests of the Netherlands Indies government."¹¹

Under these conditions the people of Bali, oppressed for cen-

¹⁰ In the following year this policy was restated with greater emphasis on the introduction of direct rule, but it was still affirmed that "this does not require the exclusion of the attribution to the native notables of a broad share in the government. On the contrary, it is, in His Excellency's view, very beneficial that this should happen because such an attribution contains a guarantee for a careful maintenance of the institutions of the country in so far as these can be advantageous for the further development of the country and compatible with law and justice, and further because it precludes the necessity of expanding the European official personnel too greatly." With the introduction of direct rule of this type, operating through semi-autonomous native notables, it was suggested that the title *Stedehouder* could give way to that of regent. This step was taken in 1912.

¹¹ *Ibid.*, p. 99.

turies by their aristocracy but strongly conservative in all their social forms, accepted the extension of Dutch authority over them with little reluctance, and by 1914 the last of the troops could be withdrawn. In varying forms and with varying consequences the same process was being carried on at the same time throughout all the islands until at last the Dutch empire of the East rounded out its allotted sphere.

In order to understand this tremendous expansion of Dutch power it is essential to place it in its proper setting. To attempt to regard it, romantically, as merely the forward surge of Dutch arms and morale is to lose the major part of its significance. It was no casual imperialist venture with its roots straggling in a light-hearted vacuum but an integral part of the change that was taking place in the world economy. It was the new imperialism clearing out one of the last strongholds of the old.

An outstanding Dutch economic historian suggests that it is legitimate to say that more was changed in the Indies from 1904 to 1914 than in the preceding centuries²⁰; but it is clear that the way was being paved for these changes for a long time before. Many of them might well have appeared full-grown much earlier had it not been that a curious lethargy and sense of impotence appeared to descend upon the Dutch authorities in the last thirty or forty years of the nineteenth century. The traditions of governmental exploitation of Java and of abstention in the outer islands had, perhaps, become so firmly fixed in the official mind that it required a long period of indecisive experimentation before the new policies could establish themselves.²¹ The inde-

²⁰ G. Gonggrijp, *Schets eener economische geschiedenis van Nederlandsch-Indie* (Haarlem, 1928), p. 196. "The Indies after 1909 are so different from what they were before van Heutsz that it is as if one moved in another world." Colenbrander, *op. cit.*, III, 91.

²¹ The former Governor-General A. W. F. Idenburg states that in this period "there was in many spheres a will but not an ability; a lack of faith in our own strength; a want of inspiration; more of a dragging along than a cheerful advance; it was like the carrying of a burden which is too heavy." "De beteekenis van van Heutsz," *op. cit.*, p. 160. This fiftieth anniversary issue of *De Indische Gids*, January, 1929, contains a number of excellent articles on different phases of the transformation of the Indies from 1878 to 1928.

A fascinating, if unanswerable, question is as to the extent to which the mere presence in the Indies of such outstanding personalities as van Heutsz and Snouck Hurgronje worked to create a new spirit out of the threatened disintegration.

cisiveness of the first two-thirds of the Achinese war is typical of the time.

The general character of the changes may be indicated by stating that they were intended, on one hand, to open the Indies to exploitation by private enterprise under adequate guarantees as to the maintenance of law and order and, on the other hand, to free the native from anachronistic restrictions and compulsions in order to bestow the blessings of the West more fully upon him. There has been much discussion as to whether the primary moving force behind these reforms was the economic or the ethical factor, but the answer is probably to be found in the fact that the two were inextricably mixed together, in this case as in the general history of liberal doctrine. Colonial policy, whatever its ethical trappings, is never far divorced from its economic foundations. In this period in particular the ethical reformers could on the whole go hand in hand with the more enlightened economic interests without any twinges of conscience since both fundamentally wanted the same sort of liberalization of the régime.

On the ethical score there was much in the Indies of the nineteenth century of which the constantly growing group of liberals could complain. Until after the middle of the century it was the almost undisputed conviction of Dutch statesmen and administrators that the true purpose of a colony was to enrich the mother country and that all other considerations were of secondary importance. Then the tide of protest mounted until the Culture System was gradually abandoned. When the control of the colonial budget passed to the hands of the States General in 1867 the door was opened more widely to the grievances and programs of the liberals and the growing capitalistic interests. In the same year it was officially admitted that the home budget could stand on its own feet without the aid of Java's enforced contributions, but it was not until ten years later that these contributions ceased. The dropping of most of the forced cultures combined with the expenses of the Achinese war to put an end to the levies which liberalism had condemned.

Furthermore, the mounting private interests in the Indies forced a constant expansion of the government's functions and

hence of its expenses. The opening of the Suez Canal brought the Indies closer to the West and eased the passage to the East of the capital that was accumulating in Europe. By the Agrarian Law of 1870 it became possible for European entrepreneurs to secure land on long-term concessions from the government or by renting it from the natives. From being itself the main agent of exploitation the government now changed its rôle and assumed the double task of protecting and satisfying the demands of Western capital and of advancing the natives along the lines which the new order demanded in both its economic and its ethical phases. Thus, the cessation of the enforced contributions could be justified both economically and ethically on the basis of the need for internal development of the Indies.

"In the olden days of the spice trade," says a Dutch writer, "it was sufficient to occupy the coasts to prevent competition but the later colonial policy, especially the investment of bank capital, requires the construction of roads, the laying of rails and the introduction of machines and demands further a policy of peace, education and development. . . . What was most important to the invested capital which was increasing rapidly, was peace, order and juridical guarantees which meant better administration, better police and better jurisprudence, and for these the money which had previously gone to Holland was required in the Indies themselves." ²² The greater the amount of capital invested, the more necessary it became to develop colonial administration along modern lines.

The needs of the Indies, however, soon outran what had previously gone to Holland. The mother country had drawn freely on the Javanese surpluses earlier in the century but now the tide was reversed—with the difference that the advances from Holland took the form of loans with interest and amortization charges. A few voices made themselves heard in protest against this flagrantly inequitable procedure, demanding that there be a restitution to the Indies of at least some part of what had been taken from them, but they were unable to carry the day. ²³ Later,

²² W. Middendorp, "The Administration of the Outer Provinces of the Netherlands Indies," in *The Effect of Western Influence*, pp. 44-45.

²³ The most effective presentation of this case was made by C. Th. van Deventer in "Een eereschuld" in *De Gids*, 1899, III, 205-207. Van Deventer

when there were widespread charges that the welfare of the Javanese had been declining in recent years while private industry waxed fat, a law of 1905 authorized the wiping from the books of a f.40,000,000 advance to the Indies on condition that a similar sum be spent by the colonial government in the next fifteen years in improving conditions in Java and Madura. In 1936 the Dutch government again contributed f.25,000,000 to the government of the Indies to be spent on welfare in the next three years. These sums are the only direct contribution which Holland has made to the Indies as against the f.832,000,000 which she took from them from 1830 to 1877.

In this connection the question has been raised as to whether the principal shortcoming of the Dutch is to be sought, not in their failure to make restitution to the Indies of what had been taken, but rather in the failure to impose effective taxation and regulation on the Western capital which had been admitted. What had taken place in effect was the substitution of private enterprise for governmental exploitation, but this by itself in no way meant that any check had been placed on the draining off of the wealth of the Indies. In fact, the sums which flowed out through channels of private enterprise were larger than those which the government had collected for shipment to Holland. Exploitation in the Western interest still continued: the change was merely that instead of the government, private capital received the profits. The proper function, then, of the government was not to restore its own former profits but to make sure that the private capital contributed adequately to the cost of the new and vastly more expensive type of administration which it demanded. ²⁴ It was not, however, until 1908 that the government even partially lived up to this responsibility by the introduction of an effective income tax for Europeans and European corporations.

claims that at least since 1867 the drawing of funds from the Indies for the profit of Holland was indefensible: "The restitution of these Indian millions—that is the *debt of honor* of the Netherlands to the Indies, a debt of honor in that the payment of it is not demanded by a written law, but by that higher law which we call the law of honor and righteousness." He calculated that f.187,000,000 should be restored.

²⁴ See Colenbrander, *op. cit.*, III, Ch. VIII.

The two most fundamental changes that took place, in addition to or on the basis of the reconstruction of the economic system, were the tremendous growth of population, especially in Java and Madura, and the great expansion of both governmental revenues and foreign trade.

In Java and Madura the nineteenth and twentieth centuries saw the fantastic multiplication of the native population by regular stages from 4,499,250 in 1815 to 34,433,476 in 1920, increasing in the next decade to 40,890,244. A similar development took place in the outer islands as the Dutch intensified and extended their rule over them: from an estimated 7,374,611 in 1905 the native population rose to 13,871,144 in 1920 and to 18,253,531 in 1930.

In the period particularly under review the growth of the European and foreign Asiatic population took place at an even faster rate than that of the natives. For these two sections of the population the figures are as follows: **

EUROPEANS							
	1870	1880	1890	1900	1905	1920	1930
Java and Madura.....	27,585	33,708	45,967	62,477	64,917	135,288	192,571
Outer Islands	7,956	7,968	11,950	13,356	16,188	34,420	48,754
Total	35,541	41,676	57,917	75,833	81,055	169,708	241,325

FOREIGN ASIATICS							
	1911	1915	1920	1925	1930	1934	
Java and Madura.....	191,483	219,984	259,285	298,430	317,183	415,407	634,671
Outer Islands	96,407	148,953	233,894	282,935	318,978	461,099	709,216
Total	287,890	368,937	493,179	581,365	636,156	876,506	1,343,887

In further illustration of the rapid growth of these communities it may be pointed out that in the period from 1905 to 1920 the average annual rate of increase of the European population was 5.05% and from 1920 to 1930 was 3.58% and for the foreign Asiatics 4.54% and 4.37% in the same periods, whereas the parallel figures for the native population are 1.73% and 2.04%. These summary statistics will serve to indicate the extent to which European enterprise was developing in the Indies and also, as shown particularly by the figures for the foreign Asiatics—the great majority of whom were Chinese—the extent to which the outer islands were being opened up. This relatively more rapid growth of the foreign communities should not, however, be allowed to obscure the tremendous predominance of

** *Indisch Verslag*, 1933, II, Tables 12 and 13.

the native populations: in 1930 the Europeans constituted only 0.4% and the foreign Asiatics only 2.2% of the total population of the Indies.

Accompanying this vast increase in the population there was a corresponding rise in the colonial revenues, although the budget for most of the years since the turn of the century has witnessed a deficit. From 1867 to 1899 the revenues of the Indies increased from f.137,000,000 to only f.142,000,000, while by 1915 they had jumped to f.309,700,000. The governmental revenue and expenditure, in millions of florins, for the post-war years were as follows: **

	Revenue	Expenditure
1920.....	f. 756.4	f. 1,060.4
1925.....	753.8	682.9
1929.....	848.5	903.7
1931.....	652.0	767.1
1933.....	461.0	554.6

As a result of the repeated deficits, which were avoided only in the years from 1924 to 1927, the funded debt of the Netherlands Indies at the end of 1934 amounted to f.1,215,000,000.

The development of the foreign trade in private hands is shown in the following table, giving imports and exports in millions of florins: **

IMPORTS			
	Java and Madura	Outer Islands	Total
1880.....	f. 109.3	f. 35.9	f. 145.2
1890.....	89.0	52.7	141.7
1900.....	120.8	55.2	176.0
1905.....	131.7	64.5	196.2
1910.....	219.3	95.7	315.0
1915.....	260.0	112.4	372.4
1920.....	812.3	303.9	1,116.2
1925.....	531.0	287.4	818.4
1929.....	682.0	390.1	1,072.1
1931.....	393.6	178.8	572.4
1933.....	216.6	105.2	321.8

** *Ibid.*, 1935, II, Table 379.

** *Ibid.*, 1932, II, Table 244 and 1934, II, Table 244; *Meerjarige overzichten van den in- en uitvoer van Nederlandsch-Indië*, 1927, 3e Deel, Table 25. The figures cited above exclude gold, silver coin, bullion, and goods imported or exported by the Netherlands Indies government. The growth in importance of the outer islands is further indicated by the fact that while as late as 1900 their exports represented less than a third of the total exports of the Indies, their share had increased by the middle of the last decade to more than half the total.

EXPORTS

	Java and Madura	Outer Islands	Total
1880.....	f. 95.9	f. 42.2	f. 138.1
1890.....	109.1	49.6	158.7
1900.....	157.0	73.2	230.2
1905.....	184.2	107.9	292.1
1910.....	258.7	154.0	412.7
1915.....	432.9	325.3	758.2
1920.....	1,501.8	723.2	2,225.0
1925.....	837.2	947.6	1,784.8
1929.....	710.5	735.7	1,446.2
1931.....	351.3	397.8	749.0
1933.....	193.5	276.7	470.2

It will be obvious from the above statistical summaries that the economic development of the Indies moved ahead at a phenomenal rate during the first decades of the present century, but it is certainly no less worthy of report that this development brought with it little or no corresponding improvement in the economic condition of the average native. In Java, as in India, the Malthusian law has appeared to apply with a far greater accuracy than in those parts of Europe and America where the modern economic evolution has taken place at a more gradual rate. There is, on the one hand, the constant pressure of the population against the limits of subsistence,** and, on the other hand, the ever-present colonial problem of the draining off of the profits to the European investors. Whether the cause be the natural procreativeness of the peoples of the tropics, the sins of Western imperialism, the lack of energy and initiative of the natives, or a combination of all of them, the basic fact remains that the glowing (pre-depression) prosperity of the Netherlands Indies was based upon a people whose standard of living had shown no tendency to rise and had, perhaps, even declined, during the era of modernization. Apart from the few individuals who have pushed themselves ahead the great mass remains just where it was.

Although there can be no question as to this failure of the Dutch to raise the general standard of living, there has been a

** "At all events, the economic benefit of Dutch rule has not gone into higher standards of living but has been neutralized by an increase of population." Vandenbosch, *op. cit.*, p. 25. For a discriminating treatment of the general question of native welfare and Western industry in the Indies, see *ibid.*, Ch. XVII.

considerable expansion in the same era of what may be in general lumped together as the social services. In this category falls the useful but still far from satisfactory work in such fields as education, the building up of a popular credit system, the gradual elimination of the *corvée* in lieu of taxes, the introduction of a more scientific agriculture, the beginning of labor legislation, the introduction of the opium monopoly, the extension of public health activities, and the continued refinement of the legal system. In all these spheres there is much that needs to be done, but a beginning has been made of a character which would have seemed utterly incredible to the administrators of the nineteenth century.

Of these varied services only the spread of educational facilities has been selected for discussion here, again on the basis of picking somewhat at random a sample which may serve to illustrate the general process. In the case of education it is peculiarly easy to demonstrate the correlation between the ethical demands of Dutch liberals and the needs of Western interests, both governmental and private. In the first half of the nineteenth century virtually no attention was paid to the education of the Javanese, although a fairly elaborate school system was erected for the children of the Europeans in the Indies. These schools were in principle open to the Javanese, but this privilege was of little actual consequence. The turning point came when it was realized that the lack of education impaired the work of the official native hierarchy.

The first pressure came from the government itself. In 1845 the Minister of the Colonies complained to the Governor-General that often it was difficult, if not impossible, to apply the very desirable hereditary principle since the sons of the native chiefs did not have an opportunity to secure the essential knowledge: "Not infrequently they grow up in indolence and ignorance and when the time comes to include them among the officials the administration often finds itself confronted with the alternative of appointing a useless servant or of departing from a beneficial principle."** Three years later a start was made

** A survey of the history of education in the Indies is given in *Publicaties Hollandsch-Inlandsch Onderwijs-Commissie*, No. 9, "Historisch overzicht van het regeeringsbeleid ten aanzien van het onderwijs voor de inlandsche bevolking."

with the provision of f.25,000 annually for schools primarily intended for the purpose of raising the standards of the native officials.

As the liberals grew in power in Holland after the middle of the century Javanese education was advocated on a less utilitarian plane. In a speech significant in more ways than one the liberal leader, Thorbecke, asserted in the States General in 1854 that it was the duty of Holland to spread the light in the Indies; but even for him the utilitarian motive was not lacking. "As the Javanese becomes instructed about his own history," he said, "as it is pointed out to him what he was without us, as the door of Christian culture is opened to him by us, I believe, Mr. President, that through that more than anything else the bond between the Indies and our country will be strengthened." The East Indian Government Act of that year formally embodied the principle that the Governor-General should provide education for the native population, but actual progress in the provision of schools was still slow. It remained the assumption for many years that the primary purpose of the schools was to provide education for the children of the native aristocracy.

After a period of financial stringency during the first part of the Achinese war the government again decided in 1893 to continue the educational advance. At this time the schools were broken up into two classes, the first being primarily intended to give the children of the aristocracy a more elaborate education which should fit them to satisfy the demands of the administration and of Western economic enterprises for educated functionaries. The second class was a simpler and more rustic type of school, adapted to the native environment and intended for the rank and file. In neither class was Dutch taught, although an effort was being made to introduce it as the usual language of administration.

With the appearance of the ethical policy at the turn of the century the problems of education naturally received greater and greater attention. In three directions there was a decided forward movement, two of which, at least, may be closely linked to the striking economic development and to the general tendency toward Westernization. Since the West had been brought

closer to the East the number of Europeans in the islands had multiplied, as has been seen, and increasingly they tended to regard themselves as merely temporary visitors. Their knowledge of the native languages therefore declined and the needs of both business and administration, particularly the former, demanded that there be an ever-increasing number of natives able to speak Dutch. In consequence the old policy was reversed and Dutch was introduced as a major subject in the first class schools. Furthermore, the growth of modern industry made the development of a body of technically equipped workers imperative, and a beginning was made with the erection of technical schools to satisfy this demand. The native society had as yet undergone virtually no industrialization and stood in need of no trained technicians, but the great superstructure of the Western economy could not do without them.

The third line of advance, for which van Heutsz himself was largely responsible, consisted of an attempt to bring the schools nearer to the mass of the people. Instead of extending the range of the second class native schools it was decided to utilize the village communities and their resources as the basis for an ultimately all-embracing system of popular education. This system, in contrast with the others, was designed to meet the needs of those who would continue on in the simple ways of their fathers. The second class schools, located at key points, were restricted in principle to training the teachers for the village schools and to giving an elementary education to natives going into trade or into European employ.

The expansion of the educational system in these formative years may be grasped from the following table which gives the average annual school population for the natives: **

	1900-04	1905-09	1910-14	1915-19	1920-24
Native Lower Education..	125,444	203,382	458,959	708,742	987,413
Western Lower Education.	2,987	5,175	23,910	33,516	51,308
Intermediate Education...	25	45	135	675	2,602

The relative smallness of these figures, as compared with the size of the population, in itself bears witness to the lack of univer-

** Compiled from tables in *ibid.*, No. 12. No higher education was available in the Indies until the founding of the Law School in 1924 and the Medical School in 1927.

salinity of the educational system, but this is more directly brought out by the calculation that in the Indies in 1928 only 29.8% of the children from six to nine years old and only 14.7% of those between six and thirteen were receiving any education. In Holland itself in the same year the school population formed 19.5% of the total population, whereas in the Indies the parallel percentage was only 2.9. Nor is it without significance for the colonial character of the Indies that, as against this figure of less than three per cent of the native population in the schools, sixteen per cent of the European community settled there are receiving education.

CHAPTER IX

INDIRECT RULE IN THE NETHERLANDS INDIES

THE GENERAL NATURE OF DUTCH POLICY

As a preliminary to any investigation of the Dutch system in the Indies one point must be made firmly and abundantly clear, and that is that the system, or lack of it, is deeply and inherently complex. In good part, of course, this is no more than a product of the diversity of the basic social structure which is itself straggling all the way between pre-history and to-morrow. The primitive and the modern—not to mention all the intervening shades—are inextricably mixed together: it is not only that they have grown up side by side but also that they have interpenetrated each other to a degree which makes any clear separation frequently impossible. The great modern city stretches out to embrace a native village; the Javanese peasant leaves his rice field to work on the neighboring sugar plantation whose shares, perhaps, are held throughout the world, or he is transported to Sumatra to grow rubber and tobacco for the American market; in the same family one brother may be a native craftsman, another a pilgrim to Mecca, and the third an engineer trained in the universities of Europe, with a strong leaning toward Moscow. In any of the larger cities there are Chinese, Indians, Arabs, Eurasians, Europeans and islanders of many stocks and tongues, engaged in tasks which stem from all the ages. Java has for the most part been more or less intimately in contact with the West for several centuries, but in the heart of it are four native principalities which stand apart from the rest; in the outer islands there are scattered regions here and there long bound to Europe, others have only recently been caught up in the whirlwind of intensive modern exploitation, and there are great stretches where the ancient ways have as yet scarcely felt the disturbing touch of the West.

On such a diverse base it would obviously be as foolish as it would be impossible to attempt to build any single and uniform structure. On this score the Dutch are to be congratulated on their readiness to recognize the diversity and to act accordingly, all the more since such action normally means that local folkways and traditions are taken into account and preserved against the onrush of westernizing improvements. Furthermore, the very lack of uniformity opens the way to a vast deal of experimentation with different methods and systems which would otherwise be excluded.

Yet when these points have been made there still remains a residue of complexity, bordering on the chaotic, which requires further explanation. Aside from the praiseworthy effort to preserve and build on the local peculiarities there is a strong element of mere historical discrepancy: the vast and sprawling island empire, brought effectively under the Dutch eye at great intervals of time, has so far succeeded in evading all efforts at uniformity and centralization. It remains diverse because the three or four decades which have elapsed since European control became a reality throughout the outer islands have not sufficed to enable the necessarily scanty Dutch forces to grasp and deal with the problem in its entirety.

Beyond this, too, there is ground for the suspicion that not all the diversity is founded either in the immensity of the task or in the intentions of the Dutch, but rather, perhaps, in the diversity and multiplicity of those intentions. To a considerably greater extent than the British the Dutch are, in fact, planners and theorists in the colonial sphere, a point illustrated not only by the voluminous reports of officials and commissions but also by the extent of the Dutch literature on the subject and the special periodicals devoted to it. This literature, it should be noted, is largely contributed by the Dutch officials themselves, in marked contrast to the British policy of imposing a strict censorship on officials as far as all controversial topics are concerned. On this score it may also be remarked that the Dutch allow officials to stand for election to the various legislative bodies where, in theory at least, they are free to speak and vote as they please, while British officials are appointed and their vote is frequently

determined by the command of the Governor or the Colonial Office. Under the pressure of the colossal social and economic changes of the last half-century or so, the entire political structure of the Indies has been in a constant process of reconstruction, which is still far from having come to an end. Unfortunately, though perhaps inevitably, there has been no single plan for this general reconstruction, but rather a series of plans composed at different times and places, under the pressure of different events or circumstances, and by persons of widely varying experiences. Indeed, one has a strong sense in travelling about the islands that more than one large-scale and all-embracing plan is being worked out at the same time, or, alternatively, that different and conflicting plans have been brought forth at one time or another, sweeping in overlapping waves over the various jurisdictions. A plan conceived at the center is superimposed on a locally developed system but before it has been carried into effect and integrated with the pre-existing structure a new plan, devised, perhaps, to meet problems encountered elsewhere, is elaborated by a new commission. In consequence each regional administration, with the possible exception of the one most recently brought into existence, is tangled in a network of plans and theories which are frequently incompatible with each other; and the resultant of the several forces is a different one in each case. It has been said that every philosopher is at heart a monist and the same is no doubt equally true of the administrator: at all events there are certain aspects of the Dutch administration which lead to the belief that quite separate monistic systems have been applied to it at different times. A geologically minded political scientist might meet with no small success and entertainment if he were to set himself the task of digging down through the accumulated layers and exposing a vertical cross-section of the deposits left by each successive wave.

In connection with the problems of indirect rule this complexity is peculiarly striking because at almost all times it has been a fundamental axiom of Dutch policy to utilize wherever possible the existing native chiefs or headmen, operating through some modified version of the existing institutions, as the intermediaries between the supreme Dutch authority and the mass of

the population. It is a fact which has been commented on by all observers of the Indies that there, to an extent unparalleled elsewhere, the principle of indirect rule has been developed to its fullest potentialities. As Chailley-Bert said of the Dutch in 1900: "Leur gouvernement et leur administration ont pour base le protectorat."¹ It is, in fact, laid down in the fundamental law of the Indies (Art. 118) that "in so far as the circumstances admit it, the native population will be left under the immediate leadership of its own heads, appointed or recognized by the government," subject to such higher supervision as the Governor-General may determine; and a number of other articles bear witness to similar intentions.

In no other sphere have the Dutch shown a greater genius and inventiveness than in this, but their very inventiveness, applied at different times and places and under the spell of widely varying ideologies, has necessarily led to the translation of the basic idea of indirect rule into a bewildering variety of forms and manifestations. In the Indies there can be no simple process by which, as in Malaya, one may say, here is a Colony which is under direct rule and there a native State under indirect rule: almost every conceivable shade of differentiation can be found at some point or other in the structure. There is, to be sure, a basic constitutional distinction between directly ruled areas and native States, but as the examination is carried further one discovers that each has many characteristics of the other and that the process of interpenetration has been carried on to a point at which the constitutional distinction has become a matter of somewhat dubious degree. Regions under direct rule have as their heads regents whose status is in considerable part indistinguishable from that

of native rulers, and in some instances, as in Bali, these regions cover the precise area of pre-existing States, while in the native States themselves the central government has very extensive spheres of jurisdiction, both personal and territorial. Under varying legal and constitutional forms—determined in good part by no more than historical accident—some element of the substance of indirect rule is to be found everywhere. Even for the governance of the foreign Asiatics and Arabs, a similar system of operating through headmen of their own race has long been in use, although it is now giving way to a more direct rule.

In the old régime native institutions and traditions were respected because on the whole no one was concerned to meddle with them and it was easier to collect produce, tribute, and revenue through them than through other channels; in the new régime they are consciously and deliberately preserved and fostered because, in addition to these earlier-discovered virtues, they have now been found to have a value of their own.² In consequence there are now, in addition to the native States properly speaking, a number of variant forms of native communities, small and large, functioning more or less autonomously in the traditional pattern under the general supervision of the central government and its officials. Nor are these all of ancient vintage: some are definitely a modern construction or reconstruction, bearing witness to the deep-rooted Dutch belief that government should be built on institutions native to the soil. Alongside these native communities, and in some instances overlapping them, are a number of administrative entities, recently created to meet new needs under the elaborate decentralization plans and

¹ De Kat Angelino comments that the Company played off the native rulers against each other and placed them under its protection in order to govern with a minimum of expense and armed force. "It is therefore obvious that the Protectorate of those days cannot be held up as an example for our own time, as is sometimes done by those who resent modern interference. The Company's Protectorate was purely opportunist, hence its policy of indifferent abstention at moments when the interests of the population emphatically dictated interference. . . . Our conception of the Protectorate is based upon the cultural and material interests of the population, and it demands from princes and chiefs loyal co-operation in the task of popular development. It maintains the Indonesian system on principle, not through indifference, and it interferes without hesitation in this system whenever it fails or proves unable to succeed without assistance from above." *Colonial Policy*, II, 17-18.

² *Java et ses habitants* (Paris, 1900), p. 148. The Dutch "have had to work and rule through native chiefs, and through the customs of government which those chiefs represent. The Dutch have succeeded in their colonial policy only by learning to understand and to use the native institutions; ignorance or misuse of the opportunities for control which the native organization affords has been one of the chief causes of their failures." Clive Day, *The Policy and Administration of the Dutch in Java* (New York, 1904), p. 3. "The recognition of native societies and institutions and the aim of developing them along their own lines is a cardinal principle of Dutch colonial policy." Amry Vandenbosch, *The Dutch East Indies*, p. 165. See P. H. Kleintjes, *Staatsinstellingen van Nederlandsch-Indie* (Amsterdam, 1927), II, 28ff.

largely modelled on Western patterns. This juxtaposition of the old and the new is a typical feature of the Dutch scheme of things in the Indies and must for a long time to come be characteristic of it unless there be a cataclysmic overturn of some variety. Somehow the needs of the village communities and the traditional attitudes which they represent must be taken care of, but equally pressing is the problem of meeting the demands of the Europeans and of the Western-trained Asiatics for a comprehensive and modern administrative system. Room must be made in the same structure for the unlettered headman of the village, the heaven-born ruler of the native State, and the highly trained and specialized native civil servant of the central government; for the council of elders squatting to discuss the age-old problems and the Western-democratic provincial council and Volksraad sitting in their legislative chambers to examine the problems of the great society. Even though, despite the recent efforts at decentralization, the Dutch administration continues its much decried over-centralization with a concentration of power in the hands of the Governor-General, it at least rests upon a diversity of foundations which reflects little of the monism of the Batavian center.

To complete this very summary presentation it is necessary to add one further element of complexity: the intrusion of indirect rule into the administration of justice. In the past both native law and native courts continued substantially untouched, aside from the principal European centers, as being matters beyond the Dutch sphere of interest, while in more recent times they have become the object of continuous speculation, investigation, and adjustment. The basic conflict, here as elsewhere, has been between those who wanted a speedy overhauling of the whole native system of law and judicial administration along Western lines and those who fought for its retention and gradual adaptation to new circumstances as these appeared. Particularly under the guidance and leadership of van Vollenhoven the latter forces have so far been able to carry the day or, at least, to hold the innovators strongly in check; but it is a battle on shifting fronts and one which can know no final victory. In large part the principle of personal as opposed to territorial law has been preserved, with the result that both natives and foreign Asiatics remain

under their own customary law in civil and commercial matters, save as that law has been modified by statute. In Java and Madura the administration of justice is entirely in the hands of the government courts, but in the outer islands there are considerable stretches where the traditional native courts have continued in existence and operate under the traditional procedural rules. But here there appears a further complexity: native courts are not to be found in native States alone but in directly ruled territory as well, and government courts are likewise to be found in the native States. In the realm of jurisprudence as in the realm of general administration it is not even possible to point to the exceptions as proving the rule; indeed, one is almost tempted to say that the exceptions *are* the rule.

THE REGENCIES

To observe indirect rule in action in the Netherlands Indies it is certainly not necessary to travel to the native States: in the regencies of Java many of its essential characteristics are still in evidence although the political reforms and social transformations of the last few decades are seriously threatening its long survival. Indirect rule has about it always something of a transitional character since it is a form of government peculiarly applicable to peoples who are caught up in the process of movement from one culture pattern to another under the ægis of an alien sovereignty. As such peoples move toward a secure footing of their own in the new culture pattern indirect rule must necessarily tend to give way either, provisionally, to a direct rule by their alien masters or to rule by an authority rising from the society itself. The Java of the present day is still in a transitional stage but it has obviously reached the point at which indirect rule is bringing in diminishing returns. I have spoken above of the successive waves of reorganization and reform which have swept over the Indies, leaving behind them deposits of varying depth and significance. Nowhere are these strata of history more strikingly in evidence than in the Javanese regencies, which are now passing uncertainly through the ultimate phases of an indirect rule which is tending to become an anachronism.

Throughout its long reign in Java the Company maintained the heads of the native aristocracy as the instrument by means of which it exerted its control over the populace, and on the Company's disintegration they continued to be the intermediaries between the Dutch and their native subjects. Under the Culture System the regents became the agents of the Dutch in supervising the production and delivery of the forced cultivations; under the Ethical Policy, though somewhat pushed aside, they were the levers used by the Dutch officials for the introduction of the westernizing reforms to the masses; in the most recent scheme of things they remain the executive heads of the regencies and preside, in a curious combination of ancient and modern, over the regency councils. Such, very briefly, is their history, but to secure a grasp of their actual status it will, perhaps, be worthwhile to digress for a moment into a comparison between the Dutch and British systems.

