THE PROPOSED FEDERATION OF SARAWAK,
NORTH BORNEO AND BRUNEI

THE DEVELOPMENT AND DECLINE OF THE
BRITISH BORNEO CONCEPT

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A.R.N.B. "North Borneo Annual Report". The year is stipulated in the footnote, e.g. A.R.N.B. 1958.

A.R.S. "Sarawak Annual Report". The year is stipulated in the footnote, e.g. A.R.S. 1958.


B.B. "Borneo Bulletin", a Brunei weekly English newspaper. The date is indicated in the footnote, e.g. B.B. 3/5/1958.


B.T. "Borneo Times", A North Borneo Chinese newspaper. The date is indicated in the footnote, e.g. B.T. 5/4/1959.

C.A.B. "Current Affairs Bulletin". Department of Tutorial Classes, University of Sydney. The volume, number and date are indicated in the footnote, e.g. C.A.B. Vol. 15 No. 2.17/4/1963.


F.C.S. "Fact Sheets on the Commonwealth". Prepared for the British Information Services. The particular title of the sheet, reference number, classification and date are indicated in the footnote - e.g., F.S.C. "Trinidad and Tobago", Ref. No. R. (F.S.C) 5588 July 1963, Classification 111.16.


N.B.N.S.T. "North Borneo News and Sabah Times". North Borneo English daily newspaper. The date is indicated in the footnote – e.g. N.B.N.S.T. 7/4/1960

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N.G. "New Commonwealth" (monthly). The date and page number are indicated in the footnote – e.g. N.G. September 1963, page 42.


O.C.D.N. "Overseas Chinese Daily News". North Borneo Chinese daily newspaper. The date is indicated in the footnote – e.g. O.C.D.N. 5/7/1958.


R.T. "The Round Table". The number and date of the issue is indicated in the footnote – e.g. R.T. No. 207. June, 1962.


S.T.  "Straits Times". Singapore-Malaya daily English newspaper. The date is indicated in the footnote - e.g. S.T. 5/8/1958.

S. Trib.  "Sarawak Tribune". Sarawak daily English newspaper. The date is indicated in the footnote - e.g. S. Trib. 5/10/1959.


W.T.  "The World Today". A monthly magazine issued under the auspices of the Royal Institute of International Affairs. Oxford University Press. The date is indicated in the footnote - e.g. W.T. June 1962.
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With the decline of the Brunei sultanate, the term "Arab" came to mean the decreasing area ruled by the Sultan, whilst "Boromo" became the new name of the whole island. There was no political entity named the term "Boromo". North Borneo had become Sabah and became the new name of the area that was once the word "Boromo". The political entity that was once the term "Boromo".
1.

INTRODUCTION

THE COMPLEXITIES OF BRITISH BORNEO

In 1958 a proposal was made for the creation of a federation of the British Borneo territories. British Borneo, which occupied approximately one third of the island of Borneo, then consisted of the Colony of Sarawak (area approximately 47,500 square miles, population approximately 648,362), the Colony of North Borneo (area approximately 29,388 square miles, population approximately 416,000) and the British protected sultanate of Brunei (area approximately 2,226 square miles, population approximately 80,277).(1)

The island of Borneo appears to have derived its name from Brunei whose Sultan was at one time the dominant power in the island. Early writers used various spellings to refer to the island but two words eventually crystallised: "Brunei" and "Borneo". The two terms were originally synonymous but, with the decline of Brunei as a power, the term "Brunei" came to mean the decreasing area ruled by the Sultan, whilst "Borneo" became the name of the whole island. There is no longer a political entity containing the name "Borneo". North Borneo has become Sabah and Indonesian Borneo has become Kalimantan. British Borneo was a term applied to the area under British control, an area that changed in size and composition. The first area to come under British control, or more correctly, under the control of an Englishman rather than the British Government, was part of Sarawak. British control gradually extended to include the rest of Sarawak, Labuan, North Borneo and Brunei. In 1888 when Sarawak, North Borneo and Brunei became British protectorates, whilst Labuan remained a British colony, British control over British Borneo was firmly established. It should be mentioned that, although Sarawak and North Borneo became British colonies in 1946, Brunei never actually became British territory. Nevertheless, it was regarded as being part of British Borneo.

British Borneo shared racial, cultural and political origins with Indonesian Borneo and with most of South-east Asia, including the Philippines, Indonesia, Malaya and Singapore. Politically, it passed through phases of absorption, along with Indonesian Borneo, in Asian empires (Chinese, Indonesian and Malayan); of relative isolation from the rest of South-east Asia.

(1) These figures were taken from the 1958 Annual Reports for each territory.
A.R.L. page 7
A.R.M.B. page 3
A.R.S. page 13

(2) A.R.B. 1958 page 197.
and nominal cohesion with Indonesian Borneo under the rule of the Sultan of Brunei; of separation from Indonesian Borneo and disintegration into four separate but British influenced territories; and then of subsequent development towards re-integration in a British system of government. British Borneo was thus the British acquired remnants of the former Asian and Brunei empires.

Since the British gained control of British Borneo it has been in a constant state of change and development which at any one point in time presents a bewildering picture of variety. In terms of its political framework, British Borneo until the second world war consisted of four relatively separate entities, each developing along its own lines, but with the common factor of British influence providing some weak links within British Borneo and British South-east Asia (Malaya and Singapore). In a sense, the tiest arrangement in British Borneo's history was from 1888 until the second world war, when British Borneo consisted basically of three British protectorates, but even this apparently simple arrangement was complicated by the particular nature of the protectorates. One was a sultanate with a local sultan, one a rajahdom with a British rajah, and one a protectorate administered by a British chartered company. There was the further complication of the Colony of Labuan which was administered for some of the time by North Borneo and for some of the time by Singapore. At the end of the second world war the situation was in a sense simplified when Sarawak and North Borneo (incorporating Labuan) became British colonies, whilst Brunei remained a British protectorate.

After civil government was restored in British Borneo at the end of the second world war, the three territories entered a period of rapid change and development. Politically, they developed towards self-government at varying speeds. Their political development was also marked by a growing tendency towards integration, culminating in the 1958 proposal for the creation of a federation of British Borneo. Rapid development began to occur in the realms of economics, education and social welfare. Although by 1958 all three territories were still underdeveloped, Brunei had amassed great wealth from its oil industry. British Borneo also began to become more involved in events in the outside world.

Apart from the complications at the official level of British Borneo's development, there were further complications arising from the racial, cultural, religious and linguistic divisions within each of the three territories. The complexity of British Borneo was summed up as follows in 1956:

"British Borneo, once remote and now at the crossroads of strategically important Southeast Asia, confronts the complexity of the modern world into which it has only begun to move with remarkable complexities of its own. Politically under British control, it is not one but three territories, two colonies and a protectorate. The indigenous peoples scattered in isolated villages along the coast and up the rivers of the interior, are divided by differences of language, religion, economic
pattern, and social custom. Only a superficial unity has been imposed from above by colonial rule. The complexities of the human landscape are heightened by the presence of a large Chinese minority, brought into the country over the past century by the British, whose own presence has added to the complication.

The forces of the modern world have introduced new elements of complexity into the Bornean scene; they are also making for new types of integration, which in the long run may be expected to produce common goals and more widely shared patterns of life in the area. The development of greater cohesiveness in British Bornean society as a whole entails some loss of the cohesiveness which today keeps its numerous smaller communities as distinct and essentially self-sustaining entities. As the individual Bornean begins to identify himself in larger contexts than those of kin group, village and dialect community, he will not necessarily cease to be an Iban, a Land Dayak or a Malay, but a sense of being "Bornean" may come to unite him with neighbours who in the past were "foreigners" and "strangers". '(1)

Since the above was written, Sarawak and North Borneo have become independent states within the Federation of Malaysia, while Brunei has remained a separate British protected state. Integration of British Borneo was not achieved and is not now likely to be achieved. British Borneo is divided. Indeed, British Borneo as an entity no longer exists. All that remains of British Borneo is Brunei. The need to create a Bornean consciousness has been replaced by the need to create a Malaysian consciousness. The path for Brunei's future integration with Sarawak and North Borneo appears to lie in the direction of its joining in the larger concept of Malaysia. It was in part the complexities of British Borneo that caused the attempts to form a federation of British Borneo to be unsuccessful. To understand these complexities, it is necessary to examine the history that produced them.

(1) C.S.S. page 1.
BRITISH BORNEO: Some of Malaysia's people appear to have been part of the Malay culture in Java today. These are darker people, then.

BRUNEI, SARAWAK, NORTH BORNEO TO 1058. The indigenous pagan peoples of British Borneo are the same indigenous pagan peoples of the Malay peninsula. But the Karens, the Iban, and the Bidayuhs are the same indigenous pagan peoples who blended in some extent with the proto-Malays but who have not been found near the present coastal-dwelling Malayan group. To these were added Indians, probably Indians and Malays, and representatives of other nationalities. Other nationalities include Chinese and various other immigrants who had occurred in the Philippines, India, Ceylon, Ceylonese and Europeans.

The Chinese and various other immigrants who had occurred in the Philippines, India, Ceylon, Ceylonese and Europeans.

In the Philippines, India, Ceylonese and Europeans.

In the Philippines, India, Ceylonese and Europeans.

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In the Philippines, India, Ceylonese and Europeans.

In the Philippines, India, Ceylonese and Europeans.

In the Philippines, India, Ceylonese and Europeans.

In the Philippines, India, Ceylonese and Europeans.
2.

HISTORY OF BRITISH BORNEO

TO 1946

A. BORNEO AS PART OF ASIA: RACIAL, CULTURAL AND POLITICAL ORIGINS.

(a) Racial Origins

"The Indonesian archipelago of which Borneo is a part, has provided an island network into which populations from the Asiatic land mass to the north and east have filtered since early prehistoric times. Although Borneo has lain off the main path of this human drift and is one of the most sparsely populated islands in the area, its people bear the imprint of the intermixture of various physical strains." (2)

The original inhabitants of the islands of Malaysia appear to have been pygmies, not found in Borneo today. Later came Negroid people, then, about 2,000 B.C., the Indonesians or proto-Malays. It is the proto-Malays who are the predominant ancestors of the indigenous pagan peoples of British Borneo. (3) Next came the more Mongoloid Malay peoples who blended to some extent with the proto-Malays but who tend to be found chiefly among the present coastal-dwelling Muslim groups. To these were added Chinese, probably Indians and Arabs, and representatives of the Indonesian, Hindu and Buddhist empires. A few hundred years ago came the Muslim Malays from the Malaccan empire and in more modern times the Europeans, Chinese and various other immigrants from such countries as the Philippines, India, Ceylon, Pakistan and Indonesia, Malay and Singapore. In racial terms, the three most important groups of local people in British Borneo today are the proto-Malays, the Malays and the Chinese. The other immigrant groups, many of whom, like the majority of Europeans, are not permanent residents, constitute a small proportion of the population.

There are, then, racial links between Sarawak, Brunei and North Borneo and between British Borneo and the rest of South-east Asia, but each of the British Borneo territories has its own peculiar combinations of the racial strands.

(b) Cultural Origins

The proto-Malays arriving in Borneo around the year 2,000 B.C. introduced a bamboo technology, stone implements, a primitive system of shifting

(1) This section is based on material in C.S.S. pages 7-8, 30-33, 35-52. R.W.R. Book 1, chapter 1. M.I.B.P. chapter 6.

(2) C.S.S. page 35. Chapter 5 of M.I.B.P. gives an account of the peoples of the area and of the arguments surrounding their origins.

(3) C.S.S. page 7.

(4) This section is based on material in C.S.S. pages 7-8, 35-52. R.W.R. Book 1, chapter 1. M.I.B.P. chapter 6.
rice cultivation (still virtually unaltered in parts of Borneo), a social
structure based on the family and village, a language of the Malay-Polynesian
family, and a pagan animistic religion. These cultural origins the indigenous
peoples of Borneo share with other South-east Asian peoples.

Into this basic cultural pattern came the succeeding influences of the
Chinese, the Indonesian, Hindu and Buddhist, the Muslim, the European and,
once again, the Chinese cultures. Because of the isolated nature of the
villages and because each immigrant group tended to settle in separate
communities, no one uniform cultural pattern emerged over the whole of
Borneo. There was some intermarriage and a considerable amount of cultural
influence between the groups due largely to trading activities, but the
basic pattern of development was one of cultural diversification leading to
a segmented rather than homogeneous society. Each cultural intrusion caused
the indigenous people to reinterpret and readapt their own cultures but this
adjustment did not occur uniformly. Only in Brunei did a predominant cultural
and racial pattern of Brunei Malay-Islam emerge, but even here there were
important differences within the country and between Brunei and other Islamic
societies.

The early Chinese and Javanese probably introduced improvements in rice
cultivation in these areas that they influenced. The growth of trade probably
led to the development of port systems which in turn probably became the pol-
itical centres of a primitive state structure, inherited by Brunei and by the
sultanates that were vassals of Brunei. During the period of Brunei's sub-
jection to Malacca, Islam became an important influence in the political
structure and forms and in the laws, language and customs, through its
impact on the leaders and urban classes, especially in Brunei. Brunei
maintained these influences throughout its empire in proportion to the
control it exercised on the various parts of its empire and in proportion
to the cultural and political strength of the communities over which Brunei
had nominal control. The Muslim influence today is generally most apparent
in the coastal areas as the people of the interior were virtually independent
of Brunei's influence.

In modern times European culture has been imposed on to this complex
cultural pattern. It is difficult to assess the real impact of the Euro-
pians on the culture of British Borneo. Apart from soccer, perhaps, "Britain's
most lasting legacy to the East"(1) at least five important influences are
identifiable: the increasing change in the pattern of employment as a result
of economic development that has resulted in the growth of wage-earners and

(1) K.G. Tregonning, "North Borneo". (Her Majesty's Stationery Office,
cash crop producers from amongst the subsistence farmers; the introduction of Christianity; the imposition of a political structure based on British principles; the spread of European type education to previously uneducated people; the impact of Western culture, particularly on young people in the towns, evidenced by the decline in participation in traditional cultural activities and the growth of such erases of the Twist. The imposition of a political structure based on British principles has separated British Borneo from Indonesian Borneo and Indonesia, whilst tending to bring British Borneo into a closer relationship with Malaya and Singapore. The encouragement of the development of self-government brought to the people of British Borneo a new political consciousness through their participation in democratic government processes and a growing identification of themselves with a society bigger than the village or racial group. The effects of these developments are still slight in the remote areas but they will have far-reaching effects on the way of life of the people.

Today there are five important broad cultural divisions in Sarawak, North Borneo and Brunei. The first group is the non-Muslim indigenous people incorporating the various cultural influences of the pre-brunei empire era. This group can be divided into a multiplicity of local and regional groups differing in language, way of life and type of social organisation. The divisions and connections between the various groups have been blurred by a constant process of internal migration which also provides important family links with the indigenous people of Indonesian Borneo. Fundamentally, however, these people share a broad pattern of existence characteristic of the Malayan people from the Philippines to Indonesia and Malaya. Overlapping with this group to a certain extent is the second group, the Brunei Malays and other Muslim groups, found chiefly in the coastal areas. Thirdly there is the Chinese community, dating from the post-Brunei empire era and divided into various dialect groups, each of which is relatively isolated from the others. Fourthly there are the Europeans, mostly birds of passage, and finally there are the other modern immigrant groups such as Filipinos, Indonesians and Indians. By far the most important, because they are the most numerous, are the non-Muslim indigenous peoples, the Muslim Malay group and the Chinese. It is on the successful integration of these groups that the future of Sarawak, North Borneo and Brunei depends.

It can be seen, then, that, in a general sense, Sarawak, Brunei and North Borneo have a basically similar culture, which is also basically similar to that of other South-east Asian countries, but there are important differences in culture within each of the three British Borneo territories, between each of the three British Borneo territories, and between British Borneo and other South-east Asian countries. These differences affect language, religion, patterns of social organisation and the entity with which the individual identifies himself.
(c) **Political Origins** (1)

Indian legends and a few ancient Chinese chronicles appear to refer to Borneo and its existence seems to have been known to Arab traders. Probably the first evidence of political connections is to be found in Chronicles of the Sung Dynasty (AD. 906 - 1127) which list Brunei, probably meaning the whole island of Borneo, as paying tribute to China. In about the twelfth century, whole or part of Borneo probably became part of the Sumatran Sri Vijaya empire and then of its successor, the Indo-Javanese Majapahit empire. (2)

At the beginning of the fourteenth century the Mongols under Kublai Khan may have invaded Borneo. From 1370 to 1430 Borneo was in contact with China and several times between 1405 and 1425 Brunei sent tributes to the Ming Emperors. (3) In the fifteenth century Brunei also appears to have been a vassal of the Muslim empire based on Malacca.

The early history of British Borneo is thus closely connected with the history of the neighbouring South-east Asian countries.

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(1) This section is based on material in C.S.S. Chapter II.
I.S. pages 15016
A.R.S. 1958 Part III, Chapter III
K.W.R. Book 1, Chapter 1.
U.C.R. pages 1 - 3.
B. BORNEO AS A SEPARATE ENTITY: THE BRUNEI EMPIRE

When the Muslim empire based on Malacca fell to the Portuguese in 1511, Brunei began its separate existence as an historical entity. The only powerful check to Brunei's power was gone. Many Muslim traders probably fled to Brunei with their wealth to escape from the Christians in Malacca. By the early years of the sixteenth century Brunei had entered her golden age. "Her sovereignty extended over the whole island of Borneo, the sultanes of Sambas, Pontianak, Banjarmasin, Pasir Kotei and Bolongan being her vassals, as well as over the Sulu archipelago and over the islands of Balabac, Banggi, Balambangan and Palawan". In 1521, Brunei was at its peak when visited by Pigafetta, the Italian historian who accompanied Magellan.

During the peak of Brunei's influence, trade prospered and the Sultan of Brunei held sovereignty over his vast domain although he could hardly be said to have controlled all parts of his empire. The system of government was feudal and the vassal states enjoyed varying degrees of independence. Various provinces were farmed out to the Sultan's relatives, ministers and followers, who collected revenue by force. Piracy and rebellion was not unknown but while trade prospered and Brunei remained wealthy and powerful the empire was relatively stable.

In the sixteenth and seventeenth centuries Brunei began to decline. Some argue that the decline was due chiefly to the political system and the "latent anarchism" in the Malay mentality. Others maintain that it was due to the effect on trade in the area when the Portuguese, Spanish, Dutch and English became interested in South-east Asia and China. There was little in Brunei of commercial interest to the new European traders so Brunei did not share in the European trade. Most Chinese traders ceased to visit Brunei as they found European trade more profitable and more secure. Portuguese and Dutch trade policies encouraged the Chinese trade to flow through Malacca and Batavia. Brunei as a trading centre declined. The decline in trade led to an increase in piracy as native traders lost their legitimate source of income. Lawlessness in the area increased, encouraged by the system of delegating rivers and responsibilities to the Sultan's supporters.

As Brunei declined in wealth and power its conquered territories rebelled,

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(1) This section is based on material in A.R.E. Part III Chapter 2.
B.C.9 pages 115-118
R.W.R. Chapter II
U.C.R. pages 1-3
C.S.S. Chapter II
C.19B Introduction

(2) A.R.E. 1957 page 182
(3) C.S.S. page 9
(4) K.G.T.N.B. page 22
were ceded to other powers or became isolated from Brunei's influence. The Dutch established trading posts in South West, South and East Borneo and gradually extended their influence over the semi-independent but nominally vassal sultanates. The native states of Pontianak, Sambas and Banjarmasin emerged as effectively independent as did the sultanate of Sulu. As a result of the Sultan of Sulu's assistance to the Sultan of Brunei in putting down civil disturbances, he was ceded a large portion of the northern and eastern coasts of Borneo, probably from the Kinanis River on the west coast to the Straits of Makassar on the east coast. (1)

As the piracy in Brunei's domain generally avoided European trading vessels, it was virtually ignored by the European powers, although the Dutch provided some restraint until they abandoned Borneo in 1809. The Sultan of Brunei was unable to maintain control over the pirates or over his princes and nobles. Piracy and rebellion continued as Brunei declined further.

By the time the British became involved in the area in the nineteenth century the Brunei empire had shrunk to the loosely controlled territories that were to become Sarawak, Brunei and North Borneo. The arrival of James Brooke in Kuching in 1839 marks the final stages of the collapse of the Brunei empire and the beginning of the emergence of British Borneo.

(1) A.R.N.E. 1958 page 165.
C. BRITISH BORNEO: SEPARATION OF BRUNEI, SARAWAK AND NORTH BORNEO

(a) Rivalries in British Borneo: Resulting Political Structure.

When Sir Stamford Raffles became Lieutenant-Governor of Java under the British East India Company, he attempted to establish British control in Borneo through treaties with the native states of Banjarmasin, Pontianak, Sambas and Brunei, but he was forced to abandon his scheme as the East India Company was not interested in extending British territory. In 1814 Britain signed a treaty restoring Java and the former Dutch possessions in the area to the Netherlands. By 1816 Britain had withdrawn from the area. What was to become Indonesian Borneo was irrevocably separated from what was to become British Borneo.

The second half of the nineteenth century was a period of intense rivalry in Borneo as the three states that were to make up British Borneo emerged. The Sultan of Brunei's cession of part of Sarawak to James Brooke and his cession of Labuan to Britain were the beginnings of British influence in the area. The emergence of North Borneo, administered by the British North Borneo (Chartered) Company was the subject of dispute between Britain, America, Spain and Holland. Rivalry was not confined to the international sphere, however. British interests were divided between the Governor of Labuan, the Chartered Company and James Brooke. In particular, Brooke and the Chartered Company were rivals for the Sultan of Brunei's territory. Various proposals were made and discussions occurred in the Colonial and Foreign Offices and between the Sultan of Brunei, Brooke, the Chartered Company and British officials in Labuan. The outcome was the establishment of three British protectorates in 1888 in Sarawak, Brunei and North Borneo. In this way the threat of other nations acquiring the areas of British influence was removed, as the British protection of Sarawak, Brunei and North Borneo provided a clear warning to outside powers not to interfere. This solution was also an attempt to end the rivalry between Sarawak, Brunei and North Borneo by bringing the relations between these three territories under closer British supervision. The idea was that relations between the three territories would be conducted through Britain or through the British Government's agent, the Governor of the Straits Settlements, who would also be High Commissioner for Borneo.

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(1) This section, except where otherwise indicated, is based on material in C.S.C. Chapter II; A.R.E. 1958 Part III, Chapter 2; A.R.E. 1958 Part III, Chapter 2; A.R.E. 1958 Part III, Chapter II; I.S. pages 16-19; E.C. 9 pages 118-119; C.17B Chapter X.

(2) An account of Raffles's efforts and the restoration of Dutch control may be found in Chapters 1 and 2 of C.17B.

(3) U.C.R. Chapters 1 and 2 provide details of the arguments and their origins.

(4) U.C.R. page 36.

(5) For an account of the discussions leading to the establishment of the protectorate, see U.C.R. Chapter 3.


(7) IBID

(8) U.C.R. page 38.

(9) U.C.R. page 36.
In practice the rivalry within British Borneo continued and anti-British feeling in Brunei spread. One proposal to increase the stability of the area was made in 1900 when the Colonial Minister instructed the High Commissioner that, on the death of the Sultan of Brunei, if not earlier, Brunei should be partitioned. The Governor of North Borneo proposed as an alternative that Brunei should be taken in hand by the appointment of a British Resident in Brunei, who would work under the High Commissioner. This was the policy that was adopted and the first British Resident took up his position in 1906. The major obstacle to the integration of British Borneo, the protectorate of Brunei, was thus firmly established.

British Borneo thus emerged as three protectorates and one colony (Labuan) each different from the others, each with a legacy of rivalry and suspicion towards its neighbours, and each the product of external forces rather than of an internal sense of political unity. When the three protectorates were created, some hoped that they would be integrated. Current conjecture even named Hugh Low, who had served in Labuan and Malaya, as the first governor of the amalgamated territories of North Borneo, Sarawak and Brunei. Despite the loose link of British protection and "despite numerous common problems, however, prospects of closer association did not appear possible until after 1946, when both Sarawak and North Borneo, each with an identical superstructure of administration poised ponderously over sparse and primitive peoples, became colonial territories". On the other hand, despite the rivalries and divisions, this period saw the establishment of reasonable law and order and reasonably stable government and the building of a foundation for future economic development. All remained economically and politically underdeveloped but their progress from the days of complete anarchy under the Brunei empire was considerable and the way was paved for post-war development.

For an important obstacle to Brunei's integration with the rest of Borneo, Brunei lost almost all of its empire by virtue of a British intervention, despite the advantages it brought to the chaotic empire of Brunei, led to the further political decline of Brunei. In 1841 part of Sarawak was ceded to James Brooke, the first White Rajah. Brooke's domain was gradually extended to incorporate more of the Sultan's territory. In 1846 the Sultan ceded the island of Labuan to Britain and in 1847 entered into a treaty with Britain for the furtherance of commercial relations, the mutual suppression of piracy and the provision for extra-territorial jurisdiction over British subjects in Brunei. Under this treaty the consent of the British government was required for all future cessions of land by

(1) U.C.R. page 45
(2) U.C.R. page 38
(3) Ibid
(4) A.R.B. 1958 page 200
the Sultan. This was to ensure that Britain's rivals did not gain a foothold in Borneo.

Then followed a brief period of American intervention. In 1850 the Sultan of Brunei signed a treaty with America securing for America the privileges of the most favoured nation and in 1865 the west coast of North Borneo was leased to an American company for 10 years.

Britain gained control once again in 1877 when the whole of North Borneo was ceded to the predecessors of the British North Borneo (Chartered) Company. Brunei's political decline was completed in 1888 when it became a British protectorate, partly for protection against further encroachments by Sarawak and North Borneo. The Sultan agreed that the foreign affairs of the state should be conducted by Britain and that consular courts should be established with jurisdiction over British subjects and foreign subjects enjoying British protection. This agreement was amended in 1906 when the Sultan agreed to accept a British Resident as agent and representative of the British Government under the High Commissioner for the Malay States. This agreement provided that the British Resident's advice must be sought and accepted on all matters other than those affecting the Mohammedan religion.

Britain's intervention in Borneo not only led to Brunei's becoming a tiny state of 2,225 square miles, but even in this small area, the Sultan's power was largely surrendered to Britain. In any case, by this time, the Sultan had lost most of his power and wealth to the princes and nobles of his court aristocracy. A system of government was established under the Sultan-in-Council and the British Resident. Order was established and some efforts were made to develop the country. The ironic development was the discovery of oil which was to make Brunei a wealthy state and which was to form an important obstacle to Brunei's integration with the rest of British Borneo. Stripped of almost all of its empire and reduced to the status of a protectorate, Brunei was destined to be wealthy. Had Brunei not remained a wealthy Islamic state, headed by a Sultan and protected by Britain, its integration with Sarawak and North Borneo would have been easier.

(c) Sarawak: The White Rajahs.

In 1839 James Brooke arrived in Kuching and set in motion the events that were to lead to the development of British Borneo. The Malays and Land Dayaks of the southern province of the sultanate of Brunei were at that time in revolt against the Sultan's Viceroy, the Pengiran Mokota.

(3) A.R.B. 1958 page 204.
The Sultan's uncle had tried unsuccessfully to put down the rebellion. James Brooke left Kuching to return in 1840 when, at the request of the Sultan's uncle, he interceded in the dispute which was still going on, and brought about a settlement. In return for his services, he became the Rajah, in September 1841, of the territory from Cape Datu to the Samarahan River, (1) a very small portion of what is now Sarawak. (2)

From his capital in Kuching, Brooke set about establishing a liberal state in which restrictions were limited to those activities that threatened law and order. Native customs were left as intact as possible. His major task was to stop head hunting and piracy and to establish clearly to the people of the area that he was their ruler. His reign lasted 23 years, a period of "high adventure, financial difficulty, and political persecution at home by the Radical Party, followed by complete vindication and success." (3)

James Brooke became the first Governor of Labuan and Commissioner and Consul-General to the Sultan of Brunei, thus beginning an association between Sarawak and Brunei. In 1850 the United States recognised Sarawak as an independent state and Britain granted recognition in 1864 by the appointment of a consul. (4)

Brooke's suppression of piracy, often with the help of the Royal Navy, was not confined to his own domain. It was Brooke's efforts to establish law and order in his territory and the surrounding areas, together with the Sultan of Brunei's ineffective control over his own domain, that led to the gradual expansion of Sarawak's territory. By 1861 Rajah Brooke's territory had been extended considerably and in that year the Sultan of Brunei ceded the entire area south of Kiulang Point to Sarawak, at the same time confirming Brooke's control over the previously acquired territories. (5) Brooke had succeeded in establishing law and order where the Sultan had failed. The transfer of these rebellious areas was in a sense no loss to the Sultan of Brunei and was generally popular with the inhabitants because Brooke's rule brought them peace and an escape from the suppression of the Sultan of Brunei's officials. Nevertheless, the Sultan began to fear for his kingdom as Sarawak extended further and further into Brunei's territory.

Under James Brooke, Sarawak was not opened up to capitalist development or to large scale immigration, with the exception of Chinese immigrants from 1850-60 Brooke's aim was to establish order, to extend his territory and to win the loyalty of the people. "The first Rajah pioneered, subdued and pacified." (6) By the time of his death in 1868, Sir James Brooke was able to

(1) A.R.S. 1958 page 145.
(2) On page 12 of C.S.S. is a map showing the extensions of Sarawak's boundaries.
(3) A.R.S. 1958 page 145
(6) A.R.S. 1958 page 146.
bequeath to his successor, Charles Brooke, "a country paternally governed, with a solid foundation of mutual trust and affection between ruler and ruled." (1)

The second Rajah, from 1866 to 1917, continued to establish law and order and to extend his domain but also attempted to develop the country's economy. Piracy disappeared, transport and communications were established, the public debt was wiped out and a considerable surplus built up. In much the same way as his predecessor had extended his territory, Charles Brooke succeeded in having further areas ceded to Sarawak. 1882 saw Sarawak's extension to beyond the Bara River, 1885 to the valley of the Trusan River, 1890 to the Limbang River area, at the request of the inhabitants. In 1915 the Lawas area was bought from the British North Borneo (Chartered) Company with the consent of the British Government. Sarawak had reached its present size.

