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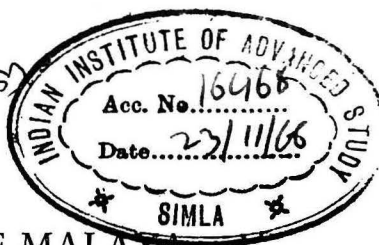


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THE FEDERATION OF MALAYA

By Mr. W. S. C. LEECH

Report of an address to the Royal Central Asian Society at the Royal Society's Hall, Burlington House, Piccadilly, W.1, on Wednesday, November 16, 1960. General Sir Richard Gale, G.C.B., K.B.E., D.S.O., M.C., was in the chair.

The CHAIRMAN: Ladies and gentlemen, it gives me great pleasure this afternoon to introduce Mr. Leech, who, as you know, is going to talk to us on the subject of Malaya. He spent some twenty-eight years in Malaya and Singapore and he was the Eastern Chairman of Boustead and Company for several years. I believe he was also Honorary Diocesan Treasurer at Singapore. Like so many others, he was interned by the Japanese during the war.

Since the war he has returned to England. He has been President of the Malayan Commercial Association for two years and, I believe, also President of the British Association of Malaya for a year.

He has visited Malaya as recently as January and February of this year, and I think the Society can congratulate itself on having him to talk to us today. Particularly is this so, as this week is, I think, the beginning of the City of London Commonwealth Weeks.

With these few words, ladies and gentlemen, I will ask Mr. Leech to speak to us.

I FELT extremely honoured when I was invited to be your guest this afternoon and was highly gratified when it was suggested that the subject of my remarks to you should be "The Federation of Malaya," in which delightful country and amongst whose charming and friendly people I have been privileged to live, work and play for twenty-eight years. Although I retired from residence in the Peninsula six years ago, I spent two months in the country early this year, to renew old friendships and acquaintanceships and to inform myself at first hand of the tremendous political, social and commercial changes that have occurred there since 1954. I was fortunate in being able to visit five of the units comprising the Federation and to talk with all sections of society from Ministers of State to small-scale padi farmers. What I saw and heard was good, encouraging and rewarding.

With your tolerance, I should like to refer for a few moments to the map to refresh memories, because an understanding of the geographical features, position and political and administrative divisions of the country will facilitate an appreciation of its emancipation and of its commercial and industrial potential.

Malaya, which is a beautiful country, lies in what is a commercial and military strategic position in south-east Asia on the main sea route from the West to the Far East, to which it is, in fact, the gateway. It is bordered on the north by the Kingdom of Thailand and on the south by the State of Singapore, which is not, either politically or administratively, a part of the Federation of Malaya, to which, however, it is joined by a causeway carrying a main road and railway and to which it is closely related commercially. To the west are the Straits of Malacca—the main seaway between the West and the East—which generally are sultry and humid and

the shores of which are, in great part, muddy and swampy, although they contain the excellent deep water ports of Penang and Port Swettenham and the minor ports of Malacca and Port Dickson, in addition to a large number of small ports suitable only for coastal shipping. To the east is the fresh South China Sea and countless miles of golden sandy beaches that are a constant delight to those who appreciate the beauty of nature unspoilt by man. There are no deep water ports on the east coast, although there are reasonable facilities for coastal shipping at Kuantan and Kuala Trengganu. Nonetheless, very large quantities of iron ore are shipped annually in ocean-going vessels lying a few miles off shore at Dungun and Tumpat.

Immediately behind each coast there are substantial fertile flats that are devoted to agriculture; padi and coconuts being the main crops of the coastal plains, behind which lie undulating country and the foothills to the main mountain range. It is largely in these areas that rubber is grown on a vast commercial scale and where tin is won from the ground and the river bottoms. It is but rarely that tin is mined in the sense that we regard mining in this country, in that the ore is usually recovered through the medium of huge dredges operating on the rivers and on ground that has been flooded for the purpose. There are, of course, exceptions, more particularly in the State of Pahang where the Pahang Consolidated Mines mine the ore out from the ground.