It has been pointed out above that under the Dutch system the difference between areas under direct and under indirect rule is by no means as sharply marked as in comparable British systems. It is, on one hand, true that the regencies preserve only the substance and not the form of indirect rule, but it is equally true, on the other hand, that the Dutch native States themselves fall far short of the formal requirements set up for the protectorates of India or Malaya. Both in constitutional status and in substance of government, regency and native State fall far more closely together than do colony and native State in the British regions. In Malaya the latter remain independent States under British protection with their own territories and their own subjects, entirely beyond the jurisdiction of the British law, while the native States of the Indies form an integral part of the Dutch territories. Their subjects are as much subjects of the Dutch crown as are their neighbors in the regencies or in other directly ruled areas, and the Dutch law reaches them to the extent that the colonial or home legislator chooses to extend it to them. From a formal juristic standpoint the British native States retain an independent sovereignty which is exercised under British control, but no such sovereignty can be said to adhere to the parallel institutions of the Archipelago. With the failure of this basic criterion

it is necessary to look to two other factors to distinguish between the native States and the regencies: the relationship to the central power and the status of their heads.

The situation as to the first of these factors is relatively simple to grasp in practice but by no means simple to state with juristic precision. The regencies are undifferentiated parts of the Dutch possessions and their boundaries are subject to alteration at the discretion of the administrative authorities. The native States, on the other hand, stand in what may be termed a quasi-treaty relationship to the Dutch government, all of them having signed either the short declaration under which they submit themselves completely to the Dutch or a long treaty which enumerates in detail the respective rights and duties. It is, however, clear that these treaties require to be qualified by the prefix "quasi" since the rulers who sign them are themselves Dutch subjects and their territories are Dutch territory. In principle, although not universally in fact, the native States are historic communities, formed in the natural course of tribal or other development and having fixed boundaries coinciding with the communal bond; but the regencies also in some instances represent similar historic communities, although in others, as is true of some of the States, they represent no more than historical accident combined with administrative convenience. As far as the native States are concerned it does not seem possible to go further than to say that the Dutch have tolerated the continuance of certain established political institutions within clearly defined boundaries and have at their own unilateral discretion recognized the provisional right of these territorial entities to an autonomous existence under the manifold restrictions imposed from above.* But, with minor modifications, substantially the same could be said of the regencies.

The second factor—that of the status of the heads of the regencies and of the native States—remains in much the same ill-defined condition. The basic distinction which is to be drawn

* This lack of any clear-cut distinction between the native States and the directly ruled areas has been recognized by a number of Dutch writers. See, for example, C. van Vollenhoven, *Koloniaal Tijdschrift*, XVII (1928), 265; F. H. Visman, *Koloniale Studien*, XII (1928), 108; F. M. van Asbeck, *Onderzoek naar den juridischen wereldbouw*, p. 60.

is that the regent is appointed and installed by the Dutch authorities whereas the rulers of the native States are merely recognized by the Dutch as the rightful heirs or successors to their respective dignities. Stated thus baldly, however, this is a distinction which could be pushed much too far. It is an old-established and observed tradition, finding conditional statement in the basic law of the Indies, that the regentship is an hereditary office: in fact, the essential condition of this basic element in the Dutch administration is that the regents should be recognized by the people as the natural aristocratic heads of the native society. There has been much argument as to whether the later progress of European rule has had the effect of reducing the regents to the status of ordinary officials—a matter which is briefly considered below—but it remains the official theory, still finding considerable acceptance by the mass of the people, that the regents are distinguished from the officials by their organic connection with the communities over which they are placed. From this position to that of the rulers of the native States is no very great step. It is indisputable that the latter are recognized rather than appointed, but it would be absurd to ignore the fact that they are in many instances hand-picked to secure the best candidate from among those hereditarily eligible to rule. The range of selection is, indeed, ordinarily far more limited than for the regencies since only the ruling family or families of the particular State can come into consideration, although for the regencies also the standard practice is to appoint a member of the locally established aristocracy; but the fact of selection and of substantive, if not formal, appointment by the Dutch brings the ruler within hailing distance of the regent.

These largely formal considerations as to the status of regencies and native States serve to indicate the relatively slight margin, as compared with British Malaya, between the directly ruled and the indirectly ruled parts of the Dutch domain, but they require much correction before they can be said to represent the actual realities.

To grasp the practical distinction between the two it is necessary to realize that the regencies are institutions primarily confined to the heavily populated and intensively developed islands

of Java and Madura,* whereas the native States, leaving aside for the moment the four principalities of Java, are located in the sparsely populated and, on the whole, considerably more backward outer islands. The States are still somewhat provisional instruments for the gradual introduction of Dutch rule, while the regencies are the old-established foundations of a comprehensive administrative structure: the latter are integral parts of a constantly developing whole in a sense that the former cannot be said to be. Where the native States, representing tiny tribal communities still little removed from their indigenous ways of life, cling only to the fringes of the Dutch political system, the regencies are great administrative units occupying the very heart of it. This peripheral position of the native States is strikingly emphasized by the extension to them of a peculiar type of extraterritoriality, discussed below, which removes from their jurisdiction virtually all residents of their territories who are not immediately native to the soil. In regions such as the Province of the East Coast of Sumatra where there has been a large-scale expansion of Western enterprise this denial of authority over Europeans, foreign Asiatics, and imported Indonesian laborers, who remain under the jurisdiction of the central government, tends strongly to isolate the rulers from the whole trend of modern development which is transforming their States. In less developed regions where extraterritoriality plays no considerable rôle the rulers are in the happier position of watching, and occasionally even of participating in, the slow process of modernization of their territories, but with few exceptions they retain a vast remoteness from the main channels of the modern world. The regent is perhaps being turned into an ordinary official, but, unlike the rulers, he is at least being caught up in the new tides and currents.

One element in this situation is amply illustrated by the bare statement that each of the regencies of Java and Madura contains on an average about half a million people, while the average native State has a population of only some 30,000, including the large percentage to whom the principle of extraterritoriality

* In the outer islands similar institutions have also been established under one name or another in the areas under direct rule.

applies. In round figures a total population of less than 8,000,000 is divided between the 265 native States of the outer islands, as against the total population of 37,600,000 living in the seventy-six Javanese and Maduran regencies. While the population of the regencies ranges from some 300,000 to over a million, that of the native States starts with a few hundreds and rises in only a few instances above 300,000. In the Province of Achin and Dependencies, for example, 101 States combine to produce a population of only 816,000.

For a complete understanding of the position of the regent it is essential to remember that the Dutch system of government in Java, and at a later stage in the outer islands, has always maintained in one form or another the essential distinction between the native administrative structure, derived at least in its origins and general character from the pre-existing Javanese society, and the superimposed European administrative hierarchy. Here as at so many other points there is in evidence the dualism which so completely pervades the Dutch system. In the specialized and technical services this dualism has been broken down, thus opening the door to natives to attain the higher posts, but in the general civil service under the Department of the Interior the European service remains a distinct body from the native. The highest post in the native hierarchy to which the Javanese can attain is that of regent, and there is no means of transition into the European service.

Inevitably in such circumstances the adjustment and constant readjustment of the relation between the two services fills much of Javanese administrative history, and the last chapter is clearly still to be written. As the nineteenth century version had it, "in affairs which concern the indigenous administration, the regents are the trusted advisers of the Residents who will treat them as younger brothers," but it is notorious that in many instances the regent's formal status as younger brother was transformed into that of a minor official at the beck and call of his Dutch older brother, with a consequent loss of prestige. From the Culture System he emerged with his hold over the native population unrelaxed although the more intensive pressure brought on him from above increased his dependence on his Dutch superiors. The

Ethical Policy, however, undermined his position far more seriously since now for the first time the European officials began to concern themselves directly with the masses of the people, with "the little man," as the phrase of the day expressed it. After centuries of neglect the Dutch undertook a speedy and elaborate transformation of the Javanese society along modern lines, fitting it for its subordinate rôle in a capitalist world, and in this task they found the regents, themselves for the most part untrained in Western ways and learning, of little aid. Instead of continuing to work through the native hierarchy, the Dutch officials emerged into the open and either did the work themselves or utilized the regents as mere tools to carry out their orders. From having been the highest authority in the native world the regents now tended to be either pushed aside as useless ornaments, retaining a formal status not justified by their actual functions, or reduced to the level of subordinate officials, serving their Dutch masters. As Chailley-Bert saw at an early stage, the transition from exploitation of the natives through their chiefs to an intensive direct control over the masses shifted the idea of the protectorate from a political to an administrative basis.*

The resulting situation was sharply attacked in 1908 in an important article by Snouck Hurgronje,⁶ who has always maintained that in all men there is a deep-rooted love of being ruled by their own people which no foreign authority can ignore save at its own peril. In his opinion the effect of the preceding decades had been to turn the regents into pure officials, filling in the administrative family the category of children or of puppets in a shadow play. Not only did he find that virtually no effort had been made by the Dutch to educate the native heads in such fashion as to make them independent leaders of their people, under Dutch supervision, but also that the few educated regents had been subjected to shameful and degrading treatment by their

* *Op. cit.*, p. 169. This brilliant study of Java shows unmistakably that the process of the degeneration of the regents was well under way before the definitive adoption of the Ethical Policy at the turn of the century; see especially Ch. IV, Sections I and II.

⁶ "De inlandsehe bestuursambtenaren, vooral op Java," *De Gids*, 1908, III, 211-234. It is here that Snouck Hurgronje uses the famous, and, in its brevity, untranslatable, phrase: "Soort over soort, dat is genade," which he attributes to an Egyptian embittered by British rule.

European colleagues. What the latter appeared to want was not intelligent Javanese collaborators, but servants who knew their naturally inferior place. But, as servants carrying out the varying commands of their shifting superiors, the regents were inevitably removed from that position of natural popular leadership "without which foreign domination, whenever it takes seriously its task of governing, is a misfortune for the people, who come to serve as the *corpus vile* for all sorts of experimentation by dilettantes."

In the last two or three decades there have been so many fundamental changes and currents of development that it is by no means easy to state in a few words the present position of the regents, nor is there any unanimity as to what that position actually is. The fundamental law of the Indies continues to state as before the principle that the native population will be left under the immediate leadership of its own heads, but there have in fact been many breaches in this system. The entire modern evolution tends to undermine or, at least, radically to alter the place of the regents in the new society which is being created.

It is obvious that the general process of modernization must inevitably work to destroy just that natural aristocratic authority on which the regent was primarily dependent in the past: an aristocracy which has grown out of one set of social and economic circumstances has no chance of survival in a society based on a totally different set unless it shows marvelous powers of adaptation to the new. Every social system produces its own natural aristocracy, its own socially integrated leaders, and it can be no more than the barest accident if the new aristocracy coincides in part or in whole with the old. In the Indonesian society that is developing out of the intensified contact with the West the new group of potential leaders are those who are geared into the new order: the Western-trained intelligentsia, business men, and experts. To them the old aristocracy of birth is an anachronism held in power by the Dutch, an unwelcome barrier to their own assumption of the social and political predominance which they are beginning to feel is theirs under the natural right of the new order. Inescapably there is a bitter rivalry from which the

regents can only emerge the losers unless they are able to abandon their claims in terms of their aristocratic prerogatives and merge themselves into the new Westernized intelligentsia—a step which is already being taken by many to the embarrassment of the Dutch who find it increasingly difficult to persuade the old regent families to continue on in their traditional posts. The result tends to be that the less educated and less forward-looking descendants of the old families head the regencies, thus sharpening the conflict, while their more advanced brothers prefer to exercise their talents in other spheres.

This situation has been further complicated recently by the extension of democratic institutions. The regent is no longer the sole head of the native population in his territory: he now has associated with him a Regency Council more or less democratically elected. Indeed, the Regency Council Ordinance of 1924 lays it down that the administration consists of, first, the Council, and only second (or even third, following after the College of Deputies of the Council) the regent. It is obviously no easy task for the former undisputed head of the native population to have associated with him, and to preside over, a Council in which his inferiors are free publicly to criticize him and to determine against his will policies which he must execute. These Councils increasingly must represent the new forces which are asserting themselves in the Javanese society whereas the regent by definition represents the old forces.

A new democracy and an old aristocracy make uneasy bedfellows. Once the democratic channels have been opened the rivalry between the old and the new leaders must inevitably flow into them. Java is far from having been endowed with a fully democratic régime as yet, but already the voice of the people is a significant factor through the ascending series of legislative and executive bodies which culminate in the Volksraad. It is the natural course for the Western-trained Javanese, who find no place for themselves in the old hierarchical social pyramid, to seek access to power by means of a direct appeal to the electorate, to the masses, who are also involved in the process of social fermentation. But in so doing they find themselves in open and direct conflict with the native officials of the old school who

equally naturally seek to dominate the Councils and to cling to their position as heads of the native population. In brief, the Westernized elements are bidding against the old aristocracy for the favor of the masses in an effort to supplant them as the leaders of the people.⁷

This general problem is one which is by no means confined to the semi-indirect rule of Java: in point of fact it strikes even more seriously at the nominally complete systems of indirect rule such as are found in British Malaya and India. In the latter the rulers and the aristocracy which surrounds them are far more thoroughly identified with the old order than are the regents, and in Johore and the Federated Malay States, to name only two examples, the process of modernization is as swiftly and as radically at work as it is in Java. By maintaining the old native heads in power without securing adequate guarantees of their development along modern lines—it is a matter of great difficulty to maintain the hereditary principle and at the same time to insist upon a high degree of Western education and efficiency—the imperial power finds itself in the position of constantly thwarting the legitimate demands of precisely those groups in the society for the evolution of which it is most responsible.

In the case of Java the solution of this problem will presumably be found in giving free rein to the already strong movement toward the assimilation of the regents to the status of ordinary officials and the abandonment of the sharp line of distinction between the native and the European services. It is already abundantly clear that the continuance of the aristocratic prerogatives is antithetical to the main trends of Indonesian development, and the separation between the two services is properly regarded by the nationalistically minded among the Javanese as one of the outward symbols of their racial inferiority. With the so-called “deguardianization” (*ontvoogding*) of the native civil service in the last decade or two new powers have been placed

⁷ This situation is admirably described by J. J. Schrieke in *De indische politiek* (Amsterdam, 1929), pp. 64–74. Schrieke suggests that the regency councils and the regency administrations must be utilized as a means of bringing these new elements into political life and giving them the experience and feel of administration, but he contends that this can be done only by appointment since elections involve the above-mentioned open conflict between the old and the new.

in the hands of the regents and their official subordinates, the European service has been moved somewhat further back, and the points of contact between the two services removed to a higher level. The next stage in this process seems obviously to be either the opening of the higher Dutch posts to the native civil servant, or else the creation of new posts which would retain a dualistic parallelism with the Dutch service along the old-established lines. This latter course seems on the whole far less advantageous than the abandonment of the increasingly apparent fiction that the Javanese society retains unaltered its old feudalistic spirit and structure. In the amalgamation of the two services and in the gradual dropping of the hereditary principle the Dutch would clear the way for a solution of at least one element of the present social and political conflict and would give substantial proof of their intention to transfer the control of Java to the Javanese as the latter demonstrate their fitness for it.⁸

INDIRECT RULE IN THE OUTER ISLANDS

Aside from the four remaining principalities, Java and Madura possess a reasonably uniform administrative structure throughout even though the loose ends of more than one plan of reform and reorganization remain to be neatly gathered together. It is particularly in connection with the decentralization program which has been superimposed on the older foundations that such loose ends are in evidence. Various as are the historical antecedents and the demographic structure of their different regions these two islands have at least been continuously under Dutch rule for a period long enough to allow of their being treated as a single unit for administrative purposes. The outer islands present a picture, or an album of pictures, of far greater diversity. From almost every standpoint the conditions are here lacking which

⁸ The problems involved in determining the present status of the regent are well described by G. W. Mossel, “Ambtenaar of Volkshoofd?”, *Koloniale Studien*, XIII (1929), 181–216. This writer comes to the interesting conclusion that although the regents still somewhat dubiously retain the position of *volkshoofd* which the government attributed to them in order to secure some form of representation of the people, they should now lose that dignity inasmuch as the new democratic institutions provide the machinery for representation on a more realistic and adequate basis.

made possible the treatment and development of the two central islands on a common basis.

The regencies of Java and Madura may be taken as a classic, if degenerating, example of indirect rule, but it is to the outer islands that one must look if one would see indirect rule blossoming forth in all its species and varieties. I have suggested more than once that the origins of indirect rule are to be found in the economy of men and money which it offered in the eras of large-scale and rapid colonial expansion. In the outer islands this factor is of such obvious and fundamental importance that it need be no more than mentioned, and from it can be derived an explanation of a good part of the present diversity. Driving forward with a sudden burst of energy the Dutch consolidated their holdings throughout the islands, but they were by no means equipped with resources adequate to the task of introducing into their vast new acquisitions a systematic administration comparable in its intensity and thoroughness to that which was evolving in Java. Nor could they now rest content with a mere formal assertion of their sovereignty through the maintenance of a minimum of peace and order. Under the pressure of the Ethical Policy, backed by the liberals at home, they had at least to make the show of an active interest in the welfare of the people in addition to the more vital task of supplying the extensive public works and services demanded by the European capital which was flowing into some parts of the outer islands. The supply of trained Dutch officials was by no means sufficient to meet the demand, and even if it had been the cost would have been prohibitive. To fill the gap untrained Europeans were temporarily placed in regions whose needs were less immediately urgent, but a more important and enduring step was the extension of the native civil service to fill, in very varied fashion, a number of the newly created posts. Furthermore the Dutch were forced into a more or less makeshift acceptance of the widely divergent native institutions which they found at hand, functioning at first under the somewhat casual and unco-ordinated supervision of this improvised corps of Dutch and native officials. In some instances the existing local authority was so much depleted by the Dutch or was already so feeble or corrupt that it was necessary to institute

direct rule, and in such cases the native officials, appointed and paid by the Dutch government and perhaps brought from other regions—this in sharp contrast to the principles of indirect rule—acted either as assistants to their Dutch superiors or as subordinate officers with a territorial jurisdiction of their own. In other instances the old authority, or some variation on it, was maintained substantially intact either in the form of a native State or under a nominal direct rule in which the former native heads retained office with an official or quasi-official status.

The choice between native State and direct rule in the new lands which had been forced into the fold appears to have been dictated by different considerations in different cases, and it is frequently difficult *ex post facto* to discover any ground of principle on which the selection could have been made, although it has been authoritatively asserted that the choice was normally dependent on whether or not the Dutch forces met with armed resistance. This notion is attacked by a semi-official commentary which contends that the choice depended "chiefly on the answer to the question as to whether in a given territory existing political organisms possessed enough vitality to justify the expectation that, under our energetic guidance and after being trained to it by us, they would possess the ability to become an organ in our administrative system co-operating in the development of land and people. Where this question had to be answered in the negative incorporation into the *directly* ruled territory followed, but where something in this spirit could be expected in the future from the existing chiefs in the new territory they were retained in their authority and the *indirect* form of government was chosen." * Although this admirable principle may well have been in the back of Dutch minds there is more than enough evidence to demonstrate both that it was by no means universally applied and that its interpretation varied with different persons and at different times.

A glance at a map of the Indies, appropriately colored to distinguish between native States and areas under direct rule, indi-

* *De buitenbezittingen, 1904 tot 1914* (Mededeelingen van het Bureau voor de Bestuurszaken der Buitenbezittingen, n.d.), Aflevering X, Deel I, p. 4.

cates the haphazard character of the results, particularly in connection with Sumatra, Borneo, and Celebes. In the case both of Achin and of the southern peninsula of Celebes it seems evident that there is nothing except either extraneous historical circumstance or ignorance of the character of the native institutions to justify the division into directly ruled areas and native States.¹⁰ In the case of Bali the drift at the time was strongly in the direction of direct rule, and political entities which might well have served as native States were declared to be under a direct rule which has increasingly taken on a character scarcely distinguishable from that of native States.

The greatest degree of complexity reigns in those regions in the outer islands which were, for one reason or another, declared to be under direct rule. These regions embrace the inevitable confusion occasioned by the partial maintenance of an old order which has been geared in to the general administrative system of the Dutch to a greater or less extent. To attempt to catalogue and to describe with any fullness and accuracy the multiplicity of variations which has resulted from this situation would be in itself a work of considerable magnitude, requiring an intimate knowledge not only of the Dutch system as it has been applied in different regions but also of the infinite variety of native customs and institutions throughout the islands¹¹; but some mention may be made of certain general factors.

¹⁰ See B. J. Haga, "Erkenning van hoogere Inlandsche verbanden," *Koloniale Studien*, June, 1928, p. 347. C. van Vollenhoven (*Het Adatrecht van Nederlandsch-Indië* [Leiden, 1909], I, 152) states that in Great Achin the Dutch mistook the heads of the larger native political entities (*oeleebal-angschappen*) for mere officials of the Sultan and converted them into government officials as district heads, whereas in Achin's dependencies the status of these chiefs was better understood and they were recognized as the heads of native States.

¹¹ In addition to a number of monographs on particular regions, there are several works which give a general survey of this complex situation: C. van Vollenhoven, *Het Adatrecht*, particularly Deel II, Hoofdstuk II; *Verslag van de Commissie tot Herziening van de Staatsinrichting van Nederlandsch-Indië* (The Hague, 1920), Bijlage D; J. J. Schrieke, *De lagere Inlandsche rechtsgemeenschappen in Nederlandsch-Indië* (1921); L. Adam, *De lagere Inlandsche rechtsgemeenschappen* (1924); B. J. Haga, *Indonesische en Indische Democratie* (1924); and "Het Inlandsch bestuur in het direct gebied van de buitengewesten," *Koloniaal Tijdschrift*, January, March, 1933. Basic legislation and other official documents bearing on the native communities in the outer islands are collected in *Mededeelingen van de Afdeeling Bestuurszaken der Buitengewesten*, Serie A, No. 1 (Weltevreden, 1927).

It has everywhere been the policy of the Dutch to recognize and to accept as the foundation of their structure the smaller native communities as being authentic products of the native life. This principle has found expression in the fundamental law of the Indies (Art. 128) where it is provided that, within the limits assigned by law and subject to higher supervision, the native communities (*Inlandsche gemeenten*) are to choose their own heads, to regulate and administer their own finances, to levy taxes, and to inflict penalties for the violation of their own legislation. In the last two or three decades these general constitutional provisions have been elaborated through a series of ordinances, each of which lays down the general regulations for the native communities of one of the larger administrative units in the outer islands. Although these ordinances differ to some extent among themselves they all follow a similar pattern of modernization and potential democratization on the foundation of the established customary institutions, providing, where circumstances permit and the community agrees, for a community council composed both of the customary local dignitaries and other elected members. For the rest these ordinances specify in some detail the organization and functions of the community government, the method of dealing with the finances of the community and services due to it, and the extent and nature of supervision and control by the higher official hierarchy. The general purposes are clearly to utilize the existing resources of the native communities for the management of their own local and daily concerns in as democratic form as local customs and circumstances permit, and, where those resources prove too meager, to stimulate the growth from the bottom up of communal organs which will enlist local co-operation and relieve the central government officials of the task of dealing with purely communal concerns.

Although this effort to preserve and at the same time gradually to reconstruct the basic native communities has been obviously indispensable and on the whole successful, it has encountered a number of serious difficulties. To be properly managed it requires a deep and intimate knowledge of the peculiarities of local custom and at least some acquaintance with local personalities, but these are matters of the greatest obscurity and subtlety. Even

now, despite the monumental efforts of van Vollenhoven and his followers, there are still great gaps in the knowledge of the *adat* or custom of the Indies, and it is only in the last quarter century that really comprehensive efforts in this direction have been undertaken. To attempt to build on native institutions when those institutions are only partially understood or, even worse, when they are misunderstood, is to threaten the stability of the whole structure: it is hopeless to expect an effective local self-government to emerge from imposed political institutions which have no real relation to the life and thought of the people concerned. A typical shortcoming in this respect, and one which is most difficult to avoid, is the attribution to native chiefs of greater powers than they possess under the *adat* either in the scope or absoluteness of those powers or in the territorial range which they are assumed to embrace.¹² For the higher official, Dutch or native, with a number of small communities within his jurisdiction, it is obviously far easier to deal with a single head than to become entangled in a complex system of divided powers, particularly where it is necessary to carry through far-reaching reforms speedily. And it is scarcely necessary to add that here, as in every scheme of indirect rule, there is continuous danger that the official will find it simpler and more efficient to do the work himself, incorporating only the barest minimum of the forms of indirect rule, than patiently to guide an illiterate native chief and council through the intricacies of modernity in both administration and public finance.

At one key point action under the constitutional provision as to native communities in directly ruled territories has seriously failed to meet the existing needs because of the marked tendency

¹² "In the regions brought under direct rule the heads of the legally recognized native communities were clothed by us with a power which they never before possessed. That happened automatically. Where a headman knew how to carry out our wishes and commands unconditionally, he was sure of our support and the complaints of the people had little success against him.

"Even a chief with only a little energy could in this fashion acquire a powerful position as against the people, through which the interests of the people repeatedly were pushed into the background. In consequence the people slowly but surely lost their confidence in their own chiefs; they saw in them merely government officials, unconditional instruments of the commands of the master." *Verslag van de Commissie tot Herziening van de Staatsinrichting van Nederlandsch-Indië*, p. 381.

to extend recognition only to the smallest of these entities—normally, that is, only to the native villages.¹³

Only in occasional instances has recognition been accorded to higher and more embracing communities either directly as legal entities or indirectly as forming the basis for administrative subdivisions which have retained their traditional heads under one guise or another. More frequently, however, it has not been thought possible to utilize these unlettered customary chiefs in the important work of reconstructing and administering the larger administrative units, and their place has been taken by trained native officials of the type created to meet the demand of the Dutch expansion of the last few decades. As a result the typical native community is a remote and tiny affair, absorbed in the management of its immediate parochial concerns and little fitted to participate effectively in the larger work of the general administration. Increasingly this shortcoming has made itself felt in recent times.

It has been one of the most urgent tasks of the present century to enrich the political and administrative structure of the Indies by the creation or recognition of governmental units which would serve to bridge the vast gap between the native village on the one side and the central government with its network of organs on the other. The movement in this direction has been spurred on by a number of different factors. From an administrative standpoint the central issue was the need for a reconstruction and reform of the entire system in such fashion as to allow for a delegation and decentralization which would relieve Batavia of its overwhelming load by establishing a variety of more or less autonomous intermediate authorities; but this issue was soon found to be inextricably tangled up with a host of others. There was, for example, the necessity of breaking away from the trend toward constantly rising administrative expenses and substituting for it a downward movement which would bring the costs of government more nearly in line with the pitifully small income

¹³ There has been some doubt as to whether the term *Inlandsche gemeente* as used in the fundamental law is necessarily restricted to the village community. There appears to be no doubt that this is the usual significance of the term, but Dutch usage and practice both at home and in the Indies have occasionally recognized a wider application. Instances of the latter may be found in Tapanoeli, South Sumatra, and South Celebes.

of the average Indonesian. Furthermore, it was seen from the outset that the decentralization program, if it were not to end merely as a re-shuffling of the official agencies, must involve a measure of democratization which would make possible a greater participation in the processes of government by the governed, both Asiatic and European. In the economy program there were seen to be similar political implications since the most lasting economy which could be effected was the partial and gradual withdrawal of the expensive European officials with a consequent transfer of some of their lesser responsibilities into native hands. These movements, therefore, in both instances coincided to a marked degree with the pressure of those persons and groups who demanded a speedy Indianization as a step on the road to a not too far distant Indonesian autonomy or independence.

In Java and Madura these matters could be more simply dealt with on the basis of the existing institutions than in the outer islands. At the bottom were the villages which in large measure retained their traditional structure and apartness, electing their own heads and furnishing a relatively undisturbed sphere of life for those bound to the ancient ways. Above them were the regencies, now equipped with democratic councils standing beside the regent, but still within hailing distance of the world which was being left behind. In so far as there was a substantial surrendering of powers by the Dutch officials who were moved back another step in the hierarchy, the regent and his native subordinates were the obvious persons to profit by this removal of the guardians. Under the plans for the reform of the administration laid down in 1922 (now embodied in Articles 119-122 of the fundamental law) the three provinces of West, Middle, and East Java, headed by Governors and provincial councils, have been erected to embrace the regencies, and furnish another intermediate unit on the way to the central government of the Indies with its *Volksraad*. Through this hierarchy of administrations and councils it is hoped to create a governmental structure which will not only be efficient but will also work to satisfy the ambitions of the Javanese for a greater share in the management of their country. It has been the intention so to construct it as to leave room and channels of political expression for both the simpler country-

dweller, in the village and perhaps in the regency administration, and for the more advanced and modern-minded inhabitants, in the higher councils and administrations.

This schematic outline of policies and principles does not, of course, mean that Java and Madura have been started on a path of smooth and idyllic progress—there are many inadequacies in the present scheme of things and many new problems constantly arising—but at least a comprehensive and comprehensible system has been evolved and brought to life. In the outer islands even this degree of theoretical adequacy has not been achieved: the task has, in fact, proved to be one of almost insoluble complexity. It is not difficult, at least as far as paper work is concerned, to draw great new governmental units on the map—a Government or Province of Sumatra, for example—corresponding to the Javanese provinces, whatever the practical hitches may be in the actual establishment of them. The really serious problems arise at the next stage in the proceedings: the creation of the intermediate units corresponding to the Javanese regencies, which, with a foot in the camps both of modernity and of antiquity, would serve to link the tiny native communities to the great governments or provinces which are to be erected above them.¹⁴

As a movement in this direction the creation of districts or sub-districts with "alien" native officials at their head has been tried without any substantial success.¹⁵ For a time it appeared that the process of deguardianization, which in Java concerned principally the regents in the first instance, might take place on behalf of these officials, but with their failure to take root in the soil of the populations over whom they were placed it has been increasingly clearly recognized that to do so would be to violate the cardinal Dutch principle of leaving the native population

¹⁴ This problem is ably discussed by B. J. Haga in his article on the recognition of higher native unions, *Koloniale Studien*, June, 1928. Haga is an ardent advocate, as is van Vollenhoven, of filling the gap by the utilization of native communities rather than by action under the westernizing decentralization legislation. B. F. Roskott (*De lagere Nederlandsch-Indische rechtsgemeenschappen en haar verhouding tot de centrale rechtsgemeenschap* [Leiden, 1931] deals with other aspects of the problem.

¹⁵ "It must be stated that thus far we have had success in our work of political organization in this middle ground only when we took over that which the people itself has brought forth in the political field." F. H. Visman, "Herstel van zelfbesturen," *Koloniale Studien*, August, 1928, p. 105.

under its own heads. Even where these officials were selected from the local population but held no corresponding adat position or where their adat position was derived from only one of the basic communities over which they were placed, they were normally unable to secure popular recognition. The hold of the customary chiefs was weakened or perhaps even destroyed by the Dutch failure to recognize them, but the new officials were unable to draw to themselves the natural authority with which their predecessors had been clothed.¹⁶

With the breakdown of this effort to round out the political and administrative structure, three further possibilities have come in for consideration: the application of the decentralization legislation, the extension of the treatment accorded to native communities, and the establishment of more native States.

Against the first of these possibilities there is the obvious objection that the decentralization program calls for a greater degree of westernization and formal democratization than the peoples of the outer islands are in general ready to receive at this stage. Not only is the general level of the masses below that of Java, but there are also proportionately fewer whose European training and contacts have caused them to sever their ties with the immemorial ways. Instead of the relatively simple and straightforward provisions of the native communities legislation with its basic reliance on native custom, the decentralization legis-

¹⁶ In some instances the traditional authority has in fact continued to exist and to operate in a somewhat covert fashion with the new Dutch-established authority receiving only a nominal acknowledgment by the people. The chief put forward by the community as its adat head has occasionally been discovered to be a mere figurehead deliberately thrust forward to conceal from the Dutch the real location of authority. In many instances, however, as the reports of officials in the outer islands all too frequently and regretfully testify, the authority of the traditional chiefs has been hopelessly shattered. One Dutch official in the Batak country of the Residency of Tapanoeli in Sumatra wrote in 1929 of the local headmen: "They know themselves to be rajas above all, but they see themselves restricted in the village council to precisely what the master (*tuan*) prescribes for them. They must sunder what they cannot sunder. They hear emphasis laid on keeping up the village roads, bridges, and markets and on the management of the treasury and budget, but they notice that many elements of their chiefship are never mentioned. If the thought still lingers with them that they may take in their hands all projects that interest them, they shortly find out that that does not go, that they then step outside the limits set by the Ordinance." Another official concluded his report on the same region two years later: "I have often said it: The Batak headman is the most lamentable creature that one can imagine."

lation contains elaborate and complicated regulations for the setting up of councils with appointive and elective members, for the relation between the different branches of the local administrations, and for the carrying on of the financial and other business of the different types of units concerned.¹⁷ It is to be feared that the traditional native authorities with their limited or non-existent knowledge of the complex Dutch legislation and rulings in the decentralization sphere would shortly find themselves hopelessly beyond their depth—which brings with it the further consequence that the work would in fact be done by the trained European and native officials without any effective local participation. Where the latter danger was avoided the tendency would probably be to strengthen the already existing trend toward a transformation of the native heads into government officials, deriving their authority from above rather than from below. The decentralization program was, after all, framed primarily to meet the needs of the more advanced and more complexly developed areas, and it is open to grave question whether it can properly be made to apply, without substantial modifications, to less advanced and more simple regions.