In 1885 Sarawak accepted British control of its foreign affairs (1a) and in 1888 became a British protectorate. Britain was given limited powers: the right of decision on the question of the succession in Sarawak and control of foreign relations. Favoured treatment was guaranteed to British subjects, commercial interests and shipping, but Britain was given no jurisdiction within Sarawak. (2)

In 1917 Sir Charles Vyner Brooke became the third Rajah. Progress continued in all spheres. Head hunting almost completely disappeared, revenue increased and the government's social welfare services were improved. In 1941, the centenary of the Rajah's rule, a new constitution was enacted, abolishing the Rajah's absolute powers and taking the first step towards democratic self-government. (3) Sarawak thus took the lead in political development in British Borneo.

(d) North Borneo.

(1) Labuan.

As a result of Brooke's suppression of piracy in the area, with the help of the Royal Navy, the Sultan of Brunei ceded Labuan to Britain in perpetuity in 1846 (4) as a base for commerce and for the suppression of piracy. Sir James Brooks became the first Governor in 1847, assisted by a Lieutenant-Governor (5), a Government Secretary and a Private Secretary. (6) In 1867 when the Straits Settlements were separated from India and made a colony, Labuan was incorporated into the Straits Settlements. (7) From 1890 until 1st January 1906, whilst remaining a colony, Labuan was administered by the

(1) A.R.S. 1958 page 146.
(1a) B.C.9 page xvi
(2) G.S.S. page 13.
(3) A.R.S. 1958 page 146
(4) A.R.R.E. 1958 page 99
(5) L.S. page 138
(6) L.S. page 142
(7) B.C.9 page XV
British North Borneo (Chartered) company (1) and was taken over by the Colonial Office in 1906. In 1907 it was once again absorbed into the Straits Settlements. (2) In 1946 when North Borneo became a colony, Labuan was incorporated into the Colony of North Borneo. (3)

(b)

(11) North Borneo: The Chartered Company.

North Borneo was originally part of the Sultan of Brunei's domain but the Sultan of Sulu was ceded part of the territory, probably from the Limamis River on the west coast to the Straits of Massassan on the east coast. In 1763 the Sultan of Sulu was released from Spanish captivity by Sir William Draper and, as a result, ceded to the East India Company all of the Borneo territory obtained from the Sultan of Brunei. (4) Two unsuccessful attempts were made in 1773 and 1803 at establishing settlements on Balembangan, an island to the north of Marudu Bay. (4a) After the company abandoned the settlement and a factory in Brunei in 1804, Borneo was once again the domain of the Sultans of Brunei and Sulu, but their sovereignty was largely nominal. The area was divided amongst various high ranking naves and was plagued by pirates coming chiefly from the Sulu Islands.

No further attempts were made at colonisation until Sarawak and Labuan became British in the eighteen-forties. A most complicated series of events then occurred resulting in the creation of the British North Borneo (Chartered) Company, which took over control of North Borneo. (5)

In 1850 the Sultan of Brunei signed a treaty with America securing for America all the privileges of the most favoured nation. (6) In 1865 an American Consul was appointed to Brunei and the Sultan of Brunei granted a ten years' lease on the west coast of North Borneo to the American Trading Company, which established a settlement at Limamis. In the 1870's an Englishman, Cowie, received permission from the Sultan of Sulu to establish a settlement in Sandakan Bay and to trade along the North Borneo coast from Pindassan in the north west to the Sibuku River in the east. (7) Manoeuvres and negotiations between the American Trading Company, Baron Overbeck (the Austrian Consul-General in Hong Kong), Cowie and Bent Brothers (an English firm) resulted in 1877-78 in the Sultans of Brunei and Sulu ceding their North Borneo territories to Baron Overbeck and Alfred Bent in exchange for certain annual payments. (8) Settlements were established immediately in Sandakan Bay and on the West Coast at Tempasuk and Papar. A Limited Provisional Association was formed and Alfred Bent

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(1) U.C.R. page 119.
(2) U.C.R. page 48.
(3) These events are described in Chapters 4 and 2 of U.C.R. U.C.R. page xvi.
(4) A.R.B. page 165.
(4a) Ibid.
(5) These events are described in chapters 1 and 2 of U.C.R.
(6) U.C.R. page 5.
(7) Ibid. page 14.
(8) A.R.B. 1958 pages 167 and 171. Despite the Sultan of Sulu's cession of his territories in North Borneo to Bent and Overbeck, the Philippine Government has recently put forward a claim to the Sultan's former territories. The merits of the claim are discussed in The Claim for North Borneo by the Philippine Government by R.C. Tregonning, published by the North Borneo Government Printer, 1962.
petitioned the British Government to grant a Royal Charter to the Association.\(^1\)

Further complicated negotiations occurred both within Britain and between the British Government and other governments.\(^2\) Spain claimed sovereignty over the Sultan of Sulu's Borneo territories as a result of his capitulation in 1851 and did not renounce this claim until 1885 when she signed a convention with England and Germany renouncing Spanish claims in North Borneo in exchange for English and German recognition of Spanish sovereignty over Sulu. The Dutch unsuccessfully opposed British acquisition of North Borneo and the dispute with Holland over the boundary of British and Dutch territory continued until 1891. America unsuccessfully opposed the cession of North Borneo to Britain on the grounds of the 1850 treaty with the Sultan of Brunei. Rajah Brooke was also opposed to the development of a British rival in North Borneo.

Despite the opposition, an Order in Council in 1881 granted a Charter to the British North Borneo (Chartered) Company.\(^3\) On 1st July 1882 the Company took over officially from the British North Borneo Provisional Association,\(^4\) and in 1888, along with Sarawak and Brunei, the new state of North Borneo became a British Protectorate, accepting British control over foreign affairs.

The Charter was not one of privilege but of restraint. "The Charter empowered the Company to acquire all the powers of the Provisional Association, and went on to stipulate that the Company must remain British in character; must not transfer any of its grants without the permission of the British governments; must suppress slavery; must not interfere with the religious or other customs of the natives; and must take the advice of the British Government if it disagreed with the Company's treatment of the natives or its dealings with foreign powers. The appointment of its chief representative in Borneo was to be subject always to the approval of the British Government, while the provision of facilities for the Royal Navy and a prohibition of a monopoly of trade were further stipulations".\(^5\)

It was originally decided that the Company should be an administrative body and should not participate directly in trade, but this decision was modified in 1920 when the Government began to invest capital in certain local enterprises.\(^6\) From the new capital of Kudat, the Company attempted to wipe out piracy and to establish law and order, in which attempts it was largely successful, although piracy has not disappeared even today. Attempts were also made to attract capital and settlers. Chinese immigration was encouraged from Singapore and China to provide a labour force. Timber, mineral deposits and land cultivation were developed but it was the cultivation of land that proved to be the most successful. Tobacco became important as

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\(^1\) A.R.N.B. 1958 page 167.
\(^2\) For details of these negotiations see U.C.R. chapter 2 and C.19B Chapter X.
\(^3\) A.R.N.B. 1958 page 172.
\(^4\) Ibid
\(^5\) U.C.R. page 27
\(^6\) A.R.N.B. 1958 page 168
the means to set the State upon its feet, but later declined in favour of rubber in the early twentieth century. New settlements were established and the Company's territory was consolidated and expanded. Between 1884 and 1902, coastal enclaves were absorbed either by punitive expeditions or by pressure on local chieftains or on the Sultan of Brunei and the interior fell to the Company by default. In 1902 the last enclave was ceded by an independent chief in the Sembalun district and in 1905 the sale of the Lawas district to Sarawak established the present boundaries of North Borneo. (1)

In 1894, federation with Sarawak was suggested when the tobacco boom subsided with resulting economic decline in North Borneo, but the proposal was rejected by the Company's shareholders. (2) Economically the country developed slowly, but developed it did. Transport and communications were developed, the most important being the Weston to Beaufort railway line completed in 1900 and extended to Melalap in the interior and Jesselton on the West Coast in 1905. The railway played an important part in opening up land for rubber production in the interior and on the west coast.

The Chartered Company did not accomplish rapid economic development or establish social services, nor did it experiment in policies aimed at encouraging self-government. Because of this it has often been criticised and blamed for North Borneo's backwardness. Its achievement may be summed up as follows: "When the second world war broke out the Company was unable to point to any marked development such as characterised Singapore, Malaya or Hong Kong; but it could look with justifiable satisfaction upon an ordered system of government and a populace well contented with its administration. Sandakan was the permanent seat of Government (from 1884) and the centre of commerce; Jesselton, Beaufort, Tawau and Kudat were small but prosperous towns. Rubber was the industry upon which the economy of the State rested. There were few roads and no air connections with the outside world. This peaceful state of affairs was changed abruptly by the war." (3)
D. WORLD WAR II: THE JAPANESE OCCUPATION AND BRITISH LIBERATION

(a) The Japanese Occupation

The Japanese occupation of Borneo began in 1941. It was a period of decline in trade, of famine, starvation, disease, oppression, destruction and neglect. In Sarawak the social services, education, communications and health services were neglected. Disease, poverty, sickness and misery spread throughout the State. In North Borneo it was the same story: many towns completely destroyed, many people, including government servants, massacred, poverty, misery and destruction everywhere.

"The Japanese occupation during World War II was in effect an interregnum. It was a period of general decline characterised by devastation, disruption of social services, communications and administration and the uprooting of large numbers of the population. The people, oppressed by forced labour and afflicted by famine and general deprivation, were decimated. Under the misery brought by the Japanese, there was little significant deterioration of the loyalty of the people toward the Brooke, the Sultan, or the British North Borneo Company".

Indeed, it could be argued that the Japanese occupation was one of the most important factors leading to the continuation of loyalty to Britain and the White Rajah at a time when most colonial people were demanding independence. To the people of British Borneo, British rule had meant peace and prosperity after the lawless days of Brunei’s sovereignty over the area. “Liberation” from the tyranny of the British brought chaos and misery. The British, when they returned, were generally more than welcome, though less so in Brunei, as the symbols of peace and prosperity, and many of the Borneo natives made whoopee collecting Japanese heads. The collapse of the British regime before the onslaught of the Japanese and the unpleasant experiences of the Japanese occupation nevertheless led to increased native political awareness, as evidenced in the anti-cessionist movement in Sarawak.

(b) British Liberation

When the Australian and British forces liberated British Borneo, most of what had not already been devastated was destroyed either by the retreating Japanese or by the advancing allied forces. With the re-establishment of British control in the area, military government was established immediately. In Brunei the British Military Administration, which remained until July 1946, set about the task of reconstruction. Free food and clothing were distributed, medical attention was given, the government servants still capable of working and well known members of various communities were called

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(1) This section is based on the material in C.S.S. chapter II
A.R.B. 1958 Part III chapter 2
A.R.S. 1958 Part III chapter III

(2) C.S.S. page 16.
on to help, and the rebuilding of towns and communications was commenced. Gradually order was restored and trade began. Brunei then returned to its previous political framework.(1)

In Sarawak the British Military Administration governed for seven months, distributing essential supplies, reforming the police force and reorganising medical and educational services. The White Rajah resumed the administration of the State on 15th April, 1946, but it was obvious that the rehabilitation of Sarawak was beyond his Government's resources. A bill was therefore introduced into the Council Negri in May, 1946, to make Sarawak a British colony. The bill was passed by a small majority and by an Order-in-Council, Sarawak was ceded to Britain on 1st July, 1946.(2) The transfer of Sarawak to Britain was opposed by some native groups, but the guarantees written into the cession agreement largely met their objections. Agitation against cession continued, culminating in the murder of the second Governor in 1949, but the third Governor, Sir Anthony Abell, succeeded in winning over the opponents of cession.(3) The colonial government that succeeded the Brookes faced the tremendous tasks of rehabilitation, development and preparation for self-government.

In North Borneo the British Military Administration governed until 15th July, 1946. It was obvious that the rehabilitation of the country would be beyond the resources of the Chartered Company. North Borneo therefore became a crown colony, incorporating Labuan(4) and compensation of 1.4 million pounds(5) was paid to the Chartered Company. The new colonial government, faced with wholesale devastation and with the destruction of most pre-war official records, set about its fourfold task: rehabilitation and construction, economic development, the extension of social services and the encouragement of participation by the local people in the work of government.

At the time of the restoration of civil government in British Borneo a major change occurred in the political structure of the territories. Brunei remained a sultanate under Britain's protection, but Sarawak and North Borneo became colonies. No longer was British Borneo three protected states and one small colony. Brunei's continuation as a protected sultanate became a major obstacle to the integration of the three territories.

(1) A.R.I.B. 1948 page 202
(2) A.R.S. 1958 page 147.
(3) I.S. page 19
(4) A.R.I.B. 1958 page 170
(5) C.S.S. page 61
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POST-WAR BRITISH BORNEO
TO 1958

A. THE GENERAL PATTERN OF POST-WAR DEVELOPMENT.

Between 1946 and 1958 British Borneo experienced tremendous changes. At the end of the war, the three territories were completely devastated. The immediate tasks of the governments of Sarawak, Brunei and North Borneo and of the British Government, which was ultimately responsible for these territories, were rehabilitation and reconstruction. This involved restoring law and order, communications, public utilities and the few social services that had existed, and re-establishing economic activity. It was not sufficient, however, to restore British Borneo to its pre-war position. Rapid social, economic and political development was necessary to prepare British Borneo for its place in the modern world. The days of British Borneo's peaceful isolation were gone.

In the field of social services, education and health received a great deal of attention and absorbed a great deal of money. It was necessary to raise the standards of education and health throughout the three territories, particularly amongst the native communities. Improved education, health and other social services were necessary to prepare the people for participation in the affairs of a new nation and to forestall the possible spread of Communism or other forms of subversion.

In the field of economics, efforts were made to make the territories self-sufficient in food and to develop export crops and industries to promote prosperity and stability.

It was in the political sphere that the most dramatic changes occurred. To appreciate these changes it is necessary to distinguish between the formal developments in the political structure and the informal developments within the communities. The formal changes in the political structure of the three territories can be traced with reasonable ease. Three important trends can be seen.

The first trend was the post-war development towards self-government and independence. The first step towards self-government had been taken in Sarawak before the second world war and Sarawak retained its lead over its neighbours. Brunei, at the other end of the scale, made almost no formal progress in this direction until after 1958, although political consciousness was growing there.

(1) C.S.S. page 61 and B.C. 9 page 119.
The second trend was the post-war development in the direction of greater integration of the administrations, legal systems and policies of the three territories, (1) culminating in the official proposal of 1958 for the creation of a federation of Sarawak, Brunei and North Borneo.

The third trend was the strengthening of the links between the British Borneo territories and Singapore and Malaya. (2) This development was to prove more important than the development towards an integrated British Borneo when, after the 1958 federation proposal failed, the concept of British Borneo was replaced by the concept of Malaysia as the formula for integration and independence for the three territories.

The above account of the trends in the development of the formal political structure provides a misleadingly simple picture. The other aspect of British Borneo's development was at the community level, the level at which the formal political structure had little application. It was at the community level, amongst the general public, that the foundations for the formal political structure had to be built. The task of the British Borneo governments was to bring the various communities of the three territories into a closer relationship with the formal political structure.

Before the war, British Borneo consisted of four small, relatively undeveloped and more or less separate entities, loosely linked by British protection, and, in the case of Labuan, by Britain's possession. More important still, each of the territories consisted of a variety of different and largely isolated social and racial groups loosely controlled by an administration imposed from above. The boundaries of Sarawak, Brunei, Labuan and North Borneo were the result of external forces, particularly the activities of the White Rajahs, the Chartered Company and the British Government, rather than the result of internal forces. The boundaries did not reflect ethnic divisions, nor did they rest on a general sense of political identity or nationality. (3)

For survival in modern South-east Asia, the people of British Borneo had to be led to independence. The provisions of social, economic and political foundations for independence involved not only the integration of the three territories to form a larger and stronger unit, either as a separate entity of British Borneo or as part of Malaysia, but it also involved the integration of the various groups within each of the territories. Surrounded by the new nationalism of Asia the peoples of British Borneo had to bridge the gap between family, village and racial concepts and loyalties on the one hand, and national concepts and loyalties on the other. The mere superimposition of a theoretically unified political hierarchy was not enough to ensure the future stability and survival of the nation that would emerge. The mere provision of democratic procedures

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(1) C.S.S. page 17
(2) B.C.S page 119
(3) C.S.S. page 91
in the political structure would reflect the many divisions within British Borneo society and would lead ultimately to the disintegration of the area. The social, economic and political policies pursued by the governments of Sarawak, Brunei and North Borneo, with the guidance of Britain, were directed towards the building of a nation in which prosperity, unity, stability and democratic government would provide security in a troubled world.

The gradual process of self-government in the Fijian area had been perceptible during the earlier years of the Fijian Union.

The Fijian area had been subject to direct rule by the Fijian Governor in 1872. The Fijian area had been subject to direct rule by the Fijian Governor in 1872. The Fijian area had been subject to direct rule by the Fijian Governor in 1872. The Fijian area had been subject to direct rule by the Fijian Governor in 1872.
B. FORMAL DEVELOPMENTS IN THE POLITICAL STRUCTURE.

(a) Relationship between British Borneo and Britain, British Borneo and South-east Asia and between Sarawak, North Borneo and Brunei.

(1) Relationship with Britain: Colonies and Protectorate.
- Sarawak and North Borneo.

From 1946 Sarawak and North Borneo were crown colonies, each headed by a governor. They were British territories and their inhabitants were British subjects. The governors, although subject to broad policy direction and review by the Secretary of State in the Colonial Office in London, enjoyed a large degree of autonomy in their everyday operations. The following account of colonial procedures illustrates the Colonial Office's control over the affairs of colonies.

"The governor receives his authority or 'commission' in the form of 'Letters Patent' issued under the 'Great Seal' of the Privy Council in London. More detailed 'Instructions' are issued under the 'Royal Sign Manual and Signet' by the Colonial Office. The terms stated in the Letters Patent and the Instructions together serve as an organic law or constitution for the colony concerned. To meet emergencies or changing needs, the Imperial Privy Council will issue 'Orders-in-Council' to make basic alterations of the colonial administration. One example of these is the North Borneo Order-in-Council creating a Legislative Assembly in 1950."(1)

Much of the success of British colonial rule depends on the quality of the governor. Any action, statement or policy that could stir up widespread opposition or hostility could prove very damaging. This exercises a check on the governor's abuse of the tremendous power he holds. A further check is provided by his subordinate officials' right to petition the Colonial Secretary. Although the petition is sent through the governor he must forward it, together with his comments. It is the junior officials who are in closest touch with the people and these officials are often likely to take a strong stand in their defense.(2)

(ii) Brunei.

Brunei was not British territory and the inhabitants were not British subjects. Although technically an independent state enjoying British protection, Brunei was theoretically as subject to Britain's influence as were Sarawak and North Borneo. Although supreme authority in Brunei was vested in the Sultan-in-Council,(3) under the terms of the 1906 treaty between Britain and Brunei, the Sultan was obliged to accept the advice of the

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(1) CSS. page 60
(2) CSS. page 71
(3) ARB. 1958 page 203
British Resident on all matters affecting the Muslim religion. (1) The British Resident, under the supervision of the High Commissioner for Brunei, (the Governor of Sarawak) was also in charge of administration. (2) Nevertheless, the British Resident and the High Commissioner had to exercise tact in attempting to influence the Sultan and it is not clearly established that the British Resident and the High Commissioner were always able to persuade the Sultan to accept their advice. Brunei's refusal to federate with Sarawak and North Borneo and the later refusal to join Malaysia indicate that, in practice, the Sultan was not completely dominated by Britain.

"Devil of a State" (3) by Anthony Burgess, who lived for some time in Brunei, is a novel set in Lunia, an imaginary caliphate in East Africa. Lunia was governed by a benevolent Caliph, advised by a U.N. adviser. Rich in uranium, the country was preparing for the opening of a new mosque, built of Italian marble by Italian workers, imported for the job. A Native Peoples' Party was causing unrest in the country and the unfortunate U.N. Adviser struggled desperately and mostly unsuccessfully to persuade the Caliph to adopt sound policies. Although, as the Caliph exclaimed, "I have, under the United Nations agreement, no power to call out the police. I have no power at all," (4) it is clear in the novel, and in particular in Chapter 15, that the chain-smoking Caliph was not dominated by his Adviser. This novel, whilst fiction, provides a penetrating behind-the-scenes picture of the complicated power situation within a clearly identifiable state.

(11) Relationship between British Borneo and British South-east Asia.

From 1888, when Sarawak, North Borneo and Brunei became British protectorates, the earlier links with Malaya and Singapore were slightly strengthened in that "the whole of this northern part of the island (Borneo) was placed under the supervision of the Governor of the Straits Settlements (who was also the High Commissioner for the Malay States)" (5), who became High Commissioner of Brunei, but only Agent in Sarawak and North Borneo. (6) These links continued after 1946 and were strengthened by subsequent political and economic developments. In 1946 a Governor-General (7) was appointed with responsibility for co-ordinating policy and administration in Malaya, Singapore, Sarawak, North Borneo and Brunei. He was also responsible for co-ordinating defence matters. The Governor-General also assumed the supervisory responsibility of the pre-war High Commissioner for the Malay States over the British Resident in Brunei. (8)

(1) A.R.B. 1958 page 204
(2) Ibid
(3) "Devil of a State", by Anthony Burgess. Published by Heinemann, 1961.
(4) Ibid. page 231
(5) Ibid. page 19
(6) A.R.B. page 223
(8) Ibid
In 1948 the position of United Kingdom Commissioner-General for Southeast Asia was created as successor to the office of the Governor-General.\(^{(1)}\) In addition to being responsible for advising the British Foreign Secretary on foreign affairs in the area, the Commissioner-General assumed the former Governor-General's responsibilities in relation to the Borneo territories,\(^{(2)}\) except that, as from 1948, the Governor of Sarawak was made ex-officio High Commissioner for Brunei\(^{(3)}\) and thus assumed the supervisory responsibilities of the former Governor-General over the British Resident in Brunei. The Commissioner-General's position was complex in that "without separate appointments, his duties covered those of the Governor-General of Malaya and British Borneo (a Colonial Office appointment) and those of the Special Commissioner (a diplomatic Foreign Office appointment) of the United Kingdom in Southeast Asia".\(^{(4)}\) The Commissioner-General also presided over the Sarawak-North Borneo-Brunei Conference, a standing conference of the British Borneo territories established in 1953.\(^{(5)}\) Although the Governors of North Borneo and Sarawak and the High Commissioner for Brunei came under the Commissioner-General's broad jurisdiction they nevertheless continued to report direct to the Colonial Office on most matters,\(^{(6)}\) and, in this sense, administered their territories as separate entities.

Much of the legislation of the British Borneo territories was derived from legislation in force in Malaya and Singapore.\(^{(7)}\) In the case of Brunei, specific provisions existed for the adoption of laws of the Federation of Malaya and several such laws were adopted.\(^{(8)}\) Brunei Muslim laws also followed the provisions of a law in force in the Malayan State of Kelantan.\(^{(9)}\)

The three British Borneo territories were parties to the Malaya-British Borneo Currency Agreement of 1952, which superseded the 1938 Agreement. The 1938 Agreement established a Currency Board for Malaya, Singapore, Labuan (incorporating North Borneo from 1946) and Brunei.\(^{(10)}\) Under the 1952 Agreement, Sarawak, Brunei and North Borneo were represented on the Board of Commissioners of Currency, Malaya and British Borneo, which issued notes and coins used throughout the three British Borneo territories and in Malaya and Singapore.\(^{(11)}\) This common currency, together with the fact that the major sea and air routes out of Borneo were via Singapore, tended to produce close links between the Singapore and Borneo offices of commercial firms and strengthened the idea that Singapore was the gateway to Borneo.

\(^{(1)}\) B.C.9 page 124. Footnote 34 and C.S.S. pages 69-71
\(^{(2)}\) C.S.S. page 71.
\(^{(3)}\) B.C.9 page 124.
\(^{(4)}\) M.I.B.P. page 424.
\(^{(5)}\) A.R.N.B. 1958 page 178.
\(^{(6)}\) C.S.S. page 60
\(^{(7)}\) B.C.9 page 131
\(^{(8)}\) B.C.9 page 130
\(^{(9)}\) B.C.9 page 132
\(^{(10)}\) C.S.S. page 134.
\(^{(11)}\) B.C.9 page 147
There were various educational and technical links between Singapore and Malaya on the one hand and British Borneo on the other. Sarawak and North Borneo were represented on the Council of the University of Malaya. Training facilities available in Malaya and Singapore were used for the training of local personnel, for example, air traffic control staff and police. From 1953 the Registrar of Patents and Trade Marks in Singapore was the Registrar for North Borneo and the Commissioner of Immigration and Labour in North Borneo maintained contact with an advisory staff in the Federation of Malaya. Staff in Singapore and Malaya from time to time provided technical advice in Borneo, not to mention the contract staff that came from Malaya or Singapore to work in Borneo. There were a myriad of links of this nature between the British Borneo territories and Malaya and Singapore.

Despite these links with Malaya and Singapore, the three territories of British Borneo remained unique in many ways and retained their separate political identities and policies. Nevertheless, the constitutional changes that occurred in Sarawak, Brunei and North Borneo after 1946 were "designed to adapt them the more readily to the needs of independence, and, perhaps, integration, either as a self-contained federation, or as States of the Federation of Malaya: a territory with which historically, economically, legislatively and technically they already have close associations".

(iii) Relationship between Sarawak, Brunei and North Borneo.

The three territories were loosely linked through the influence of the U.K. Commissioner-General for South-east Asia over the Governors of Sarawak and North Borneo and over the High Commissioner for Brunei. An early direct link between Sarawak and Brunei was established in the days of the White Rajah, when James Brooke was made the Commissioner and Consul-General to the Sultan of Brunei. In 1948 this link was revived when the Governor of Sarawak became the High Commissioner for Brunei with supervisory powers over the British Resident in Brunei.

After the second world war, important steps were taken towards integration and co-ordination of policy between the three British Borneo territories. This was easier in the cases of Sarawak and North Borneo because they were both colonies.

Certain co-operative and joint ventures were established. In 1949 a combined Department of Geological Survey was created for British Borneo with its headquarters in Kuching. In 1951 the Supreme Court of Judicature was established with jurisdiction over the three territories. In 1953, a standing

(1) A.R.N.B. 1958 page 80
(2) A.R.N.B. 1956 page 126
(3) A.R.S. 1958 page 91
(4) A.R.N.B. 1958 page 178
(5) C.S.S. page 170.
(6) e.g. A.R.N.B. 1954 page 116
(7) B.C.9 page 119
(8) B.C.9 page 124
(9) A.R.S. 1958 page 135
(10) B.C.9 page 132
conference known as the Sarawak–North Borneo–Brunei Conference (1) and also known as the inter-territorial committee (2) was established “with the object of studying and promoting consultation and co-operation between the three territories, on matters of mutual concern”. (3) It was presided over by the Commissioner-General for South-east Asia and consisted of the Governors of Sarawak and North Borneo and the Sultan of Brunei, each accompanied by up to three representatives. The conference met at regular intervals in one or other of the territories. Inter-territorial meetings at the departmental level were also held from time to time. (4) By 1956 there was a Joint Civil Aviation and Meteorological Services Department. (5) In 1957 Borneo Airways Ltd., a private company in which 51% of the shareholdings were held by the Governments of Sarawak, Brunei and North Borneo, was inaugurated. (6) For many years the Attorney-General, Sarawak, was the ex-officio Legal Adviser to Brunei (7) and the Brunei Public Works Department was headed by officials assigned from Sarawak (8) as were the chief officers and various subordinate officers of the Brunei State Police. (9) The police forces of the three territories co-operated so closely that to some they appeared to be co-ordinate parts of a single system, rather than separate agencies. (10) The Commissioner of Labour for Sarawak was also the Commissioner for Labour in Brunei. (11)

In addition to the close link between Sarawak and Brunei in legal matters through the Sarawak Attorney-General's post as ex-officio Legal Adviser to Brunei, and in addition to the joint Supreme Court Judiciary shared by Sarawak, Brunei and North Borneo, the proximity of the three territories, and the common problems generally shared by them produced in general a common pattern of legislation, although local differences existed. (12)

To some extent the three territories were held together by a form of economic integration. "Basically alike in their dependence on primary production and welded into a larger currency union (with Malaya and Singapore) the territories also share elements of their transport and labor economies, and engage in much inter-territorial trade. The ports of Brunei serve the protectorate's inland economy and parts of North Borneo and Sarawak as well. (Labuan, in North Borneo, also serves as Brunei's major port for transshipment to larger international vessels). The labour force required by more advanced economic activities is recruited without restriction from

(2) This was the title often used by the local press and by Sir Roland Turnbull, the Governor of North Borneo, in his 1958 address advocating closer associations between Sarawak, Brunei and North Borneo.
(3) A.R.N.B. 1958 page 178
(4) e.g. in 1958. See A.R.N.B. 1958 page 178.
(5) A.R.N.B. 1956 page 126.
(7) B.C. 9 page 131. This was so until 1959.
(9) A.R.B. 1958 pages 125–127
(10) C.S.S. page 61
(11) A.R.S. 1958 page 17
(12) B.C.9 page 131
all three territories. The outstanding example of the extent of interterritorial trade is reflected in Sarawak's import statistics. In 1952 almost three-quarters of its imports came from Brunei and North Borneo. Most of this movement (98%) was of oil produced from Brunei and piped to Sarawak for refinement and re-export.\(^{(1)}\)

All attempts at obtaining co-ordinated policies in the three territories were not successful. In 1958 Sir Roland Turnbull, Governor of North Borneo, said: "Customs, immigration policy, health, education are all subjects in which we have already sought to secure unanimity but in which, because we are not bound together, local interests have so far won the day".\(^{(2)}\)

By 1958 the three territories had made considerable progress towards integration and the joint ventures were operating successfully. Important differences still existed between each state, in certain policies, in details of their constitutional structures, in the patterns of economic and social development, in traditional loyalties and in the developments towards self-government. It was in an effort to reduce these differences that federation of the three territories was proposed in 1958.