Down the centre of the country and forming its backbone are the jungle-covered mountains, rising to some 6,000 ft.

Malaya is a warm, moist, evergreen country of massive mountains, delightful valleys, broad rivers and coastal plains, in which abundant rainfall and a very great deal of sunshine produces a warm—(average temperature in the 80's)—and a humid climate. Such a country and climate induces a happy and comparatively carefree and contented nature in its peoples, especially in the Malays and the Nomadic Aborigines, the latter living in the main in the jungle-clad lower slopes of the mountains. Some of the aboriginal tribes still disdain the use of clothes, and are probably all the better for that, and, in the main, find sustenance from the vegetable, animal and bird life of the jungles in which they live, relying in small measure only upon cultivated crops. Efforts have been made and doubtless are still being made to bring to these people some of the modern facilities of living; but one may be permitted to doubt if that will do much to increase the human happiness of the aborigines. To them almost alone are known the secrets of the Malayan jungles, which cover three-quarters of the country, and great parts of which have yet to be the subject of thorough geological and agricultural survey. The natural wealth that may be hidden and stored up in the jungle mountains is a fascinating speculation, but probably of no interest to their aboriginal inhabitants, although maybe providing immense scope for commercial development.

The peoples of the villages and plains are friendly, happy and courteous folk, who have made great strides socially in the last three decades. The northern States only came under direct Western influence in 1910 and even when I first went to Malaya in 1926, it was almost unknown for a Malay girl to go to school—now it is unusual for her not to do so.

The people of the cities and towns, like those of most other great centres of population, are sophisticated and astute, embracing the full social range from the millionaire business tycoon, through the university-educated professional classes to the artisan, the small shopkeeper and the labourer. Lest there should be any misconception, I should say that the millionaires and the very rich are not the Europeans, most of whom are middle-class people having middle-class incomes. The real commercial wealth lies almost exclusively in the hands of the Chinese.

You were last addressed upon the subject of "Malaya" by my friend, Mr. W. C. S. Corry, C.B.E., in October, 1955, since when much water has flowed under the bridges, carrying with it Malaya, from the dependent category of a British Protected Territory to full, equal and freely independent membership of the British Commonwealth of Nations. In considering that tremendous and historic advance, we should perhaps look back a little, as well as taking note of the present, in an endeavour to assess the immediate future.

There is a quite frequent misconception in this country, and more particularly in other countries, whose Governments never tire of proclaiming what they allege are the evils of colonialism, about the Malay States, which have never been colonies of the British Crown. The small settlements of Penang, Province Wellesley and Malacca were indeed colonies and, together with the colony of Singapore, were known as the Straits Settlements, but the nine Malay States were sovereign territories under the protection of the United Kingdom by virtue of freely negotiated treaties.

The settlements of Penang, Province Wellesley and Malacca lie on the west coast of the Peninsula, of which they were the first areas to be developed commercially by Europeans, Portuguese, Dutch and British. Penang was the first British Settlement and was founded by Captain Francis Light, who also played a prominent part in the founding of the city of Adelaide in South Australia. He came not as a conqueror but as a trader, and as such purchased the island of Penang from the Sultan of Kedah. In his day, piracy and pillage were popular sports and influenced Light in selecting for his trading post an island that could easily be defended. Later generations of traders confirmed the wisdom of his choice because of Penang's natural inshore deep water facilities, but today, with the disappearance of much of the entrepôt trade upon which the fortunes of the island were founded, it would be better if the port and commercial centre were situated on the mainland opposite. To move across the strait however, and build a major ocean harbour and commercial city at Prai or Butterworth would be an extremely costly undertaking, because of an insufficiency of deep water and of substantial engineering problems set by tides and currents; but it could be and may be done in the future.