The most practical solution appears to be the acceptance of the suggestion which has been put forward in several quarters that the conception of the native community be widened to allow for the regular inclusion of larger entities than the villages, and this is a step which the government has recently taken, at least on paper. By the Higher Native Unions Ordinance, Outer Islands, of 1931, a procedure is established by means of which native communities may join together in any one of a number of ways to pursue their common interests. This may range all the way from simple consultation to arrive at co-ordinated or identical policies to the setting up of a central authority, representative of the communities concerned, to which any of the powers and functions possessed by the constituent units may be delegated. It is the assumption that such federations will be formed only on the demand of the communities themselves, but there is a proviso to the effect that specified higher authorities may bring

¹⁷ The principal official documents in the decentralization sphere have been gathered together by J. E. Holleman, *Decentralisatie-Wetgeving* (Batavia, 1933).

them into existence where it appears necessary in the general interest, even though the lower communities take no action by themselves. It has, however, been officially announced as the government's intention not to force matters in this connection but to wait wherever possible until there is a demand from the people. The simplicity of this ordinance, as compared with the complex elaboration of those embodying the decentralization provisions, gives some color to the hope that these higher native communities will receive a treatment as simple and as much founded on custom as that accorded the lower communities which compose them.

Past experience in this sphere, however, leads unavoidably to the fear that there will be a considerable gap between the tone and intentions of the ordinance and the realization of those intentions in practice. Will the Dutch administrators in fact possess the knowledge and the skill, the patience and the tact, which are requisite for this extraordinarily difficult task of bringing back to life communities which shall still have the semblance of growing from the soil? Here, as in every other contact with customary law and institutions, the greatest care must be taken to move forward only on the basis of a full understanding of the nature and traditional working of the institutions concerned,¹⁸ but this understanding, vital as it is, is by no means sufficient. There are various regions in which higher native communities either never existed or the memory of them has faded from the popular mind, and these will require most delicate handling if the newly created units are to take on the flesh and blood of popular acceptance. Even where this is not the case there will always be a great temptation for the harassed administrator to observe the form rather than the substance of his instructions, and proceed to erect administrative units which serve the cause of efficiency but not that of enlisting the popular co-operation of the people. It is, in all truth, no easy problem to draw back the trained and experienced European officials, transferring their functions into native hands, when the adat of the native community furnishes no persons really

¹⁸ There is, for example, the danger of according recognition to and building on the basis of larger political units which, although non-European in character, still have no roots in the local soil but represent only more or less recent conquests by the dominant native communities.

competent to replace them. Furthermore, it is frequently the case, as, for example, in some regions of Sumatra, that the higher communities have no single recognized head but rather a collegiate federal body which would make a very cumbersome and inadequate substitute for the present officials. In such circumstances it is to be assumed that the government will follow the policy, which it has at one time or another announced, of attempting to work through a modified system of appointive native officials. The modifications would consist primarily in adapting the status of these officials as far as possible to the local adat, in the sense of paying greater attention than hitherto to their social background and of placing them only in their own districts. With these amendments and with the gradual development and advancement of the communities themselves it is hoped to discover a middle course which will enlist the natural authority of the adat in its own transformation.¹⁹

Again it must be warned that by no means all the protestations of affection for native custom and institutions can be accepted at face value. The almost provocative possibilities of sham and hypocrisy which lurk behind the fair phrases of indirect rule have been mercilessly exposed in a biting article by van Vollenhoven, published shortly after his death, in which he protests that in recent times the Dutch have been all too ready to follow their own convenience behind a nicely worded façade of devotion to the adat.²⁰ Even with the best of will it is frequently difficult for the administrator on the spot, confronted by a practical problem requiring more or less immediate action, to resist the temptation to cut direct to the solution of the problem with no more than a formal bow to the established principles which are supposed to guide him. In the case of the Malay States it has been seen that London clung to the notion of Residents as advisers, never quite coming to an open acceptance of the reality, while the Residents themselves almost from the beginning took

¹⁹ These problems have occasioned much discussion in the Volksraad, the Dutch legislature, and elsewhere. Further indications of the official policy may be found in *Bescheiden betreffende de behandeling in den Volksraad van de doorvoering van de bestuurshervorming in de buitengewesten*, presenting the government's position as formulated during the Volksraad's debates in 1930-1931.

²⁰ "Old Glory," *Koloniaal Tijdschrift*, May, 1933.

over the actual running of the governments. The Indies are no less acquainted with this cleavage between theory and practice.

There remains for brief discussion the third alternative in this rounding out of the political structure by the establishment of intermediate entities: the creation of more native States. There can be no doubt that this is a proposal which might well work very successfully in particular regions where the native State structure has continued in large degree intact, as in Bali, or where adjoining areas with similar original institutions have been subjected to different treatment owing to historical accidents no longer of significance, as in Celebes. There are, however, a number of fundamental objections which are difficult to meet. Among these must be counted the question as to whether the fundamental law allows the restoration or creation of native States in regions which have been declared under direct rule. The two constitutional provisions which bear on the native States provide (Art. 34) that "the Governor-General concludes treaties with Indian princes and peoples" and (Art. 21) that general ordinances are applicable to regions where the right of self-government has been left to Indian princes and peoples only in so far as is compatible with that right.²¹ In both instances, it will be noted, the assumption is that the State is already in existence and there is no express provision which would authorize a return to the native State form once it has been abandoned. Particularly in connection with the first article cited there is an obvious formal difficulty in concluding a treaty with an Indian prince or people when these do not exist as such prior to the treaty and are only brought to life by the treaty itself. This is an obstacle which may cause the lawyer's heart to falter, but to the simple mind of the non-jurist it seems not too difficult to surmount it, especially under the Dutch scheme of things, if there is any serious desire to extend the system of native States. Without entering into the niceties of the constitutional jurisprudence of the Indies, it may be remarked again that the Dutch distinction between native State and direct rule is a far smaller one than the British draw.

²¹ The provision as to "Indian peoples" in these articles appears not to include the autonomy left to native communities under direct rule, but was inserted only to cover the case of native States which have a democratic rather than a princely form of government.

A Dutch authority has pointed out that in the Indies the difference between self-governing and directly ruled territory has been brought back "to a difference in the degree to which and the way in which the functions of government are there left to native communities": "in reality the native States are in fact as well as in law parts of the Indies, though they be parts decentralized in a special way."²² In this situation it seems more than a little absurd to allow purely formal considerations to stand in the way of what basically would be no more than an administrative readjustment.

There are, however, more serious obstacles than this, even if one leaves aside the still not wholly obliterated feeling that native States are a lower form of government than direct rule, to be superseded by the latter in the name of progress as occasion offers. To increase the number of native States is to multiply complexity, notably because the system of extraterritoriality which has been applied in the States brings about a basic division between classes of subjects under different governments and different systems of law. Where the tendency is toward an assimilation of all groups in the population to a single and common standard the resurrection of native States implies in this connection a retrogressive step, in part because it operates as a check on social and cultural modernization, and in part because it almost inevitably implies the re-establishment of feudal authorities. A more fundamental objection is that the native States, even in the Indies, remain to some considerable degree separate water-tight compartments, severed from the rest of the community. Even though the great bulk of the States, under the Short Declaration, are open to almost any brand of intervention and regulation by the Dutch, they still are entities apart, subject in each case to special treatment.

²² Visman, *op. cit.*, p. 108. See also van Vollenhoven, *Koloniaal Tijdschrift*, XVII (1928), 265. In the Volksraad session of 1927-1928 the government took the position that it could not undertake the restoration of native States. A proposed fundamental law for the Indies drafted unofficially by several distinguished authorities, including van Vollenhoven and Snouck Hurgronje, included an article (Art. 132, sec. 2) by which the government could re-establish former native States and extend the territory and functions of existing States. J. Oppenheim and others, *Proeve van eene Staatsregeling voor Nederlandsch-Indië* (Leiden, 1922).

If the native State system be seen not as an absolute good in itself but as an alternative form of colonial administration—which is, to my mind, the only correct approach to the problem—then there is no good reason for posing the question in the form of the sharp and distinct alternative: direct rule or native State. It has, indeed, been the purpose of the preceding pages to suggest that the Dutch, through a very flexible use of the notion of indirect rule, have effectively evaded the putting of this sharp question. It is only in the realm of the creation or recognition in the directly ruled areas of larger political entities, bridging the gap between village and central government, that their ingenuity has failed them, and in this sphere they have unfortunately allowed to lapse from existence one type of structure which might have served them well. This is the type bearing the curious title, at least in its English version, of government-State to distinguish it from its close relative, the full-blooded self-governing native State.²² In its simplest version this is a State which has been wholly incorporated and placed under direct rule but in which the traditional structure has been retained substantially intact with the existing native authorities transformed into government officials, in contrast to the State which has not been so incorporated and which stands in a quasi-treaty relationship to the government. While the status of the latter is determined by a bilateral agreement, the former exists and authority is exercised in it only through the unilateral action of the central government. In earlier times this was the status of the regencies of Java and Madura which had been ceded to or conquered by the Dutch and it was also utilized to a lesser extent in the outer islands in recent times, but in the present century it has fallen into official disrepute as a half-breed creature not properly fitting into any of the recognized species. Its last use was in connection with the principalities of Bali whose fate has been indicated in the previous chapter. In the immediately modern world its place

²² *Gouvernementslandschap* as opposed to *zelfbesturende landschap*. For a discussion of this form, see particularly Visman, *op. cit.*, and the same writer's "Instelling van gouvernementen landschappen," *Koloniale Studien*, October, 1929. Van Vollenhoven also took up the cudgels for this type of structure, despite its hybrid name and character, as being based on the traditions of the people and satisfactory to both Easterners and Westerners. "De lagere rechtsgemeenschappen overzee," *Koloniaal Tijdschrift*, XVII (1928), 251-271.

has been in part taken by native States which have signed the Short Declaration, but even with the invention of this intermediate form there still appears to be room for the recognition of the government-State as a higher type of native community. It embraces many of the virtues of the native State and yet through its flexibility avoids many of the latter's inherent difficulties, at the same time escaping the taint of Westernism which clings to the decentralization program.

Despite the great degree of variation between the different regions the general character of the Dutch administration of the directly ruled territories of the outer islands may be illustrated by a glance at the system in use at the present day in Bali.

Bali and the island of Lombok to the south of it form a single Residency with a Resident at the head, the latter forming one district within the Residency, divided into three sub-districts, the former divided into two districts which are again divided into seven sub-districts. The total area of Bali, reaching up into mountains in the center, is 10,290 square kilometers and its population amounts to 1,101,393 persons, of whom 403 are Europeans, 7,629 Chinese, 1,324 other foreign Asiatics, and the remainder natives. Of the native States which existed prior to the Dutch intervention, eight have survived more or less intact although they have been wholly incorporated into the Dutch territories and, formally speaking, are under direct rule. Their survival has taken the form not only of taking over the boundaries of the former States as boundaries for the sub-districts—with one exception where two States have been enclosed in one district—but also of restoring descendants of the former ruling families to power as heads (*bestuurders*) of the native civil service in each jurisdiction and as rulers of their peoples. In contrast to the situation in the native States proper these rajas are paid by the Dutch government instead of drawing their income from the local treasury, and their status is, in curious fashion, that of officials. On the Dutch side the civil service consists of the Resident whose headquarters are in the district of Singaradja, an Assistant Resident for the district of South Bali, and controleurs in each of the sub-districts, although during the depression not all of these latter posts have been filled.

According to the usual administrative practice of the Dutch

the Resident and Assistant Resident have few direct administrative functions and are rather supervisory and controlling officers. Both are superior to the rajas in official status while the controleurs are, in formal principle, inferior to them. The theoretical position of the controleur is that he is part ambassador and part adviser to the raja of his sub-district, never giving orders direct to the lower native officials but advising the raja who then issues the appropriate command. According to the official instructions the raja is the native head of the government in his territory and in native affairs is the trusted counsellor of the European administration. In practice, it need scarcely be said, matters are very different. The bulk of the real decisions are made by the Dutch officials, and the controleurs exercise an undoubted and direct control over their formally superior native associates. As in all systems of indirect rule the precise relationship is very difficult to define and varies greatly from person to person, but it seems clear that the share of the rajas in administration, including budget-making, is on the increase as they become more intimate with the Dutch methods of doing business. Where the controleur and his superiors are sincerely interested in bringing a capable raja into close contact with the administration of his territory the relationship may approximate the ideal but this has so far been something of a rarity. A complicating factor in the situation is that many members of the higher castes in Bali have not yet forgiven the Dutch for their partial interruption of the age-old feudal-Oriental privileges which amounted to little less than a complete right over the persons and property of inferiors. These privileges have by no means entirely disappeared—the rajas have the reputation of being very ingenious in discovering new means of extorting wealth from their subjects—and it is commonly felt by the Dutch that the Balinese still continue too subservient to their former masters. Provisions have, however, been made for the continued local autonomy of the Balinese villages and for the free selection of their heads by the villagers, as well as for monthly conferences between the raja, his lower native officials, and the village heads under the watchful eyes of Dutch officials. In the courts of law the controleur is the president and the raja is the vice-president, but the presidency is in fact often divided,

the raja taking it one day and the controleur another, with the Resident or the Assistant Resident reviewing the more important cases. The Netherlands Indies criminal code has been introduced, but the bulk of the civil law is derived from the Balinese adat.

In one former State, Karangasem, the experiment was made in 1921 of introducing a council under the Decentralization Legislation, a council which has ever since served as a weapon in the hands of those who contend that democratic institutions of this type are too complexly Western in character to allow of their successful introduction in such relatively undisturbed communities as Bali. Its membership of thirty-three Balinese is, according to all accounts, almost completely under the thumb of the raja, who sits as chairman and is, no doubt, himself frequently prodded into action by the controleur who is the council's secretary. Apprehension of the consequences if the raja's policies are opposed combines with respect for the traditional and inherited absolute power of the ruler to place the members in surprising and consistent agreement with high policy. I was told by a Dutch official that when distinguished visitors are to attend the council's sessions, the raja takes pains to instruct his council member-subjects to raise objections and give a democratic show lest the visitors think him a high-handed autocrat. In the palace of this raja the official who was escorting me pointed out the servants kneeling before their master and raising their clasped hands to him in customary fashion. Remarking that even in Europe democracy was speedily losing its appeal, he asked me if these were the people to whom Western democratic ideas should be applied. A project for the establishment of councils in all the former States and later a general Balinese council has been under discussion for some time, but no action has yet been taken in this respect.

To all appearances the lower caste Balinese, despite a traditional loyalty to their rulers and aristocracy, have had no particular grievance against the Dutch either for their intervention or for their administration. The mass of the population has undoubtedly profited by the curbing of the oppression of their rulers and by the sanitary and other similar measures taken by the Dutch, and is perhaps somewhat better off economically

although this is always a debatable point in colonial regions. The whole social, political, and economic structure of Bali is based on the local variant of Hinduism and it has been the effort of the Dutch to preserve this religious foundation intact. European large-scale enterprise has been banned from the island, although the Chinese have as usual won themselves some share in local trade, and Christian missions have been excluded except for a brief and unsuccessful early period.²⁴ The flourishing tourist trade has been allowed to cut—and “spoil”—a large slice through the middle of the island, but far the greater part of the populace appears to be still deep-rooted in its ancient, intricate, and beautiful pattern of life, only slightly disrupted by alien rule and a money economy. Because it is a close-knit and almost wholly self-contained society, founded on Hinduism, Bali has proved an unfruitful field for the Mohammedan, or agnostic, nationalists who have come from Java or some one of the other islands to rouse the Balinese from their long political sleep.²⁵

NOTE: CHURCH AND STATE IN KARANGASEM

A significant insight into the present state of affairs in Bali and particularly in Karangasem may be gained from a plea sent to the Resident in 1933 by one of the lower Dutch officials in an effort to secure the reversal of the earlier governmental decision not to free the rice lands of the Karangasem priests from taxation. Pleading the incompatibility of Western secular ideas with the social structure and traditions of Karangasem, this official contended that although the priests were reconciled to the loss of a great part of the powers they had formerly exercised they were still insistent, as were other elements of the society, that the priesthood should be recognized to hold a special and peculiar position in the society. Without attempting to enter into the merits of the particular taxation question, excerpts from this plea bearing on the more general problems are given here.

“In Karangasem the theory still holds ‘that the temporal power has only a secondary function, the maintenance of public order

²⁴ See articles by F. D. K. Bosch and H. Kraemer in *Djawa*, XIII (1933), pt. I.

²⁵ See note appended to this chapter.

with the purpose of placing the people in a position to dedicate themselves to the service of the gods’; a theory that holds ‘that authority must take its leadership in everything from the priesthood.’ A theory which was, and no doubt still is, regarded as the orthodox ideal in more medieval societies. Spiritual and temporal power must in this society as elsewhere have formed opposing forces which, in spite of all conflict with each other, needed each other badly in order to hold a proper balance. Our administrative activity is necessarily a threat to such a balance. An equally inevitable threat is the enlightenment which is more or less bound up with our interference.

“A Karangasem Council has been established. Without overrating the importance of this Council, its influence cannot be denied. In the Karangasem Council there are some of the more enlightened people, although their voice is far from decisive. But it is unmistakable, even in connection with the most conservative majority in the Council, that there is a certain pressure toward effective participation, however hesitant that pressure may be.

“The priestly power has not recognized this new factor and wishes to negate it. Indeed, it would be difficult for the priesthood to recognize it considering its conservative-orthodox principles. The priestly power, by nature aristocratic and autocratic can only join itself to a temporal power which is by nature autocratic. To join itself to a more democratic power would be a breach with its own autocratic position; in the same way every enlightenment of the people is an abomination to the priesthood.

“The present *bestuurder* is no longer able to define his position clearly. It is only with difficulty that he can oppose every effort at intrusion by a Council set up by us and in which he has been made chairman by us. Nonetheless, the very last thing his heart leans to is a democratic system, and his sympathy goes out even less to further enlightenment. On the other side, he accepts the support of the Council, among other things in the continuing struggle between village and native-central government, and, by bringing the affairs of the priests into the Council, he has shown himself inclined to use the Council against the spiritual power.

“For me it is still an open question what our relation to such problems should be. I am sure that there is a possibility that

these problems might settle themselves better if our attitude were one of indifference to them. I do not speak of ignoring them in the sense of a cultural irresponsibility on our part, but precisely as an act of well-considered responsibility. The installation of the Karangasem Council would never have come from a policy of indifference. As in so many other matters it is, in my opinion, an expression of our efforts in all kinds of spheres to give to the peoples we rule our command over nature, our spiritual heritage.

"There is much in the native society that in fact annoys us. There are, according to our views, so many abuses and injustices which we have conquered, so much technical shiftlessness, in both administration and the courts, as well as social inequality, etc. The thought that occupies us all, some more and some less—I do not exclude myself—is to make an end of everything that annoys us so far as we are able. A social distribution under which certain special rights and privileges are conceded to one category of people has annoyed us: that was the reason why it must be done away with by us.

"As a whole the native society—at least in this area—does not share our annoyance. In fact our annoyances annoy them.

"We have already done much that is annoying to the temporal power. Loss of self-government, loss of the title of *stedehouder*, etc., remain great annoyances. No doubt these were necessary. No doubt they cannot be remedied. We have begun to inflict an annoyance on the spiritual power which can be remedied. In spite of all our Western desires to dethrone the spiritual power, this society is still so little de-medievalized that there remains an absolute need for the two-in-one unity of spiritual and temporal power. A need which cannot be filled even in the distant future by such Western-democratic institutions as councils and Western technical means of administration.

"Since the best guarantee for a future as little revolutionary and devolutionary as possible is a peaceful development of the power of native rule, I suggest that we must examine the question as to increased recognition of the two great opposing forces in this area—that is, absolute temporal and spiritual power. I do not deny that this would mean a renunciation for us as officials. I do not deny that it would also mean a loss for a culture;

that it would be at the cost of great annoyance on our side and at the cost of an understandable annoyance to those members of the native society who have been enlightened by us. But I believe on the other side that new life would awake again where our heavy peace and rigid order have brought stagnation, and therefore our partial withdrawal would occasion no loss in these quarters. I myself no longer dare to deny the possibility that such a handing over of this society to itself would constitute a gain for its development that would far outweigh the loss in sliding back into much that annoys us."

THE NATIVE STATES

It will be obvious from what has already been said that the Dutch and British systems of dealing with the native States are strikingly unlike at a number of key points, and the more detailed the examination becomes the more this dissimilarity is evident. In the British system the essential formal trappings of the protected State are scrupulously safeguarded while with the Dutch these trappings tend to be reduced to a minimum, the States being no more than areas which have been decentralized in a special fashion or, at best, being very junior partners in a quasi-federal structure. The one and fundamental point of similarity between the two systems is to be found in the fact that neither the Malay States nor their counterparts in the Indies actually operate as real native States governed by native authorities under European guidance and supervision: they are both in essence merely variant forms of European colonial administration in which European officials make greater or less use of native instrumentalities.

In the British scheme of things, aside from the curious development in the F.M.S., it is the assumption that each native ruler, or ruler in council, possesses the whole of sovereignty and has jurisdiction over all persons and all affairs within his State, whereas the Dutch have worked on the contrary principle of safeguarding the control of the central government over matters of general concern and of removing various classes of persons from the jurisdiction of the States. It has been seen to be one of the

inevitable results of the British system that the ruler and his traditional Malay associates are set up on a dignified and ceremonial pedestal from which they only rarely descend to take an active share in the British governance of their State. Under the Dutch system, it is frequently claimed, this unhappy result is avoided inasmuch as an effort is made to restrict the jurisdiction of the ruler to those spheres which he can effectually handle through the traditionally established machinery and in the light of his previous experience and training; but it is open to serious doubt whether this principle has in fact operated to produce any substantially greater participation in government by the native hierarchy. Not only are there considerable spheres in which the ruler is debarred from acting because they have been reserved to the central government, but even in those spheres which have been left within the jurisdiction of the State he is as much subject to the "guidance" of his European superiors as are his peers on the Peninsula. Furthermore, because of the tinyness and insignificance of the bulk of the States, their financial independence has frequently been overridden by the establishment of a common treasury for groups of States,²⁰ and many of their essential services, in particular those of a more modern and scientific nature, are carried on for them by the specialized organs of the central government under the fiction of "rendering aid." The general consequence is a structure of far greater juristic, financial, and administrative complexity than that of the British, plus separation and overlapping of jurisdictions which not infrequently creates a conflict of laws and authorities almost beyond the legal wit of man to disentangle. It need scarcely be added that when such conflicts arise it is the Dutch and not the native authorities who take to themselves the power to cut the knot.

As the British have evolved for their native States the standard formula according to which the ruler is obligated to ask

²⁰ In some instances this amalgamation of treasuries has taken place on the basis of pre-existing traditional federations of States, in others purely on grounds of administrative convenience. In the article on native States in the *Encyclopaedie van Nederlandsch-Indie* (2d edition, 1921, IV, 826-831) it is contended that through this manipulation of treasuries "the respect for native States becomes merely a phrase and the autonomy of the native States approaches the creation of district and subdistrict treasuries under the absolute authority of a European administrator."

and act upon the advice of the Resident in all matters other than Malay religion and custom, so the Dutch have evolved in the Short Declaration a similarly simple and even more straightforward device for the assertion of their complete supremacy. In giving his signature to this latter document the ruler not only declares that his State is a part of the Netherlands Indies and swears loyalty to the Queen and Governor-General from whose hands he receives his rule, but he also binds himself to observe and obey all general regulations which are or are made applicable to his State and all orders which come to him from the appropriate Dutch authorities.²¹ Since the invention of this device the Dutch have moved as speedily as was decently possible to substitute it universally for the old style long treaty or contract which elaborated the precise terms of their relationship with the ruler. The success of their manoeuvres in this direction is indicated by the fact that at the present day there are only fifteen States left in the Indies where political strategy counselled the maintenance of the long treaty, while 254 have been swung into line with Short Declarations.

The major objection to the older type of treaty was that it tied the hands of the central government far too tightly and interposed barriers to its uniform regulation of matters throughout the whole of the Indies which could only be removed through a series of cumbrous negotiations with each of the States. With the adoption of the Short Declaration a precisely contrary difficulty promptly made its appearance. Now the States were thrown open to Dutch action of any sort with no barriers except a general basic assumption that the States would continue in at least some form of shadowy existence, and even this assumption was implicitly or explicitly challenged by those who believed that the abandonment of the policy of non-intervention inevitably implied the universal extension of direct Dutch rule. Although the central authorities were increasingly convinced of the utility of preserving indirect rule in the native State form, they saw the States in fact fading away before their eyes under the ardent

²¹ For the texts of the different treaties and of the standard forms for the Short Declaration see *Overeenkomsten met de zelfbesturen in de Buitengewesten, Mededeelingen van de Afdeling Bestuurszaken der Buitengewesten, Series A. No. 3* (Weltevreden, 1929).

onslaughts of the European officials. If the States were to be preserved and substance given to the official contention that Short Declaration States were not of lower order than those with long treaties nor more subject to arbitrary central interference, it was obviously essential that the Dutch impose some form of limitation on the all-embracing powers which they had taken to themselves. To accomplish this without sacrificing their unilateral control of the situation they hit upon the device of supplementing the Short Declarations by a uniform code known as the Native State Regulations which laid down something of a constitutional framework for all the Short Declaration States and defined the relationship between the States and the central government in terms largely borrowed from the relevant articles of the long treaties, but susceptible of amendment at the central government's pleasure.**

It has been one of the grievances of those who have the well-being of the native States at heart that the Short Declarations as supplemented by these Regulations have forced all the States into a single mold no matter how great their actual diversity. That the States differ widely among themselves is a matter beyond argument. Their populations range from a few hundreds to many thousands and they stand at very different levels in terms of development along modern lines. Some are well-established and relatively ancient traditional entities equipped with complete institutional structures while others are insignificant and dubiously integrated tribal units to which the term State has little proper application and in which such fixed political institutions as exist are primarily Dutch creations. It would, however, do Dutch ingenuity an injustice to assume that the formal uniformity of the system is actually reflected in its practical operation. The Regulations have themselves been supplemented by a

** *Staatsblad*, 1927, No. 190. These Regulations made their first appearance in an ordinance of 1914 which never came into force. A new ordinance of 1919 brought them into effect. In 1927 in order to evade the newly established control of the Volksraad over ordinances, this ordinance was recalled and the Regulations were reissued in the form of a decree, thus placing them beyond the reach of the Volksraad. This shift was officially defended on the dubious argument that since the Governor-General has the exclusive right to enter into treaties with the States he should also have the full regulatory power. It has further been contended that the democratic Volksraad was an improper body to deal with autocratic rulers.

host of subsidiary and complementary commentaries, decrees, rules, and interpretations, some uniform and others adjusted to particular circumstances. Beyond this vast and imposing array of legal documentation the actual working arrangements vary considerably from area to area with much of the living reality concealed behind fictions of the type which indirect rule is ever fertile in breeding. It should nonetheless be added promptly that even though the States seem not to be stifled by the demand for uniformity the mere existence of the quantity of red tape, of complexity, and of fictions which the Dutch have devised is already a good indication that the States and their rulers have been forced into an abandonment of much of their original significance and vitality.** Unless some means can be found of preserving to the native State a free sphere of activity of considerable scope and not hedged about by innumerable and vexatious restrictions and controls, it seems inevitable that it should die a slow death of suffocation, sustained in the interval less by its own inherent strength than by the alien officials who operate under cover of its fictions and obscurities.

In a general way the powers which the Dutch have reserved to themselves under the Native State Regulations, as in the long treaties, may be seen as falling into two large categories: rights of supervision, control, and even ultimate decision in those spheres which have in principle been left to the management of the States, and the right to deal directly and exclusively with certain enumerated groups of subjects and persons. Since the first of these two categories embraces the entire range of possible activity on the part of the native authorities and varies greatly in its exercise according to the particular circumstances and personalities involved, no very sharp delimitation of its scope is

** C. van Vollenhoven has suggested as a guiding principle that the native States should be maintained on such a basis "that an Indonesian ruler with his notables and chiefs can handle the administration," being left subject to supervision, with all the functions "which stand close to the native life, to what they want and understand and value, to that with which they feel at home." "Old Glory," *Koloniaal Tijdschrift*, May, 1933, p. 240. That the native States of the Indies fail to meet his requirements is indicated by his comment, presumably directed at myself, in the same article: "The American gentleman, who, according to the papers, has gone to the Indies to study our native State system, must surely understand the art of seeing through grease-paint and false wigs."

possible. Although the Regulations (Article 12) assert that the conduct of the affairs of each State will be carried on by the ruler they add to this the significant phrase "under the guidance of the head of the district administration" and his subordinate officials. Despite all pronouncements from Batavia to the contrary this guidance, as in the case of British control of the Malay States, comes perilously close in most instances to the taking over of the administration by the Dutch, with the native authorities either pushed aside entirely or utilized as inferior civil servants. Aside from this general statement the Regulations are sprinkled with many more specific instances of a right of intervention on the part of the Dutch. Thus, while it is assumed that the internal structure of the States will be determined in accordance with their institutional usages and customs, the head of the district administration may advise as to changes and this advice must be accepted if it is backed by the Governor-General. In cases of serious misconduct or incompetence on the part of a ruler the Governor-General, acting on the advice of the district head, is empowered to provide for the interregnum and for the ultimate succession, and where a ruler is temporarily absent from his State the district head takes over its management. In budgetary and financial matters the rulers are not only required to abide by the general rules and regulations centrally laid down, but must also secure the approval of the appropriate local authorities for each particular step—a provision which in practice often amounts to the drawing up and manipulation of the State budgets by the Dutch officials. This latter outcome is peculiarly the case where use has been made of the broad powers left to the central authorities to amalgamate the treasuries of several adjoining States into a single centralized treasury with a single annual budget.

Superficially it would seem possible to make a somewhat sharper delimitation of the subjects reserved exclusively to be dealt with by the central government since in this category the Regulations proceed on the basis of an enumeration of the powers denied to the States, but even this cannot be regarded as definitive without the detailed examination of a mass of supplementary material. A primary stumbling block, and one which has caused much grief to Dutch enthusiasts for the native State form, is that

this enumeration is expressly held in the key Article 14 not to prejudice the vague and general rights which flow to the Dutch as a direct consequence of their sovereignty.¹⁰ Furthermore, there is a somewhat undefined but far-reaching power on the part of the appropriate local officials to declare applicable to the native States rules and regulations which are in force elsewhere in directly ruled territories or, alternatively, by "agreement" with the rulers, to secure the enactment in the States of identical legislation. A practical difficulty on the other side of the fence is that for many of the enumerated subjects the regulations which have been adopted by the central government in fact allow the States to reclaim some of the powers which have been removed from them, as for example in connection with taxation or the exploitation of forests. Without attempting to present any complete list of the wide and varied subjects action concerning which is prohibited to the States, a somewhat random selection from among them may give some indication of their scope. The following matters are excluded from the competence of the States: regulations concerning the import, export, possession, and trade in fire-arms, munitions, and explosives; harbor police and administration; telegraphs and telephones; prospecting, and exploitation of minerals; regulations concerning the disposal of land to or the use of land by persons not belonging to the native population of the Indies; the mutual rights and duties of employers and workers; water boards; regulations concerning the right of association and assembly and the limitations thereon; etc. In line with this latter provision it might be added that the Governor-General retains (Article 18) the exclusive right to prohibit persons regarded as threatening the public peace and order from remaining in any State or to assign to such persons a definite place of residence outside the State.