(b) **Patterns of Internal Government in the British Borneo Territories.**

(1) Features of Colonial Government in Sarawak and North Borneo.\(^{(3)}\)

Sarawak, North Borneo and Brunei had a basically similar structure of government consisting of the head of the government advised by council, an executive, and a civil service grouped under departments. The territories were divided into areas called divisions in Sarawak and residencies in North Borneo and Brunei, each administered by a resident. Residencies and divisions were further divided into districts, each administered by a district officer. North Borneo districts were often sub-divided into sub-districts administered by assistant district officers. Beneath this hierarchy were various native officers.

Sarawak and North Borneo as colonies shared similar features of colonial government. Brunei, whilst in many ways sharing these features, differed from its two neighbours in important respects. The headship of government in Brunei was complicated by the powers of the Sultan and the British Resident. The executive and administrative pattern was complicated by the existence of British and Malay hierarchies. For this reason, I propose to discuss Brunei separately. There were also differences between Sarawak and North Borneo, arising from the different traditions of their pre-war governments and from their different pre-war rates of development. There were nevertheless sufficient aspects of the post-war colonial governments of Sarawak and North Borneo to warrant their joint consideration.

\(^{(1)}\) C.O.S. page 133.

\(^{(2)}\) Page 3 of the North Borneo Government Printer's publication "Text of and Address on Closer Association between Sarawak, Brunei and North Borneo, by His Excellency the Governor of North Borneo, Sir Roland Turnbull, K.C.M.G., broadcast over Radio Sabah at 7.00 pm on February 7th, 1958."

\(^{(3)}\) This account is based chiefly on material in CSS chapters V and VI.
- The Governors.

After Sarawak and North Borneo became colonies in 1946, British authority in each of these colonies was exercised by the governor who was the representative and local symbol of the British Crown and the civilian commander-in-chief of the armed forces. Both governors had wide executive, legislative and judicial powers, limited by the particular provisions of the constitutions and by their responsibility to the Colonial Office and to the U.K. Commissioner-General for South-east Asia. Acknowledging these limitations, one can nevertheless say that the governors were the most important and influential figures in their respective colonies. They were advised by legislative and executive councils, the composition and powers of which were determined by the constitutions of the two colonies.

- The Administrations.

Beneath the governor in North Borneo and in Sarawak, the chief secretary was the chief officer in each colony. With the assistance of a secretariat, the chief secretary supervised the execution of government policy. Under the chief secretary were the residents, district officers and assistant district officers and the various departments, each with its own departmental head. The next most senior officials were the attorney-general, who was in charge of all legal matters in each colony, and the financial secretary, who had charge of the collections and disbursements of public money. In addition to their administrative functions, these officials were ex-officio members of the executive and legislative council in each colony.

Sarawak and North Borneo each possessed its own civil service, recruited in part locally and in part through the Colonial Office and the Crown Agents for Overseas Governments and Administrations. The governor was theoretically the head of the civil service in each colony but in practice the chief secretary was the operative head. Efforts were increasingly made to promote local people to more responsible positions in the civil service, but this was a slow process because of the shortage of suitably educated local people, especially natives. By 1958, both Sarawak and North Borneo had locally recruited officers at the assistant district officer level, and North Borneo appointed the first locally-born district officer in 1957.

- Local Administration: Traditional Pattern.

Local administration in North Borneo and Sarawak was traditionally an extension of the administrative system, designed to enable government policy

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(1) discussed on pages 127-128 of B.C.9

(2) A.R.S. 1958 page 162
A.R.N.B. 1958 page 175.
to be carried out effectively at the local level by blending traditional local patterns of leadership with the lower levels of the British administration. As far as possible the local people at the village level were left to conduct their village affairs in their traditional way, but in so far as government policy affected the local people, some link between the village and the British administration was necessary. The system was predominantly a one-way process whereby government policy was brought to the people, but the lower level British officials also had the opportunity of expressing the needs of the local people to their superiors. This system was gradually supplemented and replaced by a system of local government aimed at providing the local people with direct participation in local government affairs. This development was part of the progress towards self-government and will be discussed separately for each colony.

In the traditional pattern of local administration the responsibility descended from the chief secretary through the residents in charge of their residencies to the district officers in charge of their districts. Some districts were further divided into sub-districts administered by assistant district officers.

It was at the level of assistant district officers that local people generally were appointed. Beneath the district officers and assistant district officers, further extension of administrative authority occurred at indigenous levels through native chiefs and village headmen of varying ranks, titles and powers.

Residents, and even more so, district officers spent a great deal of their time travelling around their areas, keeping in touch with the people, assessing their needs and explaining government policies to them. This was considered an important part of their work as was pointed out in the 1958 Sarawak Annual Report: "As far as is practicable, Government attempts to free residents and District Officers from as much office work as is possible in order that they may tour their areas and maintain close contact with the people which has always been the keynote of administration."(1) The residents and district officers were generally trusted and respected by the local people and generally had the peoples' interest at heart. The district officer, under the resident, was the key figure in the administration, combining at the district level, the executive, legislative and judicial functions of government. The following description illustrates the importance of the district officer.

(1) A.R.S. 1958 page 162.
"The principal function of the district officer is the supervision of the village chiefs, the heads of long-houses and village councils who perform the bulk of the day-to-day tasks of governing the native communities. The district officer is the first court of appeal for any cases handled by the native courts and himself has primary jurisdiction in cases outside the jurisdiction of the local courts. The district officer is also the local representative of all the departments of the government in the capital of the colony, although some departments are beginning to have special representatives of their own in the districts. In the capital, officials have specialized functions, but in the district the district officer must see all, do all, and know all.

Since most villagers are too poor and too uninformed to go to the government, the district officer brings the government to the villages. Much of his time is spent making the rounds of his district by horseback, canoe or foot. He hears cases, treats the ailing, arbitrates disputes between villages, tracks down local offenders, enforces the rules of the forestry services or other branches of the government, and tries to teach the people in a thousand and one ways. His is one of the most difficult, trying, and at the same time most rewarding posts in the British colonies."

Government at the village level varied according to the different ethnic groups and their proximity to the major centres of British administration. In general there was little interference with the people's traditional handling of their village affairs except when interference was necessary to carry out government policy or to maintain order. The village headman, responsible to the district officer, was the primary local authority in the village and was appointed by the district officer after being chosen in accordance with the village custom, although the district officer was not bound to accept the village's nomination. In some communities the headman was a hereditary position. In addition to headman, the district officer also appointed district chiefs for groups of villages who, unlike the village headman, received a salary and generally enjoyed considerable status. This system placed official sanction on the traditional patterns of leadership and the traditional role of modifying the native chief, whilst gradually modifying his function.

As the indigenous peoples developed towards political sophistication, there was a tendency for the traditional patterns of leadership to break down. The village headman and elders tended to lose their traditional status as natural leaders and the headman came to be regarded as a minor agent for the government. In contrast to the district chief, the village headman tended to lose prestige and the government faced increasing difficulty in persuading local leaders to accept these troublesome and unpaid posts.

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(1) C.S.S. pages 81–82.
The Chinese community tended to remain exclusive and clannish and was virtually treated as a state within a state, being left largely to govern and educate themselves, within the limits imposed by the government. The link between the Chinese community and the government was the Kapitan China, usually a wealthy and respected spokesman for the community. Amongst the Chinese, leadership tended to be a matter of economic and social prestige and leadership was often hereditary. Special boards and committees composed of heads of dialect and other Chinese associations were consulted at various levels of government when Chinese interests were strongly involved.

The new patterns of local government were built up beside the traditional patterns of leadership. The experiments in Sarawak and North Borneo not only tended to weaken and replace the traditional leadership patterns within each cultural and racial group but also tended to bring the different communities into a closer relationship.

Even before experiments in local self-government began, there was provision for some representation of local interests. At the residency (North Borneo) and divisional (Sarawak) level there was provision for advisory councils. Each resident was advised by a council consisting of the district officers in his residency, various officials (civil servants) and various unofficials (non-civil servants) chosen to represent the various communities and interests in the residency. The district officers had similar advisory bodies, and government officials at all levels had the advice and co-operation of non-official specialists and representatives of the various communities, grouped in statutory and non-statutory boards and committees to deal with such problems as education, electricity supply and rubber production. These councils, committees and boards ranged from semi-elected to fully appointed bodies but all were representative in that every effort was made to reflect in their composition the various communities and interests affected.

The pattern of government from which North Borneo and Sarawak developed after 1946 was paternal, with a heavy reliance on British officials who had the interests of the people at heart. Leaders of the local communities formed the bridge between the British administration and the people, and some local people were junior members of the civil service. The British officials such as residents and district officers sought the advice of leaders of the local communities through appointed councils and bodies which, although not generally elective, were at least representative of the different communities. This was to provide the foundation for the beginning of increasingly elected government bodies.
(ii) Features of Government in Brunei. (1)

- The Sultan.

Supreme authority in Brunei was vested in the Sultan-in-Council, subject to the restrictions of the 1906 treaty, whereby the Sultan had to accept the advice of the British Resident on all matters other than those affecting Muslim and native law and custom. British authority in Brunei was exercised by the British Resident under the supervision of the High Commissioner for Brunei. In Brunei the equivalent position to that of the Governor in Sarawak or North Borneo would thus be a combination of the Sultan, the British Resident and the High Commissioner for Brunei.

- The Malay Hierarchy.

The top officials of the Sultan's staff were the Pengiran Bendahara or Prime Minister and the Pengiran Pemancha or second minister. These and most of the other government positions held by natives were no longer hereditary but the Malay aristocracy continued to hold a virtual monopoly of official positions by virtue of their prestige.

- The Administration.

After the treaty of 1906, the Malay officials of Brunei carried out their functions under increasingly tight British control which aimed at injecting into the Brunei bureaucracy some of the principles and systems of British colonial government. The Malay hierarchy was countered by a British administrative structure headed by a British Resident who performed the general functions of administration. The government departments were mostly headed by British officials recruited through the Colonial Office and there was a decreasing proportion of English officials under the heads of departments as local people were promoted.

- Local Administration: Traditional Pattern.

The British Resident was assisted by assistant residents, one in Brunei Town, the seat of government, and one in Kuala Belait. The state was further divided into four administrative districts, each with a Malay district officer responsible to the Resident.

Beneath the district officers were the traditional leaders of the local communities. The integration of traditional native leaders into the administrative pattern and the gradual modification of their role did not occur in Brunei as greatly as it did in Sarawak and North Borneo. Under British influence the Malay aristocracy in the villages tended to lose many of their feudal privileges but they still tended to dominate the village scene by virtue of their prestige and their official government positions. There was no development of local self-government as there was in Sarawak.

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(1) This account is based chiefly on material in C.S.S. chapters V and VI.
and North Borneo.

Brunei, then, was the most politically backward of the three territories. Elected offices virtually did not exist and there was very little foundation on which to build elected government bodies. There seems little doubt that Brunei's political and social traditions and the power of the Sultan and his Malay aristocracy retarded Brunei's development towards self-government.

The control of Brunei's affairs was never quite entirely in British hands, with the result that British officials could not do very much towards democratizing the structure of government.

(c) Constitutional Developments towards Self-Government.

(1) General Pattern.

The following statement (1) on British policy of promoting self-government in dependencies provides the wider colonial context of developments in British Borneo.

"Self-Government - The Central Purpose.
The central purpose of the United Kingdom in its dependencies is to help forward their economic, social and political progress and, in so doing, to create the conditions in which their peoples can develop self-government on democratic foundations and, whenever possible, independence within the Commonwealth. This task involves considerable investment, both public and private, and financial and technical assistance of many kinds from outside, principally from the United Kingdom. In some cases it involves the building up of new nations from modest foundations............"

"Evolution of Dependencies to Self-Government.
The British method of promoting political advance in the dependencies has been to create, with the co-operation of the local people, sometimes from the most primitive beginnings, territorial governments which, like the governments of more mature democracies, comprise a legislature or law-making body, an executive body (which, with the Governor, is the executive authority) and an independent judiciary. The various governments of the dependencies enjoy a large and increasing measure of autonomy. The role of the United Kingdom Secretary of State for the Colonies, and the Colonial Office, is to advise and to guide rather than actually to direct their affairs.
The constitutions of the dependencies are altered stage by stage to give the local people a more representative and a more responsible share in their governments as their capacities for self-government

(1) "Political Advance in the United Kingdom Dependencies", Reference Division, Central Office of Information, London, No. RP.P. 3668, February 1959, pages 1 and 3-4."
develop. Because circumstances vary widely between territories there is no set procedure for political development. Where circumstances are similar, however, a certain pattern is discernible.

At an early stage of its evolution the Legislative Council may consist of senior government officials (ex-officio, for example, the Chief Secretary, Attorney-General and Financial Secretary; or nominated by the Governor) and a minority of leading citizens (generally referred to as ‘unofficials’) nominated by the Governor. Later, an elected element is introduced and this is increased as the political experience of the people develops, until it forms a majority and finally replaces altogether the officials and nominated unofficials on the council. At the same time the franchise may be progressively widened, either by removing income or other qualifications or by replacing a system of indirect elections, by way of electoral colleges, by one of direct election.

Meantime parallel changes are introduced in the composition of the Executive Council. At first wholly official, its membership is progressively widened to include nominated unofficial members and then elected members of the legislature. Some of the elected members, by being made responsible for groups of Government departments (the ‘Member’ system) gain experience in the formation and execution of policy. Later the elected unofficials, as ministers, are given a majority in the Executive Council. The officials who serve on the Legislative and Executive Councils are then withdrawn, leaving a wholly elected executive responsible to a wholly elected legislature.

The introduction of these changes is made after the fullest possible consultation with the peoples concerned, so that, as interest in public affairs widens and political consciousness grows, the people are associated more and more with their own government. The same is true of developments in local government, where the people learn on a small scale the arts of law-making and administration in a democratic setting.

The United Kingdom policy of associating people in the dependencies with their own government applies not only to local and central political institutions but also to the public services. Almost all the middle and lower grades of the administrative services are filled by local people and, with assistance from the United Kingdom, increasing numbers are being recruited and trained for the higher grades."

This policy was being applied in British Borneo. Sarawak was the furthest advanced. By 1938 there were elected local authorities which in turn acted as electoral colleges for the legislative council. The legislative council had an unofficial majority and there were elected unofficial
members of the executive council. North Borneo had not reached this stage. Some local authorities had been established but the legislative and executive councils were still appointed, the legislative council having a majority of unofficials. Brunei had made no such progress by 1958. The Malay aristocracy and the Sultan, with the British advisers and unofficials, remained dominant in political affairs.

The encouragement of local people to rise in the civil service was well established in all three territories. As a general statement, local staff were confined to such positions as clerks, teachers and administrative officers at the district officer or assistant district officer level, but there were exceptions, such as the Crown Prosecutor and, from time to time, Acting Attorney-General in North Borneo. The cause of delay in the rise of local people in the civil service was due to the general scarcity of well educated and well qualified people.

In preparing the three territories for self-government and ultimate independence, several tasks had to be faced. Firstly, the peoples of British Borneo were divided into many ethnic communities. These communities had to be integrated and a national consciousness as opposed to village or racial consciousness had to be fostered. Secondly, interest in political matters had to be created. Thirdly, the level of the economy, of education and of the welfare services had to be raised. Fourthly, individual local people had to be groomed for leadership in political affairs. Fifthly, the three small territories had to be integrated into a larger unit to ensure their political and economic survival after independence. These developments had to keep pace with the constitutional changes introducing increased self-government.

As is to be expected, the constitutional developments towards self-government in the three territories differed in detail. The three territories were at different stages in their political development. The developments in the three territories can be regarded, however, as particular applications of the general policy quoted above.

(ii) Sarawak.

- The Governor.

When Sarawak became a colony in 1946 the first Governor of Sarawak was more limited in his powers than was the Governor of North Borneo because of Sarawak's constitution which, by 1958, consisted of the Sarawak Letters Patent 1956, the Sarawak Royal Instructions 1956, as amended by the Sarawak Additional Royal Instructions 1956, and the Sarawak (Constitution) Order in Council 1956, as amended by the Sarawak (Constitution) (Amendment) Order in Council 1956. (1) This Constitution

(1) B.C.9 page 124.
limited the Governor's power in two ways: by the usual type of limitations on colonial governors, by which the Governor of North Borneo was similarly limited, and by the incorporation of the democratic provisions of the third Rajah's 1941 Constitution.

The colonial restrictions required the Governor to comply with directions on matters of defence from the U.K. Commissioner-General for South-east Asia and to refrain from assenting to certain bills, such as those affecting currency, banking, differential duties, and the qualifications for membership of the legislative council, without the prior or subsequent consent of the Colonial Secretary. (1)

In 1941 the third Rajah enacted a new constitutional ordinance, limiting his absolute powers. The chief features of this ordinance were carried over into the new constitution which vested in the Governor-in-Council all powers conferred upon the Rajah-in-Council, by any written law prior to Sarawak's cession to Britain. The following account indicates the power exercised by the Governor.

"Subject to the provisions of the constitution, the Letters Patent, Royal Instructions and Orders-in-Council, the governor makes laws for Sarawak with the advice and consent of the Council Negri. If the governor desires to enact legislation, a draft is drawn up by his legal officer and submitted by one of the official members of Council Negri to that body, which may approve or reject the proposal. No laws can be made without the Council's assent. Any citizen or group of citizens may initiate legislation by petitioning one of the unofficial members, who, if he sees fit may introduce it. If it is passed, the governor may accept or veto it. If the bill is passed a third time over the governor's veto, it becomes law. However, acts of the council, the Supreme Council or the governor may be disallowed by the Colonial Secretary in London, although this rarely occurs.

In practice, the governor by using his official majority in the Council Negri may usually secure the passage of any legislation he desires, for he has the power to dismiss any official of the government. On the other hand, the Council Negri in an important matter can block the governor by a combination of the standing members (who are all Borneans) the unofficial members, and a small number of the official members. Similarly it can push through legislation over the opposition of the governor." (2)

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(1) B.C. 9 page 124.

(2) C.S.S. pages 73-74.
Rajas", which should be "ever maintained". (1) It implied popular sovereignty by stating "Sarawak is the heritage of our subjects and is held in trust by ourselves for them". (2) It also required the provision of social and educational services, justice, protection of natives' rights against exploitation and freedom of expression and worship. The Royal Instructions from Britain also supported individual rights. For example, the Instructions of 1946 stated: "The Governor is, to the utmost of his power, to ensure that fullest regard is paid to the religion and existing rights and customs of the inhabitants of Sarawak, to promote religion and education among them, and by all lawful means, to protect them in their persons and in the free employment of their possessions and to prevent violence and injustice among them." (3)


Under Sarawak's colonial constitution of 1946, the Supreme Council (executive) and the Council Negri (legislative) retained the authority granted to them in the 1941 constitution. The Council Negri retained its legislative and financial jurisdiction. "The Council (Negri) had the power to make laws for the peace, order and good government of the country (subject to the Governor's limited veto) and no public money could be expended or any charge made upon the revenue of the country without the Council's consent". (4)

The Governor presided over meetings of the Supreme Council and was required to consult the Council in the exercise of his powers, except on those matters in which he had a personal discretion (e.g. appointments to the Supreme Council (5)), which were too trivial or urgent to require consultation or in which in his opinion consultation would materially prejudice "the service of Her Majesty". (6) In cases of action taken without consultation as a result of urgency or the danger or prejudicing the Crown's interests by consultation, the Governor was required to notify the Council of the action as soon as possible. When the Governor acted contrary to the advice of the Council he was required to justify this action to the Colonial Secretary as soon as possible. (7)

In practice the Governor usually consulted the Council Negri or the Supreme Council "on all domestic matters except (Supreme) Council appointments and on most questions of relations with the other two British Borneo territories". (8)

- Composition of the Council Negri (Legislative Council).

Under the 1946 constitution the Council Negri consisted of 25 appointed

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(1) G.S.S. page 62. The nine principles are listed on pages 243-249 of KHR.
(2) Ibid
(3) Ibid
(4) A.R.S. 1958 page 164.
(5) Ibid
(6) B.C.9 page 125.
(7) C.S.S. page 73
(8) G.S.S. page 64.
members, made up as follows: (1)

14 official members
11 unofficial members.

The official members were appointed by the Governor from the Sarawak Civil Service and included the following as ex-officio members: the Chief Secretary, who presided over the Council as President, the Attorney-General and the Financial Secretary. The Attorney-General and the Financial Secretary, in that order of priority, presided over the Council in the Chief Secretary's absence. The unofficial members were chosen by the Governor in consultation with the Supreme Council for three-year renewable terms, to represent the various peoples and interests in the territory. Civil servants could also be appointed as unofficials if they were considered suitable to represent the communities to which they belonged.

In addition to the above 25 members there were certain standing members, natives who had been members of the Council Negri prior to the enactment of the 1941 constitution. These were appointed for life or until they resigned. At least five members of the Council had to be natives of Sarawak, i.e. from one or a combination of these groups: Malay, Iban, Land Dayak, Kayan, Kenyah, Melanau or Murut.

In 1956 an Order-in-Council was made and Letters Patent and Royal Instructions were promulgated which between them contained a new constitution for Sarawak. This constitution came into effect on April Fool's Day 1957. It provided for a new Council Negri consisting of 45 members, made up as follows: (2)

24 elected unofficial members
14 ex-officio members
4 nominated members to represent interests which the Governor considered inadequately represented
3 standing members.

The unofficial members were to be elected in the following way: 21 elected by the five Divisional Councils representing the administrative districts of Sarawak and three elected by the Kuching Municipal Council, The Sibu Urban District Council and the Miri Urban District Council. To qualify for election as an unofficial member a person had to be, amongst other things, over 21 years of age, a British subject or a British protected person and, with certain exceptions, was required to have been a resident of Sarawak for at least seven years. (3)

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(1) C.S.S. pages 63-64 and 73-74.
(2) A.R.S. 1958 page 164.
(3) A.R.S. 1958 page 164.

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(5) C.S.S. page 42.
- Composition of the Supreme Council (Executive Council).

The 1946 constitution provided that the Supreme Council should consist of at least five members, a majority of whom should be members of the Sarawak Civil Service and of the Council Negri.\(^{(1)}\) The Governor presided over the Supreme Council.\(^{(2)}\)

The 1957 constitution democratized the Supreme Council by providing that it should consist of:

- 3 ex-officio members: the Chief Secretary, the Attorney-General and the Financial Secretary,
- 2 nominated members appointed by the Governor from persons who are members of the Council Negri,
- 5 elected members, elected by the Council Negri from among its elected, nominated or standing members.\(^{(3)}\)

- Local Government: New Developments.\(^{(4)}\)

Sarawak's experiments in encouraging the development of self-government through participation in local government date back to the rule of the third White Rajah. The first step was taken by the publishing of the Native Administration Order as an enabling ordinance for the creation of village committees to replace individual native chiefs. This experiment did not get very far, partly because of the difficulties of providing adequate supervision and partly because the war and the Japanese occupation engulfed Sarawak before the scheme was well established.

In 1947 a scheme was drawn up for the development of a local government system of local authorities and the Local Authority Ordinance was passed in 1948, empowering these authorities "to control their own finances, and make their own laws for the promotion of agriculture, development of communal lands, control of markets, and promotion of health and education."\(^{(5)}\) They were eventually to maintain travelling dispensaries and take responsibility for the local constabulary. Their income was derived from direct taxes, fines and fees, supplemented by grants from the central government, based on the amount raised locally.

The first thirteen authorities were established on a racial basis, each authority being composed primarily of one ethnic group in an area centering on a town. The headmen of the villages in the area formed a village group council and elected two or more representatives to an area council, which, when approved by the British authorities, constituted the local authority. The racial basis for the local authorities was not successful as it tended to increase racial tensions. The pattern was therefore replaced by one of inter-racial authorities, representing the various communities and with jurisdiction over all races in the area. This new pattern

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\(^{(1)}\) C.S.S. page 63.
\(^{(2)}\) A.R.S. 1958 page 164
\(^{(3)}\) Ibid
\(^{(4)}\) This section is based on material in C.S.S. pages 77-85; A.R.S. 1958 pages 162-163; B.C.9 pages 139-140.
\(^{(5)}\) C.S.S. page 84.
brought the Chinese and indigenous people together at the local government level. By 1957 the population of the whole country was under the jurisdiction of local authorities, with the exception of an area of about 5,000 people on the north-west coast between Miri and the Brunei border, where the system was difficult to establish. Under the Local Government Elections Ordinance, 1956, express provision was made for local government elections which, by 1958, took place in the more important local authorities. All local authorities were representative though not in all cases directly elected.

Experiments in urban government also occurred. At first the highest urban bodies involving the principle of self-government were the sanitary boards, nominated by the governor and headed by the district officer. Their by-laws were subject to confirmation by the central government. The first municipal board was established in 1921 at Kuching and consisted of representatives of the Chinese, European, Malay and Indian elements of the community. After session a Dayak representative was included. As eight of the eleven members were unofficials, the board was popularly controlled. Other municipal boards were established at Bau, Sibu, Sarawak, Bintangor and Miri under the Municipal Ordinance.

After 1957, the local authorities, as well as carrying out certain local government activities, served as sub-electoral colleges for the election of representatives to the five Divisional Advisory Councils, which in turn were electoral colleges for the Council Negri. The Kuching Municipal Council, the Sibu Urban District Council and the Miri Urban District Council each served as electoral colleges for the election of one representative each to the Council Negri.

These experiments in local government were thus the first step towards self-government on an inter-racial basis, not only at the local government level but also at the national level. The 1958 Annual Report reviews their progress thus: "In the field of local government all district councils displayed greater experience in the technique of managing their own affairs and considerable progress was made by the more advanced local authorities as they assumed a wider variety of responsibilities."(1) The encouragement of local government was considered so important that the Sarawak Government "Gazette" provided a separate part (Part IV) "for the publication of all subsidiary legislation dealing with local government: a device enabling young local authorities easily to observe the progress made by other local authorities in the Colony."(2)

- Development towards Self-Government.

Sarawak began its colonial history with firmly established foundations for self-government. The constitution set forth individual rights, the governor's councils were powerful and the proportion of unofficial members

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(1) A.R.S. 1958 page 1.
(2) B.C.9 page 139 and footnote 43, page 126.
was increased to form the majority. Unofficials became elected by
indirect election and the pattern of elected officials was developed
in local government. Sarawak by 1958 was well on the way towards self-
government both in its use of elected officials and in its development
of integration of the various ethnic communities through local govern-
ment bodies, but it was by no means ready for self-government.

(iii) North Borneo.

- The Governor.

The powers of the Governor of North Borneo were limited, like those
of the Governor of Sarawak, by the usual powers of the Colonial Secretary,
but, unlike the Governor of Sarawak, the Governor of North Borneo did not
inherit a pre-colonial constitution containing provisions aimed at promoting
democratic self-government. Like Brunei and unlike Sarawak, North Borneo
had no written constitution setting forth individual rights.\(^1\) The con-
stitution of North Borneo consisted of the North Borneo Letters Patent, 1946
to 56, providing for the constitution of the office of Governor, the estab-
lishment, by Royal Instructions, of an Executive Council, and the establish-
ment, by Order-in-Council, of a Legislative Council.\(^2\)

- Powers of the Central Government Councils.

At first the Governor administered North Borneo in consultation with
an advisory council consisting of a few members of the former British North
Borneo (Chartered) Company and representatives of various interest groups.\(^3\)
In 1950 an Executive Council and a Legislative Council were established as
provided for in the Letters Patent 1946, as amended by the North Borneo
(Amendment) Letters Patent 1950 and as specified by the Orders-in-Council of
the British Government.\(^4\)

The Governor consulted the Executive Council on all questions of impor-
tance\(^5\) but was not bound by its advice as the Governor of Sarawak was bound
by the advice of his Supreme Council.\(^6\)

The Governor, with the advice and consent of the Legislative Council
and subject to the provisions of the Order-in-Council establishing it, had
the power to make laws for the peace, order and good government of the
colony. All decisions were by majority vote, with the President or presid-
ing member having an original vote and a casting vote if the voting was
equally divided.\(^7\) There was no provision for the Council to override
the Governor's veto on any of its resolutions and as the Governor appointed
the official and unofficial members, the officials being in the majority,
he was unlikely to fail to get the Council's support for any legislation
he desired.\(^8\)

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\(^1\) C.S.S. page 65
\(^2\) B.C.9 page 126
\(^3\) C.S.S. page 65
\(^4\) C.S.S. page 65
\(^5\) A.R.N.B. 1958 page 174
\(^6\) C.S.S. page 74
\(^7\) A.R.N.B. 1958 page 174.
\(^8\) C.S.S. pages 74-75.
- Composition of the Legislative Council.

The Legislative Council, after 1950, consisted of the Governor as President, three ex-officio members (the Chief Secretary, the Attorney-General and the Financial Secretary) nine official members appointed from the civil service by the Governor and ten nominated members. The ten nominated members were appointed by the Governor who, in accordance with the proposal outlined to the Council in 1955, normally selected eight of these members from a panel of names put forward by a number of representative bodies. *(1)*

Sir Roland Turnbull established this procedure for the selection of the nominated members within the existing constitutional provisions and without binding himself or his successors to retain the procedure. *(2)* He set up a panel of 19 names from which he would select eight. The 19 names were made up as follows:

A maximum of six put forward by the Native Chiefs’ Conference,

- six “ United Chinese Chambers of Commerce,
- three “ North Borneo Chamber of Commerce,
- two “ Planters’ Association
- two “ Labuan Town Board.