The Straits Settlements were administered on the spot by Resident Counsellors working under the direction of a Governor, who resided in Singapore and who was directly responsible to the Secretary of State for the Colonies. The Malay States of Perak, Selangor, Negri Sembilan and Pahang became federated in what were known as the Federated Malay States, but Perlis, Kedah, Kelantan, Trengganu and Johore declined federation and were known as the Unfederated Malay States. All the States,

whether federated or not, were under British protection and, save in matters pertaining to the Moslem religion and to certain Malay customs that remained the responsibilities of the Sultans, were obliged by treaty to accept the advice of the protecting power, which was in effect the policy maker. The internal administration necessary if the protecting power was to fulfil its treaty obligations was the responsibility of successive Secretaries of State for the Colonies, working through the medium of a High Commissioner, who also held the office of Governor of the Straits Settlements, he in his turn working through British Advisers or Resident Councillors in each State. These officers and their associates were found by the Malayan Civil Service and allied technical services, which were second to none and which produced many brilliant and devoted men.

What might be termed the "Protection Period" lasted until 1957, when the Malay States and the Settlements to which I have referred acquired independence as the Federation of Malaya, and immediately sought and obtained full membership of the British Commonwealth of Nations. The Federation is a unique member of that close society of nations in that it is a kingdom comprising a Federation of Kingdoms and having as sovereign a king elected for a period of five years by the sultans of the various states, comprising the Federation, from among their own number; Her Majesty the Queen being recognized as Head of the Commonwealth. In that respect, the Federation of Malaya differs from the other kingdom and, of course, from the Republican members of the Commonwealth, but it has exactly the same responsibilities and enjoys just the same benefits as other members, irrespective of their various and diverse domestic constitutions.

The Federation is a democracy, as indeed are the individual States and the Settlements comprising it, each State and Settlement having its own elected legislature for local business, much on the lines of the Provinces in Canada and the States in Australia. Each State is a kingdom, the sovereign of which is a Sultan, or in the case of Perlis, a Rajah, but the Heads of the Settlements are Governors appointed by the Government of the Federation. Members of the British Commonwealth are represented in the Federation by High Commissioners and their staffs, whilst Ambassadors represent other countries, there being in Kuala Lumpur a sizeable Diplomatic Corps.

There is a tendency to regard the achievement of independence by territories under the jurisdiction in one form or another of the United Kingdom as being something new and a modern advance in political thought and application, but such is not the case, the process in fact being a very old one dating from 1867, when an independent Government was constituted for and in Canada. Indeed, the doctrine of ultimate independence for such countries was formulated in 1813. Thus the achievement of independence by Malaya three years ago was nothing very surprising, although it was quickened by the rapid growth of nationalist feeling following the war, but it was the result of planned development and the consequence of wide general policy that for over 100 years has seen a gradual change from nineteenth-century Empire to twentieth-century Commonwealth. Malaya's advance to Commonwealth membership is to be wel-

came as crowning British and Malayan endeavour in the Peninsula, despite the setback caused by the Japanese occupation of the country between 1942 and 1945.

We may thus say that Malaya's advance to the position it holds today has been normal and has proceeded as intended by Her Majesty's Government in the United Kingdom and by the able and sincere Malayan political leaders, but it has been achieved more smoothly and with far fewer teething troubles than in some other previously dependent territories, and it is perhaps profitable to consider why that was, as it might have been supposed that the very multitude of different peoples having varying religious faiths and cultures and often opposing interests and aspirations within the country would lead to enormous difficulties. Basically, I think it can be said that the highly successful and peaceful manner in which the evolution was completed was due to the long, wise, and sympathetic work of the Malayan Civil Service and technical services which were notable for their loyalty, integrity and ability, and not less to the ability, temperament and fundamental statesmanship of Malays and Malayans. Together they established over a long period a sound and always advancing administration that became highly respected—and rightly so—and that has enabled an enormous development of commerce and industry, which in its turn has made financially possible great social progress. Social services, such for instance as education, health and communications, were built up in the days of "Protection" to a high level, but the present enlightened independent Government working gladly on the rich legacy of the protecting power, is constantly improving and adding to them.