To achieve even formal completeness it is necessary to round out this survey of the restrictions imposed on the native States by the addition of one of the most extraordinary institutional devel-

¹⁰ See Kleintjes, *op. cit.*, I, 54ff.; W. Verbeek, "De zelfbesturende land-schappen buiten Java," *Koloniale Studien*, III (1919), 457ff. In such long treaties as appear in the future it is the Dutch intention to substitute for this clause a reservation of the right to act in the native States where it is demanded by the general interest.

opments of the Indies: the extraterritoriality which attaches to the six categories of persons listed in Article 13 of the Native State Regulations. The authority of the native States, it is there laid down, does not extend outside its own boundaries and within those boundaries extends only to its own subjects, i.e., to persons not falling in one of the following groups:

- a. Europeans and those assimilated to them;
- b. Foreign Orientals with the exception of those who have become so blended into the local population as to be regarded as absorbed into it;
- c. Native civil servants of the central government;
- d. All persons settled within the boundaries of the State on land ceded to or placed at the disposal of the central government (by Article 1 the States are required to turn over to the central government any land which it may demand);
- e. Natives from the outside temporarily in the State;
- f. Natives who have entered into a labor contract with their employers.

In a calculation undertaken some years ago it was estimated that of a total population of some 10,000,000 in the native States (now given as 12,400,000), about 700,000 were beneficiaries of the system of extraterritoriality. The extent of the problem varies greatly from area to area since in the more remote and less developed States it is virtually without practical consequences while in the highly developed European plantation regions of the East Coast of Sumatra it embraces in some States as much as half of the population.

Whatever justification may be found for this system, whether in regarding it as a mere extension of the dualism in law and administration on a racial basis which extends throughout the Indies or as an effort to make indirect rule a reality by restricting the jurisdiction of the States to their traditional communities, it will be obvious that there are immense difficulties inherent in any system which requires the constant functioning of two governments over the same small territories. In law and justice, in administration and taxation, the subjects of the central government residing in the native States live under a different régime, from the subjects of the States and are governed by a different

set of officials. The historical origins of this system of extraterritoriality are of substantially the same order as those of extraterritoriality elsewhere, and in the days when the States were actually foreign territory in a treaty relationship with the Dutch the extension of the system to them was a logical enough matter. The explanation of its continuance after the effective establishment of Dutch sovereignty over the whole of the Archipelago is to be sought, given the basically dualistic conceptions of the Dutch, in the relatively backward and undeveloped character of the States. Despairing of any prompt and sweeping reforms which would bring the new territories to the standards of the directly ruled areas the Dutch took refuge in the temporarily simpler device of maintaining their direct control over their own people. Increasingly, however, as the Dutch administration has become more intensive and as the contacts between different regions and groups have multiplied, it has become an anachronism which has little more than the heavy weight of established inertia behind it. By the more advanced elements in the States it is inevitably resented as being tantamount to a flat declaration that the States are so backward and inferior as not to be trusted with authority over the subjects of the central government, who nonetheless benefit equally from the varied activities of the States such as the maintenance of peace and order and the building of roads and bridges. That the complexities of such a system have been in any measure supportable appears to be due in good part to the fact that the native States have had to bow continually to the will of the Dutch central and local authorities, bringing their own regulations into line with those in force for the subjects of the central government and moving back step by step as the central government's officials took over the administration of their tasks. Either openly or under cover of fictions the process has uniformly required the retreat of the States, and only in the rarest instances has it been one of adjustments made by the central authorities. The possibilities of manipulation under the doctrines of guidance, the rendering of aid, and the voluntary adoption of identical enactments, have proved themselves virtually infinite in scope.

For the administration of justice in the native States the basic principle is that the States' courts judge cases concerning

their own subjects according to the traditional customs and institutions in so far as these are not in conflict with universally recognized principles of equity and justice; but here as in other spheres the basic principle is subject to much variation and adjustment. As is the case in all matters concerning the native States, their own subjects must in a variety of instances appear before the courts of the central government while there is no instance in which the central government's subjects must appear before the courts of the States. Jurisdiction is in general reserved to the courts and judges of the central government in all civil actions brought against native State subjects in which persons not under the jurisdiction of the State are involved. Furthermore, only the central government's courts may take jurisdiction over offenses against the security of the realm or concerning the property and revenue of the central government, and over violations of the general and local ordinances and regulations which are applicable to the State. Even within their own limited sphere of jurisdiction the State courts are, of course, subject to the guidance and supervision of the local Dutch administrators, and elaborate provision is made in the Native State Regulations for the review of their decisions. To the Governor-General is reserved the exclusive right of pardon as well as the right to review all death sentences before their execution. In the actual working out of these general provisions as to the administration of justice in the native States there is a wide degree of variation, dependent on the various particular agreements under which States have surrendered to the central government either the whole or some part of their judicial powers.

In financial matters it has been at least the nominal intention of the Dutch authorities to safeguard a sphere in which the rulers of the native States and their associates might effectively exercise their administrative talents, and there has been frequent complaint from the center that budget-making and budgetary control have passed too fully into the hands of the European officials on the spot.²¹ The active participation of the rulers in the financial affairs of their States was prejudiced from the outset, however,

²¹ See Th. H. M. Loze, *De Indische zelfbesturende landschappen in het nieuwe staatsbestel* (The Hague, 1929), Ch. IV.

by the fact that the standard first move of the Dutch was to break down the customary notion that the property and revenues of the States were the private possessions of the rulers, their families, and their henchmen. No orderly administration of the States was possible until separate treasuries had been established and the rulers put on a salary basis with a fixed civil list, but the resentment of the persons whose established privileges were thus tossed overboard is not difficult to grasp. Particularly in regions where private European interests were prepared to pay well for concessions and favors was there lasting grief against the new order, even though the Dutch, to encourage the rulers in the opening up of their territories, have left open the possibility of the rulers sharing to a limited degree in returns flowing from concessions and similar enterprises. But in general the aristocratic prerogatives of the old days have given way to a fixed and orderly financial pattern the complexities of which serve ill to attract the rulers to an effective share in its management.

Given the intricacy of the relations between the States and the central government, it is inevitable that much Dutch ingenuity should have been expended on the problem of arriving at a financial settlement between the two systems, and a considerable part of the bookkeeping of the treasuries is devoted to this purpose. Of a total income for all the native States in the outer islands of f.19,622,000 in 1935, the central government contributed f.1,265,000 as indemnification for rights which it had removed from them and a further sum of f.1,186,000 in subsidies.²² On the expenditure side of the budgets the heaviest single item—amounting to f.4,019,000 in 1935—was the sum paid as restitution to the central government for expenses directly incurred on behalf of the States, as in the rendering of aid by the several administrative services of the central government. The allotted share of the States in the general expenditures of the central government is assumed to be covered by the revenues which the latter derives from the import and export taxes, opium and salt monopolies, mining concessions, and the taxes imposed on its own subjects in

²² For a detailed survey of the financial affairs see the annual publication, *Begrotingen en overzichten van de kassen der zelfbesturende landschappen in de Buitengewesten*. A convenient summary of these figures is given in the annual *Indisch Verslag*, vol. II, section xvii.

the territories of the States. For the remainder of their income the States look primarily to the taxes imposed upon the trade and other incomes of their own subjects, to the sums paid by those who convert into a money payment the requirement to contribute labor for public purposes (*Heerendienst*), and to the income from agricultural and mining concessions. From a formal standpoint the improvement of the financial position of the States under the more intensive Dutch control of the last few decades has been extraordinary, and, as in the case of the Malay States, it is possible for the Dutch to point with pride to the constantly rising revenues and stable treasuries. On the whole, however, this has been accompanied neither by a significantly growing native participation nor by anything approaching an equivalent rise in the well-being of the mass of the subjects of the States.

Aside from the four principalities of Java the Province of the East Coast of Sumatra, with its high development of alien agricultural enterprises operating almost exclusively with immigrant labor forces, has seen the most luxuriant flowering of all the political and juristic intricacies inherent in the Dutch native State system. Strikingly similar in its general set-up and problems to the Malay Peninsula,²² this Province is with very minor territorial exceptions divided up among the thirty-four native States which it contains, but because of its importance to the economy of the Indies, and, indeed, to the economy of the world, and the relatively large incidence of extraterritoriality the central government has necessarily busied itself heavily with its affairs. In almost every respect the States differ greatly among themselves: the five largest, each with a population of over 100,000, account for 970,000 of the total population of 1,590,000 while the five smallest each have a population of under 4,000; the five largest and two smaller ones continue in the blessed state of being able to make trouble under long treaties while the remaining twenty-eight have been brought to heel under Short Declarations; six States have retained separate and independent treasuries while the remainder have been amalgamated into six joint treasuries. To confound confusion worse five municipalities,

²² See F. H. Visman, "De staatkundige organisatie van Sumatra's Oostkust en die van de Federated Malay States," *Koloniale Studien*, August, 1930, pp. 1-24.

two of which have been ceded to the central government under certain restrictions and hence fall under direct rule, have municipal councils of their own; and the central government has utilized the possibilities of the decentralization legislation to establish for the section of the Province in which the estates are principally congregated a local council (the so-called *Cultuurraad*) to which it has transferred certain of its important rights and duties. Since the entire territory over which the *Cultuurraad* has jurisdiction is embraced within the native States and the central government was not in a position to delegate to it powers over persons and heads of administration which it itself did not possess—a matter of particular importance in connection with the long treaty States—the possibilities for a conflict of laws and jurisdictions are obvious and somewhat appalling.

In these circumstances the actual working of the cumbersome and disjointed machinery is to be explained, as is equally the case in the Federated Malay States, by the predominance of the European civil service and the firm establishment of the principle that the States will back down wherever uniform regulation or uniform taxation appears necessary to the powers that be. Whatever the legal fictions it is the actual fact that broadly speaking all the vital, and certainly all the more modern and specialized, functions of government are carried on by the central government or its agencies, the public works of the native States, for example, being constructed and supervised by the technical services of the *Cultuurraad* with the States contributing an assigned share of the costs. Even apart from the presumption that they would in any event probably have been pushed aside, the rulers have in a good many instances not been prepared to collaborate with the Dutch authorities in the political reconstruction of their territories. This reluctance has derived, it would appear, not so much from any patriotic resentment at the rule and exploitation of their people by aliens from across the sea as from the interruption of their private gains and pleasures. Petty tribal potentates ruling high-handedly over little groups of Malays clustered at the river mouths, they found themselves in the nineteenth century raking in fantastic returns from the Western estates which were opening up in their

regions and they easily imbibed the crude and materialistic philosophy of the entrepreneurs who were prepared to bribe them well for privileges and concessions. With the coming of a firmer Dutch rule in the present century they have been forced to bow to a steady paring down of their perquisites and prerogatives, although even now, particularly in the long treaty States, their incomes run far beyond the actual worth of their services to the communities they nominally rule. Even where the individual ruler has been brought to see the light by the Dutch he is likely to be so deeply enmeshed in the affairs of his extensive family and his aristocratic colleagues as to be unable to take a very effective share in affairs of State. As in Malaya, a good part of the time and energy of the Dutch officials must necessarily go into backstage attempts to free the rulers from the stranglehold of their debts.

In the Javanese principalities, the *Vorstenlanden*, the basic problems and structures are of substantially the same order as elsewhere in the Dutch native States but because of their position in the center of the Dutch empire in the East, their greater size and population, and their claims to a greater historic dignity, the tone of voice in which they are spoken of and dealt with places them on a different plane. Although their rulers share in the substance of power to only a slightly greater extent, if at all, than the rulers of the other States they are personages of consequence whose ceremonial prerogatives are large and considerable. Pride of place and wealth attaches indisputably to the Soesoehoenan of Soerakarta who has the closest claim to the ancient glories of Mataram and whose State, with its 1,700,000 people, is the most populous of the Indies. Following close behind him comes the Sultan of Jogjakarta with 1,400,000 people and, at some distance in the rear, Mangkoenagaran (population: 910,000) which is a Dutch-created offshoot of Soerakarta and shares the latter's capital, and Pakoealaman (110,000) which stands in the same relation to the Sultanate.

Until the last two or three decades conditions in the Javanese States have very definitely lagged behind those in the rest of Java, the Dutch being prepared on the whole to stand indifferently by while the mass of the peasantry suffered doubly from

the exactions both of their rulers and of the Dutch sugar planters who had made full use of the rulers' sovereign proprietorship over all the land. Of late there have been far-reaching reforms in many directions but they have been hampered not only by the vested interest of the European corporations but also, as elsewhere in the native States, by the constant intrusion of the difficulties caused by extraterritoriality and by the intricate splitting up of authority and finances between the central government and the States themselves. In the two senior principalities these difficulties have been enhanced by the fact that they continue with long treaties whereas the two lesser States have been brought into the Short Declaration class; although for all four the customary arrangements, which have developed over the years, and normally recognized situations of fact play almost as large a rôle as the treaty and other formal stipulations. One anomalous feature of the relationship of the Dutch to Soerakarta and Jogjakarta is that the principal minister of State in each, who appears to carry on the day to day administration and to be the usual point of contact with the Dutch authorities, is in part paid by the central government and requires its approval for his appointment.

In great stretches of the outer islands it is possible to deal with the native States in a more or less isolated fashion but in Java the principalities cannot basically be viewed as other than an integral part of the densely populated close-knit whole. In consequence the Dutch have here been brought sharply up against the dilemma which confronts all indirect rule: taxation and financial control and administration, the administration of justice (which has now passed almost entirely into Dutch hands), the condition of land tenure, the position of local communal entities within the States, and the absolute power of the princes all required fundamental overhauling, but this overhauling implied a serious attack on the traditional institutions and the introduction of more and more Dutch officials to administer the new systems or to control their administration. The result to date is a compromise which has to some degree bettered the conditions under which the peasantry lives but which still leaves much to be desired, particularly in Soerakarta where it has been

difficult to dislodge an elderly prince from his exorbitant and anachronistic income and privileges. To find the real significance of the *Vorstenlanden* in the Java of today and the Indonesia of tomorrow it is necessary to look elsewhere than to their constitutional entanglements: independent or no, they are the principal surviving link to the Java of old, their ruling families have in varying degree a traditional hold upon the imagination of the people, and they are the centers in which the old culture has been kept most fully alive. For all the various shades of the nationalist movement, even including those which look to a speedy modernization, the *Vorstenlanden* have shown themselves to have a special charm.

To attempt to arrive at any single verdict concerning the Dutch native State system would be as difficult as it would be unwise since, although it itself exhibits marked uniformities throughout, it rests upon foundations which are very widely diverse. A system which is well justified and functions smoothly in, say, the remoter areas of Borneo or Celebes may be no more than an infernal nuisance when it is applied in Java or on the east coast of Sumatra. In regions where the native State has a deep and traditional foundation and continues to be headed by its traditional authorities and governed according to the traditional patterns its survival may, at least in the preliminary stages, be essential to good government and to a smooth cultural transition. Nor is it necessarily an evil in such circumstances that much of the actual formulation of policy and the control of administration and finance should be in the hands of the local European officials, if they keep themselves sufficiently behind the scenes and allow the ordinary man to live his life in peace and under conditions only gradually shifting away from those of his forebears. On the other hand, where the State is a more or less arbitrary creation of the Dutch or where its traditional institutions have either been misunderstood or deliberately perverted for administrative convenience the way to a real acceptance of the régime by the local populace may be effectively blocked. I believe that it is a reasonable general principle to assert further that the native States have worked out to the best advantage of all concerned where the communities have been relatively isolated

in the sense of not being exposed to any very considerable or direct pressure from either European economic interests or Western ideologies. Where the latter forces are significantly at work the tempo and extent of change is too rapid to allow of any effectual adaptation to it of the customary chiefs, laws, and institutions and these tend shortly to become no more than appendages to the main instruments of power,³⁴ kept alive by the alien administrators either out of inertia or because of their utility in checking the spread of dangerous doctrines or movements. That these remarks are as applicable to Malaya as to the Indies needs no further elaboration.

As against the British system as it has worked out in the Malay States the Dutch has the advantage of being based primarily on the presence of a strong central government embracing the whole colonial territory. Through the preservation of the formally complete autonomy of the States and of the Federation the British have inevitably built up obstacles in Malaya to the unification of large areas and populations on the scale requisite for States in the modern world, while in the Indies there already exists a high degree of uniform and centralized administration and legislation. But in the Dutch system the beneficial effects of this integration are largely nullified through the institution of extraterritoriality and the direct action of the central government, which work against the internal development of the States along modern lines. With the partial exception of the less developed regions there is no reason to put much faith in the Dutch claim that their system operates to leave in the hands of the ruler and the traditional notables of the State those matters which they are fitted to administer while transferring to the Dutch civil

³⁴ "The contemporary dilemma in our native State policy is not—either for Java or for the islands outside—whether we shall maintain the native States and try to improve their conditions or not, but whether we shall do this from above with the rulers as puppets (as if the native States were directly ruled territory of a different type) or whether we shall let them do it themselves with their own people, in their own tempo, and in their own fashion as has often been promised by the government of the Indies. Practice seems inclined to give the first answer; it is, then, hard to be astonished at the discovery that repeatedly prospective rulers try to withdraw themselves from the dreaded fate of having to become, under the name of a self-governing prince, the marionette of a series of constantly changing administrators with constantly changing views." *Encyclopaedie, op. cit.*, p. 828.

servants the more complex and modern functions. The practical effect seems rather to be that the ruler and his native associates vegetate in expensive idleness while their State is modernized and integrated with the general colonial domain.

That there is nothing sacrosanct about the native State as such the Dutch have amply demonstrated by the cavalier fashion in which they have built up States here and killed them off there with no better argument than expediency or historical accident to justify their choice; and those that have survived to the present day have done so only at the cost of transferring large segments of their powers directly to the Dutch. That they should survive indefinitely into the future in their present shape and structure is not to be regarded as either probable or desirable in most instances inasmuch as they are for the most part too small for effective survival in the great society which is engulfing them, and in their institutions and aristocracies they represent an era which is rapidly passing, if it has not already passed.** Certainly no one with any degree of familiarity with the variegated Dutch structure in the Indies could claim that the States represented the only practicable form of indirect rule, and it is open to the gravest doubt on various scores whether they furnish as effective a bridge for transition to the new era as other forms of mixed indirect-direct rule which the Dutch have themselves devised. Their present maintenance by the Dutch as semi-foreign bodies in the colonial empire, irritatingly dividing powers and functions and yet, because of their special attributes, not fitting properly into the general decentralization schemes, is to be explained less in terms of a concern for the spiritual and material ease of their people than in terms of Dutch dread of Indonesian communism and nationalism. Originally encouraged for the sake of imperial convenience in controlling vast territories and heterogeneous

peoples, the States have now increasingly come to be regarded as essential bulwarks against the spread of dissension and as partially isolated backwaters in which the old loyalties to well subsidized rulers are exploited in the interest of new masters.

** A realistic and intelligent view of the present position and future prospects of the Dutch native States is taken in the *Verslag van de commissie tot herziening van de Staatsinrichting van Nederlandsch-Indië* (The Hague, 1920). This Commission recommended in general a policy which would tend to reduce the States to the same status as other decentralized areas and pressed for the democratization of the States along the lines adopted for directly ruled territory. The more the integration and democratization are pressed, however, the less do the States serve the imperial purpose of dividing the Indonesian populace both horizontally and vertically.

CHAPTER X

CONCLUSION

It is my own conception of a conclusion that it should serve less as a bare summing up than as a critical evaluation of the various situations of fact which have been assembled earlier. In a world of dynamic imperialist and counter-imperialist forces it is not enough to know that a *Pax Britannica* has been imposed in a certain fashion on belligerent Malay peoples unless we are in a position to estimate the significance of such a *Pax* and its probable future effects. Similarly there is little gain in merely parroting, or refuting, the often repeated but dubious assertion that the Dutch government in the Indies is efficient unless we know the criteria of efficiency and can evaluate the results it is efficient in producing. In brief, the investigation must be carried to the further stage of an inquiry into the relative measure of success or failure of the Dutch and British systems in dealing with the destiny of their subject peoples, not only in terms of their own imperialist objectives but also in terms of the interests of the peoples themselves and of the world at large. The ultimate frame of reference must be a world of free peoples, each capable of taking its own peculiar place and contributing autonomously its peculiar share to the well-being of the whole. Since imperialism is based upon a fundamental denial of freedom, upon the division of the world into master peoples and subject peoples, it can find justification only if it is working to overcome what is the essence of its own being.

In connection with this problem as with any other, the pragmatic approach, if it stays within the limits of pragmatism, is the most barren approach conceivable since it can yield absolutely no results whatever: to contend that a government "works" means strictly nothing unless we or others have set up *a priori* and unpragmatically the goals toward which it is work-

CONCLUSION

467

ing. If we assume the rôle of government in a dependency to be that of maintaining white prestige and profits in a colored society, it surely cannot be said to work if it results in the speedy displacing of the ruling superiors by the ruled inferiors; nor, conversely, can a government assumed to be producing a society of free and intelligent equals be said to work if it produces in fact a cowed and obsequious native populace bulldozed by a few Heaven-born officials.

Without attempting to impose too high an ethical line on the very mundane and earthy spectacle of imperialism I believe that it is essential to approach it at least in part from the standpoint of an external and disinterested critic equipped with an independent system of values. Alternatively there is the mere acceptance of fact, which is the cow chewing its unnourishing cud, or there is the more humanly serious danger of uncritical acquiescence in the estimates of success and failure made by others—made, in all probability, precisely by those who stand to profit most from the acceptance of these estimates. A standard Dutch history of, say, the Achinese war lulls the mind into acceptance of the notion that the war was after all no more than a treacherous attempt by the piratical Achinese to delay the establishment of civilized government by their destined masters, a piece of treachery and mulish obstinacy which even caused the loss of a considerable number of Dutch lives. The official British colonial report is based upon the tacit assumption that growing revenues and exports are certain indices of the well-being of colonial society and of the well-doing of colonial government, complacently ignoring such matters as standards of living and the crushing out of the right of men to rise to place and power in their own society. A colonial revolt is put down?—Good! Now the orderly processes of government can proceed. In the face of such attitudes only constant vigilance can guard the independence of the mind and judgment.

As a general first proposition it must be laid down that no dependency has ever been drawn within the scope of imperialist control in the interest of the dependent society itself. If there are exceptions to this proposition they are of the rarest and have so far evaded my knowledge. In any normal circumstances

it is only the rhetorical device of the demagogue to ask whether the government of Britain or Holland has been set up or is being used in the interest of outsiders, say, the United States or Germany; but in the Federated Malay States or in Java it is equally normally the first question that must be asked. Furthermore, it must be assumed as equally axiomatic that no colonial government has ever been established or maintained in order to bring to an end or to hamper the "legitimate" activities of the economic forces of the home entrepreneurs and investors. But it is far too large a step to conclude from these statements that the sole function of a colonial government is to serve as a tool in the hands of home capitalist interests for the more elaborate and effective exploitation of backward peoples.

In point of fact, imperialism as soon as it has undertaken the actual government of backward peoples has had to assume something of a duality of functions. The rôle of a colonial government, as Adam Smith pointed out oversharply in the *Wealth of Nations*, is even in some respects antithetical to that of a colonial company of the order of the East India Companies. If the latter is in principle motivated solely by the drive for the largest and quickest profits, the former must to some degree foster the growth of more permanent wealth in the dependent area if only that it may levy the taxes which are its life-blood. But the antithesis must not be drawn too sharply: the Dutch East India Company came to exercise many of the functions of a government and when it was replaced by the Dutch State the State itself for the most part did no more than carry on the Company's exploitation in a peculiarly flagrant and profitable form. In the new imperialism of the industrialist era government and capitalist enterprise retain certain antithetical elements, but they must be seen as on the whole complementary. The most that can normally be expected of a colonial government within the framework of imperialism and in its direct relations with home capitalist interests is that it compel the latter in their own interest to accept the ultimate advantage of long-run over short-run profits; whence can be derived virtually the entire range of imperialist humanitarianism. But modern capitalism, particularly in the large-scale corporate form in

which it predominantly appears in Malaya and the Indies, itself constantly tends toward a greater recognition of the long-run possibilities and toward a greater ability to realize them because of its always growing resources. If it would be absurd to ignore that the working to death of a limited labor supply and the exhausting of existing resources without an eye to future reserves—as in Leopold's pursuit of rubber in the Congo—still have their practitioners in modern capitalism, it would be even more absurd to ignore the inherent tendency in the other direction, as exemplified in the management of Malaya's or Sumatra's great rubber estates.

It is the generally acknowledged function of any government to see that its subjects are not ruthlessly exterminated nor too grossly crippled and stunted in physique nor driven to revolt; but it is coming to be equally recognized by the great rubber or sugar corporation that the contented cow produces more and better milk. A high labor turnover reduces efficiency and raises costs particularly where scientific methods of production have been introduced and where labor resources are scanty. It is similarly the function of government to educate its subjects and to improve the sanitary conditions under which they live; but modern industry increasingly requires skilled workers, clerks, cheap engineers and intermediaries of all sorts, and for the white man as for his mechanized labor force a sanitary system which guards against malaria, plagues, and epidemics is a prime necessity. Government must provide or see to the provision of means of communication and transport; but huge masses of rubber and tin and tobacco cannot make their scheduled appearance on the world markets without these facilities. It is less obviously the duty of government to see that an adequate labor supply is available for European capitalist industry, especially when that industry encroaches on the land and livelihood of the established population; but, after all, if government does not supervise the recruitment of labor industry's methods of recruitment will be even less desirable, and the country must be opened up to modernity. . . . At this point the identification of government and capitalist industry becomes almost complete.

In these and similar ways imperialist government and impe-

rialist exploitation are complementary to each other and hence represent only the single purposes and interests of the imperial center. But colonial government moves also in other spheres. Neither the home government of which it is an agency nor imperialism itself are wholly absorbed into the forces and processes of capitalism. Government moves in some part with a momentum of its own, and since it is a non-profit-making agency it cannot see eye to eye at all points with those whose sole concern is profits. Even in the initial extensive phases of imperialism it often seems difficult, if not impossible, to identify the forward surge of States directly with the pressure of capitalist interests. The imperialist Powers have not in each instance of expansion sat themselves down to a detailed survey of the potential profit and loss of a prospective dependency nor have they regularly been the tools of shrewd capitalist groups who already knew or foresaw the cash gains the territory would yield. There have undoubtedly been a large number of imperialist episodes in which the determining factor was the pressure of certain identifiable interested groups or persons, but even in these cases it is a large assumption that only the pressure of those directly interested could win the necessary support both of the home government and of some considerable section of public opinion. As a vital addition there has existed from time immemorial the predominant—at times almost unquestioned—belief that imperialism is a paying proposition, but this has on the whole been rather a universal myth than a demonstrated proposition whose mathematics has been worked out and whose applicability is to be tested anew in relation to each particular territory. And to this has been linked the further myth that it is a glorification of the national prestige to expand imperialistically over the surface of the earth, cutting down the "backward" peoples with the sword and then exacting tribute from them. To reinforce the specific urgings of the trader, the investor, and the speculator there are the myths of boundless golden wealth and of imperial grandeur, and when the more particular urgings are absent it seems that these myths can spring into action of their own motion, particularly if the rivalry of other Powers leads on to imitation. To single out the apparently rather trifling insistence

of certain capitalist groups as the cause of Britain's ultimate advance into Perak and Selangor seems either doctrinaire or arbitrary, and the same is true in the main of the Dutch imperialist sweep in the 1870's and again in the 1900's.

Without attempting here any further critique of the doctrines which would give imperialism in all its aspects a purely economic foundation it is perhaps worth while to point out that in certain colonial areas there is ample evidence that the holders of capital in the imperial center, despite their alleged eagerness to flee the super-saturated homeland, not only did not of their own unguided volition rush into the newly offered colonial vacuum, but that in fact, when they ultimately came to invest, they did so as a result of the inducements offered or the pressure exercised by the home or colonial government.¹ It has already been seen in the case of the Malay States first taken over by the British that the Malayan governments were distressed both before and for a brief period after federation at the slowness with which British capital entered the country, and did their best to speed its arrival. In the nearly three decades since the taking over of the four northern States from Siam the early experience of the F.M.S. has tended to be duplicated, and the highly developed capitalism represented by the Federation and the Colony has consistently shown itself hostile to the notion of a Malayan union which would more effectively open the northern States to full-scale exploitation and development. In the Dutch islands it seems self-evident that the political expansion has far outrun capitalist penetration since outside Java and the Province of the East Coast of Sumatra only isolated patches here and there have been invaded by any considerable degree of alien enterprise. The small Chinese trader is ubiquitous but the modern corporation and even the small European planter are conspicuous by their absence. In these circumstances it appears not unjustified to conclude either that governmental estimates of the internal crisis of capitalism have been grossly in error or that imperialism contains an at least partially separable and independent political element.

The curious complexities of the relationship between colonial

¹ See Eugene Staley, *War and the Private Investor* (New York, 1935).

governments and capitalist enterprise are to be found illustrated again and from another angle in connection with the problem of the Chinese in Malaya and, to a less striking degree, in the Netherlands Indies. From the days of Light and Raffles up to the present it has been the working assumption of the authorities in the Straits Settlements that one of the groups which stood to profit most from the establishment and maintenance of British rule was that made up of the Chinese traders, merchants, bankers, and industrialists. That the Colony government should have encouraged the influx of large numbers of Chinese coolies in order to supply British capital with a labor force is comprehensible enough, but that it should at all times with very minor and occasional reservations have looked with equal favor on the rising and expanding Chinese capitalist class is far more difficult to explain in terms of any theory which lays its full stress on the power of home capitalism. In the case of the mainland States under British protection the situation is no less impressive and has led to far greater ultimate perplexity for the British because of the existence of a large indigenous Malay population. The British interests on behalf of which intervention was originally undertaken, or which were used as a pretext for intervention, were almost exclusively in the hands of Britishers who were Chinese by race, and such economic developments as the early days produced were still predominantly carried on by Chinese immigrants. Tin-mining in Malaya has been a practical Chinese monopoly until comparatively recent times, and the dramatic rise of the British share in tin in the last decade or two appears to derive not from official aid but from changes in the technique of production and the command of the British over larger capital resources than their Chinese competitors have been able to muster. It is undoubtedly true that the northern States have looked in less kindly fashion on Chinese enterprise than have the Federation and Johore, and there is good reason to believe that the Federation has somewhat changed its attitude in the last few years; but the hold of Chinese enterprise, large and small, on Malaya from Singapore to Perlis and Kelantan is still one of the outstanding facts of that British-ruled country. Nor can it be wholly irrelevant to sug-

gest that one of the principal elements in this situation is not that the Chinese are regarded lightly as competitors in the economic sphere but that they have, at least until very recently, offered neither a threat nor competition in the political sphere.

One further explanation which may be offered for this and other similar phenomena is that the modern colonial government is normally engaged only to a very slight extent if at all in profit-making enterprises, even though the government of the Indies is still the senior partner in tin production and has clung to important remnants of its old agricultural holdings dating from the Culture System. The normal function of the colonial government is to establish and maintain the conditions under which the complex and dynamic forces of modern capitalist enterprise can most profitably flourish. It is the government's rôle to shape an appropriate system of law and order and to provide the essential facilities of life, if possible out of the revenues of the dependency concerned, while it is the rôle of private enterprise to make the assumed profitability of imperialism a reality. The generous myth that these profits redound more or less equally to the advantage of all the home taxpayers who foot the imperial bill, and not merely to the advantage of the particular traders, entrepreneurs, and investors, has been too often exploded to need further attention here. In relation to the general run of dependencies both Malaya and the Indies stand out as regions in which the open door principle has been maintained to a striking degree, with the Dutch and British administrations clinging to a relatively large neutrality as between the claims of home and alien capitalists. The amount of profitable cream which has been skimmed off in both regions by the Chinese is sufficient indication that neither administration has seen itself exclusively as the agent of the economic interests of the imperial center.