These bodies could put forward the names of adults who were British subjects or British protected persons and who possessed “a sufficient command of English to enable them to play their full part in the work of the committees of this Council”. *(3)* The Governor’s choice was based on his own assessment of their personal merit. With the exception of the people suggested by the Labuan Town Board, people selected from this panel to sit in the Legislative Council would join the council “in their personal capacity and not as representing exclusively any particular organisation nor any particular area of the Colony”. *(4)* Labuan was given area representation in an attempt to overcome the feeling prevalent in Labuan that the island received “less than its proper share”, in the North Borneo councils. *(5)* By providing for amendment of the panel from time to time the Governor could ensure that the names on the panel had the confidence of the bodies that originally proposed them. The Governor also proposed that, should any other body emerge as having wide support throughout the Colony he would ask that body to name persons for inclusion in the panel. *(6)* The Governor retained two of the ten nominated seats “to accommodate men of specialised experience” whose advice he “might particularly wish to have”. *(7)*

The unofficial members played increasingly important parts after 1955 in the work of the Committees of the Council. For example, in 1955 the

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*(1) A.R.N.B. 1958 page 174.*
*(2) R.T.N.B. "Address to Legislative Council", 10th November 1955, page 5.*
*(3) Ibid., page 4.*
*(5) Ibid., page 4.*
*(6) Ibid., page 5.*
*(7) Ibid., page 4.*
1956 budget was, for the first time, the work of a Finance Committee on which the Financial Secretary was the only official member(1) and by 1957 it was assumed that the budget was no longer an official plan but a joint production by a widely-drawn body conversant with the affairs of the country and its Government. (2) Unofficials also played an increasingly important part on the Development Committee and on various bodies such as the Credit Corporation, the Board of Education, the Electricity Board and the Rubber Fund Board. All of these boards by 1957 were predominantly unofficial and, within the broad lines of policy approved by the Legislative Council, exercised "the powers previously the prerogative of an official government". (3)

- Composition of the Executive Council.

The Executive Council, presided over by the Governor, consisted of three ex-officio members (the Chief Secretary, the Attorney-General and the Financial Secretary) two official members appointed by the Governor from the Civil Service, and four nominated members appointed by the Governor(4) with the consent of Britain. (5) The four nominated members were also selected from the Governor's panel of names for inclusion in the Legislative Council.

- Native Chiefs' Conference.

The Native Chiefs' Conference developed as an important forum for the discussion of native needs and opinions. The first post-war conference was held in 1954(6) and 22 chiefs attended from all parts of the country. The chiefs were presented with their badges of office "and were reminded of the efforts made by Government to associate the native peoples with the task of Government". (7) The purpose of the Conference can be seen from the following account: "The Conference provided an opportunity whereby the leading native representatives were able to discuss together freely problems common to the various parts of the territory, and to bring matters concerning the welfare of their people to the attention of Government. No government officers were present at these discussions, apart from an experienced ex-Chartered Company officer who was delegated to assist the Chiefs with the preparation of their agenda and the recording of their decisions. Among the questions discussed were the following: the development of irrigation works, the use of mechanical ploughs in padi growing, the construction of village roads and bridle paths to assist in the marketing of produce, the extension of health services and scholarships for higher education and the publication of books on native customs". (8)

(1) B.R.N.B. 1955 page 47.
(4) Ibid page 7.
(5) B.C. page 127.
(6) R.T.N.B. "Address to Legislative Council, 10th Nov. 1955" page 5.
(7) Ibid.
(8) Ibid.
These conferences became annual affairs and the range of subjects discussed increased as the native chiefs' consciousness of problems increased.


Three main types of development occurred in North Borneo in the field of local government, all of these developments designed to associate the local people more closely with the processes of government and thus to prepare them for self-government.

The first series of developments occurred under the Rural Government Ordinance enacted in 1951 to provide for the establishment of Local Authorities in rural areas. Wide powers were conferred on the Local Authorities, which controlled their own finances and which had power to levy rates and cesses and to "make by-laws for such purposes as the improvement of agriculture and animal husbandry, the control of buildings, the provision and maintenance of markets and the safeguarding and promotion of public health."(1)

Much of the work done by the Local Authorities was through such committees as Finance, Tamu (native markets), Agriculture and Irrigation and Livestock.(2)

The first Local Authority was established in the Kota Balud area (1/1/1952)(3) K.G. Tregonning discusses in some detail the significance and the achievements of this Authority and the part played in its success by the local people.(4)

"The post-war policy of the Government has been to associate the people of the territory ever more closely with the management of its affairs, and a most important advance in this direction was made in 1952. Taking advantage of the great strength of native institutions in Kota Balud, and the virile attitude apparent there, and relying heavily on Hasbullah (the Assistant District Officer and a native of the area) the Government established a Local Authority in the area..........

Forty-five chiefs and selected Village Headmen were brought together, under the Presidency of the District Officer and the Vice-Presidency of his native assistant, Hasbullah. As the President would only attend when invited, Hasbullah generally presided, and until the middle of 1957 it was his grasp of the issues concerned that advanced the Local Authority from strength to strength, and which encouraged the Government to institute Local Authorities elsewhere......

Hasbullah was controlling 21,000 people, Bajaus, Dusuns and Illumsuns, divided into over 90 villages and the town of Kota Balud. The

(1) A.R.N.B. page 175
(2) Ibid. page 176.
(3) A.R.N.B. page 175 Op Cit.
(4) K.G.T.N.B. pages 58 to 70
problem of fair representation had been solved in the early stages of the scheme, as fortunately the villages sort themselves clearly into distinct groups, linked by close racial and social ties. From each group the most acceptable chief was chosen, usually after somewhat informal, if serious, discussion and selection. The time is not ripe for elections, nor are they necessary or useful. There is the time-honoured method of selecting chiefs, and the system of chiefs and headmen has functioned for the stability of the people for a longer period than democratic voting methods have worked for the West.

These chiefs, numbering forty-six in 1957, meet at Kota Belud, under their own locally-designed flag, once every three months. To deal with the everyday work of the area there are seven committees which meet far more often, and which act on matters affecting Livestock Management, Education, Health, Irrigation and Agriculture, Municipality, Finance and the Tamu."(1)

Until 1st July 1954 the Kota Belud Local Authority was composed entirely of native members, but on that date Kota Belud town ceased to be an urban area and was incorporated into the Local Authority with the result that Chinese members were appointed to the Authority to represent the town interests.(2)

Following on the success of the Kota Belud Local Authority, similar Authorities were established in Sipitang (1955), Papar (1956), and Penampang (1958), the latter being the headquarters for the Jesselton Rural District Council, which brought the smaller townships around Jesselton under a unified administration whilst excluding the area controlled by the Jesselton Town Board.(3)

An attempt to establish a Local Authority in the Interior had to be shelved because it met with too much opposition from the people who were perfectly happy with their district officer and who thought that a Local Authority would mean increased taxes.(4)

In 1957 the Rural Government Ordinance was amended to enable small townships to be constituted under the Rural Government Ordinance. The purpose of this amendment was to integrate the smaller towns with the surrounding countryside until they developed sufficient size and urban problems requiring the establishment of their own Town Boards under the Municipal and Urban Authorities Ordinance. The amendment also provided for the creation of Village Councils to administer groups of villages when necessary.(5)

The development of Local Authorities obviously proved successful. The 1958 Annual Report states: "The progress of the established local

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(1) K.G.T.N.B. pages 58-59
(2) A.R.N.B. 1958 page 176
(3) A.R.N.B. 1958 page 176
(4) K.G.T.N.B. page 59
(5) A.R.N.B. 1958 page 176
(6) A.R.N.B. page 9. On pages 7 and 10 examples of their effectiveness are given.
authorities is very satisfactory. They have shown themselves capable of reflecting the needs of the districts or towns they serve and taking action, as empowered under the Ordinance."

In 1954, the Municipal and Urban Authorities Ordinance of 1953 came into force and replaced the former Sanitary Boards Ordinance of 1934.\(^1\) The Ordinance provided for the establishment of Township Authorities, Town Boards and Municipal Councils. In 1954, Jesselton and Sandakan became Town Board areas, followed in 1955 by Labuan and Tawau. Town Boards and Township Authorities were not elected, but, although their members were appointed by the Governor, a majority of unofficials was required for Town Boards. This ordinance provided a considerable advance on the Sanitary Boards Ordinance, especially in the increased control by the Boards over their own finances. Although Municipal Councils had not emerged by 1955, the Legislative Council passed a bill in 1958, permitting a change in the constitutions of the Town Boards in Jesselton and Sandakan whereby the Chairman was to be the only government officer in the board of unofficials.\(^2\)

The third important development in local government was the creation of district and residency "teams". This was an administrative development started in 1954 to counter the growth of centralisation of policy and administration in the government departments and the resulting decline in the responsibility of the district officers and residents as heads of their areas.\(^3\) These teams under the chairmanship of the resident or district officer, consisted of the chief local representatives of each government department as official members and of appointed prominent leaders of the local communities. In this way the administrative officers and departmental officers collaborated with each other and with local leaders to co-ordinate policy and to discuss problems. These teams did not duplicate the work of local authorities where they existed and it was hoped that they would "prove to be the precursors of representative local governments".\(^4\)

Although North Borneo had not reached the stage of political development of Sarawak in elected local bodies, it had achieved in a remarkably short time (since 1946) representative local bodies that provided local leaders with an opportunity to participate in local government and thus provided valuable experience for the next step towards self-government.

- Development towards Self-Government.

North Borneo was behind Sarawak in the development of elections. The pattern of elected local governments was not firmly established but local government was developing in the same general direction as in Sarawak.

At the national level, North Borneo began its colonial history with weak councils, entirely appointed. Although a system of election of unofficial council members had not developed by 1958, a system of appointment of unofficial...
recommended by non-political local organisations had and these unofficial members played an increasingly important role in political affairs. The Native Chiefs' Conference also provided a forum for native opinion to be expressed on an increasing range of policy matters. The preparatory work for elected national and local government bodies had begun, although elections were not as developed in North Borneo as they had in Sarawak.

The pattern of North Borneo's development towards self-government was partly the result of the "desire to identify the people of the country ever more closely and ever more intimately with its government" (1) and partly the result of the manifold new demands of a growing country, demands which could not be "adequately met by a purely official machine". (2) These developments were also varied to suit varying local conditions. Sir Roland Turnbull, the Governor of North Borneo, did not believe in standardised plans, as can be seen in the following statement:

"I recently saw, for the first time, a dictum attributed to the second Rajah of Sarawak, which reads: "Governments, like clothes, will not suit everybody, and certain people who gradually develop their government, though not a good one, are nearer happiness and stability than with a government of the best which is fitted at random." Nothing could accord more completely to my own view. The basic principles of democracy are unchanging, but their practical application must depend for success on what is apt, and what is wanted, in the local circumstances. I do not believe in doctrinaire policies, nor in government by blueprint, and I certainly have none for this country (in 1957) which I sincerely hope will evolve a system of democratic government - and fortune would seem to have given it time for such evolution - that is consistent with its own natural genius.

That this is in fact happening would seem to be the case. The laws passed by this Council in recent years envisaged differing processes of local government in urban and rural areas ..... But in North Borneo there is no such sharp division between town and country and the association, natural here, of urban and rural interests, is beginning to assert itself, with the consequence, as in Papar, that the urban authority becomes only an important committee of a body responsible for the whole district. I have been warned that our laws, adopted from elsewhere, are not particularly amenable to such a development, but I trust Council will agree that if our laws, and the tendency, come to issue, it should be the laws that must give way.....

(1) R.T.N.B. "Address to the Legislative Council, 28th Nov. 1957." page 7.
(2) Ibid.
I watch the development of our local authorities with immense interest .... On the other hand, there are areas where the local people do not wish to change the existing system of direct administration. I see no reason why they should do so in advance of their own desire. As I said, government has no blueprint, and has no intention of imposing systems that do not have the support of the people. I think the day will come when they regard the District Officer alone as inadequate to represent them, and to fulfill their needs. But until that time comes, I shall be the last to seek to persuade them to adopt methods they regard as alien.”

The North Borneo government was pursuing a policy of providing local people with experience and responsibility in local authorities and in other public bodies before changing the constitution in favour of a more democratic structure. As Sir Roland Turnbull, the Governor, expressed it, “The spirit of North Borneo is democratic, and it is my unceasing endeavour to make the practice of Government democratic. But the formal constitution of Government is not democratic.” Sir Roland Turnbull believed that “nothing in the nature of the electoral process should be introduced until our native peoples are strong enough to play their full part.” He was aware of the dangers of racial discord through premature elections. The progress towards maturity sufficient to enable elections to be introduced was encouraging by 1958 but it was still considered too early to introduce elections into the political process.

(1) R.T.N.B. "Address to the Legislative Council, 28th Nov. 1957”, page 8
A similar principle was outlined by the Governor in August 1958. See A.R.N.B. pages 8-9.
(3) Ibid
(4) Ibid
(iv) Brunei.
   - The Sultan.

Prior to the 1906 treaty the Sultan was in theory an absolute monarch, although he had in fact lost most of his power to the Malay aristocracy. Even after the 1906 treaty, the system of government in Brunei up to 1958 was essentially an autocratic system, "under which the Sultan possessed, acting on the advice of that ubiquitous character, the British Resident, almost despotic powers not regulated by any written constitution". (1)

   - The State Council. (2)

A theoretical check on the Sultan's power was the State Council, the assent of which was required for the enactment of legislation, and to which important matters of policy were referred. The State Council, combining the functions of legislative and executive councils, grew gradually larger and in 1958 consisted of 19 members appointed by the Sultan, and included the British Resident and the Sultan, who presided over the Council. In theory, however, the advice of the British Resident was more important than the views of the Council. The power relationship between the Sultan, the British Resident and the Council was, in fact, extremely complicated. There were plans for a new constitution and discussions in London were scheduled for 1959. (3)

   - Local Government. (4)

Brunei was far behind Sarawak and North Borneo in this field, partly because the state was smaller and more urbanised and partly because of the firmly established traditions of the Malay aristocracy. There was no equivalent development in Brunei to the development of local authorities in Sarawak and North Borneo. Municipal Boards developed in Brunei Town, Tutong and Kuala Belait with responsibility for municipal matters such as sanitation, conservation, street lighting and rating, but the members of these boards, representing all ethnic groups, were appointed by the central government.

An attempt was made in 1957 to elect unofficial members of District Councils, but a few days before the elections were due to take place, some members of the State Council raised objections to the elections. The Regents, acting for the Sultan, and later the Sultan, whom he returned to Brunei, decided to postpone the elections indefinitely. (5)

The position was further complicated by the People's Party's threat to boycott the elections. As the People's Party was the only political party in Brunei, this threat was serious.

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(1) B.C. 9 page 120
(2) This is based on material in C.S.S. pages 64 and 87; A.R.B. 1958 p. 203.
(3) A.R.B. 1958 page (iv)
(4) This is based on material in C.S.S. page 88; A.R.B. 1958 page 204.
(5) A.R.B. 1957 page (v)
- Development of Self-Government.

In a sense Brunei had a type of self-government in that the traditional system of government by the Malay aristocracy under the Sultan was still important, although limited by British influence. This was certainly not democratic self-government, nor was it self-government in the sense of participation in government by the ordinary people. Partly because of the power of the Sultan and the Malay aristocracy, both in relation to the British hierarchy and more important, in relation to the man in the kampong, Brunei lagged significantly behind Sarawak and North Borneo in its development towards self-government. The State Council was controlled by the Sultan with the British Resident's advice and the central government controlled local government. There were no elected members of the State Council nor were there any elected officials in the towns, or for that matter, at any level of government in Brunei, except, perhaps, a few village headmen in those villages where headmen were traditionally elected.

Malay villages, which constituted the majority, were still largely ruled by hereditary aristocrats.

A political party, the People's Party, had emerged, but had no influence in the official government, except in so far as it was vocal and was able to stage public demonstrations. The government and the People's Party were discussing a new constitution for Brunei, and the People's Party was becoming increasingly vocal in its demands for a change. Until 1959, however, Brunei's structure of government remained virtually unchanged, with power in the hands of the Sultan and his aristocracy on one hand and the British Officials on the other.

(d) The Law and the Judiciary.

(1) The Law

The two main sources of law in the three territories were written law and unwritten law. The written law of Sarawak, Brunei and North Borneo consisted of Imperial and local legislation. All three territories shared the common law of England, the doctrines of equity of England and English "statutes of general application" by virtue of local legislation enacted in more or less similar terms. Brunei, being a Malay state, also had a Malayan Laws Adoption Enactment under which Malayan laws could be adopted in Brunei with or without modification. In addition to these common elements, much of the local written law in the three territories was based on legislation in Singapore and Malaya, which in turn borrowed much of the written law of India and Britain. Despite some local differ-

(1). C.S.S. page 88

(2). The chief reference for this section is BC 9, pages 129-132.
ences, the three British Borneo territories shared with each other a common pattern of legislation similar to that of Malaya and Singapore. This common pattern of legislation was due in part to their proximity and the general problems common to the three territories and, in the case of Brunei and Sarawak, due to the Sarawak Attorney-General's position of ex-officio Legal Adviser to Brunei.

The unwritten laws of the three territories were predominantly the laws and customs of the various indigenous peoples and, in the case of Muslims, of Mohammedan law and custom. In Sarawak and North Borneo a certain amount of native law was codified, and in Brunei, the provisions of Muslim law were based on a law in force in the Malay State of Kelantan. Native law and Muslim law was therefore not entirely unwritten.

(ii) The Judiciary. (1)

In 1954 an Imperial Order in Council, the Sarawak, North Borneo and Brunei (Courts) Order in Council, established a unified upper level judiciary for the three territories. This was a significant development. "This Order in Council may correctly be said to make the first attempt to integrate the legal and judicial systems of the three territories, and the first positive, if delicate, approach to the issue of federation". (2) The previous higher courts, the Supreme and Circuit Courts of Sarawak, the High Court and the Sessions Courts of North Borneo and the office of Judge of Appeal and the Court of the British Resident of Brunei, were abolished and their jurisdiction was vested in the one Supreme Court of Judicature for all three territories.

The Supreme Court consisted of the High Court and the Court of Appeal. The Supreme Court Judiciary consisted of a Chief Justice, who was president of both the High Court and the Court of Appeal, and as many puisne judges as were appointed from time to time. All judges were appointed by the Governors of Sarawak and North Borneo and the High Commission for Brunei, acting jointly on behalf of the British Crown and the Sultan of Brunei. Supreme Court Judges were based upon the two capitals of Jesselton and Kuching and went on circuit throughout the three territories.

The High Court of Justice, consisting of one judge, had original and appellate jurisdiction over the more serious and important civil and criminal cases. It could hear and determine all civil and criminal appeals from decisions of the lower courts and could rest its decisions on its own precedents and findings, irrespective of the precedents established by the lower courts, when minor local variances of procedure and interpretation occurred.

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(1) Chief Sources: BC 9, pages 132-134.
CSS, pages 75 - 77.
A useful diagram of the "Judicial Structure of British Borneo" is provided in Table 6 page 76 of CSS.

(2) BC 9 page 133.
The Court of Appeal, consisting of an uneven number of judges, usually not less than three, heard criminal and civil appeals from the High Court.

At the same time as the Supreme Court was established, the Sarawak, North Borneo and Brunei (Appeal to the Privy Council) Order in Council, 1951, was promulgated, establishing appeal to the British Privy Council under certain conditions.

Below the Supreme Court of British Borneo were the separate lower court systems of the three territories: the territorial and native courts of North Borneo; the territorial courts of Brunei and the Muslim Court of Kathis; and the territorial and native courts of Sarawak. These lower courts applied law derived from English common law and local customary law. Sarawak and North Borneo, unlike Brunei, had no courts dealing exclusively with Muslims as Islam was not the state religion in Sarawak and North Borneo, whereas it was in Brunei.

In a sense, the new arrangement was federal in that the higher courts were common to the three territories, whilst each territory retained its separate lower court systems.
C. POLITICAL DEVELOPMENTS WITHIN THE COMMUNITY. (1)

(a) The Divisions in British Bornean Society.

I have so far only dealt with the formal framework of the British Borneo territories. At the official level, these territories were developing towards integration into one unit and within each of the three territories the various communities were being brought into closer contact with the governments and with other communities. It should be appreciated, however, that, beneath the formal political hierarchies began the tremendously varied patterns of the local ethnic communities. Because of the variety and the speed with which British Bornean society was changing, it is extremely difficult to generalise. The pattern of segmented societies I am about to describe was, to varying degrees, breaking down. Nevertheless it is important to appreciate the fundamental divisions within British Bornean society to understand the type of society from which British Borneo was evolving.

British Borneo was not and still largely is not one society or three societies, but many. "Politically, economically and culturally, it presents not a single pattern but a number of different ones existing side by side or superimposed one upon the other. British political control of the area is exercised through two colonial governments (since September 1963 replaced by independent states within Malaysia) and a protectorate. Economically, a modern extractive and export industry geared to world markets stands in the midst of the old self-sufficient agricultural system of the indigenous villages. Ethnically, the inhabitants are segmented into a small body of European administrators, a large Chinese minority, a few immigrants from other parts of Asia, and a heterogeneous indigenous population." (2)

This fragmentation stemmed from the multiplicity of ethnic groups living chiefly in scattered settlements, more or less isolated from each other. Each group had developed its own pattern of social organisation, language and way of life and thought, similar in a general way to those of other groups, but sufficiently different to maintain the fragmentation. Some groups were further isolated from their Bornean neighbours by bonds with the outside world. The Chinese generally maintained ties with China and the Muslim groups, in so far as they identified themselves with groups outside the village, generally had a sense of identity with the rest of Islam which tended to link them with Brunei or Malay, depending on their origins. In the case of Brunei, this provided a basis for national consciousness but in the case of Sarawak and North Borneo, it worked against any sense of national unity, except, perhaps, at the British Borneo level.

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(1) Except where otherwise indicated, this section is based on material in CSS pages 1-3 and chapters III, IV, VII, X, XIX and XX.
(2) CSS page 226.
Language provided an important barrier, not only between the various groups but also between the people and the government. Mass communication, one of the most important devices to build a sense of national unity, was largely ineffective beyond the educated groups because of illiteracy and language barriers. Even indigenous and Chinese communities sharing a common tradition were in many cases divided by local dialect differences. Malay was the most important common language for economic and social intercourse between the various groups, but although a knowledge of Malay was increasing, it was not known sufficiently widely to overcome the language barrier.

English was increasing as a means of communication, but its use was largely confined to the upper levels of government and business.

The peoples of British Borneo were also divided by religion, although this was not generally a source of overt hostility. The major divisions were between the Muslims, Pagans, Christians and the Chinese Buddhist-Confucianist groups. Within each of these major groups were further divisions, for example, between the degrees of orthodoxy amongst the Muslims, between the various Christian sects and between the particular animistic beliefs and rituals of the Pagans.

The types of economic communities in British Borneo also varied immensely from the large towns and commercial undertakings like oil companies, rubber estates and timber concessions, through the small peasant farmer and fishing village groups to the nomadic hunters. These divisions were accentuated by the sparse population, particularly in Sarawak and North Borneo where the population was predominantly rural (1), the resulting scattered nature of the settlements, poor communications and difficult terrain. Such intercourse as occurred tended to follow the major transport routes of the roads, paths, railways and rivers but intercourse between the people along one route and those along another varied from being limited to non-existent.

The peoples of one ethnic community often had strange ideas about the peoples of other communities. I remember five senior high school Ibanis from Sarawak being unwilling to leave my car in a small Dusun market town near Jesselton because they thought the people there would cast spells on them. These boys were well educated by Borneo standards and were Christians at that!

Despite the barriers between the various communities there was generally no overt social tension, except in Brunei. Under the system of government imposed by the British, each community more or less minded its own business and pursued its traditional way of life separate from the other communities. There was little competition between the various communities, there was plenty of land and no community's security or standard of living was threatened by other communities. The British officials generally secured the rights of each community. There were, of course, exceptions to

(1). CSS page 27.
the above, but that was the general pattern of tolerant and separate community life.

Two important sources of potential racial tension were the general economic supremacy of the Chinese over the indigenous groups and a tendency for some racial groups to enjoy greater prestige than others. There was no rigid system of racial stratification in British Borneo but there were elements of this.

The British administrators formed the ruling elite of British Borneo and their position was generally supported by most people, except in Brunei. Beneath the British, the Chinese were the most powerful economically and the best educated, although both the British and the indigenous people tended to place them as a group low in the scale of prestige. The most prestigious group, especially in Brunei, were the Malays, through their association with the Malay aristocracy and the Sultan of Brunei and through their association with Brunei's former power in Borneo. The Ibanas in Sarawak and the Bejaus and Dusuns in North Borneo were probably the most influential native groups and below them came the less advanced peoples. The easy-going racial tolerance was marred by a tendency for various groups to look down on others, who resented this. I have frequently found educated Malays who resent what they consider to be the superior attitude of the Chinese, but who find nothing wrong in their own superior attitude to the pagan natives. Colour consciousness also existed, the lighter groups regarding themselves as superior to the darker groups, although the colour range in any one ethnic group usually covered the full range of colours available in Borneo.

Despite this tendency towards stratification, people were by no means obsessed with this and generally each group more or less ignored the other groups. Individuals were also capable of winning respect of people from various ethnic groups. For example, some native chiefs, native or Chinese government officers and leading figures of the Chinese community were respected beyond their own groups.

(b) Traditional Patterns of Social Organisation within each Community: Community Consciousness.

Within each ethnic community there were important differences between sub-groups of the community. The patterns I am about to describe were also influenced to varying degrees by the political and social changes that were occurring in British Borneo. Nevertheless, some generalisations can be made.

(1) Muslims: "Malays". (1)

The Muslim groups, often classed as Malays, irrespective of their racial origins, were extremely heterogeneous, both in racial groupings and in patterns of social organisation. The most typical groups in the Muslim

(1) The material for this section is based on the following - CO5 pages 38-42, 86, 119-120, 228-229.
pattern of society were the Brunei Malays. Other groups such as the Sulus and Banjars of North Borneo, the Kidayans of North Borneo and Brunei and the Melanesians of Sarawak shared some of the general characteristics of Muslim society but important variations occurred within these groups. In some marginal groups, for example, the Melanesians, all were not Muslims.

As a general category, the Muslim groups constituted approximately 40% of the population of British Borneo, the highest proportion living in Brunei. They were predominantly coastal people, engaging in farming and fishing. They shared an aristocratic tradition, based on hereditary rank ranging from aristocrats through commoners to ex-slaves. Malay aristocrats claimed descent from the Sultan of Brunei, from Javanese or Malayan aristocracies or from the Arab Sayyid (a descendant of Mahommed) and some in North Borneo claimed descent from the Sultan of Sulu. The different communities varied in their degree of adherence to aristocratic tradition. For example, the Melanesians, whilst retaining hereditary status, regarded their chiefs as chairmen rather than as leaders. In all Muslim communities the Hadjis, who had been able to afford the pilgrimage to Mecca, enjoyed considerable prestige whether they were aristocrats or not.

Under the Brooke rule in Sarawak and under the Sultan in Brunei, Malay aristocrats held most of the important native positions in government. Their experience in government, inter-marriage between upper class families in different villages and the common bond of Islam provided the Malays with some degree of a consciousness of ethnic unity. With the exception of those groups who retained sentimental attachment to Sulu, Brunei was to a large extent the cultural and religious, if not the political centre for the Malays. Once the white Rajahs left Sarawak the Sultan of Brunei once again became an important figurehead for many of the Malays because the British Crown was too distant.

(ii) Iban or Sea Dayaks

The Iban or Sea Dayak was the largest single non-Muslim group in British Borneo, comprising about 4-8% of the population of Sarawak, to which territory they belonged. Although they lacked a broad sense of unity and thought of themselves chiefly as belonging to a particular community or long-house, they did speak a common language as an ethnic group and were frequently related through marriage between different long-houses. Of all the indigenous groups in British Borneo they were probably the closest to a sense of group identity.

The Iban were rice farmers, some maintaining the shifting cultivation pattern, others turning to the more settled wet rice and rubber cultivation.

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(1) According to my aristocratic Malay friends in North Borneo, "Datus" are descended from the Sultan of Sulu, whilst "Fungirans" are descended from the Sultan of Brunei. "Dato" is a post-Malaysia honorary title.

(2) The material for this section is based on the following: CSS pages 12-13, 86, 120-121, 230-231.

(3) ARS 1958 page 13.
Ibans were "at once competitive and equalitarian, aggressive and independent, and yet capable of co-operative activity".\(^{(1)}\) Theirs was a democratic society. Defined social classes did not exist and individuals or families could gain status by acquiring wealth or prestige. Their leaders were generally elected but enjoyed no special deference. Although non-authoritative, the Iban chief could be powerful if he developed the right qualities of impartiality, good judgment and skill in the use of words. Such leaders could develop and use the co-operative elements in Iban society.

The Ibans showed a willingness to adapt to social change. They took advantage of government development schemes and education. An increasing proportion became Christians with no harmful results. From the Iban community came a number of teachers, clerks and junior civil servants. Individual Ibans showed greater willingness to travel widely than other indigenous peoples, in search of wages. Because of their progressiveness the Ibans showed promise of ultimately assuming an important place in British Borneo and Sarawak's political affairs.

\textbf{(iii) Land Dayaks}\(^{(2)}\)

These were a small proportion of the population, 7.7\% of Sarawak's population.\(^{(3)}\) None but a few educated people in this group would recognize the term "Land Dayak". They lived chiefly in the inland areas of Sarawak and identified themselves closely with their village and locality. There were considerable variations in language and custom between the various villages. Some went in for shifting rice cultivation, others for the more settled wet-rice cultivation. Those villages still pursuing shifting cultivation tended to divide, as groups set up new long-houses closer to new areas being cultivated. They had an elaborate system of labour exchange whereby various families helped each other. Their system of inheritance was also complicated by the theory that particular pieces of land were inherited by all living descendants of the person who cleared the land. As the shifting cultivation brought the people of one village into contact with those of another unrelated village, clashes often developed over the ownership of land.

The Land Dayaks were anarchists.\(^{(4)}\) They were democratic in that they had no rigid class system. Property did not provide any special status. Their leaders were not elected by a vote but by a prolonged series of discussions which continued until consensus was reached. Their leaders were not strong as the people had a marked streak of individualism and irresponsibility. The leaders led only when the people agreed to be led. These social

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\(^{(1)}\) CSS page 43.
\(^{(2)}\) The material for this section is based on the following: CSS pp.43-45, 86, 120-121, 231-232.
\(^{(4)}\) N.D.N. page 21.
attitudes, coupled with an inefficient organisation of work and a friction-producing inheritance system, rendered the Land Dayaks less able to cope with modern developments than the Ibans. The impact of Christianity was a mixed blessing, creating in some cases a cultural vacuum. The Land Dayaks lacked cultural uniformity and a clear concept of unity, but distinguished themselves sharply from the Malays and Ibans. This negative identification provided some potential for the development of future unity, but lacking cohesion even within the village, a great deal of education would be necessary before any unity could be created.