It may be said that independence came to Malaya at the right time in the right way, but that is not to say that the present Government has had no immediate difficulties and problems to solve. It has, and some of them it has resolved already. First among its achievements can perhaps be placed the ending of what for twelve years was known as the "Emergency," which is to say active warfare against armed bands of determined Communists, mostly Chinese, operating against the legally constituted Government and also against individuals of all races living in the country. The history of the "Emergency" is a long story, that can be mentioned here only as being an immediate danger that the new Government could not ignore, even if it wished to, which it did not. In seeking to continue the policy of the old protecting power in ending what amounted to armed political banditry, it had the willing assistance of the armed forces of various component parts of the Commonwealth and Empire. Working in loyalty and co-operation one with another the civil and military authorities finally succeeded at the end of last July in quelling what might be termed the Guerilla Insurrection.

Thus a long and costly military struggle is over, but that is not to say that the fight against Communism is ended and the Government is conscious of the course that must be pursued to counter insidious Communist infiltration in a large number of spheres of civil life. The prosecution of that task is related to another primary objective of the Government, which is endeavouring to create a Malayan national citizenship covering all the races resident in the Peninsula, such citizens to be Malayan not Malay,

Chinese, Indian, Eurasian, European, etc., and having a single undivided loyalty to Malaya. The achievement of that objective, which primarily is political and social, should help to counter Chinese Nationalist Communism which at present threatens the unification of the Malayan people. It is, moreover, a noble exercise in human fellowship that must receive general support.

The population is multi-racial, numbering at the last census in 1957 approximately 6.3 million, of which 47 per cent. were Malay, 38 per cent. Chinese, 12 per cent. Indian and Pakistani and 3 per cent. others, including Europeans. In addition to the Government schools and university teaching in the English language, each race group has had its own schools where the children have been taught in their mother tongues, and each has its own places of religious worship, whether Moslem, Hindu, Buddhist, Christian, etc. This has tended to create narrow and sometimes selfish racial outlooks and often competitive policies and endeavours in political, social and commercial spheres, and there is no doubt that the different racial communities—they were indeed separate communities—had deep-seated and primary loyalties to their various countries of origin, although very large numbers of them were Malayan born. There may have been no very great harm in that during the period of protection, but clearly it is undesirable in a new nation that must of necessity mould all the people into Malayan Nationals, having one predominant loyalty to Malaya, despite their individual and distinct cultures and historic backgrounds. Already, some measure of unity has been achieved. There are, for instance, Malay, Chinese and Indian Ministers in the Government and the different communities live, work and play together in outward amity and complete religious freedom and toleration, each contributing something to the whole and each benefitting in some degree from the others. There is indeed much racial tolerance, but a completely unified outlook in a single national sense is yet to be built on the firm foundations that exist already. In the course of time there may evolve a Malayan race made up by inter-marriage, etc., of the various peoples, and a common language that may be basically Malay, but that may have absorbed into it much of the various languages now spoken in the country. Indeed it could be that the evolution will be comparable to that which has been seen in this country, where over the centuries there has been produced from a multitude of different peoples the present-day Briton and the present English language.

Inevitably the success of the political and social aims of the Government must be influenced in a large measure by the economy, which is at present reliant to a dangerous extent upon the prosperity of the rubber and tin industries. That has caused the Government to direct its attention to the advance of secondary industry and to rural development, both of which demand the investment of more capital and more technical knowledge and skill than is currently available in the country. The political stability that is necessary if foreign capital is to be attracted has been obtained—the “Emergency” is over—the Government party has a huge majority in the legislature and in the country; effective opposition is negligible; violently radical legislation is not contemplated; taxation is relatively low and there are no restrictions upon the movement of capital. As

a further attraction new industries can enjoy a four-year tax holiday under certain conditions. There is room for the employment of capital in manufacturing, in civil engineering works and in rural development, and there is room also for the merchant, for the importer and for the exporter, who is prepared to take the risks that normally are contingent with business overseas, such risks in Malaya being no greater than elsewhere, and probably less great than in many areas.