The question as to whether these direct and complementary interrelationships between government and capitalist exhaust the actual functions of the modern colonial government is of some considerable importance. It is my own belief that they do not, although the evidence from much of tropical Africa would seem to point strongly in the other direction. In the

Dutch and British areas which I have visited I have been forced to the conclusion that beyond them there is also a distinct *esprit de corps* of government as such, the sources and manifestations of which are both various and complex. In the first place, presumably, must be set down the bare fact that in the liberal capitalist world political and economic institutions belong conceptually to different planes of human thought and activity and have their different purposes and modes of operation. This ideological and functional distinction remains even though in fact their surfaces largely overlap, and they are frequently commanded by the same persons, cliques, or groups, and are always linked together by blood and interest. Not only does the colonial government itself belong to the category of political institutions but also it is a direct agency and instrumentality of another political institution, the imperial government. In the second place, the men who constitute the colonial government are civil servants trained for their administrative and political rôles, feeling themselves the inheritors of a significant—if brief and somewhat unreal—tradition of integrity and independence. From all standpoints it is important to remember that this tends to be a caste tradition, both as against the subject peoples, who can approach the fringes of the caste only through a tiny fragment of their own appropriate aristocracy, and as against the unofficial European community. The latter community, excluded to a far smaller degree than the native population, is nonetheless set apart from the colonial civil servants because of its money-making private-profit functions and because on the whole it comes from a lower or less respectable social stratum at home with neither Oxford nor Cambridge, Leiden nor Utrecht, behind it. In the third place there is the watchfulness of the Colonial Office, which may, however, be turned in grossly improper directions by the intrigue of capitalist interests in the imperial center. Behind the Colonial Office stands a Parliament which, whether it is peopled by Conservatives, Liberals, or Laborites, is normally somnolent in colonial matters, but which can ask embarrassing questions and even intervene directly on occasion to check over-flagrant abuses of which it happens to get wind. Even though there be no justification in democratic theory for the

assumption by a representative body of ultimate control over peoples unrepresented in it, it seems well established in practice that colonial interests will find at least sporadic parliamentary expression either through members familiar with particular colonies from long experience or through the more general concern of liberal or labor groups with imperial problems.

The practical consequences of this divergence of political and economic institutions in a dependency make themselves felt in a number of different ways and fashions. Frequently they involve no more than an exaggerated expression of the official *esprit de corps*, as, for example, in the elaboration of the personnel, buildings, and general material equipment of the government of the Federated Malay States far beyond any present needs of the several communities which it serves and, indeed, beyond any reasonably foreseeable needs. But here it must be remembered that even though the alien capitalist interests were the first to raise their voices in anguished protest at this misuse of funds collected from them in taxes, they had been at least as great sinners themselves in an economically shocking over-expansion of expensive European plant and personnel in the boom days. Again, I believe that it can be demonstrated beyond argument that the governments of both Malaya and the Indies have expanded some of their services, and particularly their social services, beyond anything which industry would have called for or developed on its own behalf, despite the fact that those services still fall far short of what is accepted as a reasonable standard in the imperial countries themselves. Public education, for example, has lagged a vast distance behind that which is offered, and even made compulsory, in Britain and Holland, but there is still a large outcry in Malaya and the Indies, as in almost all colonial regions, that the government is flooding the market with an unmanageable crop of intellectuals and would-be white collar workers whose only destiny, it is protested in pain, is to join the radicals and stir up trouble.

In addition to instances of this sort, which are on the whole only of indirect concern to the industrial interests, there are others in which the colonial governments appear to be directly running counter to any visible capitalist interests. A major

example of this type of activity is the encouragement given by the Dutch authorities in the Indies, and to a lesser extent by the British in Malaya, to the native producers of rubber. This encouragement has been followed by what seems to the outsider reasonably effective protection of the interests of the native small-holders in the negotiation and administration of the international restriction scheme. On the latter score there seems every reason to accept the common view that the Dutch delayed their entrance into the scheme, not only because of the difficulties they foresaw in enforcing it as against the multitude of small-holders but also because they were insistent on securing a scheme which would not turn official influence into the balance against the native producers. On the face of it, the one direct and specific interest of capitalist elements—aside from the consumers who, being preponderantly Americans, have no real say in the matter—is to keep in their own hands the profits flowing from investment in the plantation rubber industry. To encourage, foster, and protect the production of a huge supply of rubber from native small-holdings must be the last of their desires, and yet under the ægis of the colonial governments this is precisely the policy which has developed. As an additional aggravation, but one which so far remains on the whole of minor importance, might be mentioned the type of work carried on by the Departments of Agriculture in instructing native small-holders in improved agricultural methods and in furnishing better seeds and stocks. This work is also being supplemented in a useful but small-scale fashion by such agencies as the officially instituted and supervised co-operative societies of Malaya, which attempt not only agricultural and trade instruction but also the raising of native competitive strength through co-operative financing, processing, and marketing.

The problem of the regulation of the hours, wages, and working conditions of the coolies employed in the various branches of capitalist industry is more complex, since it seems legitimate to claim that at best the colonial governments have not in this realm ventured beyond something of a codification of what the enlightened self-interest of modern large-scale enterprise would itself institute and normally enforce. Except in the case of the

pressure brought by the government of India in connection with Indian coolies emigrating to Malaya, labor legislation is of the scantiest and its enforcement is even scantier. Despite occasional lapses into the grosser abuses of earlier times, the type of callous brutality in the exploitation of labor which flourished until the last decade or two on the East Coast of Sumatra (to give a single example) appears to have been eradicated on the whole, and the present employer-employee relationships are not shockingly bad; but it is difficult to assess the share of the governments in this change. As themselves necessarily large employers of coolie labor the governments have a direct interest in the maintenance of low wage rates and in ignoring the generally miserable conditions of the housing supplied to the labor forces. Trade union pressure to force a different attitude has normally been lacking, and where labor organization has come or threatened to come into existence on any considerable scale the governments have been neither slow in recognizing its allegedly radical, and hence dangerous, character nor in suppressing it with vehemence, as is evidenced by the sweeping Dutch attack upon it in the Indies in recent years.

On the key issue of land policy in Malaysia much the same type of inconclusive verdict must be arrived at as far as the relations between colonial governments and capitalist enterprise are concerned. Over the broad sweep, certainly, there is not the faintest ground to justify any other assumption than that both the imperialist Powers have treated European and Chinese land seekers with the greatest generosity and consideration. Disputes have, to be sure, arisen here and there in connection with particular issues such as the level of quit-rents at times of depression or the wording or administration of certain sections of the land legislation, but such conflicts, as in the case of labor legislation, have been minor incidents in the steady forward surge of the European planting and mining industries. A more direct challenge to the aspirations of European entrepreneurs and concession hunters has arisen through certain of the efforts of the British and Dutch authorities to protect and to further the interests of the settled native populations. In the Netherlands Indies

the most striking example is presumably to be found in the firmly maintained doctrine that the ownership of land is restricted, except in the case of small urban tracts, to Indonesians and in the more easily manipulable provisions as to the protection of existing native land rights. The clear purpose of this type of legislation is the preservation of an indigenous and stable landed peasantry which shall neither be forced into the status of a landless proletariat laboring on the European estates nor be supplanted by other alien elements such as the Chinese or the Eurasians. Sufficiently large loopholes have, however, been left in the form of long leases, rentals, and concessions so that no very grievous obstacle has in fact been placed in the way of the expansion of large-scale plantation enterprises.

In Malaya somewhat similar ends have been served by the creation of great Malay Reservations in which land may be alienated only to Malays and must thereafter remain in Malay hands. These Reservations appear clearly to have been erected less as a bulwark against European capitalist pressures than as against the swarming Chinese who, in filling up the vacant spaces and driving the Malays off the land or into a virtual serfdom, might form an even more serious threat to British political and economic predominance in a not too distant future. The attempt to discover the real motives that lie behind the creation of these Reservations is peculiarly difficult since the responsible authorities in the F.M.S., where the land problem is most serious, have tried to avoid attracting more than a minimum of public attention to what was going on. This policy of silence was presumably adopted in order to evade the storm of protest from the Chinese and Indians, and perhaps the European interests, which would otherwise have been sure to break loose. Even the figures as to the extent of the Malay Reservations are difficult to come by and usually make no appearance in official reports. Neither the annual Colonial Office Reports nor the Malayan Year Books make more than the most covert side references to the existence of the Reservations, although the legislation under which they have been set up has been publicly debated in the several Councils and the scheduling of new territories to be included appears in the official Gazettes.

The general nature of the problem is somewhat cumbrously indicated by the following citation from the (be it noted) unpublished report of an official F.M.S. Malay Reservations Committee of 1931: "We do not hold that the protection of a backward peasantry is the sole or the chief object of the policy of reservation. The policy is territorial, and whatever the competitive capacity of the Malay may be he cannot as a race compete with the far more populous peoples of other races who are attracted to Malaya. It is a question of numbers. If the future of the Malay is to be assured, he must have room for expansion, and that requires land to be reserved." The Committee recommended that in no State of the Federation should the ratio between the cultivable area in the Reservations and the whole cultivable area of the State fall below 60%, and this conclusion has apparently been accepted by the government although there has characteristically been no public statement to that effect. The Committee itself reported, however, that already in the more crowded States—Selangor and Negri Sembilan—not even 50% of the cultivable land could be so allocated without cutting into either the forest or other reserves or into lands alienated to members of other races. Since it is only in Selangor that more than a relatively small fraction of the Reservations has in fact been alienated, the rest remaining State lands, it is reasonable to assume not only that the British are amply safeguarding the future of the Malays but are very deliberately preventing access to the land by other races, which means notably the Chinese. A more cynical version would be that the government is holding much of this land, as it is also holding great forest reserves, not for the ultimate benefit of the Malays but that it may later alienate it to British planters. A further aggravation for the Chinese is that "Malay" for this purpose as for most others is defined in terms of race, benefits being extended as much to recent Malay immigrants from the Archipelago as to Malays born in the Federation or the Peninsula. The Chinese, on the other hand, are all equally excluded from the Reservations whether they have been settled on the Peninsula for generations or have just arrived from China. As a part of the general anti-Chinese pro-Malay policy of that time the

F.M.S. cracked down hard in 1933, after a long period of leniency and discreet eye-shutting since the passage of its first Reservation legislation in 1913, on the ingenious devices through which the Chinese were evading the intent of the law and turning the Malays in fact into mere laborers on a money-lender's land.

Even though there is much that is dubious in such matters as land and labor policy, I believe that one may not unjustifiably come to the conclusion that at least in certain of its later phases imperialist control has not been an unmixed evil as far as the Malaysian world is concerned. Capitalist industry has itself inadvertently done much to bring the Malay peoples into the modern world and the colonial governments have in some measure served to temper the solely profit-seeking character of capitalism by a mildly benevolent protection and promotion of the interests of their subjects. Without attempting either to deny or to minimize the abuses and the oppressive features of imperialism it is still eminently reasonable to assume that it has, particularly in the last five or six decades, contributed much that will be of permanent value in Malaysia's future. This latter statement, is, obviously, based on the belief that Malaysia has for good or evil been drawn into an increasingly close-knit world and will henceforth stay there. It seems to me clear that any speculation or theorizing which takes as its starting point the notion that all the pre-capitalist societies should have been left untouched by the West's forward sweep is placing itself in a world of such academic unreality as not to be worth further consideration. Nor is there any greater validity in the related suggestion that these societies should be restored as completely and as promptly as possible to the relative isolation in which the West found them. On the face of it the incursion of European industrialism and "modernism" into Malaysia is no more and no less peculiar and deplorable than the earlier incursions of other peoples and of Hinduism and Mohammedanism. The only realistic approach to the problems raised by the contact between civilizations of such different orders and strengths is obviously not to deny the contact or its effects but to examine how the weaker and subjected peoples can best adapt themselves to the new world which has been thrust upon them.

For, roughly speaking, the first two and a half centuries of their relations with the East, neither the British nor the Dutch had any very striking technical superiority to the peoples with whom they traded and whom they came to rule, nor did they, aside from certain missionary groups, make any serious pretension to anything beyond commercial profits and a growing political domination. In consequence the possible beneficial influence on the peoples with whom they came in contact was minimal while the possible harmful influences were very considerable. By the last quarter of the nineteenth century, however, the situation had changed radically. The West had developed, and was continuing to perfect, a scientific command over nature which made possible a degree of material well-being previously wholly inconceivable. Co-ordinate with this there had come a rationalistic and scientific outlook on life which looked toward an ultimate triumph over ignorance and superstition and which, in its emphasis on personal liberty and equality, at least appeared to promise an end to oppression and exploitation. In political life, in law, and in public administration there were similar advances. However grossly the West itself may have abused its new-found powers and however consistently it may have betrayed its own lofty conceptions these remained things of worth which it might now transmit, and in part could not avoid transmitting, to the alien societies over which it ruled.

In Malaysia many of these goods have been, consciously or inadvertently, pressed into the hands of the subject peoples: if the new techniques and ideologies of the West gave Britain and Holland greater power by means of which to extend and maintain their imperial sway, they at the same time served similarly to strengthen the Malays and the Indonesians to the extent that they became a part of their social heritage. For the ordinary man this has undoubtedly meant a vast improvement in the conditions of his life even though his material standard of living has advanced little if at all. In large measure he has been freed from the scourge of disease, and the superstitious terrors of his "state of nature" have tended to be dissipated into a clearer understanding of the possibility of controlling the environment at whose mercy he formerly lived. In place of the constant threat

of ruinous local warfare he has been given the opportunity of peacefully reaping his rice, tapping his rubber trees, or carrying on his own enterprises with a high degree of certainty that the fruits thereof will remain in his own hands, and that his life is safe from murderous attack. He and his property have been freed from the arbitrary dictates and exactions of the traditional native hierarchy and he has been shown the possibility of an impartial law applied equally for all alike—except, perhaps, in the case of his new European superiors—by an impartial judge. The State and its finances have emerged from the person of the raja, sultan, or lesser chief, and have become, potentially at least, instruments for the general well-being operating in set forms, according to fixed principles, and with funds sharply distinguished from the personal fortunes of its administrators. Where in the past he had always tended toward the status of a chattel at the arbitrary disposal of his chiefs, he has now been given a certain sense of his own personal worth in a society which guarantees him an individual and secure sphere of rights. In the economic sphere the gains of the ordinary Malay or Indonesian have been very much less striking than in the social-political, although it is certainly a matter of large moment that he has been caught up in a speedy process of transition from a small production-for-use barter community to a money economy more or less tied in to a world network. On the whole, however, the economic gains which he has made have become available to him as accidental by-products of the new economic structure which has been erected in his country, whereas his political gains have come to him in much larger measure through the direct intention of his new masters.

It is a legitimate, although wholly speculative and unanswerable, question to ask to what extent similar advances would have been made if there had been no imperialism in the sense of a direct political control by Britain and Holland over Malaya and the Indies but merely the economic contacts brought by traders, planters, industrialists, and financiers. The leading case in this connection is undoubtedly that of Japan where the readjustment to meet modern world conditions has been undertaken from inside with an amazing speed and with a thoroughness which has

rendered continued alien control and interference both unnecessary and impossible, whatever internal strains and stresses may have been occasioned by it. It is possible to assert that had Malaysia been left to its own devices its advance into modernism and industrialism would have been swifter and more acceptable than it has in fact been under a Dutch and British domination which, in this contention, figures as a retarding and not as a forward-moving force. Here one can only bow to the existence of a legitimate diversity of opinions. I should myself be inclined strongly to the view that for the Malay peoples imperialist governmental intervention has served on the whole to protect them against grosser abuses than have in fact been inflicted upon them in recent decades and that in many respects this intervention has served, both in its educative aspects and in its substantial accomplishments, as a necessary bridge from Malaysian medievalism to the modern world. Examined objectively and apart from its own intentions, it has, in brief, played a useful and essential rôle in the adjustment of the peoples it has governed to the new environment into which they have been thrust.

There remains, however, one vital aspect of the problem which has not yet been surveyed, and in which the element of intention comes to be of central importance. The preliminary stages of adjustment are already over and it becomes daily more evident that the needs and purposes of imperialism are increasingly coming into flat and open contradiction with those of the alien societies it dominates. Even if it be assumed that imperialism has been a necessary phase in the introduction of these societies to the modern world there still remains the greater question as to whether this is not a superficial and already antiquated attribute of an imperialism which, in its basic denial of the rights of peoples to be masters of their own destiny, renders itself ethically intolerable. I believe that it must be laid down unequivocally that ethical justification can be found for imperialist governments only where it is demonstrable that they are using their powers to transform the subject peoples under their rule as swiftly as possible into independent communities able to take their equal and autonomous share in the world's activities and decisions. It is not adequate that they should maintain the peace

and prevent abuses. On the contrary, the basic ethical criterion to be applied to any imperialist government must be: Is this government so operating as in fact to be moving toward its own supercession at the earliest possible moment? It may well be that no imperialist government can answer this question in the affirmative without contradicting its own inmost nature. If this is the case then imperialism places itself squarely across the path of necessary future advance in terms of the interests both of its subject peoples and of the world at large.

In the preceding pages I have deliberately attempted to single out from the record and to emphasize those aspects of official action and policy which might stand most to the credit of the colonial governments as being of permanent benefit to their subjects, but if even these aspects are re-examined on the basis of a movement toward independent self-government, they are found to have running through them certain common threads which must be definitely suspect. In every instance they are benefits handed down from on high by an alien master caste to an inferior society which is not allowed to participate in the creation, management, and control of them. At the worst they are benefits in which the share of the general native public is essentially accidental since they were introduced exclusively or almost exclusively in the interest of the alien superiors. At the best they tend always to be sharply limited to a type of training in the affairs and problems of the modern world which will enable the native to take his appropriately subordinate place in the new political and economic structure which is being erected over his head. Every extension of benefits is conditioned by the existence of a superior caste which knows what is good for the subordinate peoples it rules and which resents and fights off any attempt on the part of its subjects to participate in the creative realm of ultimate decision. For the bulk even of the most enlightened and sympathetic colonial civil servants the fact is ever present that they are rulers of a dependency: their rôle is to govern while that of the people is to obey. This conception does not in the least exclude sincere efforts to improve the conditions of the natives and to lead them into a happier and more secure existence, but it does exclude the acceptance of the natives as

equal collaborators in this work. The mark of the good citizen in a dependency is his readiness to accept and to honor the leadership which has happily been taken from his own incompetent hands by a wiser, stronger, and abler race. It is a stupid and obstinate native who insists on clinging to the older ways when new and better ones have been urged upon him by these superiors who have come from afar to govern him; it is an uprooted and traitorous native who himself claims the right to guide his people toward the new goals along alternative paths. Socially, economically, and politically the European is a superior being whose superiority must not be called in question.

Perhaps the most obvious example of the type of benefit which comes to the general native public accidentally is to be found in the opening up of means of transportation and communication. The primary purpose in the original construction of a modern system of roads in a newly acquired dependency is, aside from a vague and general desire to "open up the country," the need of establishing means by which an effective control can be exercised over tribes and centers of population which lie removed from the first point or points of occupation. Once this police and administrative difficulty has been overcome, attention is shifted to the building of roads, railways, and ports which will efficiently serve the greater centers of modern enterprise, which means in effect the cities and the European plantation and mining areas. If the excellently paved roads happen to pass near native centers there is certainly no denial to the natives of access to them, but the normal spectacle is that the natives trudge along barefooted carrying their burdens while trucks carry European produce and private cars carry European passengers. In the same fashion the railway systems of Malaya and Java have been constructed to meet the needs of the alien large-scale producers, and in the trains the luxurious first-class compartments are assumed to be for the white man while the lower races crowd onto the hard seats of the third-class accommodations.

In a more general way it may be said that the opening up of the country has been given the practical interpretation of facilitating the spread of European—and, particularly in Malaya, of

Chinese—activities. It is assumed that the appropriate economic position of the Indonesians or Malays is to be found in one of two categories: they continue as small-holders, protected in their land rights and encouraged in their agriculture by the government, or they become coolies in European service, again protected by the government against the grosser and more flagrant abuses. It has not been assumed that it was the duty of the government to take as one of its main directives the strengthening of the native economy to a point where it would be the predominant economic force in the country. Within the framework of imperialism it is virtually inconceivable that, say, the Dutch in Java should have concentrated their attention on keeping the sugar plantation industry in Javanese hands or that they should now work seriously toward replacing the great European sugar concerns either by extending the number and strength of native small-holders or by establishing large Javanese collective or co-operative farms. To meet the needs of industry the government will undertake the training of a suitable number of Javanese to serve in subordinate capacities, but it sees it as no part of its proper function to embrace as its own the cause of Javanese emancipation from foreign economic domination. As in the case of the roads there is again normally nothing in official policy to prevent the outstanding native from raising himself in the economic scale as the Chinese have done, but he can count on very little if any official support in his fight against the terrific odds of an almost complete lack of capital and the inevitable opposition of large and deeply entrenched vested interests with huge capital resources behind them. The one type of policy which would be likely to have far-reaching effects in this connection would be a collectivist utilization by the government of the general resources of the country for the recapture and reconstruction of its economy, but this is about the last step likely to be undertaken by the government of a dependency.

The effects of this situation are obvious. What a recent writer on colonial affairs states of Africa holds equally true of Malaysia with the substitution of the appropriate race and place names: "A black bourgeoisie in Africa hardly exists. There is not one Native banker, mill- or mine-owner, railway magnate, industrial-

ist, financier, in the whole of Tropical Africa. Even the shopkeepers and petty traders are aliens—East Indians and Arabs on the East Coast, Syrians on the West, and Jews in the South." ^a The British and the Dutch after centuries of contact and decades of intensive rule in Malaysia have in virtually no instance brought the native peoples on whose behalf that rule is nominally exercised even within hailing distance of the seats of economic power, nor, as far as the substantial policies of the colonial governments are concerned, is there any reason to suppose that they ever will. What the native races gain in economic power they will have to gain for themselves and against at least the passive resistance with which the governments will meet them in defense of the established European and Chinese interests. It is at best only a partial answer to this charge—if it is an answer at all—for the imperialist powers to claim that the Malay peoples are economically incompetent and lack the business sense and initiative requisite for effective competition. On the one hand there are far too many statements to the contrary by qualified observers, at least from the time of Sir Stamford Raffles on, and on the other hand there is far too little evidence that either the British or the Dutch have ever effectively regarded the economic advancement of their colonial protégés as a part of their imperial policy. Conceding the obvious point that, as a result of climate, tradition, and many other calculable and incalculable elements, the Malay peoples fall even further short of the ideal conception of the economic man than do many Europeans and Americans, it is difficult to establish from the evidence at present available more far-reaching conclusions than that these peoples have not as yet demonstrated anything approaching the economic drive and independent initiative of the Chinese and that certain branches of them are strongly reluctant to become coolies on European or Chinese estates and mines.

As an integral factor in these circumstances and as a constant irritant in social-political relationships, there must also be brought out the bare fact that, in the face of the poverty of the East, the Dutch and the British continue to live always and habitually on a scale incomparably higher than that of the

^a George Padmore, *How Britain Rules Africa* (New York, 1936), p. 5.

be assumed that in recent years this figure has fallen rather than risen. This assumption is supported by the fact that the number of natives assessed for the income tax on the basis of possessing an income of f.120 or more fell from 3,491,239 in 1929 to 2,412,240 in 1933, of whom in the latter year more than 2,000,000 were reported as having incomes of f.300 or less. Since the Malayan administrations have not introduced an income tax there are unfortunately no comparable figures for Malaya, but it is reasonable to assume that the conditions are roughly the same as far as the natives of the country are concerned. For a society living in the mass at this general level it becomes an intolerable luxury to be confronted with the necessity of supporting a large superstructure of alien officials paid at better than European rates in order to compensate them for life in the tropics, and to this burden there must be added the constant and heavy charges for the transportation of personnel from Europe, for regular home leaves, and for pensions. Nor does the evil stop here. The attractive force of the standard of living insisted upon by the Europeans—a standard which is in the main justified by home conditions but not by those in the East—is inevitably very great, and natives rising in the professional or administrative spheres are irresistibly drawn to demand for themselves similar rates of pay and similar leave and pension conditions. Through this demand the burden tends constantly to rise and to become self-perpetuating.

To bring these general statements into a more concrete relationship with the particular circumstances of Malaya and the Indies, it is necessary to add a further measure of racial complication. It has been noticed above on more than one occasion that it is usually impossible in connection with Malaya to utilize the standard colonial dichotomy by which the society is broken up into two groups of alien rulers and exploiters on one side and the mass of ruled and exploited natives on the other. Every attempt to press it into service runs headlong into the problem of the Chinese who decline to fit themselves tidily into either category. The difficulty presented by the Sultans and their attendant

aristocracies, who rank with the Europeans in income and formal prestige, may be summarily and not unjustifiably disposed of by regarding them as merely the instruments through which, or, better, the ornate screens behind which, the British have asserted their authority under the system of indirect rule. But the Chinese are neither instruments nor ornamental screens. Although the great bulk of them are immigrant coolies undertaking manual labor of every sort and under every race and type of employer, there are many others who have achieved a position of economic independence and who through a longer or shorter Malayan background feel that they have achieved as good a claim to be regarded as natives of the country as have the Malays themselves. The attitude of the Malayan governments toward them to date has on the whole been one of a definitely benevolent neutrality. They have been encouraged to come into the country and their interests have been accorded the same official protection as those of the Europeans in so far as they have not formed centers of social or political disturbance. Their desire and their ability to fend for themselves in the economic sphere has been recognized by the governments in the *laissez-faire* policy which has been followed in regard to legislative or administrative interference with the affairs of the coolie, except in such matters as opium-smoking and the traffic in women and children. Leaving aside the large mass of Chinese who are and who regard themselves as merely temporary immigrants in search of a living, there still remains a highly significant and numerically large group of "Malayan Chinese" which has settled itself in the country, has been of vital importance in its development, and has for most practical purposes been accepted by the Malayan administrations as a subject people only to the extent that the Dutch, French, and Americans in the country are similarly subject to the government. They are not an imperialistically exploited mass but an independent people who have had an economic stake in Malaya for many centuries and who have expanded that stake under the attractive conditions offered by British rule.

In the Indies the situation of the Chinese is in various respects similar to that in Malaya, but its importance is incomparably smaller merely because of their numerical insignificance as com-

pared with the 60,000,000 Indonesians. The attitudes and activities of the Chinese may reasonably be expected to be a principal factor in determining the future history of Malaya, but it is most unlikely that they will play anything like an equivalent rôle in the Archipelago. Despite their present economic predominance as middlemen, and in a few instances as large proprietors or capitalists, they in no way dominate the scene, and if they play their cards with any degree of shrewdness—a not unknown Chinese characteristic—they may well be able to hold on to a good part of their existing position no matter which way the political dice may roll. The more unique group in the Indies is the somewhat amorphous one composed of the Indo-Europeans, who constitute an element in the Dutch colonial society which has no counterpart in Malaya. Completely assimilated to the pure-blooded Hollanders by law, socially and economically they shade off at both extremes into the alien ruling caste and into the mass of Indonesians. Even their numbers are a matter of conjecture although it is estimated that they contribute at least two-thirds of the total European population of 240,000. To draw again upon the income tax figures, a further picture of the economic structure of the Indies can be gained by noting that while the great bulk of the native taxpayers in 1933 fell in the category from f.300 downwards and the Chinese were concentrated between f.150 and f.800 (272,497 of the total of 324,465 assessed), the Europeans were strongly represented in every category from f.300 to f.15,000. Of the total of 84,378 Europeans assessed, 23,164 had incomes from f.300 to f.1,500, while 58,359 appeared in the higher ranges from f.1,500 to f.15,000. For the sake of completeness it might be added that in the highest brackets from f.15,000 up there were 1,526 Europeans with assessable incomes totalling f.36,358,000, 216 Chinese with assessable incomes of f.5,849,000, and only forty natives with assessable incomes of f.833,000. The scattering of the Europeans through all the brackets is attributable almost exclusively to the fact that the Indo-Europeans form an increasingly disinherited middle and lower middle-class appendage to the upper ruling caste of imported Dutchmen. Although it may be optimistically contended that the Indo-Europeans constitute a vital and neces-

sary link between the alien Dutch and the native masses, the actual facts of the case seem rather to indicate, as they themselves are keenly aware, that they have been rapidly slipping for the last two or three decades into the isolated and tragic position of the Eurasians in Malaya and India. On one side the racial consciousness of the natives has been sharpened by an Indonesian nationalist movement which is strongly disinclined to take into its ranks people who have been traditionally associated with the alien ruling caste against which the movement is directed and who continue to rely on that association. On the other side the overwhelming changes in industry, in transportation, and in sanitary and other living conditions have tended to sever the full-blooded imported Hollanders from their earlier more intimate ties to land and peoples in the Indies and to make them transitory outsiders living in a miniature but rounded Dutch society which has been temporarily transplanted.

Even making due allowances for the anomalies which appear in connection with certain racial groups I believe that one is forced to the conclusion that in the economic sphere the natives of Malaya and the Indies have received and can expect little aid from the imperialist governments in their struggle to enter into the modern competitive world economy on equal terms. The case of the Chinese in Malaya tends strongly to indicate, however, that the obstacle is not so much the positive opposition of colonial governments which act as the tools and representatives of European capitalist interests as it is the lack of positive support from those governments in overcoming the original handicap of backwardness in technical equipment and the secondary handicap of having to compete against and ultimately to oust or take over great established and vested interests. I can myself conceive, although there are many who cannot, the colonial governments adopting an essentially neutral attitude toward a gradual and peaceful change in the economic structure which would bring the natives into predominance, as, for example, in a recapture of the Malayan tin industry by the Chinese or a displacement of the rubber estates by an increase in the competitive strength of Malaysian small-holders; but I cannot conceive the colonial governments taking the initiative in such

changes nor giving them any strong, consistent, and overt backing. Under the system of imperialist control the natives of any country are denied the effective and positive support in the economic sphere which it would be the first thought of any autonomous locally rooted government to give them.

But what of the political sphere?—Is there here greater ground for optimism as to the practices and intentions of the governments as agencies working toward the transformation of their subjects into peoples "able to stand by themselves under the strenuous conditions of the modern world"?

It should be conceded at the outset that it imposes a strain on the imagination to conceive a group of colonial administrators in fact working toward their own speedy supercession, but I am prepared to submit that only if they are working toward this goal can they be regarded as performing either a tolerable or a lasting work. The alternative proposition must be based on the assumption that the present structure can continue essentially unchanged into an unlimited future with the world divided into the two groups of master and subject peoples; or that a solution can be found only in a violent and bloody trial of strength. In point of fact I believe that it is now clearly evident that this latter solution by conflict must be the inevitable outcome of sustained effort on the part of the imperialist powers to continue on the old lines. Everywhere in varying degree the powers are already facing the challenge of the subject peoples who are becoming aware of their status and bitterly resentful of it. Although in certain smaller areas it may be possible for a strongly entrenched government to hold out indefinitely—Malaya, taken by itself, might be such an area—it is inconceivable that the larger imperialist holdings, such as the Netherlands Indies and British India, should not be swept away by the contradictions which imperialism itself generates. Alien rule and the industrialism which it brings with it under modern conditions combine to produce both nationalism and the indigent middle-class leaders who are its principal bearers in all countries. But to combat a constantly growing nationalism is to run into constantly growing administrative costs, a multiplication of armed forces, and a diversion of administrative

activity from constructive channels into open and violent repression of the most vital and forward-moving forces of the dependent community. From all standpoints a continued progress in this direction is intolerable: for the world at large it signifies a multiplication of chaotic danger spots; for the dependent peoples it involves not only the loss of many of their new natural leaders but also a forced concentration on their external relationships at a time when concentration on inner reconstruction and readjustment is essential; and for the imperialist powers it means an intensification of hatreds at the cost of the good will on which both trade and politics must ultimately rest.