(iv) Dusuns. (1)

These were the most important group of indigenous people in North Borneo, making up more than a third of the population. (2) They also constituted 7% of the population of Brunei. (3)

These, as their name, "men of the orchards" implies, were farmers, chiefly rice and rubber producers in settled communities. Some communities of Dusuns were closely related in language and custom, for example the Dusuns within a twenty-mile radius of Jesselton, to the north, east and south, who called themselves Kadazans. The Kadazans of the west coast and the Dusuns of the interior profited from education and filled junior posts in the police force and civil service. The Kadazans were one of the first groups to show political consciousness.

Their pattern of social organisation varied from community to community. They were not basically aristocratic, but their leaders, usually elected, were powerful within their communities. Wealth was an important source of status.

(v) Other indigenous Groups. (4)

The Muruts, of North Borneo, Sarawak and Brunei, and the Kelabits, Punans, Kenyas, Kenyahs and Kajangs of Sarawak were a small proportion of the population, and generally speaking, the most backward. Their pattern of economic activity ranged from that of nomadic hunters, through shifting cultivators to settled rice farmers. Their sense of group unity rarely went beyond the village level and there was a great deal of variety in customs between and within these groups who remained largely untouched by and in some cases virtually unknown to the colonial administration.

(vi) The Chinese. (5)

The Chinese community constituted approximately a quarter of British

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(1) The material in this section is based on CSS pp 45-46, 86, 120-121, and my own knowledge of these people.


Borneo's population and, through immigration and natural increase, was rapidly growing. Although approximately 65% of the Chinese in British Borneo were born there, they tended to remain apart from the other communities socially and politically, being left largely to govern their own affairs and to provide their own social services, such as education. Within the Chinese community there were nine mutually unintelligible dialect groups (1) around which the clans, dialect associations and mutual aid groups were built.

Leadership within the Chinese community was largely based on wealth and operated through the clans and dialect associations. Although divided amongst themselves, they were capable, through their organisations, of presenting a united front to the outside world. They generally remained aloof from politics, from which early colonial policy excluded them, but their link with the government was through the Kapitans China, usually affluent members of the community and recognised as spokesmen. In some communities the position tended to be hereditary.

Status in the Chinese community rested on wealth and the Chinese of British Borneo, like those elsewhere, excelled in money-making. Most of the Chinese originally migrated to Borneo as labourers, but many soon moved into farming, trades, and most important of all, trading. It was in their role of moneylenders and middle-men that they came most into contact with the indigenous people by whom they were generally disliked and suspected because of their affluence. Because of their wealth and consequent attention to education, Chinese also moved into important positions in the civil service and commercial firms. Indigenous peoples also tended to resent this.

(vi) Europeans(2)

Few Europeans settled in British Borneo. Most were employees of the government or large commercial firms and were generally respected by the local people. Morale and standards of performance of government officers were generally high and the indigenous people relied on them considerably for help and guidance, except in Brunei, where there was some resentment at the number of Europeans employed. (3) Officers sometimes failed to understand the people sufficiently and thus made mistakes in the policies they implemented, but generally they tried to learn something of the people they governed and constantly kept the needs of the local people in mind. This was particularly true after the second world war. Although they mixed freely with the local people when occasion demanded, they nevertheless tended to live in different worlds.

(1) C.S.S., page 2.
(2) C.S.S., pp. 52, 119.
C.S.S. p. 34
(viii) Other Immigrant Groups. (1)

Indonesians, Filipinos, Indians, Ceylonese and Pakistanis formed a very small proportion of the population. They generally formed self-contained groups and did not generally have any important impact on the local population.

(e) Government Attempts at Integrating the various Communities. (2)

With all the differences separating the various communities in British Borneo, there was no major factor to unite them as citizens of Sarawak, Brunei or North Borneo, and even less to unite them as citizens of British Borneo except, in a very general sense, the common cultural pattern based on rice cultivation which most groups shared with each other and with the rest of South-east Asia, and the imposed British system of government with which the people were hardly associated. Another potential source of unity on a British Borneo level was the bond of language and religion between the various Muslim groups and the widespread presence of Chinese with strong ties with China. On the other hand, these factors worked against unity with other groups in the three territories.

Brunei was to some extent an exception to the above. Brunei was the smallest of the three territories with a large Muslim Malay population (49% in 1947 (3)), a predominantly urban population, (4) more than half of the total population living in three chief towns, (5) and a Sultan and Malay aristocracy firmly established in the country’s political affairs. Brunei also had a tradition as a political entity before the British arrived. Although its size was much reduced, the people remaining under the Sultan of Brunei had the tradition of loyalty to the Sultan. Islam, as the State religion, and as the religion of a large section of the population, was an important bond. It is natural, therefore, that Brunei should have shown the earliest signs of national and political consciousness, even though its constitutional development was, until 1959, behind that of its neighbours.

The tasks that faced the governments of British Borneo and the British government were to bring the different ethnic groups into closer contact with each other, to develop a national consciousness and to develop the economy of the three territories without provoking hostile competition between the communities and without building up racial resentment. In the process of doing this, much of the stability within each of the communities would naturally be impaired as traditions of isolated communities

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(1) The material in this section is based on C.S.S. page 52.
(2) The material in this section is based on C.S.S. pp 3-6, 16-18, 66-68, 83-86 and chapters VI, X and XIX.
(4) C.S.S. page 27.

Brunei Town 17,000
Kuala Belait-Seria 26,000

41,000

A.R.B. 1958 page 7. Total estimated population 80,277
became modified to adjust to a closer relationship between the communities.

In Sarawak and North Borneo the traditional role of native chiefs and community leaders changed to varying degrees through the government's use of local leaders as administrative officers under the District Officers. In some groups democratic elections of chiefs were successfully encouraged. Amongst the Chinese groups, efforts were made, with varying success, to democratise the method of selection of leaders. Most important of all, the representatives of the various communities were brought together on advisory councils and later local authorities and these leaders were encouraged to assume greater responsibility in administering government at the district level. A few community leaders rose to prominence through their selection to represent their ethnic groups in the legislative councils.

Two conflicting patterns of development can be seen in Sarawak and North Borneo. The earlier pattern was that of encouraging the integration of sub-groups and a growing sense of unity within ethnic groups but not between them, in the appointment of individuals as representatives of their racial groups at various levels of government from the top down. This tended to encourage political separation along ethnic lines. This racial basis was also initially tried in Sarawak as the pattern for local authorities, but was abandoned in favour of mixed racial local authorities with jurisdiction over all communities. The pattern of development in Sarawak and North Borneo was towards elected local government bodies of a multi-racial nature, from which representatives could be elected to the central government on a geographical basis. Sarawak had reached this point by 1958 but North Borneo had not.

Education was of great importance in removing barriers between the communities in that it increased literacy and the use of a common language and in that it broadened horizons beyond the village. In North Borneo and Brunei, Malay was the medium of instruction for natives attending government schools. English was the medium of instruction for those natives and Chinese who attended mission schools. In Sarawak, English was the medium of instruction in most government and mission schools. In Chinese schools the common medium of Mandarin helped to integrate the various Chinese dialect groups and increasing efforts by governments to influence the Chinese schools helped to modify their exclusively Chinese nature, although the Chinese cultural emphasis remained.

Information services, aided by the spread of literacy and the increasingly common languages, Malay, English and Mandarin, aimed at building up support for British policy generally and at integrating the diverse communities especially the Chinese and native communities. Radio and film played an important part in these activities, especially in reaching illiterate people. The information services also aimed at combating Communist propaganda.
The development of transport and communications, the government's encouragement of economic development and the spread of social services also helped to change the ways of life of the various communities and to bring them into closer contact with each other.

Associations of a cultural, economic, social, sporting and welfare nature were also sponsored as a means to encourage the various groups to mix together and co-operate. These groups, especially the cultural groups and such bodies as Chambers of Commerce, were to provide a means of expression for public opinion and, in some cases, to lay the foundations for future political parties.

These developments produced changes in the attitudes of the various communities and to some extent encouraged the growth of loyalties beyond the village and beyond racial groups. It would not be claimed that by 1958 the various ethnic communities had been integrated. There were still important divisions between the different racial communities and even within them. Some communities, especially the more primitive groups in the more isolated areas, remained and still remain virtually unchanged.

(d) Signs of growing political consciousness

(i) General.

The entities of Sarawak and North Borneo did not come into existence until the nineteenth century, and were the result of external forces (namely British control) rather than of an internal sense of political identity or nationality. Brunei, of course, had a political identity and tradition but it could hardly have been described as a nation in the modern sense. The entity of British Borneo was even more recent. It could be considered to date from 1888, but it was not until 1946 that the three territories began their real development towards integration. The boundaries of British Borneo and of the three territories were accidental and arbitrary. There were important social, cultural, religious and even family links across the borders including the borders of Indonesian Borneo. There was initially nothing except the accident of British control to separate British Borneo from the rest of Borneo. In the early post-war period the people of the three British Borneo territories had not had time to develop any sense of nationhood, with the possible exception of Brunei. The following three descriptions were written in 1956. They were still true in 1958 and, to a large extent, are still true today.

"Any generalisation concerning the political awareness of the British Borneans will be misleading that does not at the same time take into account the heterogeneous character of the population. Muslim Malay, pagan tribesman, Chinese entrepreneur, and

(1) The material for this section is based on C.S.S. pp. 5-6, 16-18, 66-68, chapters VII, X, XIX.
British administrator live side by side, bound together by the circumstance of British rule, but separated from one another by vast differences in way of life, outlook and aspirations.\(^{(1)}\)

"The conceptions of British Borneans have of themselves are colored by the fact that they live within three territories inhabited by a diversity of peoples who have never been a nation in the European sense. They are a complex of ethnic groups and subgroups, presenting a wide variety of indigenous political and social institutions.\(^{(2)}\)

"Most of the peoples of British Borneo are at the dawn of political awakening. They are largely unaware of themselves as constituting a political unit. British Bornean society is a society of fragmented loyalties. Each of the diverse communities has a different level of consciousness of relationship with surrounding groups.\(^{(3)}\)

I have already discussed in some detail the divisions within each of the three territories, divisions having their origins in the variety of different ethnic groups living in relative isolation from each other. In a literary way, Agnes Keith indicated the barrier to national and political consciousness for the rural indigenous people when she said: "At present the native of Borneo has no national concept, much less world concept, because he can’t think that big; he doesn’t know that he has a country because he can’t see that far. His farthest horizon is the pig under his house, the outermost tree in his clearing, the footpath over which he treads twice a year to the nearest village for salt".\(^{(4)}\)

In addition to the internal divisions within the three territories there were the links between some of the communities and communities in the outside world. These links tended to work against a local consciousness of belonging to North Borneo or Sarawak. The common racial and cultural bond between the Chinese of the three territories provided a possible basis for the growth of a British Bornean consciousness, but the strongest bond between the Chinese of each of the territories was not so much with each other as with China. The Muslim Malays in the three territories also provided a source of potential unity between the three territories, because of their strong historical, cultural and religious link with Brunei, but these same factors also provided a potential link with Indonesia or Malaya. It was complicated by the fact that many of the coastal dwellers in North Borneo were more conscious of their links with Sulu, and hence with the Philippines, despite the call of Brunei's impressive mosque.

\(^{(1)}\) C.S.S. page 91.
\(^{(2)}\) C.S.S. page 118.
\(^{(3)}\) C.S.S. page 119.
This was the background from which political consciousness and national loyalty to Sarawak, Brunei, North Borneo, British Borneo and later to Malaysia had to be moulded. The development of political consciousness in these territories is difficult to discuss with accuracy because almost any statement about such a varied and changing society must be but a part of the true picture.

Until comparatively recently the colonial governments tended to limit public discussion and the type of literature that circulated. This was natural in a backward society where people generally looked to their chiefs and district officers for advice but where clandestine Communist propaganda could be effective on politically unsophisticated minds. Mass communication was in any case of limited effectiveness because of illiteracy and the variety of languages. Radio was government operated and films were either distributed by government or, in the case of commercial films, subject to censorship. Newspapers relied heavily on the government information services for news and were in any case controlled by the government's emergency powers, even though no constitutional provisions restricted freedom of the press. Information often travelled more quickly and in greater volume through the "jungle telegraph", or, to be more specific, through the coffee shop/bazaar/market place network, a process which is extremely difficult to tap with accuracy on a British Borneo scale.

There were until very recently few ways to gauge public opinion accurately. There were at first few elected offices above the village level and even at this level, headmen were elected only in those communities where election was part of the community's tradition. Even where elections occurred they were more personal than political. There were no legal political parties until comparatively recently and no legal opposition to the government was permitted. Individuals or groups could make suggestions to the government but the dividing line between appropriate expression of opinion and what could be officially regarded as illegal opposition was not clear. Under emergency powers, offending foreigners could be deported and local people could be restricted or detained.

This could be taken to indicate that public opinion and political consciousness were being suppressed. This was not the case. There was no public opinion in the Western sense to be expressed. There were, generally speaking, no broad issues that could rally interest from a large section of the population. None but a very small proportion of educated people were aware of political issues and most of these people were too busy to be bothered with politics. The coffee shop, a talk to the relevant government

(1) C.S.S. page 110
(2) C.S.S. page 91.
(3) Ibid
(4) C.S.S. page 91.
officer or letters to the newspapers provided ample opportunity for those who wished to express views on political matters to do so. That the territories were not torn asunder by political discussion was not due to suppression but to the lack of consciousness of political issues. To most people the government and its policies were too remote, and belonged to a world beyond their comprehension or interest. For the most part, the people were left to conduct their own village affairs in their traditional manner, except for those traditional customs, such as head hunting, that were against the law. In so far as government influenced their lives, the influence generally came through the district officer, who was widely respected, or through the headman, whose explanation of government policy was usually accepted, or, at least, not violently opposed. Such problems as arose could usually be solved personally. There was no need to organise pressure groups. The major problem was to find the right official (not always easy) and once found, he could usually be relied upon to be sympathetic, especially over some tapai (rice wine), beer or coffee, depending on religion.

All of this was to change, of course. Increased education, propaganda aimed at integrating the various groups and encouraging political consciousness, improvements in transport and communication and changes in the economic pattern, bringing the various communities into closer contact with each other and the growth in the nature of services provided by government, with the resulting increase in the amount of influence of government policy over the lives of the people, all played a part in producing this change. Perhaps most important of all were the policies pursued in Sarawak and North Borneo to associate the people with government and to involve them in political activities. Political parties were slow to emerge. Cultural, social and economic associations were the forerunners of political parties. Trade unions also emerged in North Borneo and Sarawak. The development of political consciousness occurred in different ways in the three territories, but it unmistakably occurred. Although this does not mean that the people of British Borneo had reached a full political awakening by 1958.

The first real test of public opinion and political consciousness on a British Borneo-wide issue was the 1958 proposal for federation of the three British Borneo territories. This was an issue of importance to the people of British Borneo as a whole. In Sarawak and North Borneo, serious attempts were made to consult public opinion, to promote public discussion and public interest. In Brunei, the people were not consulted. The issue was handled in the usual mysterious manner of Brunei. The public reaction to this proposal gives some indication of the degree to which political consciousness for each of the three territories had developed, but this will be discussed later. Before 1958, there were signs of growing political consciousness. These need to be discussed separately for each of the three territories.
(ii) Brunei. (1)

Brunei remained the most backward of the three British Borneo Territories in terms of constitutional development towards democratic self-government. The Malay aristocracy, under the British advisers and the Sultan, remained the dominant force in political affairs. Opposition to the government was banned and there was no opportunity for the people to share in the processes of government.

On the other hand, Brunei was the first of the three British Borneo territories to show signs of developing political consciousness. This development took the form of "rabid nationalism" (2) on the part of the Malays, the largest single racial group in Brunei. This nationalism was based chiefly on a combination of racialism, Islam and resentment against the British for their domination of the country. There were also elements of growing anti-Chinese feeling, especially towards immigrant labourers. The rising nationalism did not unite the people of Brunei. The national consciousness was not that of the geographical and political entity of Brunei but of the unity of the dominant race in Brunei, the Malays.

It is not surprising that nationalism and political consciousness through nationalism and racialism should have emerged first in Brunei. I have already mentioned that Brunei was a less segmented society than its two neighbours. It had its large Malay population, united by language, the Muslim religion, custom and traditions from Brunei's glorious past. Brunei was an Islamic state, headed by a Sultan who enjoyed considerable prestige and to whom the general population was loyal. The Malay aristocracy were powerful and generally respected by the Malays. Brunei was the smallest of the British Borneo territories and more than half its population lived in the three urban centres. In these respects it differed from its two neighbours. The growth of education and literacy, aided by the widespread use of Malay, and the general rise in living standards as a result of oil, produced a new generation with new values and broader interests.

Anti-British feeling began in Brunei as early as 1888 when Brunei became a British protectorate. This resentment was due chiefly to the further reduction in the size of Brunei's territory. (3) Post-war resentment to the British domination of Brunei was due to three main sources of discontent: firstly, there was resentment against the number of British officers employed by the government, chiefly because each position held by a European was one less for a Malay; secondly there was resentment against the British control over the wealth from oil, wealth which, instead of passing to the Malay aristocracy, was spent on state-wide development schemes, the most obvious results of which were, in the eyes of

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(2) K.C.T.R.B. page 121

the Malays, the employment of even more British specialists; thirdly, there was discontent amongst those people whose incomes were not affected by the prosperity produced from oil and who were therefore adversely affected by the inflation caused by their more fortunate compatriots' increased spending power.

Agitation began, not against the Sultan, but against the British. As political organisations were not permitted, the agitation remained underground and grievances were not publicly aired. In 1953 the British Resident warned local leaders against unspecified plotters who had even proposed to hold processions and to use force if necessary to attain their objectives. (1)

This agitation and discontent found a vehicle for expression in August 1956, when the government recognised the Party Ra'ayat or Peoples' Party, a political party led by Sheik Azahari b. Sheik Mahmod, an Arab with Indonesian affiliations. This party was Brunei's only political party. At the time of its recognition, the party claimed to have 10,000 prospective members, roughly a quarter of Brunei's population, and produced a platform calling for the right of workers to strike and demonstrate, actions then considered illegal. The Peoples' Party was affiliated with the left-wing Ra'ayat (Peoples') Party in Malaya. The party grew in strength and in vocal demands.

1957 "should be remembered as the year that political awareness first became most noticeable, and the desire for a voice in Government by the ordinary man in the kampong became apparent". (2) In other words, due largely to the growing public support for the Peoples' Party, this demand for change could no longer be ignored. There was talk of a new constitution for Brunei. Mr. Raeburn, Q.C., visited Brunei for three weeks in June 1957, on the invitation of the Peoples' Party, which sought his advice in the preparation of a memorandum to the Sultan. This memorandum was presented in July, but obviously had no satisfactory effect. In September three delegates of the Party proceeded to England for an interview with the Secretary of State. This delegation proved unsuccessful as they were referred back to the Sultan. (3)

The Peoples' Party was active in other ways. It boycotted the proposed 1957 elections of unofficial members of District Councils. As some members of the Supreme Council also raised objections to the proposed elections they were put off indefinitely. (4)

In 1958 there was a lull in the activities of the Peoples' Party because the Party was awaiting the outcome of discussions on the new constitution for Brunei. (5) Plans were announced by the government for the Sultan to attend discussions in London in 1959.

Of symbolic importance not only to the Malays of Brunei but to the

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(1) C.S.S. page 94
(2) A.R.B. 1957 page (i)
(3) A.R.B. 1957 page (iv)
(4) A.R.B. 1957 page (v)
(5) A.R.B. 1958 page (iv)
Islamic peoples throughout British Borneo was the opening in 1958 of Brunei's magnificent mosque. Built in Italian marble by Italian workers the mosque was opened with great celebrations. The 1958 Annual Report describes the event:

"1958 will long be remembered in Brunei as the year in which the new mosque was ceremoniously opened by His Highness the Sultan in the presence of Rulers and Regents from Malay, Ministers and Officials and representatives from neighbouring territories.

The opening came as the climax to a week of festivities in honour of the Sultan's birthday and the Circumcision ceremonies of His Highness' two eldest sons.

The decorations, the lighting, the triumphal arches, the brightly coloured clothing of the people, uniforms, bands and processions made it all a wonderfully colourful and happy occasion for His Highness, his people and their guests."(1)

No trade unions existed in Brunei although the oil company had a system of joint consultation whereby representatives of the employees were elected to a body which met monthly with representatives of management. Although by the standards of other countries outside Borneo, strikes in Brunei were rare, they did occur from time to time. It is natural that industrialised state of British Borneo should have had the most industrial strife.

One strike which was significant because it indicated overt racial hostility, occurred in 1957 when 450 Hong Kong artisans employed by the oil company struck as a result of a brawl in the Seria Bazaar. The brawl broke out between Brunei Malays and Hong Kong artisans and one of the artisans died as a result of his injuries. The security forces and the oil company took prompt action.(2)

Despite the overall shortage of labour, the slight decline in the oil company's activities in 1957 and the accelerated decline in 1958 caused unemployment because of the reluctance of the indigenous labour to accept work within their competence in any way different from what they have been accustomed to do, or to move to any place of employment where suitable vacancies exist but away from their accustomed environment."(3)

This provided a further source of discontent and resentment, especially against the British and immigrant labourers.

By 1958 Islamic Brunei Malay nationalism was well established. Brunei's mosque, the little Mecca of Borneo Malays, had risen as a symbol of Muslim prestige, and of the Sultan's prestige. A radical political

(1) A.R.B. 1958 page (1)
(2) A.R.B. 1957 page (iii)
(3) A.R.B. 1958 page 11.
party demanding democratic change but remaining loyal to the Sultan was established with a large following. Anti-British feeling and Muslim Malay nationalism had a means for expressing itself, but the Sultan and the Malay aristocracy with the British advisers remained in firm control of the government. Tension was mounting as Brunei took its first steps towards nationhood in the modern sense.

(iii) Sarawak. (1)

Under the White Rajahs, Sarawak achieved some degree of national unity through the widespread loyalty to the tangible Rajah, but this was a unity based on loyalty to a person rather than loyalty to the political entity of Sarawak. This personal loyalty to the Rajah produced early signs of political consciousness when the anti-cession movement arose at the end of the second world war. This was not so much an anti-British movement as a movement favouring the retention of the White Rajahs. It illustrated in some ways the importance to the indigenous people of a figurehead. "Most of the people .... could not comprehend the full meaning of cession. To them it was the issue of being ruled by the Rajah whom they knew, or the King of England, whom they did not know. Would they, they asked, be able to go and see him as they could go and see the Rajah? Would that cost more than the eight dollars that it cost to go to the Astana at Kuching? ..... But ... the majority either regretfully or fatalistically accepted the Rajah's proclamation (of cession) as something that could not be altered, or obviously had so much faith and confidence in him that when he said that it was for their benefit they were prepared to trust him and support him." (2)

Unfortunately, this new political consciousness was generally on a racial basis. The Chinese generally supported cession because they had not been particularly favoured by the Brooke. The Malays who were a favoured group under the Rajahs, opposed cession. The indigenous people regretted the cession but generally accepted it as the Rajah's will.

The Malay opposition to cession was expressed in the form of small, clandestine political associations and parties, kept alive largely by the efforts of Anthony Brooke, the Rajah's heir. Agitation reached its climax in 1949 when the second Governor of Sarawak was assassinated. The Malays' sense of decency was outraged by so brutal an assassination. (3) This reaction, together with the government's suppressive measures and the remuneration by Anthony Brooke of his claims to the throne caused the movement as much to disintegrate. Sir Anthony Abell, the third Governor,

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(1) The chief sources for this section are C.S.S. pages 91-93, A.R.S. 1957 "General Review of the Year.
(2) R.W.R. page 262
(3) R.W.R. page 265
restored confidence in, and loyalty to, the Government. (1) Nevertheless certain organisations maintained a quasi-political existence as cultural or social groups: the Malay National Union, the Malay Duyak Association, the Sarawak Nationalist Youth Movement, the Sarawak Nationalist Party and the United Malay Association. (2)

Societies of various social, cultural and sporting natures flourished in Sarawak. By 1958, 344 societies were registered. (3) It is significant however, that in 1958 four new societies applied for registration, but three were refused registration "on the ground that they were likely to be used for purposes prejudicial to peace and good order". (4) This indicates that political consciousness was growing, but it was not to be expressed in the form of legally recognised official parties until 1959.

Communism also made itself apparent in Sarawak in 1952 when a market town was held by Chinese Communists. The colony was placed under a state of siege for several months and arrests and deportations occurred. Overt communist activity subsided although the number of young Chinese leaving for China each year increased. There was also growing concern about the spread of communism in the Chinese schools. "Official encouragement to remove undesirable political elements from schools has helped to contain and to isolate communism in the schools; but there is no room for complacency. The seeds of undesirable political propaganda were still being sown in some Chinese schools (in 1958). Former students who absorbed this propaganda are now engaged in subverting workers through their unions. This is a threat difficult to counter unless unionists themselves refuse to countenance such activities. There is reason to hope that good sense will prevail and subversion of this sort will not prosper." (5)

Another type of organisation that emerged in Sarawak was the trade union. (6) Labour-management relations were generally paternal and major industrial disputes were rare. Labour organisations were regulated in Sarawak under the Trade Unions and Trade Disputes Ordinances of 1947 which went into effect in 1948. Some unions developed vigorously, some were too small and ineffective, but the government encouraged the growth of a sound trade union movement. To this end the Registrar of Trade Unions and the Commissioner of Labour kept in close touch with the unions "to advise them on sound union lines". (7) By 1958 there were thirty-eight unions in Sarawak. (8)

The development of political consciousness on racial lines was at first encouraged by the government in its system of nominating represent-
atives for each major ethnic group to the various councils of the central and local governments. This was countered by the government's policy of encouraging the growth of elected local authorities of mixed racial composition and by the development of these authorities as electoral colleges for the Councill Negri. The government also tended to favour the Iban over the Malays, probably to counter the influence of the Malays under the Brooke. It was hoped that the Ibans, through education, would be able to take their place alongside the Chinese and Malays in the leadership of the country. Racial friction, whilst potential, was rarely manifested.

The rapid development of education for natives and growing control over Chinese schools reduced some of the barriers between the various groups, as did the increased propaganda aimed at developing wider loyalties amongst an increasingly literate population. Nevertheless, important racial divisions still existed between the various communities. Apart from the early argument over cession, and apart from the development of Communism, there were no issues around which political and national consciousness could be built. On the other hand, by 1958, Sarawak was well on the way towards democratic self-government, although political parties had not developed.

(iii) North Borneo (1)

North Borneo was the last of the three territories to show signs of political consciousness. There were important rebellions in the pre-war period, but these were more in the nature of reversals to the earlier piratical practices than signs of political awakening. Under the Chartered Company nothing was done to encourage the local people to develop political consciousness. Segmentation between the various ethnic groups and links between the Malay and Chinese communities in North Borneo and similar communities outside North Borneo (Brunei, Sulu, Malaya and China) were not countered by any sense of identity with North Borneo. Unlike Sarawak and Brunei, North Borneo had possessed no tangible figurehead since the days of the sovereignty of the Sultans of Brunei and Sulu over the area.

Like the government in Sarawak, the North Borneo Government nominated representatives of the various racial communities as unofficial members of various regional and central councils and committees and then attempted to introduce local authorities of mixed races. Unlike Sarawak, the North Borneo Government did not appear to favour one racial group above the others, although it did pursue policies aimed at bringing the indigenous peoples forward.

No political parties existed. The organisations in North Borneo that were regarded by the governor as possessing widespread support in the country, and hence suitable bodies to suggest names for nomination as unofficial members of the Legislative Council, were the Native Chiefs' Conference, the United Chinese Chambers of Commerce, the North Borneo

Chamber of Commerce and the Planters' Association. Various sporting, cultural and welfare organisations also existed and these helped to bring the various ethnic groups together, especially in the larger towns.

Trade unionism in North Borneo was in its infancy. By 1958 only six trade unions existed, with a total membership of approximately 1,848, and industrial relations remained peaceful.

There was no significant opposition to the government, no significant dissatisfaction, no pressure for self-government and virtually no evidence of racial conflict. Of the three territories, North Borneo was the most striking in its peaceful, happy atmosphere. "The most outstanding characteristic of North Borneo, placing it apart from the remainder of South-East Asia, is its racial tolerance and goodwill. Whereas in Malaya, Indonesia, Burma and Indo-China racial antagonisms are sharp, and violence and disorder are controlled only imperfectly, North Borneo is a peaceful and happy land." (3) This happy state of affairs was to remain virtually unchanged until well after 1958 and, indeed, today remains the most peaceful of the British Borneo territories.

(e) Changes in the Pattern of Leadership.

Up to 1958 the formulation and execution of policy in British Borneo was predominantly the work of the British administrators. Leadership at the national level was provided by the British officials and by some selected spokesmen for the various local communities. The Governors of Sarawak and North Borneo, the Sultan of Brunei and the British Resident in Brunei were influential figures. The real link between the people and the government was provided by the district officers, and by the traditional chiefs and community leaders working under them. In administering his area, the district officer consulted local community leaders, tried cases, settled disputes, explained and enforced government policy and attempted to meet the needs of the people in his area. Through his contact with the people, both directly and indirectly through their leaders, he was most influential in determining local attitudes, as most of the people trusted their district officer and regarded his opinions with great respect. In Sarawak and North Borneo, district officers were British officials but in Brunei, Malays held these positions.

Local leaders at the community level varied in the amount of influence they exercised over their people and in the method of their selection. Amongst the Chinese, the Kapitans China were usually wealthy people who inherited their position of leadership. Amongst the indigenous people, the patterns of leadership ranged from the simplicity of the nomadic groups, through the democratic and weak patterns of leadership at the Land Layaks, the democratic, strong but unauthoritarian leadership patterns of the Iban and the aristocratic but weak leadership of the Melanaus to the strong aristocracies of

(1) R.T.N.B. Address to the Legislative Council, 10th November 1955, p.4
(2) A.R.N.B. 1958 page 23
(3) K.G.T.N.B. page 29
the Brunei Malays.