It must be appreciated, however, that the Government will exercise care lest any one country should tend to secure a position of dominance in the economy. No one country, not excluding the United Kingdom, can expect to acquire any specially privileged position. It must be accepted that capital, skill and experience will be sought in the most economically favourable quarters, having proper regard to political considerations, and that it is desired that new commercial and industrial endeavours shall take the form whenever practicable of partnerships between Malayan and expatriate capital and that Malayan personnel will be well represented in the direction and administration of enterprise. The desire is that a proportion of the profits derived from capital investment shall remain in the country and that Malaysians shall be employed in the highest positions in commerce and industry, although not to the exclusion of other essential skilled personnel. Indeed the present immigration regulations are designed in part to protect local ability, of which more and more will become available as time goes on.

There can be little doubt that business opportunities in Malaya are considerable and that international competition for the fruits of those opportunities will be acute. In general it is likely to be the courageous and the first on the spot, and more especially those who can anticipate astutely, who will secure the highest rewards. Historically and traditionally the United Kingdom has enjoyed a predominant position in the trade of Malaya, a position that will not endure merely "for old times' sake," but rather that will be dependent on a high degree of awareness, imagination and efficiency. It is thus necessary that we in this country should be represented in Malaya at both Government and commercial level by first-class personnel, failing which British influence in the economic field in Malaya, and as a natural sequel in the political field, will go by default.

New industries which have been given "pioneer status" and which enjoy some tax remission and protection, include agricultural machinery, brewing and malting, chemical, textile and toilet preparations, pharmaceutical products, plastics, paints, electrical and electronic instruments, domestic appliances, food preparations and petroleum products, all financed by free capital. The target for investment in new industries in the next ten years is Malayan dollars 3,000 million, this being equivalent at current rates to pounds sterling 350 million. To facilitate and encourage industrial and social development, the Government is to spend 17½ million pounds on the Cameron Highlands Hydro Electric Scheme which is intended to give the country an additional electricity supply of 100,000 kilowatts, whilst a new and modern harbour is to be constructed at Port Swettenham to increase materially the capacity of that port.

The country enjoys the highest standard of living in Asia, the purchas-

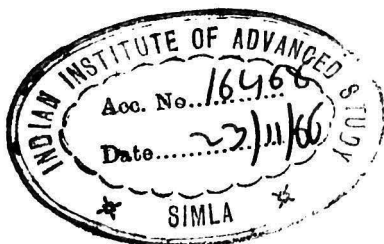
ing power of the population consequently being high by Asian standards. It has first class port facilities, a good railway system, the best roads in South-East Asia and there are very frequent and fast sailings from United Kingdom ports. Labour has proved itself to be adaptable to new ideas, processes and skills. Thus there is reason to think that the political, social and commercial outlook in the immediate future is bright. I believe there are great opportunities for U.K./Malayan partnerships to the mutual benefit of both parties.

Now I would like you to see a short film entitled "Malaya 1959," for the loan of which I am indebted to the Malayan High Commission in London.

Following the film:

The CHAIRMAN: I fear that it is half-past two, and therefore we must bring this meeting to a close. I should like, on your behalf, to thank the lecturer for a most stimulating and exciting discourse. One does think for a moment of how much we in this country, and others all over the world, owe to the members of the old Civil Service in parts of the world where they have sown the seed and helped to develop the natural characteristics of the countries in which they worked.

I would leave one thought in your minds. Whatever Britain did in the past was done as a result of trading. In those days the traders had to fight and the results of battles affected the way they were able to trade. Now today we are back in the trading era but battles will not bring trade. The battles will be with other traders. Whether we win or lose those battles very largely depends, I think, on the initiative our traders are able to display. If this is an example of the kind of initiative which will make that trade flourish, I think that we have nothing to fear. (*Applause.*)



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