In Malaya there is no substantial and discernible movement in the direction of training the local population in the art of self-government. The Straits Settlements, with the usual exception of Malacca, are a British creation and the British continue to rule in autocratic fashion over the congeries of races which have assembled in them. Members of various races have been drawn into the subordinate services and a modest degree of participation in local affairs has been opened to a few of the more elect, but there has at no time been any suggestion that the firm and centralized British control might be relaxed on behalf of colonial autonomy. In the States of the mainland the situation is necessarily different inasmuch as British control was there imposed upon considerable established native populations and was exercised, at least in form, through the existing machinery of government. The extent of British control is not substantially slighter in the Malay States than it is in the Colony, but its original educative influence appears far greater because instead of being a gradual development it has had to undertake the reformation of the established systems. In the process it has succeeded in doing away with many anachronistic abuses, and it has substituted honest, well financed, and generally impartial administrations for indigenous Malay régimes which were notably lacking in these characteristics. By contrast the record of improvement under British control is still undeniably impressive, even when it is remembered that the miseries and inadequacies of the later days of independent Malay rule were in some part caused by the stifling proximity of a British

imperialism which haphazardly dominated the mainland without accepting the positive responsibilities which that domination implied.

In neither the Malay States nor the Colony do the British seem at any point to have prejudiced the continuance of their autocratic control by promises of a future independence toward which their present efforts might be seen as leading. The practical commitments as far as the Colony is concerned point in fact in the other direction since it is grossly unlikely that the Singapore Naval Base and the fortifications which, according to recent report, are to be erected at Penang will be peacefully handed over in any foreseeable future to the heterogeneous populace of the Straits. In the case of the Malay States the mere fact that they continue as nominally sovereign States under British protection would seem to give a certain *a priori* justification to the assumption that they should in due course be returned to their former independence, but the actual trend of policy under indirect rule works to dispel any such illusion. The basic pledges on the part of the British do not go beyond the frequently reiterated statement that "the maintenance of the position, authority, and prestige of the Malay Rulers must always be a cardinal point in British policy," to cite Sir Samuel Wilson's formula of 1933. With this statement should be coupled Sir Samuel's prompt addition that "the encouragement of indirect rule will probably prove the greatest safeguard against the political submersion of the Malays which would result from the development of popular government on western lines" and Sir Hugh Clifford's parallel insistence on "the utter inapplicability of any form of democratic or popular government in the circumstances of these States." It need scarcely be pointed out that the indirect rule which Sir Samuel Wilson would encourage is a form of government which is by definition applicable only under imperialist conditions, and, further, that the British authorities are tending to interpret the protection of States in the sense of a protection of rulers, an interpretation not without its inherent logic within the system of indirect rule. The curious end-result is a permanent justification of indirect rule by British colonial officials, who, propping up the decaying façade of autocratic

Mohammedan monarchies as a bulwark against the encroachment of Western popular or democratic ideas, have persuaded themselves that they alone can save the Malay States and peoples from political submergence.

Leaving aside for the moment the claim of the locally born Chinese and Indians to be regarded as natives of the country, the one line of action which could make the above British view acceptable in a modified form would be a strong effort to give political education to the Malays. That something has been done in this line cannot be denied, but it is distinctly questionable whether the training of the Malays has gone beyond the need of the British for pliable and reasonably well trained official subordinates. As early as 1880 Sir Frederick Weld laid down the lines which must still serve as the basis for a critical judgment at the present day: "Nothing that we have done so far has taught them to govern themselves, we are merely teaching them to co-operate with us and to govern under our guidance. To teach men to govern themselves you must throw them on their own resources. We are necessarily doing the very reverse."

Despite the drawing of certain Malays into official councils and the elevation of a few others to magistracies and district offices the typical structure of the governments of the Malay States is now even more clearly than in 1880 a matter of British colonial civil servants running administrations in which native Sultanates with their aristocratic appendages have been allowed to continue their existence on a sidetrack. The normal relationship between Resident or Adviser and Sultan is that the former plans and acts with the aid and through the instrumentality of his British associates, while the latter approves if he happens to be consulted. That the Sultan actually takes an interest in some proposition that is put up to him and that he discusses it with some show of intelligence tends in most instances to be the high point of "advice" tendered by the Resident to the sovereign ruler. In the four northern States the degree of Malay participation is at its highest, primarily because of the relative simplicity of social, economic, and political structure which has been retained; in the Federation it is at its lowest because the complexity of interests to be served has forced the building up

of an administrative system which towers above but has virtually no organic connection with the Malay society. In the past this administrative system has been manned exclusively by British officials at the top as it is at the present day, while its lower ranks have been drawn from whatever racial stock could furnish the necessary ability. In more recent times a distinct effort has been made to enlist a trained Malay personnel in the lower and intermediate ranks, but it is essential to an understanding of the problems of indirect rule in Malaya to recognize that for all practical purposes the Malays so drawn in form a part rather of the British colonial administration than of the autonomous administration of a native State. As another recent African commentator put it: "The native is given subaltern positions in the European administration, in which positions, however, he often gains experience, not in the art of self-government, but in the European methods of administering a subject people."*

The ethical-philosophical justification of indirect rule is that it serves to soften the transition from one culture complex to another and that it enlists the co-operation of the dominant and outstanding forces of the community itself in this process: in the words of Lord Lugard, indirect rule involves "the high ideal of leading the backward races, by their own efforts, in their own way, to raise themselves to a higher plane of social organization." In an abstract sense this high ideal seems to have a certain applicability to the Malays but grave doubts arise when it is translated to the plane of actual living. Despite the difficulty of arriving at valid and well-founded judgments concerning peoples and areas which have not been visited in person, it seems reasonable to assume in terms of the available evidence that indirect rule in Malaya has realized the ideal to a considerably smaller degree than has indirect rule in Nigeria at its best. Where great stress is laid, for example, on the existence of the native treasuries in Nigeria as instruments in the practical political education of the people, in Malaya no similar stress can be laid because of the fact that the treasuries, although nominally

* Ralph J. Bunche, *French Administration in Togoland and Dahomey* (Unpublished doctoral dissertation, Harvard University, 1934), p. 389.

those of the native States, are actually in the hands of and controlled by the superior British officials. The treasury of the Federated Malay States has been in no more substantial sense that of the Malays than has the treasury of the Straits Settlements; and it can only be assumed that decentralization will merely have the effect of strengthening the financial control of the several Residents, not to mention the High Commissioner. Particularly in northern Nigeria indirect rule appears to have taken the form of actually turning over significant blocks of power to native administrations, as against the British practice in Malaya of reforming native administrations by taking them over into British hands. It is a perhaps trite but nonetheless significant axiom that the art of self-government is not to be learned unless there is the power to make mistakes as well as to act wisely; but this is a power which has on the whole been denied to the Malays. In its place there has been imposed upon them an elaborate and expensive alien colonial administration.

On the score of cultural transition it may be that the Malays have profited more heavily from the notions of indirect rule than in the directly political sphere, although it is not unreasonable to assume that precisely the same sort of cultural atmosphere could and in all probability would have been left for them even if their rulers had been pushed aside to make way for a Crown Colony government. Broadly speaking the situation is that the Malays have been allowed and even to some extent encouraged to continue living according to their traditional ways. Just as the new political system has been erected over their heads and as the new and alien economy has grown up alongside their own simpler husbandry, so in the cultural realm the Malays have been relatively little disturbed in their tendency toward an isolation on their own lands and in their own villages. The creation of Malay reservations in the Federation, Johore, and Kedah, although it is in good part merely a British weapon against the Chinese and the Indians, may be seen as at once symbolic and as one of the most significant practical expressions of this officially fostered trend toward sheltering the Malays from too intimate a contact with the new forces that are at work in their country. A further point of central importance is

that Mohammedanism has from the beginning been recognized as the established Malay religion, and the British have discountenanced any attempt to break it down.

This preservation of the Malay way of life—toward which, it might be remarked, the British have shown themselves distinctly sympathetic even when they see it doomed to ultimate extinction—is perhaps abstractly desirable in itself, but the practical problem as to the future of the Malays must be faced a good deal more squarely than the British have yet faced it. Under the present conditions of the northern Malay States where there is relatively little aggressive alien competition the maintenance of a policy of unhastened and gradual assimilation of the Malay culture pattern to the needs of the modern world may perhaps be defensible, although the opening up of new means of transportation and the movement toward a closer unification of the whole of Malaya must serve to endanger Malay predominance even in these last strongholds. In the Federation and Johore, on the other hand, Malay predominance is already effectively lost, and the one hope of Malay survival as more than a scattered people being driven back into the jungle and the mountains is that they be pressed speedily along the paths of modernity. Under a permanent British protection it is barely conceivable that the Malays might continue to exist indefinitely as a rare anthropological specimen of a preserved culture, but for their own good such an outcome can scarcely be desired. Under the more realistic assumption that British protection can be regarded as only transitional the Malays will ultimately find themselves in a far more exposed position than if they had never had that protection thrust upon them but had had throughout to fight their own battles and make their own adjustments.

The hard truth of the matter is that the Malays cannot be regarded as the sole natives of the country, however anxious and for whatever reason the pro-Malays among the British may be to establish the contrary. Already a situation of such complexity has arisen that it is virtually impossible to conceive

of any pacific and acceptable solution for it which is likely to achieve effective results in practice. Even if the Indians may as a racial group be regarded as constituting no very grave problem because of their apparent lack of attachment to Malaya and their general failure to establish themselves as a vital and continuing element in it, the Chinese are certainly subject to no such cavalier dismissal. It must be accepted as the patent and indisputable fact that the Chinese are now settled in Malaya in large numbers, that many of them have been established there for long periods of time, and that they feel their interests to be entitled to at least as favorable consideration as those of the Malays.

Yet until the last few years racial complications and problems have occupied the attention of very few people in Malaya. In the general glow of unimpeded expansion and prosperity neither the British authorities nor any of the several racial communities have faced the deeper implications of what was going on under British auspices.⁴ Malacca already had an old-established tradition as a cosmopolitan mercantile center, and Singapore and Penang were newly founded ports wholly dependent on the capital, labor, and energies which the immigrants of all races brought with them. On the mainland, the Malays, although sporadically engaged in warfare with the Chinese, were too limited in their horizons and too deeply engaged either in struggles with or in being reformed by the British to see the menace to their own future existence in any true perspective. The British as the new masters of the area were content on the whole to concentrate on the exuberant day to day problems of reconstructing the several Malay administrations, of capping them with a fully British federal system, and of opening the country up as speedily as possible to modern economic enter-

⁴ In an editorial comment of January 3, 1934, appropriately headed "The Golden Age," the *Straits Times* remarked: "A rapidly growing administrative machine had to be manned and Government took anyone it could get. The 'open door' policy was followed not because it was fair or just or for any reason except that it was necessary. Similarly with land. Anybody could get land thirty years ago because only by that generosity could the country be developed. Similarly with administration. There was no thought of a pro-Malay policy because it was essential to get the country opened up, and everyone was too busy making money to worry about the administration so long as it went on giving them what they wanted."

prise. It is typical of the British attitude in the crucial opening decade of the present century that when the Resident of Perak supported the idea of developing the F.M.S. by drawing in Malaysian peasant settlers and small-holders from the Dutch islands instead of backing the planters and mine-owners in their demands for Chinese and Indian coolies, the Resident-General protested that "so far as an opinion can be formed of conditions here and deductions made from conditions elsewhere the economic progress of these States will depend to a great extent on the introduction of foreign labor that will work for foreign planters and miners." With the British in this frame of mind the influx of hordes of alien coolies became an inevitability which the Malays were powerless to prevent even if they had been adequately aware of the situation, and to which no resistance, surely, could be expected from the incoming coolies themselves.

Under these circumstances of racial diversity and heterogeneity, it should be pointed out, the whole notion of indirect rule has come to be of very dubious applicability to any of the Malay States with the possible exception of Kelantan, Trengganu, and Perlis. Since the basic idea of indirect rule is that dependent people should be governed through the instrumentality of their own machinery and customs it is obvious that it fails of its point when it is extended to cover great alien masses. If one speaks of the Federation as being composed of Malay States ruled by Malay Sultans, indirect rule seems wholly plausible, but a quite different picture appears when it is recollected that nearly two-thirds of the population of the Federation is non-Malay by race. In Johore likewise the non-Malays constitute more than half the population, and even in Kedah they contribute approximately one-third of the total. These figures become even more striking when the further legitimate correction is made of deducting from the Malays persons tabulated in the 1931 Census as "other Malaysians," that is, persons of closely related racial stocks who are either first generation immigrants or feel themselves politically or racially separate. For them the continuance of the Malay rulers and traditions of the several States of the Peninsula has as little immediate and intimate significance as it has for the Chinese and Indians, even though it

be agreed that their general background predisposes them toward an easier integration into these traditions. Making this deduction one arrives at the somewhat startling conclusion that indirect rule has an *a priori* justification in the case of the Federated Malay States for only 26% of the population, in Johore for 22.4%, and in Kedah for 65.1%. Despite the criticisms which may be levelled against it on other grounds, the Dutch system of limiting the rule of the native States to persons properly embraced within their traditional jurisdiction can be seen to have a sound foundation as far as the principles and effective operation of indirect rule are concerned.

Without lingering to vex themselves over a consideration of principles and forms the British authorities have not hesitated to ignore or override the Malay rulers in working out practical solutions for problems which obviously transcended the boundaries of the States and fell outside the narrowly interpreted realm of Malay religion and custom. In actuality, if not in form, indirect rule has been given a strictly minimal interpretation as far as the Indians and Chinese are concerned. As the difficulties arising from the mass immigration of Indian coolies have been met by negotiations between the British officials in India and Malaya and by the creation of a Controller of Labor whose jurisdiction is Malaya-wide, so the problems of the Chinese have been practically removed from the State administrations by the creation of a special corps of Protectors of the Chinese operating under the general supervision of the Secretary for Chinese Affairs, S.S. and F.M.S. The building up of this extraordinary corps was begun in the Colony in 1877. The appointment of the able and experienced W. A. Pickering as the first Protector of the Chinese followed the government's decision to attempt to smash the *imperium in imperio* of the Chinese secret societies and to curb the worst abuses of the coolie traffic. At the same time that these decisions were being taken in the Straits, the British were moving forward into the Malay States, and, since one of the principal causes of intervention was the guerilla warfare between the Malays and the Chinese, it was obvious that similar steps would have to be taken there. In the ruder language of a time when the British were less inter-

ested in pressing the claims of the Malays than they are at present, Pickering insisted that the Malay chiefs were totally incapable of governing the Chinese, who alone could develop the vast resources of the country: "It would be as reasonable to suppose the white settlers of the Western States of America submitting to the rule of Indian chiefs, as to expect that the most conceited, and in their eyes the most civilized, of races should, when in large numbers, obey the caprices of such weak tyrants as the so-called Malay sultans and rajahs." * With appropriate hesitation it is suggested that this citation from the past is not without its present relevance in view of the Chinese fears that decentralization in the F.M.S. might mean the restoration to power of the Malay rulers.

Under the guidance of the Secretary for Chinese Affairs and the staff of Protectors scattered throughout the country the Malayan administrations have faced many and recurrent Chinese problems but there has been little recognition until the last few years that the future would have to concern itself predominantly with *the* Chinese problem. The Chinese have been allowed and encouraged to come into the country, to move about and establish themselves as they chose, and in good part to administer their own communal and private concerns through their own societies and associations. The precise position and function of the Chinese Protectorate in relation to the Chinese community has never been very clearly defined and has recently been subject to reconsideration as a part of the general reformulation of policy in the era of Sir Cecil Clementi. From the outset it has in varying degree according to time and place served as something of a special administration for the Chinese, being staffed by British officers familiar with the Chinese languages, laws, and customs. While in the Colony it has served as an informal arbitral and advisory agency to which the Chinese might submit their problems for settlement, in the F.M.S.—perhaps in recognition of some of the complexities of indirect rule—it was by enactment given broad powers of inquiry into any public matter relating to the Chinese, the right to prosecute Chinese in criminal cases

* "The Chinese in the Straits of Malacca," *Fraser's Magazine*, October, 1876, p. 438.

and to appear on their behalf in civil cases, and sweeping jurisdiction—to some extent in conjunction with the courts—over matters involving Chinese customary family and property relationships. "Chinese resident in the F.M.S.," as one Protectorate memorandum had it, "were regarded as being in a special, and therefore in some senses a privileged, position, and the Protector was the man to whom they had recourse instead of the District Officer."

With the clearer recognition of the centrality of the Chinese problem in recent years this special position of the Chinese is undoubtedly in a process of revision, but in the present complex situation the threads of high policy are exceedingly hard to disentangle, particularly since the unity of the policy is largely superficial in character and the threads tend to lead back to, and to be manipulated by, divergent and occasionally even opposing sources of authority. One phase of the recent changes in policy may be succinctly symbolized by suggesting that the Chinese Protectorate is tending more and more to lose the attributes connected with its old name and is taking on increasingly the aspect of its more modern title, the Secretariat for Chinese Affairs. The repeal in 1932 of the governing enactment under which the Protectorate in the F.M.S. exercised the above-mentioned extraordinary jurisdiction over matters of Chinese law and custom indicates clearly that an effort is being made to bring at least the settled portion of the Chinese community more directly under the control of the usual administration. It appears that in the future the work of the Chinese Secretariat, operating in a more and more unified fashion for the whole of Malaya, will fall essentially into two large categories. On one side there are the diversified activities which have been entrusted to the administration of the Secretariat by a number of enactments dealing with problems particularly, but often not exclusively, affecting the Chinese, such, for example, as the protection of women and girls, the stamping out of the *mui tsai* system, the application of the labor code to Chinese workers, and the regulation and supervision of Chinese schools, societies, and associations. On the other side there is the more general and increasingly important function of serving the government as an expert advisory body on Chinese affairs and

policy and as an agency keeping a very sharp eye on the political sentiments, activities, and movements of the Chinese not only in Malaya but also in China in so far as Malayan repercussions may be involved. On the latter score there appears to be a close working arrangement with the corresponding authorities in the Netherlands Indies and, to a less effective extent, with French Indo-China.

In the midst of the present obscurities one factor stands out strongly and strikingly: it is beyond any reasonable doubt that the Chinese have now thrust themselves onto the political stage and that they are there to stay.* In the past history of Malaya there is no more curious element than that the Chinese, no doubt because of the political and social traditions which they brought with them from China, have been content throughout to allow the formal powers of government to remain in hands other than their own. With virtually no tendency toward assimilation to the indigenous population and with an at least passive insistence on keeping the management of their own communal affairs under their own control, they have not been concerned to challenge the possession of sovereignty by either the Malays or the British. The growth of Chinese nationalism, the appearance of the Chinese Republic, and the rise to dominance of the Kuomintang have brought about a transformation of the political consciousness of the Chinese overseas which tends radically to alter their relations to the governments under which they live. It is notorious that the overseas Chinese have furnished both much of the leadership and much of the financial support for the nationalist and Westernizing movements at home, and, on the reverse side, the Kuomintang and the National Government have made serious, if somewhat sporadic, efforts to come into closer contact with and to exercise some degree of control over their brethren outside. The Third International, operating in part through Shanghai, has also had some success in winning adherents to the doctrines of Communism although it has not as yet been able to establish itself as a very significant force in Malaya.

The precise effects on Malaya of Chinese nationalism and the

* The succeeding pages are in part an adaptation of my article, "The Chinese in Malaysia," *Pacific Affairs*, September, 1934, pp. 260-271.

changed political consciousness of the Chinese are not easy to estimate. In a general sense it is obvious both that the Chinese have become more aware of their own claims and that the British have been put more sharply on their guard in the political sphere, but informed opinion differs very widely in its judgment as to the practical implications for Malaya. The answer is to be found only in the subtle interweaving of a number of largely imponderable elements, among which the attitude of the several different groups of Chinese in the country is at once the most important and perhaps the least determinable. There can be no doubt that the effectiveness of the new political consciousness among the Chinese in Malaya is sharply limited by the dispersion of its force in at least three different directions. The bourgeois elements of the Chinese community are divided on the basis of the intensity of the relationship to China: many, and more particularly the more recent immigrants, have little concern with local Malayan affairs, and are primarily interested in carrying on and supporting abroad the work of the Chinese government or the political faction to which they adhere, while the more settled Chinese have only a limited knowledge of and interest in China proper and seek rather to gain some share in the government of the area in which they live. The Communists, more or less under the control of Moscow, have, naturally, little use for these bourgeois nationalist or democratic movements although their support could probably be counted on if an at all suitable Malayan nationalism were to come into being.

One line of attack on the problem may, I believe, be dismissed without much ado. It is occasionally asserted in justification of the tightening up of British control that the Chinese nationalist movement has its eye on Malaya as *terra irredenta*, as a potential "Nineteenth Province" of China, but very little, if any, concrete evidence of such a claim has been produced. As a long run proposition there would be many who would agree with the comment of A. J. Toynbee that "the race for primacy in Malaya will be run between the British and the Chinese; and the prize will fall to whichever of these two peoples succeeds the better in adapting itself to the tropical environment," although as he himself concedes there can be little doubt as to the outcome of such a "peace-

ful contest." * On the assumption that China will in the future take her place in the world as a strong modernized national State it is only reasonable to assume that she will follow the well established precedents of the West and use her propaganda or her arms to guarantee that the doctrine of self-determination finds appropriate application to Malaya, to which she will at least have an infinitely better claim than any Britain can put forward. But for present purposes the disunity of China and the political-geographical separation from Malaya make this contingency so remote as to be scarcely worth consideration, nor does it appear to figure in the present speculations of the Chinese.

A question of greater practical consequence is that of the generally anti-imperialist character of much of the Chinese teaching and activity in Malaya. Although the great bulk of it has no direct bearing whatsoever on the continuance of British rule in Malaya it has been taken up by the authorities as a challenge and a threat to British imperial interests and prestige in the East and is stamped out wherever possible. † Attacks on imperialism are not lightly to be tolerated by an imperialist régime, and even aid to China when she tried to beat back the attacks of Japan in Manchuria and Shanghai was necessarily suspect. In the latter instance, although no very effective means could be found of countering the boycott by Chinese of Japanese goods, the collection of funds for political and military purposes to be used in China fell under the ban of the British. In the same category

* A. J. Toynbee, *A Journey to China or Things Which Are Seen* (London, 1931), p. 156. "When I touched at the Straits Settlements on my way out east I realized that British Malaya was destined, by 'peaceful penetration,' to become a new Chinese province, and I fancy, from what I have heard, that the same destiny may be in store for Burma, Siam, French Indo-China, Dutch Indonesia and the Philippines. In the end the current of Chinese expansion in the Tropics will meet the current of Hindu expansion over the submerged heads of the smaller and weaker and less efficient peoples in between, who are already fast going under. And, after that has happened, I surmise that the new frontier between China and India will tend, slowly but surely, to travel westward at India's expense and China's favour." P. 259.

† Some of the unexpected complexities of this policy appeared during a visit which I made to a Chinese school in Singapore accompanied by one of the Protectors of Chinese. Incensed by the anti-imperialist tone of the composition of the pupils, this official soundly berated the master in charge. When later investigation disclosed that pre-war German imperialism was under attack, apologies became necessary—and were handsomely tendered.

falls the somewhat abortive effort of Sir Cecil Clementi to break up the Kuomintang in Malaya shortly after his arrival in 1930 as Governor and High Commissioner. On this occasion Clementi admitted in the Legislative Council that there was, "and must continue to be in existing circumstances, a censorship of the vernacular press. Such censorship is not peculiar to Malaya. It exists also in Hong Kong; and so long as subversive propaganda is sent into this Colony by anti-British organizations, and so long as there is propaganda which regards Malaya itself as *terra irredenta* one day to be dominated by China, so long must these hostile manifestations be carefully watched by Government." In fact, the censorship of all types of communication with China appears to be much more far-reaching than is at all generally suspected in Malaya. In the economic sphere friendly rivalry and co-operation are possible, but no movement away from political immaturity and tutelage is tolerable under imperialist conditions.

As a weapon to guarantee the political quiescence of the Chinese the British have developed none which is more effective than that of banishment. This is a measure which is limited in its applicability neither to the Chinese nor to political cases, but with the spread of Chinese political sentiment it has come in very usefully.* The looseness of the banishment provisions has

* Dating back for some three-quarters of a century the heart of the Banishment Ordinance as it now reads in the Straits is contained in the following statement: "Whenever it appears to the Governor in Council, after such inquiry as he deems necessary, that the removal from the Colony of any person, not being a natural-born subject of His Majesty, is conducive to the public good, the Governor in Council may issue an order banishing such person from the Colony for such period and generally in such manner as to the Governor in Council seems expedient." In the Malay States equally broad statutes have been adopted, empowering the ruler, when called upon by the Resident or Adviser, to rid the State of any person whose presence is regarded as undesirable. Since these provisions are hedged about with virtually no formal safeguards and appeals to the courts are ruled out, the sweeping character of the powers thus conferred is obvious. Nor are they powers which are over-sparingly brought into action: according to figures which were officially furnished me, no less than 20,097 persons were banished from the Straits, the F.M.S., Johore, and Kedah from 1911 to 1931 inclusive. In recent years the number of banishees has steadily risen, presumably in relation with the increase in political activity: as against an average of 817 persons banished annually from 1918 to 1921, the average from 1928 to 1931 rose to 1528; but it should be added that in the latter years there was also a drive in the Straits against the criminal activities of the Chinese secret societies.

with some regularity brought to the fore in peculiarly ugly fashion what continues to be one of the least happy elements of the political situation of Malaya: the problem of citizenship in the several political units. By clinging to the formalism of separate protected Malay States the British have been able to assure themselves the largest possible freedom of action. Birth in the Colony alone furnishes British citizenship while birth in any of the other jurisdictions of the Peninsula merely confers the status of being a subject of the particular ruler, even the Federation having no common federal citizenship. In consequence the British authorities in the Colony and in each of the nine States are in a position to regard as an alien, and hence subject to banishment, persons born in any one of the other units; although, on the reverse side, Malaya is normally regarded as a single entity when it comes to the question of persons banished from one unit taking up residence in another. Here again it appears that one of the major advantages of indirect rule from the standpoint of the imperial government is that it enables power to be exercised centrally and in a unified fashion over a populace which is grievously weakened by being split up into anachronistic political compartments.

The general tightening up of British control, the increase of censorship and supervision, and the greater use of banishment figure heavily among the restrictive weapons which the British have brought into play against Chinese nationalism. It cannot be said, however, that these restrictions are equally resented by all the elements among the Chinese in Malaya. Those who are settled in the country and have a definite stake in it are often not even able to speak Chinese and for them the memory of China is remote and appealing only in a distantly romantic sense. They have established themselves in another quarter of the world and have no thought of relinquishing its advantages unless the local governments, by a policy of discrimination, drive them to renew an allegiance which has been effectively lost. But there can be no doubt that there is a very serious pressure both from China and from the more recent immigrants to force these long-lost sons of China to adopt a more positive attitude toward her than they would of their own motion. Through the machinery of

the always powerful guilds and societies this pressure exercises a potent economic influence, placing the local-born Chinese in the unenviable position of having to meet the frequently irreconcilable claims both of the local governments and of their politically more impassioned brethren. It is clear that many of the older established Chinese and some, at least, of the newcomers resent very keenly the efforts of the nationalists to force them into a position which inevitably makes them suspect in the eyes of the dominant British and is certain to damage their pocketbooks whichever way they turn. This fact serves materially to ease the problem of the authorities in dealing with the situation since they can count on some degree of at least covert support within the Chinese community itself, even though there are very few Chinese prepared to make an open breach with the nationalists. It is, for example, generally accepted that the ban on the establishment of branches of the Kuomintang in Malaya was welcomed by numbers of the settled Chinese who had become increasingly incensed at the activities and demands of the organization but had not dared to come out openly in opposition to it.*

To some degree British high policy has adjusted itself to this situation and made use of the excellent opportunities which it offers for the application of the maxim of "divide and rule." It is not infrequently asserted that one of the principal bases of British policy is and must be to bring about a clear-cut separation between the Malayan Chinese and the transitory immigrant masses, winning over the former group to an effective Malayan loyalty by the extension of favors and concessions. The actual working out of this policy has, however, been far from a success, in part because of the general inability of imperialist rulers to make significant concessions in the political sphere, and in part because it has been combined with other elements of policy which

* Tan Cheng Lock, the principal spokesman for the Straits-born Chinese, reminded the Governor in the Legislative Council on October 19, 1932, of "the hearty support which Your Excellency's recent ban against the Kuomintang has received from the majority of the Chinese population in Malaya," although at the time Clementi was severely attacked from several quarters. A somewhat more open and useful support is received by the authorities in their efforts to destroy the Chinese secret societies, whose methods often bear a striking resemblance to those of American gangsters and racketeers.

have inevitably been interpreted as indicating a broad anti-Chinese and pro-Malay bias. The implications of the decentralization program in this connection have been discussed above and need not be examined again except to repeat that the Chinese had good ground for disaffection in the further extension and reaffirmation of a principle of indirect rule which, however much it may have promised to promote the Malay interest, could have no direct attractions for them. Chinese indifference to politics in the past has been largely conditioned by the neutrality of the British as between different races, and it is now widely feared that that neutrality has been abandoned despite the official assertions to the contrary. The comment of Sir Samuel Wilson in his Report that the non-Malays who have made Malaya their home "are entitled to an assurance that their interests will not be allowed to suffer as the result of effect being given to a policy of decentralization," has not been sufficient to offset the substantial fears that have been aroused among the Chinese by the actions of the Malayan administrations in a number of different respects, such as immigration restriction, land policy, education, and employment in the government services.

Effective recognition by the British that the old policy of throwing Malaya open to all comers was due for an overhauling dates only from the passage of the Immigration Restriction Ordinance of 1928 in the Straits Settlements. Under this ordinance the Governor in Council, with the approval of the Secretary of State for the Colonies, was empowered to forbid or regulate the immigration of laborers into Malaya either to prevent unemployment or economic distress or to promote the public interest. The actual restriction of Chinese coolie immigration under this measure was begun in 1930 at a time when the labor tides were beginning to flow back to China and India of their own accord. Two years later official policy, despite considerable public objection, took a new turn with the passage of an ordinance to regulate the immigration of aliens not only quantitatively but also qualitatively, and to control their residence in the Colony. That this measure represented the British answer to the political unrest of recent years was openly stated by the Secretary for Chinese Affairs on its introduction into the Legislative Council: "We

have, in the past, run a certain danger from the attempts made by aliens to spread subversive political ideas, and as far as possible we wish to safeguard ourselves from such attempts in the future." In addition to providing for a limitation on numbers, the ordinance established the right of the authorities to bar from admission to the Colony persons who are unsound in mind, body, or morals, persons likely to become public charges, and persons "suspected of being likely to promote sedition or to cause a disturbance of public tranquillity." These same criteria may be applied to any alien already residing in Malaya through further provisions of the ordinance which empower the authorities to require any alien to procure a valid certificate of admission and to submit it for periodical review. In this fashion the British are in principle for the first time distinguishing the aliens from the established "Malayans" of all races and are submitting the former to as stringent a type of control as they may choose to exercise. Without the right of appeal to the courts any alien may at any time have his certificate of admission cancelled and be returned to the country of his birth or citizenship if he falls under the suspicion of being potentially seditious or disturbing or if his removal seems necessary for the public safety or welfare.