In the early post-war period, these patterns of leadership at the community level remained virtually unchanged and in many communities are still unchanged, but, as the communities became more closely associated with the process of government at both the local government level and at the national government level new patterns of leadership began to emerge.

In Sarawak and North Borneo, before the experiments of establishing local authorities began, many of the native leaders lost their status as natural leaders and became regarded as mere government agents. The nearer they were to an administrative center, the less personal authority they possessed. The establishment of local authorities, and the nomination of unofficial councillors in the central government provided the opportunity for some community leaders to move into the positions of leadership required in the new type of emerging society, but all of the new leaders did not come from the ranks of traditional community leaders. Some came from the new groups of educated local people, either starting at the local government level, or, in the case of outstanding individuals, starting at the national level as unofficial members of the legislative councils. All of these leaders were groomed and encouraged by the government. As the new leaders assumed greater responsibilities, the leadership role of the British administrators was reduced, although such officials as district officers remained important, particularly as guides to the local leaders.

The process of involving the various communities in the activities of government resulted in an undermining of traditional patterns to a large extent. The local authorities of Sarawak and North Borneo provided the pattern that would ultimately succeed the traditional structures of social organization within the various communities and thus merge the small communities into the framework of the nation as a whole, but these authorities did not replace the separate community systems which in many communities still exist with their traditional leaders.

This period of change was one of many rising, stationary and falling stars. Perhaps the most outstanding examples of a local chief's successful rise to the position of a national leader was Temonggong Juga, now Tengah Sultan of Sarawak. Some local leaders were able to adjust to the new local government patterns where the issues were within their comprehension and where they remained important leaders at that level, e.g. Haji Mahali, Kapitan China Ah Chee and Hashullah of North Borneo. Other community leaders were unable to adjust to the new situation and lapsed into obscurity not only in the new pattern of politics but in their traditional role, e.g. Okk Sindaunin of North Borneo.

(1) CSS. page 67.
Educated government officers began to achieve importance, without necessarily moving into the formal political arena. Native or Chinese administrative officers, dressers, clerks and teachers became influential. Some, such as Che'gu Fadzil (North Borneo) also became directly involved in politics. Others, less famous, remain in their former jobs without official political connections but with considerable influence in the coffee shop and market place discussions.

There is not space in a thesis of this nature to launch into biography, but I have selected four political leaders for brief mention because I consider the nature of their careers significant as an indication of the pattern of leadership in British Borneo and hence as significant as an indication of what politics involved.

One of the best advertisements for the success of the policy of using local authorities to groom local people for leadership at the local government level was Hasbullah b. Arshad, a Bajau, who became Assistant District Officer, Kotu Belud, and more important, Vice-President of the Kota Belud Local Authority in North Borneo. (1) The European District Officer, as President of the Local Authority, only attended meetings when invited. Hasbullah was the man who was chiefly responsible for building the Kota Belud Local Authority into a highly successful local government body. This Authority was successful both in the number of responsibilities it undertook and in the way in which Hasbullah succeeded in uniting community leaders from the area into an enthusiastic and vigorous body with committees to attend to such matters as Livestock Management, Education, Health, Irrigation and Agriculture, Municipality, Finance and the Tamu (market). Hasbullah was an influential man in his area and his activities, and those of his colleagues on the Authority, provided many services such as a successful cattle farm, a successful irrigation scheme, improvements in education, a Red Cross Centre and a weekly Maternity and Child Welfare Clinic.

Another example of a different type of local leader was Phillip Lee Tau Sung, C.B.E. He was the most influential unofficial Adviser to the Government of North Borneo until his death in 1959, (2) and his activities were typical of the national political leader in the pre-political party days. He started his career as a dresser in a government hospital. During the war he aided internees and P.O.W.’s and after the war went into business, starting from scratch, and built himself up into his powerful position. He became a member of the Legislative Council when it was established in 1950. He represented the Colony at the Coronation and at various Colombo Plan Conferences. He became the President of the Chinese Chamber of Commerce, Vice-President of the St. John Ambulance, Boy Scouts and British Borneo Amateur

(1) For a detailed account of the work of Hasbullah, see K.C.T.N.B. pp.58-70.
(2) See K.C.T.N.B. pages 40-44.
Athletics Association, President of the Hakka (a Chinese dialect group) Association, a Committee Member of the Jesselton Chinese Middle School and the Sacred Heart School, the founder and President of the Junior Civil Service Union of North Borneo, and an unofficial member of the Jesselton Town Board. He was prominent in educational discussions and indeed, "whatever the occasion, Phillip Lee (was) there, his smile as ready as his pocket-book". (1) Regarded as their leader by the Hakka community, of which he was a member, he distinguished himself and won the confidence of all groups who knew him, through his ability to assess the needs of the country and through his ability to act as mediator in disputes.

Another local leader of the same type was Donald Stephens, now the Chief Minister of Sabah. (2) A Kurasian, he started out as a writer of petitions and letters for the illiterate. With the capital he accumulated, he established his newspaper in 1953. The "North Borneo News and Sabah Times" was for many years to be North Borneo's only non-Chinese paper. His paper had English, Malay and Kadazan sections. Partly Kadazan himself, he established a Kadazan Society and was a prominent leader in its efforts to raise the Kadazans socially, educationally and economically. Although the organisation was non-political it was to lay the foundation for the United National Kadazan Organisation, a political party, as the leader of which Mr. Stephens was to become Chief Minister of Sabah. Mr. Stephens became an unofficial member of the Legislative and Executive Councils before political parties existed. He was also active in the Jesselton Recreation Club, the Rotary Club, the Jesselton Youth Club and the Board of Education, to mention but a few of his activities. He also represented North Borneo at Colombo Plan and Commonwealth Parliamentary Association Conferences. Next to Phillip Lee, Donald Stephens was probably the most influential unofficial member of the Legislative Council.

In the above careers we see examples of the type of leadership which provides a smooth transition from a colonial government to an independent government. Continuity is retained without a sudden break from the policies and experience of the previous colonial government. Such leaders were encouraged by the British in North Borneo and Sarawak and became the figures around which political parties at the national and local government level were built.

In Brunei, no such grooming process occurred at the national or local government levels, except in the training of local civil servants. Political experience was virtually confined to the Malay aristocracy. Virtually nothing was done to prepare local people not of the aristocracy for leadership in political affairs. For this and for other reasons that I have already mentioned, a political party grew up in Brunei outside of government and led by Sheikh Asaheli b. Sheikh Mahmoud. He was not a member of the ruling group in Brunei. He became influential not because of his

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(1) K.C.T. N.B. page 42
(2) K.C.T. N.B. pages 85-87. I have added details to this account from my own knowledge of Mr. Stephens.
experience in government nor because of careful grooming, but because he organised a radical party whose existence the government was forced to accept. His party stood for specific objectives based on socialism and Muslim Malay nationalism. He was the leader of a party with a particular approach to politics. For this reason, because of his impatience at the slowness of political reform and because of the threat that Malaysia could destroy his chances of implementing the policies he advocated, he organised the Brunei rebellion of 1962, the effects of which may yet be incomplete.

Azahari was closer to the usual picture of an Asian political leader than were the other leaders that emerged in British Borneo. His party resembled more closely the organised political movement with set objectives than did the parties of North Borneo and Sarawak, although Sarawak was also later to acquire a radical party. Azahari was not a man well known chiefly as a personality, prominent in public affairs, without pronounced political views, the shaker of hands, eater of dinners, dancer of dances, giver of donations, friend of all races and unofficial adviser who tried to solve each problem as it came along in the best interests of all concerned. He was the dedicated and ambitious leader of a disciplined party with set objectives. He may well prove to be the prototype of the future political leaders of British Borneo when political parties and political ideologies, racial and otherwise, emerge as important forces in Borneo politics.
D. ECONOMIC DEVELOPMENT

(a) Resources

(1) Water Resources.

British Borneo had large water resources which were used for irrigation, especially in wet-rice cultivation, a fundamental part of the people's way of life, and for transport, especially in Sarawak, in Brunei and on the east coast of North Borneo. As a source of power British Borneo's rivers remained undeveloped because of the high cost of developing hydro-electric power schemes and because of the small returns to be gained from predominantly scattered agricultural communities. If and when large scale industrial development comes to British Borneo, this power potential will undoubtedly be developed.

(ii) Mineral Resources.

British Borneo had considerable mineral resources but, apart from oil in Sarawak and Brunei and bauxite in Sarawak, the mineral deposits did not assume importance in the post-war economy because the high cost of working the deposits and the prevailing world prices did not offer adequate profits. The Department of Geological Survey, a combined department for the three territories, made a careful survey of the mineral resources and continued searching for new economic deposits. Various private prospectors and companies also engaged in prospecting.

(iii) Plant Resources.

British Borneo was entirely in the tropics. The tropical climate resulted in a wealth of jungle products, used by the local population for domestic purposes and exported. Vast timber resources also existed. Although shifting cultivation damaged large areas of forested country, the protection and exploitation of timber became increasingly important and plenty of timbered areas remained (about 75% of the total land area of British Borneo).

(iv) Land Resources.

British Borneo had plenty of land, most of it still virgin jungle. The principal agricultural products from the areas under cultivation were rice, sago, coconuts, pepper and rubber. With a reduction in shifting cultivation and more efficient farming methods, British Borneo had the resources for considerably increased agricultural production.

(v) Animal Resources.

British Borneo had many wild animals ranging from elephants to wild oxen, pigs, dogs and monkeys, to mention but a few. Many of these were hunted by the nomadic indigenous people. The rivers and sea abounded in
fish, and domestic animal breeding was encouraged.

(vi) Population.

People were probably the scarcest commodity in British Borneo, although the population steadily increased from both natural increase and from immigration. In 1954, the estimated population was 1,022,000(1). By 1958 it had risen to approximately 1,444,639(2). 75% of the population was indigenous, mostly living in scattered communities, except in Brunei. As a result, immigration, especially of Chinese, was necessary to meet the needs for labour.

(b) Pattern of economic Activity in British Borneo.

(1) Reconstruction and Development.(3)

Post-war economic development in British Borneo was marked by the initial reconstruction and then development of the economy. In Brunei, the oil resources were exploited to provide Brunei with its great wealth which in turn was used in development and welfare programmes. Sarawak also possessed economic oil deposits but these did not supply Sarawak with vast wealth. Although the oil industry played an important part in the colony's economy, in the post-war years, Sarawak's oil production gradually declined. Sarawak and North Borneo launched economic development programmes financed largely by grants from the United Kingdom and other aid. Considering the little pre-war development and the damage done by the war, British Borneo developed tremendously from 1946 to 1958, but the three territories nevertheless remained very much underdeveloped.

(ii) Patterns of Employment and Ownership.(4)

Shifting cultivation was the basis of employment for some indigenous communities. Smallholdings were worked by indigenous people and some Chinese. Amongst the Chinese community the particular dialect groups tended to follow particular occupations ranging from the Hakka (40% of the Chinese population)(5) engaged in agriculture and tin-smithing to the Hokkien and Tionghoa engaged in commercial activities. The processing, shipping, marketing and transport activities were dominated by the Chinese whilst the oil industry, a number of estates and most of the large commercial firms were owned by the British and other Europeans. The labour force for the oil industry, plantations and other non-smallholding activities was drawn from indigenous people, the local Chinese and immigrants from various countries, whilst senior administrative and technical staff were Europeans or other people recruited from more developed neighbouring Asian countries.

(1) C.S.S. page 27.
(2) The 1958 Annual Reports for Sarawak, Brunei and North Borneo show the following populations:

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Sarawak</td>
<td>648,362</td>
<td>416,000</td>
<td>80,277</td>
</tr>
<tr>
<td>North Borneo</td>
<td></td>
<td></td>
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<tr>
<td>Brunei</td>
<td>1,444,639</td>
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</tbody>
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(3) This section is based on material in C.S.S. page 17.
(4) This section is based on material in C.S.S. Chapter XIII.
(5) C.S.S. page 153.
(iii) Primary Production. (1)

- Basis of the Economy.

With the exception of the oil industry in Brunei and Sarawak, primary production and, in particular, agricultural production was the basis of the economy of British Borneo. In Sarawak and North Borneo, agricultural products made up an important part of the exports. In Brunei, all other exports were, of course, dwarfed by oil. Most of the population of British Borneo was occupied in producing and handling food and forest products (75% of the population in North Borneo, 80% in Sarawak and 50% in Brunei). (2) In Sarawak and North Borneo the majority of the indigenous people were engaged in bare subsistence activities involving the cultivation of rice and sago, and fishing.

In terms of revenue earners, apart from oil, rubber and the rapidly developing timber industry (especially in North Borneo) were the most important products for British Borneo.

- Patterns of Production.

Shifting cultivation, carried on by semi-nomadic groups, whilst decreasing as a result of government restrictions and resettlement schemes, was still the system used over the widest area of cultivated land. (3) This system was wasteful in that yield per acre was low, forest areas were damaged in opening new areas for cultivation, and land already cultivated was unused.

Smallholdings, predominantly devoted firstly to rice and secondly to rubber, provided most of the agricultural production. Smallholding was the agricultural-pre system most encouraged by the governments.

Although large estates existed, they were not as important in British Borneo as in most other colonial areas. Agricultural production was largely dependant on the activities of smallholders, both immigrant and indigenous, who produced domestic crops such as rice, and export crops such as rubber, pepper, copra and sago. Large estates covered "only a minute fraction of the total acreage under cultivation in British Borneo". (4) Found mostly in North Borneo, most of the plantation estates were devoted to rubber, but there were a few estates producing tobacco, hemp and coconuts.

- Chief Agricultural and Primary Products. (5)

Rice was a vital agricultural product because it was the staple diet of the people of British Borneo. Although it was the most widely grown crop in British Borneo, production was not sufficient to meet local demands. This was partly because of primitive farming methods and partly because dry padi was still widely grown although its yield, approximately 125 gantings per

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(1) This section is based on material in C.S.S. chapters XI and XV.
(2) C.S.S. page 131.
(3) C.S.S. page 171.
(4) C.S.S. page 172.
(5) This section is based on pages 160-167 of C.S.S.
acre, was lower than that of wet padi, up to 400 sanyings per acre.\(^{(1)}\) Rice was grown by smallholders and by shifting cultivators.

Rubber was an important export commodity but began to decrease slightly in importance as new products, less susceptible to fluctuations in world prices, were developed. Sarawak was the largest rubber producer in British Borneo, followed by North Borneo, with Brunei producing the least. The rubber plantations, both estates and smallholdings, in the early 1950's, were poorly kept and badly in need of rejuvenation. The governments attempted to improve rubber production through new and re-planting schemes and through the encouragement of better methods. At the same time the governments also encouraged the development of new crops to diversify the economy.

Pepper production was almost exclusively confined to Sarawak smallholders, although some was grown in North Borneo. Sarawak was one of the world's leading pepper producers and as a result, pepper was an important export crop.

Coconuts were mainly grown for local consumption but some copra was exported, North Borneo being the most important producer. In 1954, North Borneo earned \$13.9 million from copra exports. Coconuts were a popular crop with smallholders because they supplied a modest money crop with little labour cost.

Sago was an important source of flour for the local people and an alternative source of food in times of rice shortages. Only Sarawak produced enough sago for export and export figures tended to decline.

Hemp was produced experimentally in North Borneo on a government-owned plantation and showed encouraging signs of development.

Tobacco was produced originally for local consumption and was insufficient to meet local needs. Development of a high quality wrapper leaf for cigars caused the tobacco industry to move into the field of export production.

Other minor crops included fruit, vegetables, yams, sweet potatoes and corn. Cocoa, coffee, peanuts, soybeans and pineapples were developed experimentally and showed varying potential as local and export crops.

Animal Husbandry. The decline in hunting as more people took up settled cultivation led to the development of a dietary deficiency and the governments attempted to increase the stock of domestic animals, including scrawny fowls, pigs (in non-Muslim villages) buffaloes (bred only in North Borneo) and cattle (bred from imported strains).

Timber became increasingly important, especially in North Borneo. Although British Borneo's timber resources were wasted by shifting cultivation, vast resources remained and the governments implemented policies to preserve and develop the forest resources.

\(^{(1)}\) A.R.S. 1958 page 43.
Other forest and jungle products were important both for local use and for export. These included firewood and cutch from mangrove swamps, nipa palms (which were used to provide sugar and a popular but ghastly alcoholic beverage), thatch, bamboo, rattan and illipe nuts.

**Fishing.** Most coastal people and many inland people relied on fish to supplement their diets by fishing on a part-time or seasonal basis. Commercial fishing gradually developed as an individual and as a company activity. Fish pond cultivation was also developed, mainly by the Chinese.

**(iv) Industry.**

Apart from oil production and refining in Brunei and Sarawak, British Borneo achieved no real industrial development. Manufacturing was virtually limited to primary processing of products for overseas shipment. These activities covered oil refining, sawmilling, production of rubber sheets, rice milling and the production of flour from sago. Many of these activities were on a very small scale. A few manufacturing ventures developed as a result of encouragement by the governments. These will be discussed separately for each territory.

Industrial development was restricted by a shortage of labour and capital, small and scattered domestic markets and poor transport facilities for domestic and export distribution.

**(v) Patterns of Trade and Commerce.**

**- General.**

Because of the lack of industrial development in British Borneo, trade and commerce were confined to the extraction of extractive products for export and for local markets and the local distribution of necessities and luxury goods. In the larger towns, commerce involved a wide range of commodities, but, in the smaller communities, chiefly necessities were traded, although Western consumer goods, e.g. radios, outboard motors, sewing machines and wearing apparel, including drip-dry shirts, gradually penetrated into the remote towns.

There were two major sections of the commercial world. One was the large agency or import-export firm that was European owned and usually a branch of a Singapore firm. The other section was the network of clans of Chinese merchants and shopkeepers. The Chinese operated commercial services ranging from large import-export firms in the larger towns to the small Chinese shops which could be found crammed with everything, including the kitchen sink in some cases, in rural and urban areas. The European plantations tended to trade through the European firms, whilst the smallholders and shifting cultivators tended to deal with the Chinese, whose activities covered the range from monetary deals to the simple exchange

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(1) This section is based on material in C.S.S. chapter XVI.
(2) This section is based on material in C.S.S. chapter XVII.
of goods. In terms of the number of people engaged in commerce, the
Chinese clearly dominated. For example, in 1951, 82% of the commercial
classes in North Borneo were Chinese, whilst in 1947, 72% were Chinese in
Sarawak and 50% in Brunei. (1)

The Chinese were also important as money lenders, although co-
operative ventures were encouraged by the governments to weaken the hold
of the Chinese on the natives.

Because of the strong economic ties between the British Borneo terri-
tories and Singapore, their laws relating to commerce and industry generally
followed in principle and often in detail those of Singapore, although there
were differences between the three territories in some laws. (2)

- Foreign Trade.

"North Borneo is not a self-contained local economy generating domestic
savings in sufficient quantity to develop its natural resources and give
impetus to a modern industry. Nor does a local market exist, on a large
enough scale to absorb the products of a manufacturing establishment of any
size. Economically underdeveloped and dependent, the three British Borneo
territories are the scene of the application of capital from other parts of
the British Commonwealth which seeks opportunity in Bornean oil, plantations
and trade." (3)

Foreign trade was vital to British Borneo's economy not only for
development and higher living standards but also for the very survival of
a large section of the population. All three territories depended on imported
food that was not produced locally or that was produced in insufficient quan-
tities. Although the non-urban communities, in which most of the people were
engaged in subsistence level activities, were basically self-sustaining, the
urban communities were not. Even in the rural communities, the rising stand-
ard of living and the resulting increase in the demand for imported Western
consumer goods, e.g. outboard motors, tended to encourage many individuals
to turn to seasonal or part-time employment, or to the production of crops
for trade. As a result, the number of people wholly or partly dependant
on money income increased. This development, however slow, tended to integrate
the various communities into the overall economies of the territories and to
involve the three territories' economies more closely in foreign trade.

Machinery, industrial equipment and transport equipment were imported and
these were all necessary for the maintenance and development of economic
activity. British Borneo was also largely dependant on foreign capital,
chiefly from Britain and Commonwealth countries, to develop its resources.
The Governments' revenues were very much dependant on income from import
and export trade. A rising standard of living depended upon a rising level
of export earnings.

Imports and exports increased greatly in size and value from 1946 to
1958, as British Borneo's economy developed. The greater balance of foreign

(1) C.S.S. page 201
(2) B.C. page 145
(3) C.S.S. page 201
trade was with Commonwealth countries but European countries, Japan and America played an important part and Thailand was the most important source of rice. Export control was used to stop the export of goods in short supply locally and to stop the export of strategic materials to certain countries. 

Every effort was made to export as much as possible to the dollar area. Import control was exercised to conserve foreign exchange by confining imports as far as possible to the sterling area and to this end restrictions and discriminatory tariffs were imposed on some commodities.

The chief exports were: agricultural products such as rubber, pepper, copra and sago; forest gathered products such as gutta-percha, jelutong, damar and rattan; timber, of growing importance in Sarawak and North Borneo (9% of North Borneo’s export earnings in 1947, 17% in 1953(1)); oil from Brunei and Sarawak; and certain types of fish from North Borneo and Sarawak. Rubber, whilst still important, was declining in relative importance partly because of fluctuations in rubber prices. Timber in North Borneo, pepper in Sarawak and oil in Brunei tended to cushion the economies to varying extents against falls in rubber prices.

The chief imports were: foodstuffs, textiles, wearing apparel, machinery, vehicles and a variety of manufactured consumer goods.

Import-export activities were dominated by the British and Chinese firms. The British firms tended to dominate in the spheres of export of primary produce and finance but the Chinese operated important import-export agencies, usually connected with Singapore firms, and derived considerable wealth from such agencies. The British, through Commonwealth and some international firms, controlled the vital resources of oil and, to a lesser extent, timber. Some wholesale distribution of goods was controlled by British firms but some of the wholesale and most of the retail distribution was in the hands of the Chinese.

Transport was a major factor in the pattern of economic development of British Borneo for domestic and foreign trade. As most commodities commercially produced were directed to overseas markets, because of the small domestic markets, foreign trade profoundly affected the pattern of transport development. The internal transport systems tended to converge on overseas transport outlets. Major ports were developed at Kuching, Sibu and Miri in Sarawak and at Labuan, Jesselton and Sandakan in North Borneo. These ports were connected chiefly to Singapore but there were also connections with Japan, Hon Kong, Australia and Thailand. Brunei, lacking a deep sea port, used Labuan.

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Economic Ties between the British Borneo Territories and between British Borneo and Singapore-Malaya.

The three British Borneo territories were closely linked with each other by economic ties. (2) There was a great deal of inter-territorial

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(1) C.S.S. page 209
(2) C.S.S. page 133
trade, the most important being the transportation of Brunei oil to Sarawak for refining. Labour was often recruited by one of the territories from its two neighbours. Transport services connected with foreign trade were closely integrated and in some cases shared. Brunei Town served as a transport outlet for goods to and from parts of North Borneo and Sarawak, connected with Brunei by the rivers. Labuan also served as Brunei's transhipment port for the overseas vessels that were too large to use Brunei Town as a port.

The three territories were also part of the wider pattern of British South-east Asian trade: they produced basically the same primary commodities for the world market as Malaya; Singapore was the major trading centre for their imports and exports; they shared the same currency as that used in Malaya and Singapore; their laws relating to commerce and industry were basically similar to those operating in Singapore.

(vi) Finance.

- Currency and Banking

In 1952 Sarawak, Brunei and North Borneo became partners to the Malaya-British Borneo Currency Agreement, under which they were entitled to representation on the Board of Commissioners of Currency, Malaya and British Borneo, and shared the same currency as Singapore and Malaya. British Borneo was thus in the sterling area and control over foreign exchange was exercised under similar legislation in the three territories. Similar legislation controlling banking also existed in the three territories, although British Borneo had no central banking system. In addition to Straits Currency, barter trading in the form of exchange of goods and other unofficial currency existed in the more backward communities, some of which existed virtually without the use of the legal currency.

- Public Finance

Government revenues and expenditures from 1946 to 1958 changed in character and grew considerably. Rehabilitation and development programmes resulted in increased capital and recurrent expenditure and yielded increased revenue as economic activity increased. Tax levels and other sources of government income varied between the three territories, Brunei depending chiefly on oil revenue, Sarawak and North Borneo on agricultural and forest products and on British and other aid.

Although the British officials controlled the budgets, local people were encouraged to take a more active part in public finance, especially in Sarawak and North Borneo, through the development of local authorities with wide financial powers and through the increased reliance on unofficial members of committees of the central governments.

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(2) This section is based on material in C.S.S. pages 139-152; A.R.B.1958 Part II chapter 3; A.R.S. 1958 part II chapter III; A.R.B. 1958 part II
Dependence on Overseas Capital.

British Borneo depended on overseas capital for the development of its resources because the local economy did not generate domestic savings in sufficient quantities to finance the development. (1) Brunei’s lucrative oil industry was established by overseas capital, as were many of the estates in North Borneo and Sarawak. Further development of the economy by private enterprise depended on the attraction of investment by overseas capital. Most of the overseas capital came from Britain and Commonwealth countries, although some non-British companies also operated in British Borneo.

Government expenditure to promote economic development and to develop welfare services was met in the case of Brunei from the wealth derived from the oil industry. In Sarawak and North Borneo, these programmes were financed in part by overseas aid in the form of Colonial Development and Welfare grants from Britain, Colombo Plan aid from Commonwealth countries and aid from such international agencies as UNESCO.

Problems of the British Borneo Economy

Several problems were common to the economies of the three British Borneo territories and to the economy of British Borneo as a whole: British Borneo was not self-sustaining in food production; the three territories depended on foreign trade for development and even for maintenance of their existing standards of living; the economies were not sufficiently diversified and depended too heavily on the export of too few commodities; all three territories suffered from a shortage of labour; poorly developed transport facilities retarded the development of the three territories. These problems varied in order of importance from territory to territory.

Inadequate Food Production.

Food production was one of British Borneo’s most serious problems as the three territories were not self-sustaining in food. Even rice, which was widely grown in British Borneo, had to be imported, mainly from Thailand. Although the rural communities were generally self-sustaining, at least at a subsistence level, the wage earners depended largely on imported food. Even the rural communities in time of drought or floods or poor harvests or for other reasons, relied on the government for supplementary food. The three territories were particularly poor in the production of animal and fish protein foods. This was one of the reasons for the widespread malnutrition amongst the rural communities.

The inadequate production of foodstuffs was one of the reasons for British Borneo’s dependence on foreign trade. More important, the necessity to import food limited the amount of other commodities that could be imported during a period of slump in export earnings. As rice was chiefly imported from Thailand this produced a drain on foreign exchange.
The reasons for the inadequate production of food were many. Large areas of the three territories were not under cultivation. Of the area that was cultivated, a great deal was devoted to shifting cultivation. For example, in 1956, only about 5% of the total area of Sarawak was devoted to settled cultivation, whilst 19% was devoted to shifting cultivation.\(^1\) Shifting cultivation was an inefficient means of production in terms of crops yielded per acre, use of manpower, wasted land and damage to timber resources. The farming methods used in both shifting cultivation and settled cultivation were often primitive, with resulting low yields. With a reduction in shifting cultivation, an increase in the total area cultivated and with the introduction of improved farming methods, British Borneo could become self-sustaining in food production.\(^2\)

(ii) Dependence on foreign trade.

British Borneo depended on imported food for survival. During the Japanese occupation imported food supplies were cut off. For this and other reasons, malnutrition and even starvation became widespread, especially in the towns.\(^3\) Any sharp decline in export earnings or the dislocation of imported supplies could thus cause serious hardship throughout the territories.

British Borneo depended on imports for the supply of industrial equipment, machinery, vehicles and, in fact, almost all manufactured goods that were essential for the maintenance and development of the territories' economies. Export earnings therefore had to be considerable to enable the country to develop.

Perhaps most important of all, the governments of the three territories relied heavily on income derived from imports and exports. Brunei's revenue was almost exclusively dependent on oil production.\(^4\) Although the proportion of revenue derived from oil royalties declined (e.g. 78% in 1950, 27% in 1954)\(^5\) the government was no less dependent on the oil industry, as much of its income from corporation tax was collected from the oil company.\(^6\) In Sarawak and North Borneo, government income derived from import and export duties provided a large part of the total revenue.

\[
\begin{array}{ccccccc}
\text{Ordinary Revenue,} & \text{North Borneo.} & (7) \\
\text{\$ M.000} & \\
\hline
\text{Customs Duties} & 1,784 & 16,418 & 11,620 & 18,522 & 18,978 & 19,061 \\
\text{Total Ordinary Revenue} & 2,998 & 24,481 & 22,736 & 33,739 & 35,463 & 37,584 \\
\end{array}
\]

\[
\begin{array}{ccccccc}
\text{Ordinary Revenue,} & \text{Sarawak.} & (8) ZM. \\
& & \\
1938 & 1951 & 1953 & 1957 & 1958 \\
\hline
\text{Customs Duties} & 1,824,274 & 36,991,189 & 23,355,410 & 26,107,589 & 26,995,469 \\
\text{Total Ordinary Revenue} & 4,258,669 & 44,093,799 & 42,926,389 & 51,154,360 & 57,601,498 \\
\end{array}
\]

\(^{(1)}\) C.S.S. page 130  \(^{(5)}\) C.S.S. page 140  
\(^{(2)}\) C.S.S. page 132  \(^{(6)}\) C.S.S. page 142  
\(^{(3)}\) C.S.S. page 132 and 206  \(^{(7)}\) C.S.S. p. 146 and ARNB 1958 p.25  
\(^{(4)}\) C.S.S. page 139  \(^{(8)}\) C.S.S. p.149 AND ARS 1958 p.18
(iii) Dependence on few Products.

I shall discuss each territory's problem in this respect separately, but, for present purposes it should be noted that British Borneo depended chiefly on exports of oil and rubber, with timber, pepper, copra and sago as the major supporting exports.\(^4\) A gradual decline in oil production and the rubber industry's susceptibility to wide fluctuations in world prices warranted attention to the diversification of the economy.

(iv) Shortage of Labour.\(^2\)

"Most of the people of the three British Borneo territories are smallholding cultivators, who supplement their income by jungle gathering or by seasonal part-time employment. The proportion of persons entirely dependent on wage-earning, especially in Sarawak and North Borneo, is very small. The immersion of the people in their traditional pursuits has made it difficult to create an adequate labor force for expanding industry, and labor shortages have characterised the employment picture in British Borneo."\(^3\)

This was the basic pattern of employment from which the British Borneo economy evolved. As more of the indigenous people grew to want Western consumer goods they came to rely more heavily on money income. In some cases this led to their turning some of their land over to the production of cash crops. In other cases it resulted in their becoming part-time, seasonal or full-time wage earners, but the desire for money income had not produced a sufficient labour force to meet the demands of employers by 1958.

The general result of this pattern of employment was that no large local labour force was available to meet the needs of estates and industry. For this reason, immigration from China (abandoned after the Communist revolution), Hong Kong, Malay, Singapore, the Philippines, Indonesia, India and Pakistan was necessary. Even with immigration, the shortage of labour was generally a major restraint on large-scale industrial or agricultural development.

(v) Transport Problems.

"Aside from the general considerations of geographical location, climate and resources, the economic development of British Borneo is limited by the available means of transport and communication. This is a low-lying country, difficult of access from the sea and containing many natural barriers to the movement of goods to both internal and external markets. The same barriers are no less of an

\(^{1}\) C.S.S. page 209
\(^{2}\) This section is based on material in C.S.S. chapter XIII
\(^{3}\) C.S.S. page 153
impediment to the social and intellectual communication within the area which is essential to the expansion of modern productive operations. The skeletal nature of British Borneo's economy is a natural concomitant of primitive transport and underdeveloped means of communication.\(^{(1)}\)

Transport deficiencies as well as limiting the flow of goods, also limited the flow of ideas and people and thus contributed to the continuation of a labour shortage through the continued isolation of self-contained, scattered communities.

Development, both in large-scale ventures and in smallholding activities, tended to be confined to the transport routes and to those areas where costly development was justified.

All three territories made considerable use of their river systems. The governments also endeavoured to develop the road systems, ports and airfield facilities. These developments will be discussed separately for each territory.

One major joint venture that contributed to more rapid economic development was the creation of Borneo Airways. The development of this airline's services, coupled with the construction of small rural strips in Sarawak and North Borneo, considerably improved the transport facilities. Until 1958 Borneo Airways operated Rapides, small, ancient aircraft. In 1958 the first two Twin Pioneers, sixteen seater passenger/freight planes, supplemented the Rapides,\(^{(2)}\) and since 1958 have replaced them as more Pioneers were bought. These planes, although designed for short take-offs on grass fields, proved expensive and subject to mechanical problems, resulting in occasional dislocation of services. Despite the jokes about the "pioneering airline", Borneo Airways provided a much needed means of rapid transport to outlying areas.

\[ (d) \text{ Government Policies for economic Development.} \]

\[ (1) \text{ Broad Policy Aims.} \]

The colonial administration was the most important agent in shaping the basic pattern of economic development in British Borneo. The development policies aimed at developing self-sufficiency in food production, increased productivity and increased diversification of the economy. These goals were pursued in the interests of British Borneo and as part of the regional and British Commonwealth development plan.\(^{(3)}\)

\[^{(1)}\text{CSS. page 191}\]
\[^{(2)}\text{A.R.S. 1958 page 106}\]
\[^{(3)}\text{CSS. page 132}\]
A fundamental part of all development plans was the improvement of transport and communication facilities. Without improved transport, increased production of agricultural commodities, the development of manufacturing industries and improved marketing procedures would have been impossible. Equipment and people had to be transported efficiently to the areas of production and products had to be transported efficiently to foreign and domestic markets. The governments therefore launched schemes to develop the transport system of the territories. By 1958 considerable improvements had been made but the system was still underdeveloped. These programmes will be discussed separately for each territory.

(ii) Increased Agricultural Production.

The governments of the British Borneo territories were anxious to increase agricultural production to achieve self-sufficiency in food production. This was necessary to reduce the territories' dependence on imported food and thus to conserve foreign exchange for the increased importation of commodities needed to develop the economy and to raise the standard of living. Increased production of meat and fish was also encouraged to provide more balanced diets for the indigenous people, amongst whom malnutrition was widespread.

Increased agricultural production in the field of cash crops was also encouraged for the development of foreign trade and for the increase in export earnings and government revenue. As well as encouraging increased production in well established export crops, such as rubber, the governments also encouraged the development of new crops to diversify the pattern of agricultural production and thus to shield the economy from the influence of wide fluctuations in world prices for the established products.

The agricultural development schemes took the form of schemes to open up new areas of land, financial assistance to farmers, government-sponsored research work on crops and methods, free supplies of materials and educational programmes. Both central governments and local governments co-operated in these programmes.

In an attempt to reduce shifting cultivation, the governments tended to favour the development of smallholdings\(^1\) as the system most likely to produce harmony and political stability along with increased production and self-sufficiency in food. Land settlement schemes were established to open up new areas on this basis. The creation of rural co-operative ventures assisting in the provision of low interest loans and tracing facilities provided encouragement for both indigenous and local Chinese people to take up agricultural pursuits.

\(^{(1)}\) C.S.S. pp. 172 and 212.
(iii) Diversification of the Economy.

The governments of the three British Borneo territories realised that the maintenance of existing living standards and levels of economic activity and the further development of the territories depended largely on foreign trade. It was necessary to diversify the economy, partly to shield the territories from serious dislocation caused by a sudden and large drop in world prices for a staple export product, and partly, in the case of Brunei and Sarawak, because of the gradual decline in oil production.

Diversification was attempted in agricultural products but the governments also attempted to foster new manufacturing industries by policies which will be discussed separately for each territory. The improvement in transport facilities, the attempts to attract foreign investment and local investment in commercial undertakings, and the constant search for economic mineral deposits were all part of the policy of diversification.

British Borneo undoubtedly had the resources for increased production and increased diversification of the economy. There was plenty of land. The rivers and the oceans were well stocked with fish. Mineral resources, especially in Sarawak, could be exploited once transport facilities increased their accessibility. Processing industries could be built up around the primary products that were still in 1958 chiefly exported virtually unprocessed. Once industrial development occurred, British Borneo would be able to use its vast untapped water resources and Brunei its natural gases for the provision of cheap power and fuel.

The first requirement for development along these lines was an increase in agricultural production to release more people to supply a labour force and to ensure adequate supplies of food. The second requirement was the development of adequate transport facilities. The third requirement was the attraction of capital to invest in new industries. The governments of British Borneo implemented policies to meet these requirements. By 1958 the economy of British Borneo was far from diversified but it was developing towards increased diversification.

(d) Particular Economies.

(i) Brunei.

- Public Finance (1)

The government of Brunei, after oil production became established, was in the fortunate position of having more money than it could spend. Revenue from oil was derived from royalties and from a corporate income tax originally of 20% in 1950 and 30% in 1953. (2) Interest on the invested surplus oil

(1) This section is based on material in C.S.S. pages 139-144, and A.R.B. 1957 and 1958, Part II, Chapter 3.
(2) C.S.S. page 142.
revenues from past years provided the third largest item in Brunei's revenues. Brunei was thus very much dependent on oil production for revenue. The royalties from oil more than covered all State expenditures and the Government, resisting the suggestions that the surplus wealth should be paid to all citizens as a bonus or pension, pursued a policy of investing the surplus and of developing the country. Brunei had no public debt and no need of direct financial assistance from the United Kingdom.

The tremendous economic development in Brunei was reflected in the rise in government income and expenditure.

| Revenue: (3) | 1932 | 362,403 |
| | 1941 | 1,325,912 |
| | 1947 | 4,389,974 |
| | 1950 | 17,302,869 |
| | 1954 | 89,893,500 |
| | 1957 | 130,954,281 |

| Expenditure: (4) | 1937 | 653,150 |
| | 1941 | 1,137,219 |
| | 1947 | 1,797,598 |
| | 1950 | 7,112,504 |
| | 1954 | 32,641,127 |
| | 1957 | 39,401,515 |

With the exception of 1938, Brunei enjoyed a surplus of income over expenditure. With occasional drops, the general pattern was for the surplus to rise steadily.

| Surplus (5) | 1937 | 369,143 |
| | 1941 | 188,693 |
| | 1947 | 2,592,376 |
| | 1951 | 61,895,876 |
| | 1953 | 74,232,967 |
| | 1958 | 97,105,422 |

In 1958, there was a reduction in income to $M 129,617,400(6) which was $25,000,000 less than anticipated. The reduction was due to a decline in oil production and to a decline in world oil prices. Nevertheless, there was a substantial surplus of $M 97,105,422 which was partly absorbed in the Development Plan which in 1958 spent a total of $M 30,594,114, $M 13,960,144 of which was charged to Revenue and $M 16,533,970 of which was charged to the Development Fund. The Government anticipated a further reduction in oil production but it was hoped that the reduction in oil revenue would

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(1) C.S.S. page 142
(2) C.S.S. page 139
(3) C.S.S. page 141 and A.R.B. 1958 page 20
(4) C.S.S. page 141 and A.R.B. 1958 page 20
(5) C.S.S. page 141 and A.R.B. 1958 page 20
(6) A.R.B. 1958 page 20
(7) A.R.B. 1958 page 21
be offset by the increased yield for the State's invested surpluses. The Government also planned to develop agricultural and industrial activities to diversify the economy but their efforts had not produced significant results by 1958.

Import duties, the most important source of income before the oil boom, rose as the national income rose, despite such concessions as the 1948 abolition of tax on machinery and ironware and the 1950 abolition of tax on canned goods. Import duties still remained on a wide variety of manufactured goods, such as liquors, tobacco, sugar, petroleum products, textiles and electrical goods. Export duty revenues fluctuated with the market prices prevailing for agricultural and forest products. Other revenue was derived from licences, government services, stamp taxes and estate duty. From 1947 there was no poll tax, hut tax or door tax. Income tax was restricted to taxation of corporations. (1)

In the late post-war years, the Brunei government endeavoured to spend more of its income. The development plan and the extension of economic and social welfare services figured largely in this increase. Two important increases could be seen in education and medical services.

<table>
<thead>
<tr>
<th></th>
<th>1950</th>
<th>1954</th>
<th>1958</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education Expenditure(2)</td>
<td>$201,000</td>
<td>$784,000</td>
<td>$3,179,438</td>
<td>$2,240,841 from the Development Expenditure.</td>
</tr>
<tr>
<td>Medical &amp; Health Expenditure(3)</td>
<td>$725,000</td>
<td>$1,396,000</td>
<td>$2,286,966</td>
<td>$881,326 from the Development Fund</td>
</tr>
</tbody>
</table>

- Development Programme(4)

In 1958 Brunei's five year development plan was virtually completed and a new committee was established to plan further progress. (5) The major problems to be faced in the next stage of development were the provision of suitable employment for the increasing annual output of the schools, especially through the introduction of secondary industries, and the provision of training in agriculture and crafts. (6)

The five year development plan 1953-58 provided for an expenditure of $100,000,000 over and above the public works annual expenditure. The plan was largely successful but suffered setbacks because of the shortage of adequate professional staff and supervision. Nevertheless, automatic telephone exchanges were installed, a broadcasting service was instituted, improvements were made on Brunei's air port and the road system of Brunei was developed, somewhat slowly, the most dramatic extension being the completion of the Brunei Town-Seria road in 1958. Water and electricity

(1) 1958 revenue figures are on page 18 of A.R.B. 1958
(3) Ibid
(4) A.R.B. 1957 pages (vi) - (viii) in the source for this section.
(5) A.R.B. 1958 page (ii)
(6) Ibid
supplies were developed and many new schools were opened. The major facility still lacking was a good deep sea port, necessitating the transhipment of most commodities at Labuan with resulting delays and additional expense.

Development in the private sector of the economy was generally not so satisfactory as was the development in government activities. Commercial enterprise remained almost entirely related to the consumption requirements of the State Development Plan and the oil fields. Loans were available from a Development Loans Committee for farmers, fishermen and small undertakings. A hotel was completed in Brunei Town in 1957 and furniture and joinery factories were established, but there was generally little sign of new commercial activity to make the State's economy less dependent on oil. One of the major reasons for this deficiency was the absence of a satisfactory deep sea port enabling cheap transport to outside markets. Local markets were too small to encourage the development of manufacturing industries. Consideration was therefore given to the establishment of a deep sea port in Brunei.

Important developments were also encouraged in agricultural and other primary industries.

- Water and Power. (1)

Water and electricity supplies were gradually improved and extended in Brunei but were confined to Brunei Town, Seria, Kuala Belait and some of the smaller towns. Electricity was supplied by the Electricity Department of the government. Use was also made of the oilfield's natural gas at Kuala Belait and Seria but it was not found practicable to supply gas to Brunei Town.

- Transport and Communications. (2)

Transport was a major handicap to development. In 1956 Brunei had only 140 miles of earth, gravel or stone roads and sandy beaches at low tide, (3) used by cars, jeeps and antiquated buses. With the opening of the Brunei-Seria-Kuala Belait road in 1958, Brunei had approximately 260 miles of state roads and 67 miles of oil company roads. (4) It was planned for all of these roads to be eventually asphalted. The extension of the road system and the improvement of existing roads was an important contribution to the economic development of Brunei. The only railway in Brunei was that owned and operated by the oil company. Internal air services were non-existent.

Brunei relied heavily on its rivers for internal transport in the absence of other facilities. Important ferry services were maintained and improved by the Brunei government and the increased use of outboard

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(2) C.S.S. page 193 and ARB. 1957, 1958 Chapter XI.
(3) C.S.S. page 193
(4) "Brunei Today" (Brunei Information Services) page 19.
motors by the indigenous population led to a more efficient use of the rivers as a means of transport for people and goods. The clearing of debris from the rivers received the government's attention. Work on the clearing of the Belait River was commenced by a contractor under supervision in May 1956, but was discontinued in February 1958 when funds ran out. The clearing of the Tutong River was accomplished from October 1957 to October 1958. This work was carried out under the Development Scheme, as was the clearing of overhanging jungle on the Terusan Kupang Channel. It was hoped to extend the scheme to the Paduruan, Temburong and Batu Apoi Rivers, but the premature cessation of work on the Belait River caused these proposals to be shelved.

For sea transport, Brunei Town and Kuala Belait served as ports for small vessels and Labuan was used for transhipment to larger vessels. The absence of a deep sea port in Brunei seriously hampered commercial and industrial development. Air communications existed between Brunei, Singapore, Hong Kong, North Borneo and Sarawak.

The public telephone service was gradually improved. By 1958, there was a radio telephone link between Brunei Town, Tutong, Kuala Belait, Miri, Limbang and Jesselton. A radio telegraph service was maintained between Brunei Town and Singapore and with Kuala Belait, Seria and Temburong within the state, Jesselton and Labuan in North Borneo, and Kuching and Limbang in Sarawak.\(^1\) The telephone service was considerably improved in 1957 with the installation of automatic exchanges at Brunei Town and Kuala Belait.\(^2\)

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- **Labour Problems and Immigration.**\(^3\)

Brunei generally suffered from a shortage of skilled and unskilled labour demanded for the operation of the oil fields, for the development of programme, for the Public Works Department, for the four rubber estates and for some small sawmills and woodworking industries. Shortage of labour hampered the rubber estates, causing them to be unable to increase production, to take advantage of increased prices (for example in 1957). The excess demand for labour therefore had to be met by recruitment of unskilled labour from Sarawak and North Borneo, and of skilled labour from Hong Kong, Malaya and India.

Immigration was nevertheless carefully controlled, permits being issued for limited periods to enable a specific task to be completed. Provision was also made, wherever practicable, for the training of local workers to replace immigrant workers.

A slight decline in economic activity occurred in 1957 but in 1958 there was a sharp decline in economic activity, resulting in a temporary unemployment problem. Reduction in oil production, the completion of

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\(^{1}\) A.R.B. 1958 page 183
\(^{2}\) A.R.B. 1957 page (vii)
\(^{3}\) This section is based on C.S.S. Chapter XIII, A.R.B. 1957 Chapter II and A.R.B. 1958 Chapter II.
major government undertakings(1) and the lack of approval for new development schemes,(2) led to retrenchment in the oil fields and in government. The unemployment problem was not so much that of shortage of work, as there was still a shortage of agricultural labour, but an unwillingness on the part of local employees to accept new employment in different spheres or in different areas.(3)

- Developments in Agriculture.(4)

Government played an important part in improving agricultural production but agriculture remained comparatively unimportant compared with oil in the economy of Brunei. Experimental stations, especially dealing with crops and animal husbandry, campaigns to improve the quality and quantity of products through the provision of seeds, manure and instruction in farming methods, and the control of pests and diseases, all played a part in this programme. The Rubber Development Scheme aimed at improving rubber production through the provision of seeds and subsidies. The Agricultural Credit Scheme was also established to provide low interest development loans to cover capital outlays, but few people took advantage of the scheme. In 1958, for example, there were only eight applications for loans, of which only two were approved.

- Developments in Commerce and Industry.(5)

Trade and commerce in Brunei were traditionally conducted by a number of European and Chinese agency houses and merchants. The number of Chinese merchants holding important agencies steadily increased and the Chinese were the chief purchasers of local products (except oil) as well as the chief suppliers of consumer goods to upriver people.

Silverware, brassware and strawwork together with the furniture and joinery factories opened in 1957, were the chief manufacturing industries but were of small significance in the economy. Attempts were also made to revive pre-war sarong manufacturing.

After 1929(6) when oil was discovered, the oil industry steadily grew to dominate the economy. Commercial production may be considered to have begun in 1933(7) and since then the revenue from oil soared to over $M.300 million annually.(8) Some indication of the growth in the oil industry can be seen in the figures showing annual oil royalties. In 1932, oil royalties totalled $M.67,510. By 1941 they had risen to $M.548,711. The war produced a temporary set-back reflected in the 1946 figures of $M.58,550, but by 1952 royalties had risen to $M.26,784,619(9). The Seria oilfields grew to become the second biggest in the British Commonwealth.(10)

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(1) A.R.B. 1958 page (11)
(2) A.R.B. 1958 page (iv)
(3) A.R.B. 1958 page 11
(4) This section is based on C.S.S. chapter XV and A.R.B.1957 and '58, Chap.VI
(5) This section is based on C.S.S. chapters XVI and XVII, and A.R.B. 1957/58 Chapters V and VI.
(6) "Brunei Today" (Brunei Information Services) page 22.
(7) A.R.B. 1958 page 27
(8) "Brunei Today" page 118
(10) "Brunei Today" page 23.
By 1958, 75% of Brunei area was still covered with primary forest and 37% was under reservation. From 1951 the Brunei Government pursued a policy to protect and develop the forests and a Forestry Development Plan 1955-64 was approved by the State Council. Forest reserves were either productive or protected. Work in the productive forest reserves was controlled by detailed working plans which controlled the areas to be felled each year and which prescribed the methods to be used in growing new trees. Plans for improved road and river connections with the timber producing areas were slowly implemented. Research on timber and training of local staff for forestry work were also encouraged by the Brunei Government.

Commercial fishing, controlled by the Marine Department, was developed but production was still inadequate to meet local demands by 1958.

The Geological Survey Department's findings were used to develop the state. Stone was sought, particularly gravel deposits, for road building. The other mineral resources that were worked in Brunei were oil, natural gas, coal and constructional materials such as clay, sand, gravel, coral and sandstone. High grade glass sand was discovered in 1958 and plans were discussed to exploit this deposit.

- Developments in the Import-Export Trade.

The import-export trade flowed through the two ports of Brunei Town and Kuala Balait. Exports enjoyed a surplus over imports as can be seen from the following figures.

<table>
<thead>
<tr>
<th></th>
<th>SM. 1958</th>
<th>SM. 1957</th>
<th>SM. 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imports</td>
<td>88,665,955</td>
<td>107,463,452</td>
<td>114,083,317</td>
</tr>
<tr>
<td>Exports</td>
<td>326,877,860</td>
<td>339,984,633</td>
<td>330,291,877</td>
</tr>
</tbody>
</table>

The chief export was oil, whilst rubber was an important source of export earnings. The chief imports were manufactured articles, machinery and transport equipment, food and exposed cinematograph films.

The favourable trade balance increased considerably.

e.g. 1949 balance of trade SM. 26,227,621
      1958 " " " SM. 238,204,905

- Summary

Despite the beginnings of a decline in oil production, Brunei in 1958 was in a favourable position both in its surplus of income over expenditure and in its favourable balance of trade position. To ensure future stability however, diversification of the economy was important. The Brunei government was aware of this and attempted to encourage the development of agricultural and manufacturing activities.

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(1) A.R.B. 1958 page 45
(2) A.R.B. 1958 page 47
(3) This section is based on C.S.S. chapter XVII and A.R.B. 1957, 1958 Chapter V.
(4) A.R.B. 1958 page 27
(5) For import and export figures for 1958 see A.R.B. 1958 page 27.
(ii) Sarawak.

- Public Finance. (1)

Sarawak, whilst not enjoying the dramatic wealth of Brunei, developed a reasonably sound economy, although it was still too dependent on fluctuating export income and oil. Government income and expenditure increased considerably, as can be seen in the following figures: (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue M.$</th>
<th>Expenditure M.$</th>
<th>Surplus M.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1897</td>
<td>564,789</td>
<td>504,101</td>
<td>60,688</td>
</tr>
<tr>
<td>1940</td>
<td>7,463,314</td>
<td>5,018,006</td>
<td>2,445,308</td>
</tr>
<tr>
<td>1947</td>
<td>12,879,213</td>
<td>10,986,633</td>
<td>1,892,580</td>
</tr>
<tr>
<td>1952</td>
<td>57,266,009</td>
<td>28,724,480</td>
<td>25,541,529</td>
</tr>
<tr>
<td>1957</td>
<td>52,163,906</td>
<td>50,587,350</td>
<td>1,576,556</td>
</tr>
<tr>
<td>1958</td>
<td>60,030,159</td>
<td>57,596,444</td>
<td>2,073,715</td>
</tr>
</tbody>
</table>

With few exceptions (1887, 1938, 1946 and 1949) (3) Sarawak enjoyed a surplus of income over expenditure, not as great as Brunei's surplus, but a surplus nevertheless. Despite the surplus of revenue over expenditure in 1958, Sarawak for the first time in its modern history incurred a public debt. Government debentures were placed on sale within Sarawak in 1958 and these raised a total of M$.1½ million. (4)

The three largest sources of ordinary revenue for the Sarawak Government were import duties, export duties and corporate income tax, all of which fluctuated considerably. The Sarawak Government's revenue was very much dependent on import and export trade. Tobacco (over 60% of import revenues) alcoholic beverages, textiles, petroleum products and sugar were the most important sources of import duties. The major export duties came from rubber, pepper, sago, copra and jelutong, the export of which varied with the prevailing market prices. Indirect tax on locally manufactured alcoholic beverages and matches provided for $M. 800,000 to $M. 1,000,000 annually. Corporate income tax, first levied in 1950 at the rate of 20%, was increased to 30% in 1953 and produced considerable revenue. Personal income tax had not been introduced by 1958, but a head or door tax of M$1 per head and M$1 per door was inherited from the Brookes. This tax produced little revenue and, where local authorities existed, was handed over to them. Stamp duties, entertainment tax, taxes on cars, bicycles and guns, fines, postal and telegraphic service charges, royalties on timber and mineral produce, leases on Crown lands and municipal charges supplemented government income. Income on investment from surplus funds accumulated, particularly in the boom years 1950-52, yielded an important source of income but

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(1) The material in this section is based on: C.S.S. pp. 148-152, I.S. pp. 60-61, and A.R.S. 1958 chapter III.
(2) C.S.S. page 151 and A.R.S. 1958 page 18. More detailed figures are given in these texts. I have selected a few.
(3) C.S.S. page 151
(4) A.R.S. 1958 page 2.
it was not permanent, as part of the investments were committed for future projects. Sarawak benefitted considerably from special revenues after 1946, including war damage compensation, sale of enemy property, grants-in-aid, Colonial Development and Welfare grants and Colombo Plan aid.

In 1951 a separate account was opened for Capital Development, deriving income from:

- Grants from the Colonial Development and Welfare Fund;
- Contributions from Sarawak’s reserve balances;
- Contributions from Annual Revenue;
- Contributions from various special funds;
- Revenue from C.D. & W. Scheme Loans (1)

From 1958 the budget was divided into two parts: recurrent and capital.

The policy of the government can be summed up as follows:

"Government policy is to keep recurrent expenditure plus an annual contribution of $1,000,000 towards the cost of capital works within the total of the reliable revenue anticipated, i.e. the minimum revenue which can reasonably be anticipated without taking into consideration wild upward fluctuations in commodity prices.

The latter factor is one of major importance in Sarawak. The prices of all its main revenue earning commodities tend to fluctuate between wide limits. High prices in their turn stimulate increased production and vice versa, which severely affects the revenue from export duties. Furthermore, in a small-holding country such as Sarawak, higher commodity prices lead almost immediately to greatly increased purchases of consumer goods which in turn lead to increased revenue from import duties.

The excess over and above the total of reliable revenue is devoted to the capital budget which consists of the non-recurrent expenditure of the Public Works Department and expenditure on development generally." (2)

The major government expenditures were on developmental and social service schemes. Examples of the rise of government spending are given below: (3)

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>1958</th>
<th>1953</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Administration, later Local Authorities</td>
<td>624,182</td>
<td>973,475</td>
<td>1,615,591</td>
<td>1,648,162</td>
</tr>
<tr>
<td>Medical</td>
<td>300,159</td>
<td>2,881,598</td>
<td>5,133,278</td>
<td>5,192,820</td>
</tr>
<tr>
<td>Forests</td>
<td>51,033</td>
<td>321,542</td>
<td>519,941</td>
<td>626,329</td>
</tr>
<tr>
<td>Agriculture</td>
<td>36,845</td>
<td>627,659</td>
<td>1,144,390</td>
<td>1,337,660</td>
</tr>
<tr>
<td>Public Works Department</td>
<td>689,602</td>
<td>1,746,213</td>
<td>2,194,978</td>
<td>1,510,641</td>
</tr>
<tr>
<td>Public Works Recurrent</td>
<td>--</td>
<td>1,174,526</td>
<td>3,065,231</td>
<td>3,769,266</td>
</tr>
<tr>
<td>Education</td>
<td>--</td>
<td>769,292</td>
<td>7,194,015</td>
<td>8,745,261</td>
</tr>
</tbody>
</table>

(1) I.S. page 149
(2) I.S. page 61
Development Programme.\(^{(1)}\)

Since 1948 Sarawak has had a development plan, revised and expanded three times between 1946 and 1958. In 1954, Council Negri adopted a new five year M$100 million development plan for 1955-60, with the following objectives:

"(i) to increase, with the aim of self-sufficiency, the production of foodstuffs, particularly rice; (ii) to strengthen the country's economy by improving the rubber industry and by building up alternative export crops; (iii) to improve communications as a prerequisite of economic development; (iv) to associate private enterprise with industrial development and to provide opportunity for local investment, and (v) to improve and expand social service within the capabilities of the country. Sixty-eight per cent of the planned expenditures were to be for economic development purposes, rather than welfare."\(^{(2)}\)

A new Development Board, consisting of members of the Council Negri, was appointed in 1957 to review the Development plan for 1955-1960. The Board produced a revised plan providing for expenditure of M$ 105 million to be spent on development between 1957 and 1960. Progress was generally satisfactory, especially after 1956, because of the improved staff position enabling an increased rate of expenditure on development. The Development Plan embraced a wide range of activities: agriculture, broadcasting, civil aviation, education, fisheries, forestry, government buildings, medical services, port development, roads and bridges, geological survey, community development, fuel and power, housing, land development, meteorological services, social welfare, telecommunications, town development, water supplies, waterways.\(^{(3)}\)

The expenditure under the Development Plan is given below:\(^{(4)}\)

<table>
<thead>
<tr>
<th></th>
<th>C.B &amp; W. Funds</th>
<th>Sarawak Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Expenditure to end of 1957</td>
<td>14,492,444</td>
<td>95,382,652</td>
<td>109,875,000</td>
</tr>
<tr>
<td>Actual Expenditure in 1958</td>
<td>2,398,878</td>
<td>20,280,549</td>
<td>22,679,427</td>
</tr>
<tr>
<td>Estimated Expenditure in 1959</td>
<td>4,420,716</td>
<td>28,040,947</td>
<td>32,461,663</td>
</tr>
</tbody>
</table>

Broadly, development occurred in two main directions: one to encourage the economy and the other to provide improved and expanded social welfare programmes. The encouragement of economic expansion through agricultural and industrial development was the more important as this provided the economic foundation to support social welfare schemes. The plan was financed from the large surplus balances accumulated by the Sarawak Government, from assistance from the Colonial Development and Welfare Fund in the United Kingdom, from Colombo Plan assistance and from loan finance (M$ 25 million).\(^{(5)}\)

\(^{(1)}\) The material for this section comes predominantly from AR.S. 1958 p.9, and I.S. pp. 60-63.

\(^{(2)}\) C.S.S. page 189.

\(^{(3)}\) A.R.S. 1958 pages 172-186.

\(^{(4)}\) A.R.S. 1958 p.9. Appendix A. of the 1958 ARS. (pp. 172-186) gives details of the development schemes, the amounts spent, the stage of the schemes and the proportion of money provided by the Colonial Development and
In addition to the Development Board, which planned and supervised development, the Sarawak Development Finance Corporation, the Borneo Development Corporation, and Borneo Housing Ltd., and the activities of ordinary government departments such as the Agriculture Department and the Department of Geological Survey were important in encouraging development. The Sarawak Development Finance Corporation was a statutory body which promoted industrial and agricultural development by providing capital on reasonable terms. Businesses, concerns, and groups of rubber producers and pepper producers benefitted from this financial assistance. The Borneo Development Corporation and Borneo Housing Ltd., subsidiaries of the Colonial Development Corporation, assisted in establishing small industrial estates for light industries and in helping to finance home-ownership.