In the furor which the introduction and passage of this legislation caused among the Chinese in Malaya the duality of their position came all too sharply to the fore. The Chinese were undoubtedly right, despite formally correct official assurances to the contrary, in assuming that this measure was discriminatory and primarily directed against their racial colleagues, but it was equally clear that the operation of the ordinance would in fact tend to advance the interests of the local-born as against the aliens by a clearer recognition of their special status as settled residents of Malaya. That the local-born Chinese felt forced to make common cause with the aliens worked to the obvious damage of their position in Malaya and played directly into the hands of the pro-Malay faction among the British officials. The Chinese contention, in which they were joined by representatives of other racial groups, that the new measure would permanently cripple Malaya's labor supply seems to have had little in the way of

substantial foundation, since the British are most unlikely to cut their own throats economically by raising labor costs.¹⁰

If the position of the local-born Chinese is equivocal, that of the British, as the Chinese spokesmen in the immigration controversy suggested, is certainly no less so. During the time of the Clementi reforms and the visit of Sir Samuel Wilson the two opposing rallying cries came more and more clearly to be "Malaya for the Malays" and "Malaya for the Malaysans," the latter term being taken to include all the locally born and settled population of whatever race or creed. But, at least as far as political control and domination is concerned, there is as yet no adequate evidence of any intention to move beyond the present fact of Malaya for the British and the small cliques of Malay Sultans and chiefs whose prestige has been built up and utilized by the British for their own purposes.

In 1858, after the Indian mutiny and at a time when the Straits Settlements were still administered as a part of the Indian Empire, Queen Victoria issued the famous—and habitually ignored—Proclamation in which it was laid down that "so far as may be Our subjects of whatever race or creed be freely and impartially admitted to offices in Our service, the duties of which they may be qualified by their education, ability and integrity duly to discharge." The official and time-honored interpretation of this Proclamation is to be found in the statement of the conditions for admission to the Malayan Civil Service: "Candi-

¹⁰ Tan Cheng Lock was, however, on far solid ground when he attempted to meet the charges arising from the seeming Chinese inconsistency by insisting on his belief "that Government has no fixed and constructive policy to win over the Straits and other Malayan-born Chinese, who are subjects of the country, and foster and strengthen their spirit of patriotism and natural love for the country of their birth and adoption." "I look in vain," he asserted, "for any tangible sign or indication of any active interest, practical sympathy and encouragement that has been shown by the Government of late years. . . . One is driven to the conclusion that the Bill is part and parcel of an anti-Chinese policy, probably with a political objective, based on distrust and fear, which the Chinese on the whole as a community have done nothing and have given absolutely no cause to merit." *Legislative Council Proceedings*, October 19, 1932.

The position, fears, and grievances of the Chinese in Malaya were admirably summed up in a number of documents prepared for submission to Sir Samuel Wilson, such as those submitted by Tan Cheng Lock, Lai Tet Loke, The Associated Chinese Chambers of Commerce of Malaya, and the Perak Chinese community.

dates must be natural-born British subjects of pure European descent on both sides," the latter phrase having been added after a misguided Eurasian attempted in 1904 to pass himself off as a natural-born British subject to the dismay of those in whose hands lay the practical task of overriding Victoria's liberalism. The British have always taken an exalted view of their trusteeship and made amply sure that neither in the Colony nor in the mainland States should their wards of any race rise to positions in which they might effectively share in the responsibilities of government.

It need scarcely be added that the British have not been backward in making use of the opportunities opened to them by the differentiation in political status as between the Colony and the States. "It is impossible to maintain that the Malay States are in any sense independent, when we know that they are administered in every detail by agents of the British Crown," writes an international lawyer. "The insensate fiction is still kept up that their people are not British subjects; but this can only avail for domestic and constitutional purposes."¹¹ Domestically and constitutionally, however, the protected State status serves the British well. Although British rule operates in a centralized fashion throughout Malaya whenever occasion arises and the Malayan Civil Service is a single and united body, the admission of non-British officers to the general service has always been denied in terms either of the refusal of the Malay rulers to see the higher offices in the States in the hands of others than Malays or Britishers, or of the racial and political inappropriateness of placing in the Colony Malay officers who have risen in the States. Since relatively early times it has regularly been stated as the intention of the British "to train Malay gentlemen for service in administrative posts" in the States, but the pleas of Malaysians of other races for consideration in this respect have always met with a blunt refusal. For the Malays in the Federation the major step which has been taken was the creation by Sir George Maxwell of the Malay Administrative Service, staffed exclusively by Malays and operating as a junior service. Faced by the necessity of retrenchment during the depression and the illogic of pursuing

¹¹ T. Baty, "Protectorates and Mandates," *British Yearbook of International Law*, II (1921), 112.

a "Malaya for the Malays" policy while giving the Malays a very meager part in the administration, Sir Cecil Clementi elaborated this junior service by throwing open to it certain of the lesser posts held by the Malayan Civil Service and by extending the possibility of advancement from the junior to the senior service as far as service in the F.M.S. is concerned. To the contention of an Indian member of the Federal Council in 1936 that "no distinction can properly be drawn between Malay and non-Malay subjects; they are all the subjects of the same sovereign and enjoy the same rights and privileges," the new High Commissioner, Sir Shenton Thomas, replied in language worthy of precise analysis: "This is the sixth country in which I have served, and I do not know of any country in which what I may call a foreigner—that is to say, a person not a native of the country or an Englishman—has ever been appointed to an administrative post." Nor is this barrier applicable only to the administrative service. In the past the lower ranks of the government service in all its branches have been heterogeneously staffed from any of the racial groups which could furnish sufficient talent, and the general principle of Malay preference has found little application, in part because of the indifference of the British to it and in part because of the sheer lack of Malays competent to hold the jobs. With the coming of the depression, the rise of Chinese political consciousness, and the growth of pro-Malay sentiment among some of the leading British officials, the preferential principle has been very sharply re-emphasized to the great dismay of the Malaysians of other races who not only fear that the Malays will prove unable to handle their responsibilities but also are justifiably reluctant to abandon their claims to equal treatment in the country of their birth. In the Straits Settlements an inadequate sop has been thrown to the "foreigners" by the establishment of the Straits Settlements Civil Service, a subordinate service to be manned by qualified British subjects; but the obnoxious and detested principle of the color bar is to be maintained intact as far as the Malayan Civil Service is concerned. There is every reason to suppose that in the future as in the past all the key posts will continue to be held firmly in the British grasp.

In Malaya as elsewhere in the dependent world the denial of

political advancement has regularly been justified by the imperial rulers on the ground of the general backwardness, ignorance, and illiteracy of the subject peoples; but such a plea can be accepted only if the imperial government is in a position to demonstrate that it is throwing its full energies into the task of education. That this is not the case in either Malaya or the Netherlands Indies is too obvious to require any elaborate statement. In both countries the government has, to put it at its mildest, tolerated the draining off of huge profits by private European concerns, has set its own salary, leave, and pension costs at a figure far beyond the standards of the country, and has, furthermore, under the principle of indirect rule, bought the support of the feudal chiefs and nobility by the allotment to them of huge sums from the public revenues. These things are the continuing and inevitable accompaniments of imperialism even though the mass of the populace is either receiving no education at all or so little as to accomplish no more than a most tenuous contact with literacy at its lowest level. Without blinking the tremendous difficulties inherent in the construction of any scheme of education for alien peoples of a totally different culture pattern, the conclusion must still be that neither the British nor the Dutch have ever seriously set themselves the task of educating their non-European subjects as they expect their own home populations to be educated. At the best their schemes do not go beyond—and their actual educational systems are far from reaching—a bare literacy for the peasant and working masses who must basically not be disturbed in their ignorant contentment with economic insufficiency and alien rule,¹² and the extension of higher education to a selected few who will fill the intermediate gaps between the European aristocracy and the native populace.

In Malaya there has been constant controversy as to the fundamental principles on which the government's educational policy

¹² In a discussion of educational policy in the Legislative Council on October 28, 1929, the Malay member, Mohamed Unus bin Abdullah, stated the case with appealing bluntness: "In the fewest possible words, the Malay boy is told, 'You have been trained to remain at the bottom, and there you must always remain.' Why, I ask, waste so much time to attain this end when without any vernacular school, and without any special effort, the Malay boy could himself accomplish this feat?"

should rest, and in recent years this problem has served seriously to aggravate existing racial tensions. Not without good and sufficient reason the non-Malays have felt here as in the question of employment in the government services that the British, far from working to conciliate and win over the Malayan Chinese and Indians, have in fact been following a pro-Malay policy which is distinctly prejudicial to the general interest and to the building up of a stable and harmonious community. For the Malays in both the Colony and the States a more or less elaborate system of free primary vernacular education has been erected which, despite its modest academic pretensions, is beginning to approach some degree of universality, but no similar responsibility for the education of the Chinese and Indians has been acknowledged. Although it is obvious that the demand of the latter races as well as of some of the Malay leaders is for an education in English which will enable them to compete in business and in the administration, the government has generally declined to acknowledge anything except Malay as the appropriate *lingua franca* of the country. As a result of this policy both Chinese and Indian vernacular education, in so far as it is at all available, has necessarily been provided almost exclusively through the private efforts of these racial communities, supplemented in some instances by official grants-in-aid. The governments, instead of being the leaders in furnishing education and in guaranteeing the maintenance of high standards, have on the contrary been forced, particularly in relation to the nationalistically minded Chinese, into the rôle of being mere spies in search of dangerous thoughts and subversive doctrines. Education in English is for the most part provided only on a paying basis, although here again preferential treatment is extended to Malays of demonstrated ability, and the bulk of the pupils are taken care of by mission schools receiving grants-in-aid rather than by the government English schools. The tremendous educational opportunity which was offered to the British by the prosperity of the Malayan governments and by the profits which the rubber and tin industries were draining off has been almost completely missed as far as the Chinese and Indian communities are concerned, and ignorance and disaffection are the price which is now being paid.

For the imperialist Powers there can be no doubt that indirect rule as it is practised in Malaysia brings with it not inconsiderable advantages. In the initial stages of colonial expansion in which the Dutch still find themselves in some parts of the outer islands of the Indies, as do the British to a lesser degree in the northern Malay States, it serves as a cheap and simple means of exerting control over peoples whose traditional way of life it is not yet possible or necessary to disturb on any large scale. In the peculiar conditions of the Federated Malay States and the Province of the East Coast of Sumatra it serves in part as a mechanism for the government of the original native populace who have on the whole been allowed to remain as mere bystanders in the process of modern economic development, while the immigrants have been placed in greater or less degree under a more direct rule. More generally in the later stages of imperialism it serves as a highly efficient device for breaking up and segregating potential nationalist movements and as something of a moral justification for denying the claims to power of the more advanced elements in the native society.

For the native peoples themselves indirect rule brings advantages to the extent that it actually lives up to its ethical pretensions of preserving the best in the old culture and integrating it gradually with the necessities of modernity. The goal of indirect rule can never be seen as the preservation intact of the pre-existing traditional cultural and political systems since this, given the realities of the modern world, inescapably implies permanent domination by the alien invader, a permanent status of inferiority to the alien guardian. The goal must, on the other hand, be seen as the breaking down of those traditional systems in so far as they are incompatible with the future independent existence of the society and with the well-being of the masses of the people. In particular the crystallization by external force of the inevitably somewhat accidental power relationships of a given moment can never be accepted as a justifiable procedure. Yet for the British and the Dutch indirect rule has been so sharply associated with the maintenance of the prestige and the fiction of the power of the traditional chiefs and rulers that it is difficult to see how the new society can break through the

artificially petrified crust of the old traditions without violent conflict.

In its earlier phases among backward peoples imperialism may be seen as accomplishing the often harsh mission of shattering old worlds as a necessary preliminary to transition to the new; in its later phases it comes to serve primarily as a repressive agency holding back the development for the initiation of which it is itself responsible. Its cruelest aspect is no doubt neither its open brutalities nor its exploitation of peoples—the peoples brought under its domination have usually not been ignorant of either brutality or exploitation prior to its coming—but rather that it holds so tenaciously in its own grasp the keys to the new scientific power over man and nature whose existence it has made manifest to the peoples it rules and through which it is able to dominate them. Precisely those native leaders who are most peculiarly its own product and who have reached out for the keys of its own power it must most ruthlessly suppress as constituting the greatest menace to its own perpetuation. Economic rivalry imperialism can tolerate at least up to a certain point, perhaps because of the competitive spirit which continues to survive in the economic realm; but political rivalry cuts too close to its heart. The most dangerous rivals of all are those who have so far steeped themselves in the ways of the West as to realize that through political control the door is open to economic control as well. Only in the Soviet Union does there appear to be the realization of a program which involves on one side the full application to backward lands and peoples of the new scientific powers and on the other side the education and encouragement of the peoples themselves to take a full and equal share in these powers. Elsewhere, as in Malaysia, there is the imperialist mentality which is the mentality of master and subject peoples: under its sway neither direct nor indirect rule can basically be more than a convenient machinery for the exercise of political and economic control.

Imperialism appears always to be committed to perpetuating its own rule unless it is challenged by a force which makes it necessary or expedient for it to withdraw. In 1895 immediately after Japan's victory in her war with China Lafcadio Hearn

wrote: "Japan has won in her *jiujutsu*. Her autonomy is practically restored, her place among civilized nations seems to be assured: she has passed forever out of Western tutelage. What neither her arts nor her virtues could ever have gained for her, she has obtained by the very first display of her new scientific powers of aggression and destruction." The moral is clear and its validity has only been enhanced by the events of the four succeeding decades. It seems the tragic truth that if subject peoples must rely upon the persuasive power of their arts and virtues in the struggle for freedom from imperialist domination their hopes may be deferred until doomsday: imperialism has established itself by force and it is normally the persuasive power of force to which it is most responsive. In the Netherlands Indies relatively far greater strides have been made toward political independence than in British Malaya, and the essential condition of that advance has been the existence of an increasingly strong and determined nationalist movement. It is undoubtedly the fact that even in Java great masses of the people are still unstirred by the new movement and that for Indonesia as a whole tribal and island cleavages still cut across the greater Indonesian unity which the nationalist leaders see as their goal, but the Dutch are being driven forward by the gathering force of the new era. In Malaya, in part as the accidental result of the British concentration on making the country profitable by flooding it with alien labor and in part because of its disjointed political structure, no nationalist movement worthy of the name has as yet developed, and there has, in consequence, been no tendency on the part of the British to concede even the first elements of political freedom. In Indonesia there has been widespread recognition that the labor movement and the nationalist movement must go hand in hand, while in Malaya both movements are not only just passing through their earliest phases but have so far been almost wholly unable to bridge the deep racial and religious cleavages.

That there is still much which the Netherlands Indies and British Malaya might learn from their imperial masters seems to me a self-evident proposition, but it is by no means so evident that these masters will be prepared to teach them. In Indonesia

in higher, in Malaya in lower degree the situation has already arisen in which the forces of government are being used rather to repress than to encourage and lead the modern societies which are struggling into existence. "The first essential for the raising of the standard of living, for the awakening of a new sense of freedom and worth, which Europeanization brings with it for the indigenous masses, for the creation of a fuller, richer, and finer human life, is the possession of a government which feels itself to be intimately associated with the native population and its interests."¹⁸ No imperialist government, being by definition alien, can possess this intimate association with a people, and, even if it should be endowed with the most lofty attributes of altruism, it would still fall short of interpreting the will of that people for its own destiny. The possession of the power of self-government is in the modern world the most vital instrument in the struggle for both economic and cultural survival.

¹⁸ Hans Kohn, *Western Civilization in the Near East* (New York, 1936), p. 228.



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INDEX

Page references to authors are italicized

- Abdul Rahman, Sultan, 83
 Abdullah, Sultan, 119f., 199
 Abu Bakar, Sultan, 97, 199f.
 Achin, 111, 112, 379ff., 420, 428
 Anglo-Dutch treaties in regard to, 90, 379f.
 appeals to Powers by, 380ff.
 British negotiations with, 68
 United States and, 379, 381f.
 Achinese War, 43, 112f., 382ff., 399, 406, 467
 Adam, L., 428
 Advisers, U.M.S., 198, 201, 206ff., 211f., 214, 233, 234, 241, 242, 246, 247, 251f., 262ff., 348, 496
 compared to Residents, F.M.S., 351f.
 Advisership system, *see* Residential system, Malay States
 Africa, colonial administration in, 486f., 497
 Agricultural industry, *see* Arecanut industry; Coconut industry; Coffee industry; Copra industry; Culture System; Gambier industry; Land policy; Palm-oil industry; Pineapple industry; Rice industry; Rubber industry; Small-holdings; Spice industry; Sugar industry; Tapioca industry
 Aitchison, C. U., editor, 89, 98, 99, 379
 Albuquerque, Afonso d', 63f.
 Ali, Sultan, 95f., 198ff.
 Amboyna, Massacre of, 68
 Anderson, Sir John, 145ff., 162, 172
 Anson, Sir Archibald E. H., 112, 200
 Arecanut industry, in Malaya, 216f.
 Assey, Charles, 81
 Associated Chinese Chambers of Commerce, Malaya, 513
 Association of British Malaya, 155, 369f.
 Balfour, Patrick, 12
 Bali, 386, 413, 428, 440ff.
 area of, 441
 Bali (*continued*)
 extension of Dutch control in, 394ff.
 population of, 441
 Banishment, in Malaya, 508f.
 Banka, 81, 109, 384
 Bantam, 68, 70, 108
 Bar Committee, F.M.S., 330f., 333
 Baty, Thomas, 514
 Baud, J. C., 104, 110f.
 Beale, L. B., 365
 Bencoolen, British post at, 68, 72
 Berlin Conference (1884-1885), 379
 Bertram, Sir Anton, 61, 273, 281
 Birch, James W. W., 125f., 199
 Bird, Isabella L., 128, 133
 Bismarck, Prince Otto von, 57
 Blagden, C. O., 13
 Bolivia, tin quota of, 36
 Borneo, 81, 109, 110, 385, 428, 462
 Boulger, D. C., 78, 79, 81, 83, 103
 Boulter, R., 364
 Braddell, Roland, 92, 144, 149, 171f., 207, 233, 276
 British Dominions, 293
 British East India Company, 4f., 68, 72ff., 75ff., 92
 political abstention policy of, 82, 378, 468
 Siamese policy of, 97ff.
 Brooke, Raja James, 110
 Brunei, 21
 Buckley, C. B., 91, 101
 Bunche, Ralph J., 497
 Bunga Mas, 76, 99
 Burney, Captain Henry, 98f.
 Bushe, Grattan, 60
 Campbell, P. C., 27
 Canning, Lord Charles John, 102
 Canning, Lord George, 81
 Carnarvon, Earl of, 123f., 126ff., 138, 200
 Cavenagh, Sir Orfeur, 100f., 101, 112f., 113, 222, 225
 Celebes, 109, 110, 384, 385, 386, 428, 462
 Ceylon, 34, 279, 280, 285, 291ff., 296

- Chailley-Bert, Joseph, 412, 421
 Cheribon, 70, 108
 Chief Secretary, F.M.S., 151f., 154f., 158ff., 173, 274, 317f., 325, 339, 355
 abolition of, 161ff., 313, 332ff.
See also Federal Secretary, F.M.S.; Resident-General, F.M.S.
- Chinese
 in Malaya
 composition of Straits community of, 282f.
 demographic strength and distribution of, 20ff., 43, 182, 195f., 242, 270
 economic rôle of, 26ff., 35ff., 41, 84, 130, 182ff., 193, 213, 215, 241, 249ff., 270ff., 471ff., 477f., 479f., 486ff., 489ff., 498, 501
 education and, 517
 element of, in all Malayan classes, 29, 34, 489f.
 factions of, in Malay States, 116f., 119f., 122, 131
 indirect rule and, 140f., 338ff., 502ff.
 local loyalty of, 282, 284, 289, 490, 509ff.
 Malayan Union and, 313ff., 320ff., 327f., 338f.
 political rôle of, 29, 129, 136, 140f., 150, 168, 182, 212, 241, 272f., 274, 278f., 281f., 286f., 289, 295, 313f., 320ff., 496, 505, 511
 pressure by, for intervention in Malay States, 102, 115
 secret societies of, 26f., 502
 in Netherlands Indies
 demographic strength and distribution of, 43, 56, 402
 economic rôle of, 45, 444, 471ff., 477, 490f.
- Chinese Protectorate, *see* Secretariat for Chinese Affairs, Malaya
 Chinese Republic, 505
 Christmas Island, 21, 269
 Chulan, Raja Sir, 181
 Civil Service
 in colonies
 attitude of, 484f.
 economic burden of, 488f.
 traditions of, 474
 in Malaya, 25, 129, 182, 212, 238f., 264f., 350
 color-bar in, 513f.
 Malay preference in, 182, 514f.
 over-development of, 156f., 475
- Civil Service (*continued*)
 in Netherlands Indies
 native share in, 426f., 432ff.
 racial dualism of, 420ff., 424f., 432f.
- Clarke, Sir Andrew, 113, 117ff.
 Clementi, Sir Cecil, 155, 166, 174, 175, 210, chap. vii, passim, 505, 508, 515
 Clifford, Sir Hugh, 132f., 134, 134, 170, 173ff., 227, 227, 273, 313, 326, 495
 Coconut industry, in Malaya, 183, 184, 186, 248, 271
 Cocos-Keeling Islands, 21, 269
 Coffee industry
 in Malaya, 36
 in Netherlands Indies, 44, 106
 Colenbrander, H. T., 66, 69, 90, 108, 398, 401
 Colijn, H., 109 (editor), 294
 Colonial administration
 capitalist development and, 6f., 399ff., 406f., 419, 421, 426, 459f., 461, 468ff., 485f.
 social services and, 475
 dualism of functions of, 468ff.
 home authorities and, 474. *See also* Colonial Office, British; States-General, Netherlands
 in Malaysia, free hand for Chinese under, 29, 472f.
 memoir on, by Duke of Wellington, 74
 official majority and, 280ff., 291ff., 295
 rationalism and, 69ff.
See also Civil Service; Colonial policy; Direct rule; Imperialism; Indirect rule
 Colonial Development Fund, 265, 267
 Colonial Office, British, 114ff., 124ff., 129, 141, 165, 202, 211, 257ff., 275, 276, 288, 291f., 306ff., 324, 348
 Colonial policy
 attitude of British Labor Government on, 290f.
 backward peoples and, 2ff.
 collectivism, need for, 486, 492ff.
 direct and indirect rule and, 2ff., 132f., 386ff., 397
 factors in choice between, 6ff., 57, 388ff., 426f., 518
 effect of French Revolution on, 68ff.
 nature of, in Netherlands Indies, 409ff.

- Colonial policy (*continued*)
 transition forms of government and, 291ff.
See also Colonial administration; Direct rule; Imperialism; Indirect rule
 Colonial Secretary, S.S., 273f.
 Communal representation, 296f.
 Communism, 283, 312, 505, 506
 Conference of Associations, F.M.S., 332ff.
 Conference of Rulers, F.M.S., 141ff.
See also Durbars
 Copra industry, in Malaya, 216f., 268
 Crawford, John, 98
 Crown Colony government, in Straits Settlements, 269, 273ff.
 Culture System, 43, 91, 103ff., 106f., 384, 399ff., 416, 420, 473
 Cunliffe-Lister, Sir Philip, 339f., 374ff.
 Customs duties
 in Malay States, 190, 237, 244, 304, 306, 359, 361ff., 374f.
 in Straits Settlements, 303f., 366ff.
 Customs Union, Malaya, 190, 304, 315f., 323f., 344f., 347, 358ff.
 advantages of, 372f.
 committees on, 359ff.
 opposition to
 in Malay States, 361ff.
 in Straits Settlements, 359ff.
- Daendels, H. M., 69ff., 88
 Davidson, J. G., 121
 Day, Clive, 104, 105, 412
 Decentralization Committee, F.M.S., 159ff.
 Defense contributions, Malaya, 153, 234, 288, 300, 305ff.
 De Kat Angelino, A.D.A., 55, 68, 104, 107, 413
 De Klerck, E. S., 90, 379, 381
 Dindings, 99, 120, 269
 retrocession of, to Perak, 373ff.
 Direct rule, 3, 132, 389
 in Netherlands Indies, 43, 108, 395ff., 412f., 416ff., 428ff., 439f., 441f.
 initiation of, by Daendels and Raffles, 69ff., 107f.
 District Officers, F.M.S., changes in position of, 158f.
 Donoughmore Report, 292f., 296
 Drake, Sir Francis, 68
 Dru, Leon, 225
- Duff Development Company, 227f., 252f., 255ff.
 Durbars, F.M.S., 170
 at Pekan, 319
 at Sri Menanti, 314ff., 318f., 328, 340, 343, 358
 Malayan Union and, 238, 348
 Dutch East India Company, 4f., 67ff., 394, 468
 abolition of, 68f.
 indirect rule technique of, 67, 413, 416
 political abstention policy of, 64f., 67, 378
- Education services
 in Malaya, 277f., 299, 301, 302f., 305f., 310, 316, 475, 516f.
 in Netherlands Indies, 405ff., 475, 516
 Egerton, H. E., 78, 83, 84, 87
 Ethical Policy, 44f., 106, 396, 399ff., 406, 416, 421, 426
 Eu Tong Sen, 150
 Eurasians
 in Malaya
 economic rôle of, 492
 political rôle of, 129, 182, 278, 282, 284, 514
 in Netherlands Indies
 economic rôle of, 491f.
- Europeans
 in Malaya
 demographic strength and distribution of, 20, 195, 250
 economic rôle of, 30, 37, 182ff., 193, 213f., 249f., 270ff., 471f., 485ff., 487ff.
 political rôle of, 30, 182, 208f., 249, 272f., 278
 Malayan Union and, 320ff., 327f., 338f.
 standard of living of, 192f., 487ff., 516
 in Netherlands Indies
 demographic strength and distribution of, 56, 402f.
 economic rôle of, 50ff., 477, 481ff., 491
 standard of living of, 487ff., 516
 Executive Council, S.S., 274f., 277, 299
 Extraterritoriality, 55, 419, 439, 447f., 453ff., 463f., 502
- Federal Council, F.M.S., 145ff., 163ff., 166ff., 178ff., 318

Federal Council, F.M.S. (*continued*)
 Agreement for Reconstitution of (1927), 171f., 179
 associations as electoral panel for, 168
 committee on reorganization of, 168ff.
 membership of, 148ff., 167ff., 180f.
 Select Committee on, 167f.
 Federal Secretary, F.M.S., 162, 335f.
See also Chief Secretary, F.M.S.; Resident-General, F.M.S.
 Feller, A. H., 57, 58
 Ferry, Jules, 58, 379
 Fiddes, Sir George V., 273
 Field, F. V., editor, 48
 Filet, P. W., 108
 Finance
 in Malaya, 129f., 152, 155f., 167, 177, 185ff., 196f., 216, 218ff., 243ff., 248, 265f., 300ff., 313, 329
 committee on, in F.M.S., 328ff.
 in Netherlands Indies, 48f., 392f., 403, 457f.
 contributions from Dutch treasury and, 401
 contributions to Dutch treasury and, 104, 399ff.
 Fishing industry, in Malaya, 268, 271f.
 Foreign Asiatics, in Netherlands Indies, 419, 454
 demographic strength and distribution of, 56, 402f.
 Forlong, Captain J. G., 225
 France, British relations with, in Siam, 221, 223, 224ff.
 Fraser, Captain Alexander, 225
 Frost, Meadows, 157
 Fullerton, Robert, 97, 100
 Gambier industry, in Malaya, 213, 214, 216
 General Advisers, Johore, *see* Advisers, U.M.S.
 Gibson, W. S., *see* Maxwell, W. G., and
 and
 Gonggrijp, G., 398
 Government-State, Netherlands Indies, 440ff.
 Governor, S.S., powers of, 25, 136f., 141, 194, 273f., 276ff., 290
 See also High Commissioner, Malay States
 Graham, Walter A., 228, 253f., 253ff.
 Great Britain
 alternatives for, in Malay States, 132f.

Great Britain (*continued*)
 Dutch relations with, in Malaysia, 67ff., 112f., 379ff., 394
 French relations with, in Siam, 221, 223, 224ff.
 occupation of Dutch colonies by, 77, 78ff.
 policy of, in Malay States, 113ff., 131ff.
 reversal of non-intervention policy in, 117ff.
 provisions of Johore Constitution in regard to, 204
 Siamese relations with, 97ff., 220ff.
 treaties in regard to, 98ff., 230ff.
 Grist, D. H., 38, 184, 218, 243, 267
 Guillemard, Sir Lawrence, 153ff., 173, 312, 325, 330, 334

Haga, B. J., 428, 433
 Hardinge, Sir Arthur, 127
 Hart, G. C., 241
 Hastings, Marquess of, 81
 Health services, in Malaya, 278, 301, 303, 305f., 310, 316, 328, 340, 346
 Hearn, Lafcadio, 519f.
 Hélène, Maxime, 225
 Hershey, A. S., 68
 High Commissioner, Malay States, 25, 136f., 141, 145ff., 150ff., 158, 159, 162, 163, 164f., 180, 194, 333, 335ff., 339, 355f.
 Hilton Young Report, 292, 324
 Hinduism, 14, 394, 444, 480
 Hinton, W. J., 27
 Holland, W. L., editor, 38, 48
 Holleman, J. E., 435
 Humanitarianism, 5f., 104, 399, 405f., 426, 468ff.
 Husain, Tunku, 83, 95f.

Ibrahim, Sultan, 202
 Ibrahim, Temenggong, 95, 199
 Idenburg, A. W. F., 389, 398
 Immigration
 in Malaya, 16f., 27f., 186, 214f., 313
 Chinese, 26ff., 31, 214
 Indian, 31ff.
 Indonesian, 16, 214
 racial problem and, 501
 restriction of, 511ff.
 in Netherlands Indies
 Chinese, 27, 45, 47
 Imperial Preference
 in Malaya, 42, 190, 237, 304, 316, 358ff., 366ff.
 Customs Union and, 363, 372f.

Imperial Preference
 in Malaya (*continued*)
 effect of, on Anglo-Malayan trade, 371f.
 initiation of, 366f.
 quota system and, 368ff.
 in Netherlands Indies, 49
 Imperialism
 as barrier to native advance, 132, 483ff., 494ff.
 capitalist development and, 6, 44f., 88, 378, 399ff., 468ff.
 change in character of, in nineteenth century, 65f., 398ff., 481
 characteristics of capitalism under, 29f.
 Chinese attacks on, 507f.
 critique of, 466ff., 519ff.
 Dutch liberals and, 399ff., 406
 early modern, 4, 64f., 481
 effects of, in Malaysia, 480ff., 519ff.
 expansive tendency of, 67, 116f., 378f., 470f.
 hesitancy of capitalist enterprise and, 27, 471
 imitation factor in, 112
 laissez-faire and, 88f., 115f., 384f.
 mission civilisatrice of, 1, 481 f.
 national rivalry and, 4, 67f., 88, 112f.
 native movement to independence and, 483ff., 493ff.
 Raffles' concept of, 81, 86f.
 India, 61, 62, 64, 65, 67, 293, 296, 378
 Government of
 Malayan labor import and, 32f., 130, 317, 350
 non-intervention policy of, in Malaya, 94f., 113f.
 Indians
 in Malaya
 composition of community of, 31, 34
 demographic strength and distribution of, 20ff., 182, 195, 242, 251, 270
 economic rôle of, 31ff., 37f., 41, 182ff., 193, 215, 249f., 270ff., 478, 498, 501
 education and, 517
 indirect rule and, 502
 Malayan Union and, 338f.
 political rôle of, 129, 168, 182, 212, 278, 282, 297, 496
 Indirect rule
 as barrier to nationalism, 16f., 518
 as barrier to political development, 174f., 495, 518ff.

Indirect rule (*continued*)
 as moral cloak for imperialism, 8, 495f.
 basic principle of, 7
 economy of, 6f., 57, 388ff., 426, 518
 in Malay States, 24f., 54, 57ff., 131ff., 198ff., 208ff., 235ff., 248ff., 251f., 351ff., 375f.
 F.M.S. and U.M.S. contrasted, 24ff., 248ff., 351ff.
 inapplicability of, 501ff.
 in Netherlands Indies, 54ff., 61f., 71, 412ff., 425ff.
 comparison of, with British system, 412, 416, 418, 424, 437f., 447ff., 463, 466
 foundation of Dutch colonial policy in, 54, 71
 in directly ruled Dutch territory, 54f., 397, 415ff., 428
 Java War and, 108
 judicial system and, 414f.
 Japan and, 8
 native institutions and, 140f., 176, 248ff., 498f.
 official psychology and, 236, 251f., 353f., 391f., 430, 436ff., 442
 racial problems under, 338f.
 rôle of native rulers under, 140ff., 174f., 209ff., 235f., 496f.
 submergence and revival of, 6ff.
 transitional character of, 415
 Indo-Europeans, *see* Eurasians
 Indonesians
 in Malaya
 demographic strength and distribution of, 195, 215
 economic rôle of, 41
 in Netherlands Indies
 demographic strength and distribution of, 43, 56
 economic rôle of, 486, 491
 International Tin Committee, *see* Tin Restriction
 Iron industry, in Malaya, 217, 268
 Japan, 482f., 507, 519f.
 Dutch protective tariffs and, 49
 Kra Canal project and, 224f., 231f.
 Malayan quota system and, 368ff., 372
 relations of, with Siam, 231f.
 Japanese, in Malaya, 217, 268
 Java, 44f., 67, 91, 384, 398, 425f., 462, 486, 488
 British occupation of, 78ff.
 Culture System in, 44, 103ff., 109f.
 population of, 43f., 419f.

Java

- population of (*continued*)
 - increase in, 44, 402f.
 - racial distribution of, 56
 - principalities in, *see* Javanese principalities
 - regencies in, *see* Regencies
- Java War, 103, 108, 384
- Javanese, 45, 214, 423f.
 - effect of Culture System on, 104f.
 - migration of, to Outer Islands, 45, 47
- Javanese principalities, 107ff., 390, 458, 460ff.
- Jervois, Sir William, 124ff., 133, 138, 199
- Jogjakarta, 70, 107f., 460f.
- Johore, 24, 114, 115, 135, 194ff., 323, 327, 424, 498, 499
 - administrative personnel in, 211f.
 - agricultural character of, 217f.
 - British negotiations with, for cession of Singapore, 82f.
 - Treaty of 1824 and, 95
 - British treaties of protection with, 24, 200ff.
 - Constitution of, 202ff.
 - Council of Ministers in, 204, 212
 - Council of State in, *see* State Councils, U.M.S.
 - disputed succession to throne in, 95ff., 198ff.
 - Dutch alliance with, 67, 83
 - economic development of, 213f.
 - Executive Council in, 205, 208, 212f.
 - judiciary in, 213, 332
 - legislative process in, 212f.
 - opposition in,
 - to Customs Union, 347, 362f.
 - to Malayan Union, 345ff.
 - political structure of, 204ff.
 - population of, 214f., 501f.
 - increase in, 214
 - occupational distribution of, 217
 - racial distribution of, 22, 195f.
 - on rubber estates, 215
 - urban percentage of, 250
 - rulers of
 - character of, 198f.
 - position of, 210f.
 - status of, 201f., 206ff., 345
- Johore Bahru, 202, 206

Kangar, 247

Karangasem, Church and State in, 444ff.

Kedah, 24, 135, 194ff., 220ff., 235ff., 326, 498

Kedah (*continued*) *

- administrative personnel of, 238ff.
- Anglo-Siamese Treaty (1826) in
 - regard to, 99f., 221, 222, 232
- British agreement with (1923), 233, 234f., 237, 345
- effect of betrayal of, on British position in Malaya, 75ff.
- judiciary in, 240, 332
- legislative process in, 242
- Malay character of, 346
- negotiations of, with British East India Company, 72ff.
- opposition in
 - to Customs Union, 362f.
 - to Malayan Union, 345ff.
- population of, 501f.
 - increase in, 214
 - racial distribution of, 22, 195f., 242
 - on rubber estates, 215
 - urban percentage of, 250
 - rulers of, 235f.
- Siamese intervention in, 75f., 229f.
- status of, 232ff., 237f.
- transfer of, to British protection, 24, 230ff.
- Keith, A. B., 58, 59, 60
- Kelantan, 24, 135, 153, 194ff., 220ff., 235, 248ff., 353, 501
 - administrative personnel in, 262f.
 - Anglo-Siamese Treaty (1826) in regard to, 98
 - British agreement (1910) with, 233f., 259
 - British intervention in, 221, 227
 - Duff Development Company and, 227f., 252f., 255f.
 - government of, under Siamese protection, 253ff.
 - judiciary in, 261, 264f., 332
 - population of, 250
 - racial distribution of, 22, 195f.
 - on rubber estates, 215
 - urban percentage of, 250
 - Siamese intervention in, 100, 221ff., 228f.
 - sovereign status of ruler of, 259f.
 - status of, 232ff.
 - transfer of, to British protection, 24, 228, 230ff., 255f.
- Kemp, Lowther, 343
- Kenya, colonial administration in, 275, 279, 280, 291
- Kielstra, E. B., 69, 108, 109, 379, 381, 383, 386, 396, 396

Kimberley, Lord, 114ff., 123

Kleintjes, P. H., 412, 463

Kota Bahru, 249f.

Kra, Isthmus of, project for canal through, 224ff., 231f., 376

Krom, N. J., 109

Kuala Kangsar, 141

Kuala Lumpur, 141, 143, 153, 159, 163, 177, 249f., 296, 318, 352

Kuomintang, 322, 505, 508, 510

Labor

- in Malaya
 - capitalist development and, 25f., 45ff., 130
 - immigration restriction and, 33, 511ff.
 - import of, 26ff., 31ff., 45, 511ff.
 - racial distribution of, on rubber estates, 215
 - in tin industry, 183
 - in Netherlands Indies, 45ff.
- Labor policy
 - imperialist policy and, 469
- in Malaya
 - contract, 32, 46
 - government regulation of, 27, 32f., 476f., 502ff.
 - Controller of Labor and, 33, 317, 350, 502
 - Secretary for Chinese Affairs, 33, 350, 502ff.
- in Netherlands Indies
 - contract, 46f.
 - government regulation of, 46, 476f.

Labuan, 21, 289, 276

Lai Tet Loke, 513

Lancaster, Captain James, 68

Land policy

- in Malaya, 50, 52f., 242f., 477ff.
 - Malay reservations and, 478ff., 498
- in Netherlands Indies, 44, 50ff., 477ff.
 - Agrarian Law of 1870, 50ff., 400
- Larkins, L. B. S., 48
- Larut, 118ff., 121
- Lawrence, Oliver, 33
- Legislative Council, S.S., 276ff.
 - associations as electoral panel for, 278, 286f., 297
 - composition of, 277f.
 - Defense Contribution and, 307ff.
 - effort at reform of, 283f.
 - elective principle and, 296f.
 - function of, 279f.

Legislative Council, S.S., (*continued*)

- official majority in, 277ff., 284, 287ff., 296, 298f., 303f., 307ff., 369f.
- condemnation of, by Select Committee, 285f.
- unofficial membership, proposed reform of, 286f.
- Leith, Sir George, 74
- Leopold II, 469
- Lewis, Harrison, 38
- Lias, Brau de Saint-Pol, 128
- Light, Captain Francis, 72ff., 88, 472
- Lindley, M. F., 69
- Lister, T., 143
- Loftus, Commander A. J., 225
- Lombok, 395f., 441
- Lovat, Lady Alice, 130, 131, 132, 223
- Low, Sir Hugh, 128, 130
- Low, Captain James, 99
- Loze, Th. H. M., 456
- Lugard, Lord Frederick D., 59, 290, 497
- McNair, H. F., 27
- MacPhail, L. R., 343
- Madura, 415, 419f., 425f., 432f., 440
- Makepeace, Walter, editor, 91, 288
- Malacca, 63, 64, 66, 67, 78, 91, 116, 269ff., 296, 494, 500
 - anarchy in vicinity of, 114
 - Customs Union and, 361
 - District Court in, 276
 - Municipal Commission in, 299
 - population of, 21ff., 269f.
 - Resident Councillor in, 274
- Malay States
 - British intervention in, 118ff., 502f.
 - constitutions of, 206
 - dependence of, on Straits ports, 361f.
 - effect of British policy in Kedah on, 75ff., 223
 - geographical factor in development of, 25
 - influence of British settlements on, 116f.
 - purpose of British government in, 356f.
 - status of, compared with colony, 25, 180, 248f., 251, 334, 338, 375f., 494f.
 - compared with Johore, 206ff.
 - variation in governmental systems of, 353ff., 496f.
 - Weld's survey of policy in, 131f.
 - See also* Johore; Kedah; Kelan-

- tan; Malay States, Federated; Malay States, Unfederated; Negri Sembilan; Pahang; Perak; Perlis; Selangor; Trengganu
- Malay States, Federated, 135ff., 424, 471, 478f., 498, 499, 501, 518
- administrative personnel in, 141, 157ff., 160f., 169f.
- over-development of, 157, 475
- centralization of, 136, 139, 142ff., 314f.
- decentralization policy and, 154ff., 159ff., 177, 313ff., 350, 498
- devolution of powers to States in, 316f., 325ff., 336ff., 342f.
- defense contributions of, 153
- federation of, 24, 136ff.
- previous position of, 130ff.
- financial control in, 147, 151f., 158, 160, 163, 166f., 172f., 177, 318, 326f., 339ff., 497f.
- financial retrenchment in, 190ff.
- judicial system in, 330ff.
- legislative power in, 143ff., 147ff., 163, 170f., 318, 325
- loans to Kelantan by, 256f., 261f., 265
- political structure of, 175ff.
- population of, 186, 195ff., 501f.
- increase in, 214
- occupational distribution of, 183
- racial distribution of, 22, 182, 195f., 501f.
- on rubber estates, 185, 215
- urban percentage of, 250
- post-war slump in, 156f.
- pre-war development in, 152f.
- reforms in government of
- by Governor Anderson, 143, 145ff., 172f.
- by Governor Clementi, 313ff., 342f., 350
- by Governor Guillemard, 153ff.
- representation in, 146, 148, 168
- U.M.S. debts to Siam assumed by, 231, 246
- unitary character of, 176ff.
- Malay States, Unfederated, 194ff.
- autonomy of, 24
- government of, compared to F.M.S., 325f.
- international policy and, 355
- judicial system in, 330ff.
- Malay character of, 353
- Mohammedan calendar in, 196, 265
- Malay States (*continued*)
- population of, 195ff.
- racial distribution of, 22, 195
- Malaya
- aborigines of, 12f., 195
- absence of movement toward self-government in, 494ff.
- area of, 11
- as "Nineteenth Province" of China, 506ff.
- British neglect of racial problem in, 500f.
- Census Report*, 1931, on, 12, 13, 20, 21, 28, 183, 214, 215, 283
- climate of, 12
- decentralization of, 135f.
- departments on Malayan basis in, 237, 238, 316f., 333, 340f., 344, 346, 348ff.
- depression in, 155ff., 312ff.
- divergent economic policies in, 360ff.
- east coast, backwardness of, 25
- effect of European intervention in, 15f.
- geographical setting of, 9ff.
- judicial system in, 330ff.
- legislation of, lack of uniformity in, 349f.
- origin of Malay inhabitants of, 14
- population of, 182f., 185, 195f., 214f., 250, 501f.
- racial composition of, 12f., 20ff., 501f.
- correlation of, to methods of administration, 26
- post-war problems of, 155ff., 314ff.
- Postal Board in, project for, 316
- pre-war economic development in, 152f.
- public works in, 156, 244, 305, 308f., 328, 340, 346
- Railway Board in, project for, 316
- topography of, 11f.
- west coast, development of, 25
- See also* Malay States; Straits Settlements
- Malayan Union, 135f., 153ff., 165, 194, 210, 238, 295f., 313ff., 343ff., 350, 471
- attitude of officials on, 321ff., 330, 356ff.
- Clementi's program for, 314ff.
- Federal Secretary and, 335ff.
- Kedah Agreement (1923) and, 237f.
- Malays and, 321f.
- opposition to, 319ff., 343ff.

- Malayan Union (*continued*)
- Straits Settlements and, 295f.
- U.M.S. and, 153ff., 194, 321f.
- Wilson's report on, 324
- Malays, 12ff., 313f., 315, 478, 479
- British definition of, 479
- demographic strength and distribution of, 20ff., 182, 195, 242, 250, 269f.
- economic capacity of, 18f., 487
- economic rôle of, 17ff., 37f., 41, 182ff., 193, 215, 249f., 269f., 486
- education and, 517
- loss of predominance by, 19ff., 499ff.
- Malayan Union and, 321ff.
- nationalism, lack of, 16f.
- origins of, 12f.
- political capacity of, 238f., 322f., 342f., 357f.
- political rôle of, 17, 129, 142, 155, 168, 170, 172ff., 175f., 180ff., 185, 238f., 263, 278, 282, 284, 297, 313f., 354f., 496ff.
- preferential treatment of, 209, 212, 235, 238f., 241, 479f.
- Malaysia
- Anglo-Dutch competition in, 67ff.
- British expansion in, 112ff.
- early history of, 63ff.
- early kingdoms in, 13
- effect of French Revolution in, 68ff.
- Dutch treaties and, 77
- European expansion in, 64ff.
- final division of spheres in, 89ff.
- influence of Raffles in, 87f.
- See also* Malaya; Netherlands Indies
- Malaysians, immigrant, in Malaya, 16, 41, 183, 195, 215, 501f.
- Manganese industry, in Malaya, 268
- Mangkoenegaran, 107, 460
- Manufacturing industry in Malaya, 42
- in Netherlands Indies, 49f.
- Mataram, Empire of, 107, 460
- Maxwell, Sir George, 144, 146, 148, 159ff., 161, 165, 236f., 243, 312, 315, 317, 319, 326, 351f.
- Maxwell, W. G., and Gibson, W. S., editors, 76, 96, 133, 134, 137, 149, 168, 200, 206, 228, 230
- Menado, 384
- Middendorp, W., 15, 400
- Mitchell v. Sultan of Johore*, 201f., 259
- Mills, L. A., 72, 83, 86, 90, 91, 92, 94, 97, 98, 99, 101, 279
- Milner, Lord, 290
- Mining industry, *see* Iron industry; Manganese industry; Tin industry
- Minto, Lord, 78f.
- Mitchell, Sir Charles, 136f., 308f.
- Mohammedan religion, 13f., 66, 480, 498f.
- British agreements as to, 121, 133, 139, 145, 147, 206, 233, 264f.
- Johore Constitution as to, 205f., 212
- Moluccas, 64, 67, 384
- Mossel, G. W., 426
- Muar, 96, 199, 200
- Multatuli (E. D. Dekker), 105f.
- Nachtigal, Dr., 57
- Naning War, 97
- Nationalism, 493, 520
- effect of indirect rule on, 17f., 464f.
- in Malaya, 16f.
- Chinese immigrants and, 509f.
- in Netherlands Indies, 16, 105, 424, 432, 444, 462, 492
- Nationality
- in Malaya, 54, 60f., 297, 509
- in Netherlands Indies, 54f., 61
- Native communities, Netherlands Indies, 70f., 429ff., 434ff.
- creation of intermediate units and, 430ff.
- Native standard of living
- in Malaya, 130, 185f., 193, 220, 272, 306, 311, 489
- in Malaysia, 481ff., 488
- in Netherlands Indies, 44, 404f., 431f., 443f., 458, 461f., 488f.
- Native States, Netherlands Indies, 47, 61f., 107ff.
- conclusions as to, 452ff.
- Dutch policy in, 385ff., 447ff.
- extraterritoriality in, *see* Extraterritoriality
- financial control in, 392f., 448, 452, 456ff., 461
- limited jurisdiction of, 448, 452f., 463f.
- population of, 55f., 454
- possible use of, as intermediate units, 438ff.
- powers reserved to central government in, 452f.
- Regulations in, 450ff.
- Negri Sembilan, 479
- establishment of British protection in, 24, 133

- Negri Semblian (*continued*)
 population of, 22
 revolt in, 126
- Netherlands
 British relations with, in Malaysia, 67ff., 112f., 379ff., 394
 occupation of colonies of, by British, 77
 political abstention policy of, in Outer Islands, 109ff., 398
 reversal of, 43, 398ff.
 sphere of, in Malaysia, 89ff.
- Netherlands Indies
 administrative structure of, 106f., 412ff.
 area of, 11
 centralization of, 106f., 463
 devolution in, 430ff., 434ff., 443
 contrasted with Malaya, 42f.
 Council of Indies in, 106
 creation of intermediate units in, 430ff.
 customary law (*adat*) in, 50, 55, 414f., 430
 depression in, 47f.
 Dutch share of trade in, 49
 economic status of racial elements in, 491f.
 effect of Dutch constitutional revision in, 105
 effective occupation of, 43f., 378ff., 383ff.
 financial control in, 392f., 457f.
 geographical setting of, 11
 judicial system in, 414f., 455f., 461
 neo-mercantilism in, 49f.
 population of, 42ff., 55f., 419f., 454
 racial distribution of, 402f.
 transition to self-government in, 294
 Western investment in, 44f., 47, 471
- Nigeria, indirect rule in, 59, 60f., 326, 497f.
- Nixon, H. E., 289
- Norman, Sir Henry, 128, 222
- Olivier, Lord, 290
- Ong Cheng Neo v. Yeap Cheah Neo and others*, 93
- Opium revenue, in Malaya, 188f., 220, 244f., 300, 303, 305, 340
- Oppenheim, J., 439
- Ord, Sir Harry, 114ff., 119, 120, 121, 222
- Ormsby-Gore, W. G. A., 175, 326
- Outer Islands, 43, 45f., 415, 424ff.
- Outer Islands (*continued*)
 political abstention policy in, 103, 109f.
 reversal of, 379ff., 385ff.
 population of, 55f., 402f.
See also Bali; Borneo; Celebes; Sumatra
- Padmore, George, 487
- Pahang, 24, 117, 177, 182
 establishment of British protection in, 24, 133f.
 population of, 22
Pahang Consolidated Company, Ltd. v. The State of Pahang, 144, 179
- Pakoealaman, 107, 460
- Palm-oil industry, in Malaya, 217
- Pangkor, Island of, 99
- Penang, 91, 269ff., 296, 495, 500
 acquisition of, 21, 72ff., 114
 commercial character of, 23, 269f.
 District Court in, 276
 early history of, 73f.
 memoir on, by Duke of Wellington, 74
 Municipal Commissions in, 299
 population of, 22ff., 74, 270
 Resident Councillor in, 274
- Penang, Settlement of, 24
- Penang Chamber of Commerce, 278, 286f., 297
- Pepper industry, in Malaya, 213
- Perak, 24, 128, 130, 471
 anarchy in, 114
 Anglo-Siamese Treaty (1826) in regard to, 99
 British intervention in, 24, 100, 118ff., 199
 British retrocession to, of Dindings, 373ff.
 dispute with Siam in regard to, 222f.
 population of, 130
 racial distribution of, 22
 on rubber estates, 215
 revolt in, 125f.
 signing of Pangkor Engagement by, 120f.
- Sultans of, 161, 171, 199, 319
- Perlis, 24, 194ff., 220ff., 245ff., 501
 administrative personnel in, 247
 British agreement with (1930), 233, 235, 246, 247
 judicial system in, 246f.
 population of
 racial distribution of, 22, 195f.

- Perlis, (*continued*)
 separation of, from Kedah, 221, 245
 Siamese intervention in, 230, 246
 status of, 232ff., 246
 transfer of, to British protection, 24, 230ff., 246
- Philippine Islands, 293f.
- Pickering, W. A., 120, 502, 503
- Pineapple industry, in Malaya, 217
- Planters' Association of Malaya, 164, 333
- Portuguese, 63ff., 116
- Protected States, 58ff., 514
 British model treaty with, 120ff., 389, 448f.
 compared with Siamese, 229
 Dutch model treaty with, 387ff., 449f.
- Protectorates, 57ff., 201ff.
- Province Wellesley, 269
 British acquisition of, 24, 75
- Raffles, Lady Sophia, 79
- Raffles, Sir Thomas Stamford, 43, 69ff., 76, 365, 369, 380, 472, 487
 acquisition of Singapore by, 82f.
 career of, 77f.
 concept of empire of, 86f.
 expedition against Java and, 78f.
 liberalism of, 86
 policy of direct rule of, 69ff.
 program for Singapore of, 84f.
 project of, for port in Malaysia, 81f.
 views of, on Javanese principalities, 107f.
- Read, W. H., 97
- Reid, T. H., *see* Wright, A., and
- Regencies, Netherlands Indies, 415ff., 432f., 440
 compared with Dutch native States, 416ff., 439
 Councils in, 416, 423, 432
- Regents, Netherlands Indies, 395f., 397, 416ff., 420ff.
- Rembau, British intervention in, 100
- Residential system
 in Malay States
 as compared to Advisership system, 351ff.
 decentralization and, 159ff.
 diverse interpretations of, 123ff., 132f.
 establishment of Resident-General and, 136ff.
 federation and, 137f.
 in U.M.S., 200ff., 206ff., 232ff.
- Residential system, in Malay States,
 project for, 118
 provision for, in Pangkor Engagement, 121
 theory and practice of, 123ff., 137ff., 178ff., 437f.
- Resident-General, F.M.S., 136ff., 146ff., 172
 reduction in status of, 150ff., 162
See also Chief Secretary, F.M.S.; Federal Secretary, F.M.S.
- Residents
 in Malay States, 121ff., 143, 148, 169, 170f., 173, 314, 329, 335f., 337, 339, 348, 351ff., 496
See also Advisers, U.M.S.
 in Netherlands Indies, 106, 395, 420, 436ff., 441f.
- Restitutio-post*, 393, 457
- Retrenchment Commission (1923), F.M.S., 157ff.
- Rice industry, in Malaya, 41f., 156, 183, 184, 186, 217, 243, 247, 267, 271, 346
- Riouw, 81, 82
- Robson, J. H. M., 163, 343
- Rochussen, J. J., 110
- Ronan, W. J., 231
- Roskott, B. F., 433
- Rothe, C. G. H., 48
- Rowe, J. W. F., 38
- Royal Instructions*, *see* Governor, S.S.
- Rubber industry
 in Malaya, 35ff., 41f., 152, 156, 183ff., 186f., 189, 213ff., 242ff., 247f., 267f., 271, 312, 327, 364, 469
 small-holders in, 37ff., 476, 492
 in Netherlands Indies, 44
 small-holders in, 40, 476, 492
- Rubber restriction, 39ff., 237, 476
- International Rubber Regulation (1934) and, 39
- Stevenson plan for, 39, 312
- Rulers
 in Malay States, 124ff., 136ff., 139ff., 155, 159ff., 166ff., 169ff., 178ff., 198ff., 209ff., 235f., 329, 335f., 337f., 344f., 346ff., 489f., 495f.
 in Netherlands Indies, 70f., 383, 391ff., 397, 417ff., 452, 459f., 463f.
- St. Francis Xavier, 66
- Schrieke, B., editor, 15
- Schrieke, J. J., 424, 428
- Secretariat for Chinese Affairs, Malaya, 33, 278, 328, 502ff.

- Secretary to High Commissioner, U.M.S., 162, 274, 318, 355
- Selangor, 24, 128, 471, 479
 anarchy in, 114
 establishment of British protection in, 24, 121ff.
 population of, 214f.
 racial distribution of, 22
 on rubber estates, 215
 Sultan of, 117, 122
- Shipping industry, in Straits Settlements, 41, 270, 369
- Short Declaration, 387ff., 417, 439, 441, 448f., 458, 461
- Siam, 114, 117, 135, 188, 194, 471
 abolition of British consular jurisdiction in, 232
 Anglo-French controversy in regard to, 221, 223, 224ff.
 British relations with, 97ff., 220ff.
 British treaties with, 24, 98f., 230ff.
 Duff Development Company and, 253
 relations of, with Kedah, 72ff.
 Singapore, 71, 72, 91, 153, 202, 213, 214, 269ff., 296, 318, 500
 acquisition of, 21, 82ff., 114
 Colonial Secretary in, 274
 commercial character of, 23, 270
 District Courts in, 276
 early administrative costs in, 84
 Municipal Commission in, 299
 population of, 22f., 270
 Raffles' administrative program for, 84ff.
 rôle of Chinese in, 84
 Singapore Chamber of Commerce, 115, 278, 286f., 297, 309, 368ff.
 Singapore Island, 24, 83f.
 Singapore Naval Base, 24, 187, 198, 209, 220, 310, 495
 Sinhalese, in Malaya, 34, 129
S. K. Pillai v. State of Kedah, 240
 Skeat, W. W., 13
 Small-holdings, 37ff., 183ff., 250f., 271, 476, 486, 492
 Smith, Adam, 468
 Smith, M. Paske, editor, 88
 Snouck Hurgronje, C., 382, 383ff., 398, 421, 439
 Soerakarta, 70, 107f., 460f.
 Song Ong Siang, 91
 Sovereignty of native States
 in Malaya, 40f., 54ff., 201f., 222, 227ff., 232ff., 258ff., 447f.
 in Netherlands Indies, 54ff., 416f., 447, 453
- Soviet Union, 519
- Speed, Sir Edwin Amery, 257
- Spice industry, in Malaya, 94
- Staley, Eugene, 471
- State Councils, Malay States, 129
 in F.M.S., 142ff., 159f., 162, 165, 172f., 178ff., 318f., 325, 329
 reconstruction of, 341ff.
 in U.M.S., 204f., 208, 213, 230, 235, 240ff., 246, 263f., 341, 346
- States-General, Netherlands, powers of, 105, 106, 399
- Stedehouder*, see Regents, Netherlands Indies
- Stevenson plan, see Rubber restriction
- Stibbe, D. J., editor, 109
- Straits Chinese British Association, 297
- Straits Settlements, 269ff., 471, 472, 494f., 513
 Advisory Boards in, 299
 bills of supply in, 277
 changes in administration of, 92
 composition of, 21
 financial control in, 298f., 311
 government in, 272ff., 294ff.
 objectives of, 306
 judiciary in, 84, 92ff., 275f.
 loans to Kelantan and Trengganu by, 261f., 265
 local government in, 299, 494
 Malayan Union and, 295f., 471
 Municipal Commissions in, 299
 opposition in, to Customs Union, 359ff.
 police service in, 301f., 305
 political representation of races in, compared to numerical strength, 278f.
 population of, 22
 increase in, 214
 occupational distribution of races in, 270ff.
 racial distribution of, 22, 278f.
 racial heterogeneity of, 272f., 281, 284f., 290f., 295
 rise in percentage of local-born in, 289, 295
 retrenchment in, 300ff.
 standard of living in, 272
 transfer of, to Colonial Office, 91, 101f., 307f.
 Straits Settlements Association, 283, 297, 308
 Suez Canal, 225, 307, 380f., 400

- Sugar industry
 in Malaya, 36, 94
 in Netherlands Indies, 44, 461, 469, 486
- Sumatra, 68, 109, 110, 112, 383f., 428, 434, 437
- Achinese War in, 43, 379ff.
- East Coast of, 112f., 419, 462, 471, 477, 518
- Cultuurraad* in, 459
 population of States in, 458
 repatriation of labor from, 47
 similarity of, to Malaya, 47, 458ff.
 economic development of, 46f.
 extension of Dutch control in, 111, 379ff.
- Sungei Ujong, 128
 British intervention in, 100, 123
- Swettenham, Sir Frank, 72, 76, 76, 97, 113, 119, 122, 126, 133, 134, 137ff., 138, 141f., 142, 148, 152, 164, 168, 176, 273, 324
- Ta Chen, 27
- Tan Cheng Lock, 323, 343, 510, 513
- Tapioca industry
 in Malaya, 243
 in Netherlands Indies, 44
- Tea restriction, in Netherlands Indies, 49
- Terrell, A. K. & B., 331, 349
- Third International, 505
- Thomas, Sir Shenton, 175, 334f., 515
- Tin, in Malaya
 deposits of, 11f.
 export duty on, 366
- Tin industry
 in Malaya, 35f., 41f., 118, 152, 156, 183, 185ff., 189, 214ff., 248, 268, 312, 327, 364, 469, 472, 492
 in Netherlands Indies
 government participation in, 473
- Tin restriction, 36, 237
- Tin-smelting, in Malaya, 36
- Toynbee, Arnold J., 506f.
- Trade
 in Malaya, 94, 129f., 152, 156, 186ff., 196f., 216f., 243, 248, 266, 268, 360ff.
 dependence of, on United States, 186, 312f., 364f.
 in Straits Settlements, 94, 269f.
 entrepôt trade in, 360f., 365, 369
 free trade principle in, 84ff., 315f., 319, 344, 365, 369, 372
- Trade, in Malaya (*continued*)
 Trade Commission survey on (1933), 372
 with Great Britain, 364ff.
 Imperial Preference and, 370f.
 with Japan, 368ff., 371, 372
 with Netherlands Indies, 365, 371
 with Siam, 371
 in Netherlands Indies, 47ff., 403f.
- Transportation
 in Malaya, 154, 156, 187f., 214, 235, 267
 in Malaysia
 accidental benefits of, to natives, 485
- Treacher, Sir W. H., 138f.
- Treaty of
 1824 (Anglo-Dutch), 83, 89ff., 379f.
 1824 (Great Britain-Johore), 83, 95
 1826 (Anglo-Siamese), 98ff., 221f., 232
 1871 (Anglo-Dutch), 90, 111, 112, 379ff.
 Pangkor (1874), 120f., 139, 143, 374
 1885 (Great Britain-Johore), 200ff.
 Federation (1895), 24, 136ff.
 1897 (Anglo-Siamese), 231
 1909 (Anglo-Siamese), 230ff.
 1914 (Great Britain-Johore), 201, 206ff., 211
 1925 (Anglo-Siamese), 231
- Trengganu
 administrative personnel in, 262f.
 Anglo-Siamese Treaty (1826) in regard to, 98
 British agreements with (1910, 1919), 233f.
 British intervention in, 221, 227
 government of, under Siamese protection, 255
 judicial system in, 264f., 332
 population of
 racial distribution of, 22, 195f.
 on rubber estates, 215
 urban percentage of, 250
 Siamese intervention in, 100, 221ff., 228f.
 status of, 232ff.
 transfer of, to British protection, 24, 228, 230ff., 255
 uprising in, 266f.
- Tshekedi Khama v. Ratshosa*, 60
- Van Asbeck, Baron F. M., 60, 417
- Van den Bosch, J., 103f., 109f.
- Vandenbosch, Amry, 42, 60, 106, 294, 404, 412

- Van der Kemp, P. H., 80
 Van Deventer, C. Th., 400f.
 Van Deventer, M. L., 79, 108
 Van Helsdingen, W. H., 294
 Van Heutsz, General J. B., 383ff., 390,
 394, 396, 398, 407
 Van Lansberge, J. W., 385
 Van Roes, Otto, 384
 Van Vollenhoven, C., 50, 414, 417, 428,
 430, 433, 437, 439, 440, 461
 Verbeek, W., 390, 463
 Vetch, R. H., 113, 125, 126
 Victoria, Queen
 Abu Bakar and, 199f., 202
 Proclamation (1858) of, 513f.
 Visman, F. H., 417, 433, 439, 440, 468
 Volksraad, 168, 294, 414, 423, 432, 437,
 439, 450

 Wedgewood, Colonel Josiah, 339
 Weld, Sir Frederick, 131ff., 222ff., 496
 Wellington, Duke of, 74
 West Indies, colonial administration
 in, 291

 Westernization
 in Malaya, 135, 173, 424
 Malay need of, for survival, 499
 in Malaysia, 481ff.
 in Netherlands Indies, 406f., 416,
 463f., 481ff.
 traditional authority and, 422ff.,
 434f., 444ff.
 indirect rule as barrier to, 439
 Wilhelm II, 57
 Wilkinson, R. J., 18, 118, 120, 125, 130
 Williamson, W. J. F., 230
 Wilson, Sir Samuel, 139, 152, 171, 175,
 210, 237, 277, 278, 324, 327, 329f.,
 332ff., 336, 340, 345, 346, 347, 362,
 363, 495, 511, 513
 Winstedt, Sir Richard O., 13, 20, 67,
 75, 83, 84, 89, 97, 114, 118, 120,
 121, 126, 128, 136, 139, 202
 Wood, Hon. E. F. L., 291
 Wright, A., and Reid, T. H., 72, 73,
 226, 253, 343

 Zimmerman, A., 58