- Water and Power (1)

Hydro-electric potential, which is considerable, was not fully developed but the government-owned Sarawak Electricity Supply Company Ltd. installed and developed diesel generated power to the major towns and to many of the smaller towns. Gas from the oilfields was also available in Miri and water supplies were provided for the major centres and for many of the smaller towns. In 1958 steps were taken to create local Water Boards in Kuching and Sibu.

- Transport and Communications (2)

Like Brunei and North Borneo, Sarawak's economic development was retarded by the natural barriers to transport and by the poorly developed transport system.

Sarawak, of the three territories, was best endowed with navigable rivers and made good use of them. The road system of Sarawak remained poor and largely underdeveloped. Most roads of reasonable standard could only be found around the major towns. As part of the development plan, a programme of road construction and improvement was launched under a plan for a trunk road system, with a feeder road network. Progress in this field proved difficult because of the terrain and because of the damage constantly done to roads, old and new, by heavy rains. Lack of money and the high cost of construction and maintenance was another restriction on road development.

The achievement in road development can be seen by comparing the following figures: (3)

<table>
<thead>
<tr>
<th>Description</th>
<th>1953</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bitumen or concrete roads</td>
<td>95 miles</td>
<td>109,76 miles</td>
</tr>
<tr>
<td>Gravel or stone</td>
<td>65 &quot;</td>
<td>136.01 &quot;</td>
</tr>
<tr>
<td>Earth surface</td>
<td>115 &quot;</td>
<td>258.33 &quot;</td>
</tr>
<tr>
<td>Paths - gravel or stone</td>
<td>195 &quot;</td>
<td>2.5 &quot;</td>
</tr>
<tr>
<td>- earth</td>
<td></td>
<td>50.09 &quot;</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>470 &quot;</td>
<td>556.20 &quot;</td>
</tr>
</tbody>
</table>

(1) The information for this section is based on C.S.S. page 192 and A.R.S. 1958 pages 99-105.
(3) 1953 figures C.S.S. p. 191; 1958 figures A.R.S. 1958 p. 113
It should be noted that many of the roads were less than 12 feet wide (220.53 miles in 1958) and that the earth roads were unserviceable under bad weather conditions. The paths were serviceable only by bicycles.

No public railways existed in Sarawak and for some years there was no internal air service. By 1958, in addition to the modern airport at Kuching opened in 1950 for overseas traffic, the smaller but sealed airstrip at Sibu and the private field at the Sarawak Oilfields installaion, small grass fields at Lutong, Bintulu, Mukah, Lawas and Simanggang were served by regular scheduled Borneo Airways services. Fields for use by charter services were also completed at Sematan and Long Akah and fields were under construction at Belaga and Marudi. The development of these small interior airstrips and the growth of Borneo Airways provided important encouragement for the development of previously remote and often isolated areas.

Port facilities at Kuching, Sibu and Miri and Tanjong Mani were developed for overseas vessels. These towns served as the ports for the import and export trade and connected Sarawak with its British Borneo neighbours and with Singapore, Hong Kong, Australia and Thailand.

Postal and telegraphic services steadily developed. There were Post Offices in every government station by 1958. Apart from telephone line extensions from the telegraph offices in the towns, the state's telephone service was by radio telephone because of the difficulty of constructing and maintaining lines through the jungle. By 1958, 56 places in Sarawak were linked by radio telephone.¹ The introduction of the VHF system produced considerable improvements as did the introduction of automatic telephone exchanges in some of the major centres, e.g. Kuching, Sibu and Miri. Sarawak was linked by the usual telegraph services to North Borneo, Brunei and Singapore.

Labour Problems and Immigration.²

Most of the people of Sarawak were engaged in agricultural work as small-holders. The majority were self-employed, either in subsistence level farming, fishing and hunting, or as producers of cash crops, but some of the rural population, especially Dayaks, worked as part-time or seasonal wage earners. Economic development and the spread of the demand for Western consumer goods produced an increased labour force, but Sarawak suffered and still suffers from a shortage of both skilled and unskilled labour. The demands of the timber, oil and pepper industry were generally not adequately met. The rubber industry, although experiencing some difficulty in recruiting labour, generally did not face a serious labour shortage because of its predominant dependence on smallholders rather than on large estates.

Immigration was therefore necessary to meet labour needs. Overseas recruitment of skilled labour was carefully controlled by the government by a system of entry permits issued to particular individuals whose recruitment

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² The material in this section is based on C.S.S. Chapter XII, A.R.S. 1958 Chapter XX, and I.S. pages 41-42.
³ This section is based on C.S.S. Chapter XIV; I.S. pages 32-37; A.R.S. 1958 Chapter VII.
was necessary for the completion of particular tasks with the requirement
that local workers should be trained to take over the particular job.
Immigration by people possessing capital to establish businesses was encour-
egaged and, under the Pioneer Industries Ordinance, the managerial and technical
staff necessary to start an approved industry were admitted. Temporary
immigration was permitted, provided that the immigrant could show that he
was assured of a job and provided that he did not deprive a local man of a
job. Immigration by unskilled labour was totally prohibited.

Unemployment caused by fluctuations in production related to fluc-
tuations in commodity prices was generally quickly solved by the absorption
of the unemployed in other jobs.

- Developments in Agriculture. (1)

Sarawak was basically an agricultural country. The agricultural
economy was weakly diversified, especially with regard to the export crops
of rubber, pepper, sago and coconuts. Rice was the most important crop for
local consumption.

Although most of Sarawak's population was engaged in agricultural
production, it was still not self-sufficient in food, especially in rice.
Land settlement schemes, the Development Plan and the work of such depart-
ments as the Agriculture Department aimed at increasing agricultural produc-
tion.

The policy of the Agriculture Department, with its triple responsibil-
ity for agriculture, veterinary services and fresh-water fisheries, was
"to increase and diversify agricultural productivity (having particular
regard to the need to improve food supplies, especially rice, and all forms
of animal protein); to increase exports of cash crops (particularly rubber,
pepper, coconut and sago); to introduce and develop new crops shown by
experimentation to be of economic significance; and to promote and assist
in the sound agricultural development of new lands". (2)

The main emphasis on agricultural development tended to be on rubber
production, but other important services such as the following were provided:
"the distribution of increased supplies of planting material of every descrip-
tion and of improved livestock; extended and intensive pest control services;
training courses for farmers; better advisory services; expanded tractor hire
and milling facilities; and regular broadcasting on technical subjects in the
vernacular". (3) In 1957 the Agriculture Department developed important re-
search and extension activities. (4)

In mid 1956, a Rubber Planting Scheme was introduced to encourage
existing rubber producers to replant with high yielding rubber, to encourage
the development of new rubber plantations, and to promote improved processing
of rubber. This scheme was launched to increase productivity in the country

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(1) This section is based on C.S S. Chapter XV; I.S. pp. 32-37; A.R.S.1958
Chapter VII.

(2) A.R.S. 1958 pp. 39-40

(3) A.R.S. 1958 p. 4.

(4) The details may be found in A.R.S. 1958, pp. 46-48.
as a whole, to diversify the economy and to reduce the dependence of much of the rural population on subsistence padi farming. Individual and communal block plantings were encouraged by the distribution of seeds and fertilisers, and by the provision of financial assistance at the rate of £2.50 per acre for new planting and £4.50 per acre for re-planting. Training courses for rubber growers were provided. To finance the scheme and to enable the government to pay larger subsidies, a cess of two cents per pound of rubber exported was planned to take effect from 1st January 1959.\(^1\)

The opening up of the interior by the completion of a network of small airstrips helped the Agriculture Department to encourage rubber planting and other agricultural activities in previously almost inaccessible country.

The Rubber Planting Scheme proved so successful that the original five year target figure of 10,000 acres was accomplished in half the time. The target was therefore raised to 40,000 acres and later to 60,000. This scheme showed promise of increasing both the quality and quantity of rubber produced and thus having a beneficial effect on Sarawak's economy. It was planned that the new rubber should be in production by 1970.

Rice was never produced in sufficient quantities to meet the local demand. As a result, the export of rice was prohibited. Rice production suffered from several problems. A major problem from the larger acreage of rice production devoted to dry rice (yield approximately 125 gantangs per acre) rather than to wet rice (yield up to 400 gantangs per acre). In 1958, for example, approximately 208,000 acres were devoted to dry rice production, and 73,000 acres to wet rice production. Even in wet rice production the low standard of cultivation and the almost complete lack of drainage and irrigation works tended to result in low average yields. Various pests also presented a minor threat to rice production. To overcome these problems, the government encouraged the development of wet rice cultivation, with very limited results, and encouraged improvements in farming methods. Free insecticide was issued under an anti-pest campaign and in 1958 the distribution was increased. To encourage production the government introduced a guaranteed price for rice delivered to Government Purchasing Centres, but the market price generally remained above the support figure.

Pepper was grown in Sarawak chiefly by smallholders. Until 1957 Sarawak provided a third of the world's pepper, but, after the boom years of 1950-52, production declined because of a drop in world prices. The government became concerned about the future of the industry and in 1957 a Marketing Advisory Committee was established to advise on improvements in the system of marketing. Government also carried out research to combat diseases in the industry.

The third most important of Sarawak's agricultural export crops was sago. Farming methods and flour extracting methods were generally primitive and resulted in low yields and poor quality flour. The absence of clean

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(1) A.R.S. 1958 page 5.
water in the main producing areas contributed much to the poor quality. A Sago Advisory Committee was established and considered means to improve the standards of sago production.

Coconuts, essentially a smallholders' crop, were important in both the domestic and export markets. Production declined and in 1958 the government drew up plans to launch a subsidised coconut planting scheme as from 1st January, 1959, costing $1,275,000, with the object of planting a minimum of 10,000 acres before 1965. This plan was designed to improve supplies of fresh coconuts for home consumption, to make Sarawak self-sufficient in coconut oil production and to increase the export of copra.

Vegetables, tobacco, coffee, fruits and other crops were part of Sarawak's agricultural produce. The Agriculture Department encouraged some of these crops by such schemes as the issue of coffee seedlings and the establishment of nurseries (for the large-scale production of rambutans and durians) from which plants could be issued. The development of some of these crops provided more potential diversity for Sarawak's economy.

Animal husbandry generally played a small part in Sarawak's rural economy but the Agriculture Department attempted to develop animal husbandry through encouraging improvements in breeding and through control of disease. Meat was an important source of protein in the diet of the local people and therefore production needed to be increased.

Fish was also an important source of protein in the diet of the local people. The fishing industry in Sarawak was important but inefficient, and as a result the supply of fish was inadequate to meet local demand. The development of fresh water fisheries was encouraged for some time and in 1958 efforts in this direction were intensified. A major improvement in the fishing industry occurred in 1957 when the government, by providing loans on reasonable terms, encouraged fishermen to instal inboard engines in fishing boats.

The routine work of the Agriculture Department played an important part in agricultural development, but other departments also assisted in this development. The Lands and Survey Department's policy of investigating the customary rights over land was pursued, "with a view to alienating for permanent settlement by others genuinely in need, such land as is shown to be surplus to the needs of the holders of the customary rights". This policy led to the development of land settlement schemes. Community Development schemes also contributed to improved standards of agriculture. The Co-operative Department, formed in 1945, established co-operatives throughout the country. Progress was slow but the number of co-operative societies rose steadily from 24 in 1949 to 168 in 1958. The most important effect of the Co-operatives was to encourage the smallholders to manage their own affairs and to break the hold of the Chinese middle-men. Co-operative

(1) A.R.S. 1958 page 5
(2) A.R.S. 1958 page 80
(3) I.S. page 60
(4) I.S. page 145
activities ranged from the provision of savings and loan facilities to the provision of marketing facilities. The Co-operative Central Bank gradually expanded as co-operative ventures proved successful.

- Developments in Commerce and Industry. (1)

Trade and commerce in Sarawak were traditionally dominated by European firms and the Chinese merchants. Trade involving imports and exports was shared by the European firms and the smaller but more numerous Chinese firms. The retail trade, however, was dominated by the Chinese merchants and shopkeepers who, whilst sometimes open to the charge of exploiting the natives and the rural Chinese communities, provided a market for any and every kind of produce, provided the rural communities with consumer goods and provided extensive credit facilities for their customers. The Chinese shopkeepers and merchants played an important part in the development of the economic life of Sarawak. Without the services of the Chinese, most of the rural communities over the rural communities, but the Chinese traders still carried on the bulk of internal trade.

"Sarawak is a primary producing and exporting country, and her income is, to a great extent, derived from the export of her produce. In exchange, she gets what she needs by importing foodstuffs and other consumer goods. Apart from the processing of some local products such as coconut oil, there is little industrial activity." (2)

The above sums up the nature of Sarawak's economy. Nevertheless, a word on Sarawak's industrial development, such as occurred, is necessary because in industrial development lay one of the factors for Sarawak's future economic stability.

Sarawak's major industry was the production of petroleum products. Without her oil industry Sarawak would have been in difficulties in foreign trade, especially in recent years. Sarawak's oil was produced at the fields in Miri. Unfortunately, production steadily declined, as the field had been worked for over 40 years. Sarawak Shell Oilfields Ltd. continued to search for new oil deposits in the coastal region and in the off-shore area of the continental shelf but no new deposits of commercial significance were found, despite the large sums of money spent on oil exploration. Much of the oil produced in Sarawak and in Brunei was refined in Sarawak, at Lutong. The production of refined products decreased slightly in recent years, especially the high grade products, as can be seen from the following figures: (3)

(1) The material in this section is based on I.S. pages 37-42, 44-46; C.S.S. chapters XVI and XVII; A.R.S. 1958 chapters V and VII.
(2) A.R.S. 1958 page 25.
(3) 1953 figures - C.S.S. page 188
Production in Tons

<table>
<thead>
<tr>
<th></th>
<th>Gasoline</th>
<th>Kerosene</th>
<th>Lubrication, Diesel Fuel and Crude Oils.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>523,770</td>
<td>303</td>
<td>1,772,783</td>
</tr>
<tr>
<td>1958</td>
<td>381,463</td>
<td>37</td>
<td>1,930,046</td>
</tr>
</tbody>
</table>

The Sarawak Government encouraged the search for oil and other mineral deposits through the activities of the Geological Survey Department and through the issue of prospecting licences. Bauxite production rose in importance quite suddenly. The British Aluminium Company Ltd. received a prospecting licence for bauxite in 1950 but it was not until 1958, when the Sematan Bauxite Company Ltd. commenced operations, that bauxite became important. Most of the known deposits of bauxite were in inaccessible areas, but proved resources of 5½ million tons were known to exist and the discovery of further deposits was considered probable. With developments in transport, bauxite could become a major industry. Gold mining, once important, especially from 1864 to the 1920's, was no longer significant, but interest was still shown in prospecting, mostly by Chinese. Antimony and mercury deposits were once worked but, although prospecting continued, there was no production in the late post-war period. Sarawak also possessed deposits of coal, chiefly of low grade, and the coal industry was significant until 1932. Most deposits, some of them substantial, were inaccessible and, as a result, uneconomic. Limestone and other stone deposits existed and Geological Survey information was applied to assist civil engineering. For example, quarries for road stone were opened near road building sites.

Sarawak had vast timber resources. The Forestry Department policy was to conserve the forest estates and to plan timber production on a basis of sustained long-term yield. The Department gradually extended the permanent forest reserves. By 1958, 23% of the total land area of Sarawak had become part of the permanent forest estate. The production of timber by inefficient methods was encouraged whilst shifting cultivation, which had ruined a great deal of previously forested areas, was discouraged.

Apart from oil, manufacturing industries were few, consisting chiefly of small factories, some cottage industry, sawmills and small padi and sago mills. Manufactured and processed goods included cutch (a tanning extract), acetic acid, alcohol, matches, pottery, vermicelli, aerated waters, cured fish, bricks, vegetable oils, soap, fertilisers, smoked sheet rubber and domestic handicrafts.

The Sarawak Government's policy was to encourage investment in new industries that did not require protection, that did not make inroads into important revenues and that involved the processing of local raw materials for export in a more valuable form. In 1957 the Pioneer Industries (Encouragement) Ordinance was passed. Under the Ordinance, approved primary manufacturers were permitted to write off capital free of company tax for any five of the first eight years of operation, were permitted to import factory equipment duty free, and to bring in technical and managerial staff
to establish the industry. Response to this encouragement was limited. Although the manufactures of cement, plastics, particle board, veneer, plywood, knitted goods, tin containers, rubber-soled shoes and Batek sarongs were declared pioneer industries, the only new factories set up by 1958 were for the production of veneer, plywood, knitted goods, rubber-soled shoes and tin containers.

- Developments in the Import-Export Trade. (1)

Sarawak depended for its very existence on imports and exports. Food was imported and most of the government's revenue was derived from imports and exports.

Imports and exports flowed through Chinese and European firms, although the Chinese dominated in the handling of the export of rubber, pepper and sago.

Oil was the largest earner of export revenue and was followed by rubber, pepper and timber. Not only was oil important for government revenue but, without the export of oil, Sarawak's imports would have exceeded her exports. Much of the oil exported from Sarawak was oil imported from Brunei for refining and subsequent re-export. Sarawak's own production of oil from the Miri wells declined. Brunei's production of oil was also declining, although less seriously. This made it necessary for Sarawak to diversify her economy so that she would be less dependent on oil for revenue and for her balance-of-trade.

Without oil, Sarawak depended heavily on rubber, pepper and timber for revenue and for the balance-of-trade position. In 1958, these three products constituted 80% of the total export earnings excluding petroleum products. This presented a serious problem for the economy and for the government. "Higher prices always lead to the export of greater quantities of these products, to an increase in the level of export earnings and revenue; and a depressed world market results in a slump, and reduced export earnings and revenue. In many cases, fluctuations in export earnings are very pronounced because of changes in world demand and supply." (2) Although in demand, the general world trend was towards expansion, short-term fluctuations were violent and technological changes presented a threat in the form of synthetics (especially applicable to rubber) and in the form of more efficient production methods overseas with resulting reductions in price. The Sarawak government therefore attempted to diversify the economy and, at the same time, to improve production methods in the established export industries.

Oil, rubber, pepper and timber continued to dominate the export trade as can be seen in the following figures: (3)

(1) The material in this section is based on C.S.S. Chapter XVII, I.S. pp. 44-46
A.R.S. 1958 Chapter V

(2) A.R.S. 1958 page 25

(3) A.R.S. 1958 page 26. A detailed list of exports and their tonnage and value from 1946 to 1959 is given on pages 105-106 of I.S.
**Exports M.8**

<table>
<thead>
<tr>
<th>Item</th>
<th>1958</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum</td>
<td>347,498,004</td>
<td>376,932,495</td>
</tr>
<tr>
<td>Rubber</td>
<td>60,430,509</td>
<td>73,310,798</td>
</tr>
<tr>
<td>Timber</td>
<td>19,566,542</td>
<td>19,550,560</td>
</tr>
<tr>
<td>Pepper</td>
<td>15,143,620</td>
<td>17,231,981</td>
</tr>
<tr>
<td>Illipe-nuts</td>
<td>7,119,738</td>
<td>Nil</td>
</tr>
<tr>
<td>Sago Flour</td>
<td>2,345,107</td>
<td>2,083,559</td>
</tr>
<tr>
<td>Jelutong</td>
<td>1,633,611</td>
<td>1,106,967</td>
</tr>
<tr>
<td>Bauxite</td>
<td>1,488,388</td>
<td>Nil</td>
</tr>
<tr>
<td>Copra</td>
<td>70,179</td>
<td>Nil</td>
</tr>
</tbody>
</table>

The most important imports were food, mineral fuels and related materials and consumer goods. Below are the figures for 1957 and 1958. (1)

**Imports M.8**

<table>
<thead>
<tr>
<th>Item</th>
<th>1958</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, excluding rice</td>
<td>33,582,614</td>
<td>37,400,510</td>
</tr>
<tr>
<td>Rice</td>
<td>14,846</td>
<td>17,447,719</td>
</tr>
<tr>
<td>Beverages, alcoholic</td>
<td>1,911,731</td>
<td>2,752,255</td>
</tr>
<tr>
<td>&quot; non-alcoholic</td>
<td>2,168,775</td>
<td>2,115,357</td>
</tr>
<tr>
<td>Cigarettes and tobacco</td>
<td>6,333,165</td>
<td>6,477,054</td>
</tr>
<tr>
<td>Crude materials, inedible, except fuels</td>
<td>4,285,262</td>
<td>4,413,588</td>
</tr>
<tr>
<td>Mineral fuels, lubricants and related materials</td>
<td>310,420,426</td>
<td>328,523,910</td>
</tr>
<tr>
<td>Animal and vegetable oils and fats</td>
<td>44,3816</td>
<td>484,772</td>
</tr>
<tr>
<td>Chemicals</td>
<td>9,987,744</td>
<td>9,570,775</td>
</tr>
<tr>
<td>Manufactured goods, classified by materials</td>
<td>20,521,108</td>
<td>22,175,000</td>
</tr>
<tr>
<td>Machinery and transport equipment</td>
<td>16,747</td>
<td>18,963,265</td>
</tr>
<tr>
<td>Miscellaneous manufactured goods</td>
<td>8,564,552</td>
<td>9,001,387</td>
</tr>
<tr>
<td>Miscellaneous transactions: N.E.S.</td>
<td>5,940,845</td>
<td>5,775,817</td>
</tr>
</tbody>
</table>

Sarawak enjoyed a favourable but decreasing balance of trade, dependent on crude oil imports from Brunei and re-export after refining. If one excludes oil imports and re-exports, Sarawak has suffered a trade deficit since 1956. One of Sarawak’s problems of foreign trade was the tendency for exports to fluctuate in value and in size as the prevailing

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(1) A.R.S. 1958 page 27. A detailed list of imports and their value from 1954 to 1959 is given on page 104 of I.S.
prices for the chief export commodities fluctuated, whilst imports remained relatively steady. If crude oil imports from Brunei and oil re-exports are included, the balance-of-trade position as follows:—(1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Exports M.$</th>
<th>Total Imports M.$</th>
<th>Visible Balance of Trade M.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>374,586,491</td>
<td>289,330,704</td>
<td>+ 85,255,787</td>
</tr>
<tr>
<td>1951</td>
<td>508,349,436</td>
<td>383,745,457</td>
<td>+ 124,603,979</td>
</tr>
<tr>
<td>1952</td>
<td>438,563,317</td>
<td>382,945,953</td>
<td>+ 55,617,364</td>
</tr>
<tr>
<td>1953</td>
<td>426,728,257</td>
<td>394,912,338</td>
<td>+ 3,815,921</td>
</tr>
<tr>
<td>1954</td>
<td>425,969,557</td>
<td>397,826,075</td>
<td>+ 28,143,482</td>
</tr>
<tr>
<td>1956</td>
<td>487,000,860</td>
<td>463,836,635</td>
<td>+ 23,164,225</td>
</tr>
<tr>
<td>1957</td>
<td>499,534,619</td>
<td>463,429,459</td>
<td>+ 36,105,160</td>
</tr>
<tr>
<td>1958</td>
<td>463,756,226</td>
<td>433,786,687</td>
<td>+ 29,969,539</td>
</tr>
</tbody>
</table>

In the following figures the oil produced at the Miri field in Sarawak is included in the exports column, but the oil produced in Brunei, imported to Lutong for refining and re-exported, is excluded from both the import and export columns. The trade balance is then rather different. (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Exports M.$</th>
<th>Total Imports M.$</th>
<th>Visible Balance of Trade M.$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>150,026,934</td>
<td>90,251,992</td>
<td>+ 59,774,939</td>
</tr>
<tr>
<td>1951</td>
<td>212,193,376</td>
<td>120,931,843</td>
<td>+ 91,261,533</td>
</tr>
<tr>
<td>1952</td>
<td>140,196,527</td>
<td>112,261,699</td>
<td>+ 27,934,828</td>
</tr>
<tr>
<td>1953</td>
<td>134,237,277</td>
<td>130,951,594</td>
<td>+ 3,285,683</td>
</tr>
<tr>
<td>1954</td>
<td>136,013,176</td>
<td>135,479,268</td>
<td>+ 533,908</td>
</tr>
<tr>
<td>1955</td>
<td>159,797,165</td>
<td>128,891,946</td>
<td>+ 10,905,219</td>
</tr>
<tr>
<td>1956</td>
<td>134,054,507</td>
<td>150,147,126</td>
<td>- 16,992,619</td>
</tr>
<tr>
<td>1957</td>
<td>126,202,468</td>
<td>143,856,961</td>
<td>- 17,654,493</td>
</tr>
<tr>
<td>1958</td>
<td>119,399,005</td>
<td>132,600,108</td>
<td>- 13,201,103</td>
</tr>
</tbody>
</table>

Summary.

Whilst Sarawak's economy gradually expanded and whilst development plans produced some effect, further diversification of the economy and improved production was vital to reduce the fluctuation in government revenue and to improve the balance of trade position. Sarawak's dependence on oil for revenue and for the maintenance of a favourable trade balance threatened to be a source of trouble in the future unless new oil deposits were found in Brunei or Sarawak. The development of agriculture to produce more food for local consumption and to produce bigger and more varied export crops and the development of manufacturing industries based on agriculture and mineral products appeared to be the direction in which Sarawak's future prosperity lay. Road building and the improvement of transport generally were the prerequisites for all of these developments. Improved transport facilities also

(2) A.R.S. 1958 page 29.
appeared to be the prerequisites for development of Sarawak’s mineral deposits.

(iii) North Borneo
- Public Finance (1)

Before the second world war, the Chartered Company realised a sizeable surplus of revenues over expenditure through the development of the country’s resources. As a result there was no income tax and few taxes of any kind. On the other hand, the expenses of administering the country were not very great, and social services were kept at a minimum. At the end of the second world war, the cost of rehabilitation, of developing the country and of providing extended social services was immense. As a result, the colonial government that assumed control in 1946 operated on a deficit from 1946 to 1954, except in 1951, despite the grants given by Britain. From 1955 to 1958 there was a surplus of revenue over expenditure, due largely to continued financial aid from Britain. In 1954 North Borneo incurred its first public debt of M$ 6,144,000 (2) when a loan was floated to compensate the British Borneo Timber Company for its loss of the timber monopoly and to finance development of electricity, telephones and water systems. After 1954 further loans were raised and the public debt rose to M$ 21,383,872 in 1958 (3).

The government’s ordinary revenue mounted steadily as the development plans produced greater economic activity and hence greater income. Ordinary expenditure also increased steadily, but it was the development expenditure that stopped North Borneo from accumulating large surpluses. The development was financed partly from ordinary revenue, and partly from the Colonial Development and Welfare Fund, British grants-in-aid, war compensation payments, loans, and Colombo Plan and other international assistance. Colonial Development and Welfare grants alone provided M$ 14,110,842 to 1958 (4). The figures below show the increase in revenue and expenditure. Revenue from grants-in-aid, Colonial Development and Welfare grants and loans, is not shown. (5)

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary Revenue</th>
<th>Annual Recurrent Expenditure</th>
<th>Special and Extraordinary Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M$ million</td>
<td>M$ million</td>
<td>M$ million</td>
</tr>
<tr>
<td>1890</td>
<td>.4</td>
<td>.3</td>
<td>.2</td>
</tr>
<tr>
<td>1900</td>
<td>.6</td>
<td>.4</td>
<td>1.1</td>
</tr>
<tr>
<td>1910</td>
<td>1.8</td>
<td>.8</td>
<td>.3</td>
</tr>
<tr>
<td>1921</td>
<td>3.2</td>
<td>2.0</td>
<td>1.6</td>
</tr>
<tr>
<td>1931</td>
<td>2.5</td>
<td>2.0</td>
<td>.3</td>
</tr>
<tr>
<td>1935</td>
<td>2.7</td>
<td>1.8</td>
<td>.3</td>
</tr>
<tr>
<td>1940</td>
<td>4.2</td>
<td>2.1</td>
<td>.3</td>
</tr>
<tr>
<td>1947</td>
<td>6.8</td>
<td>4.6</td>
<td>6.9</td>
</tr>
<tr>
<td>1948</td>
<td>8.0</td>
<td>6.4</td>
<td>4.5</td>
</tr>
<tr>
<td>1949</td>
<td>11.0</td>
<td>7.6</td>
<td>9.4</td>
</tr>
</tbody>
</table>

(Continued)

(2) C.S.S. page 147
(3) A.R.N.B. 1958 page 30
(4) A.R.N.B. 1958 page 185
(5) There are various minor inconsistencies in figures shown in various comparative figures appearing in annual reports for different years. These figures are based on the following:
   1890-1953 A.R.N.B. 1953, page 182
   1954 A.R.N.B. 1954 page 27
<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary Revenue (M$ million)</th>
<th>Annually Recurrent Expenditure (M$ million)</th>
<th>Special and Extraordinary (Capital) Expenditure (M$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>16.7</td>
<td>9.4</td>
<td>7.8</td>
</tr>
<tr>
<td>1951</td>
<td>25.0</td>
<td>11.6</td>
<td>12.6</td>
</tr>
<tr>
<td>1952</td>
<td>23.4</td>
<td>13.9</td>
<td>17.0</td>
</tr>
<tr>
<td>1953</td>
<td>23.0</td>
<td>14.2</td>
<td>14.1</td>
</tr>
<tr>
<td>1954</td>
<td>22.7</td>
<td>15.9</td>
<td>20.6</td>
</tr>
<tr>
<td>1955</td>
<td>29.5</td>
<td>19.8</td>
<td>16.5</td>
</tr>
<tr>
<td>1956</td>
<td>33.7</td>
<td>32.4</td>
<td>13.4</td>
</tr>
<tr>
<td>1957</td>
<td>35.5</td>
<td>35.2</td>
<td>17.6</td>
</tr>
<tr>
<td>1958</td>
<td>37.6</td>
<td>36.7</td>
<td>25.4</td>
</tr>
</tbody>
</table>

The main source of income for the North Borneo Government was import duties, export duties, income tax on company royalties and taxes on residents. Corporation taxes, introduced in 1949 at a rate of 20%, were increased in 1951 to 30% and in 1955 to 40%. In 1958 companies were given the opportunity of electing to be taxed at the rate of 20% of undistributed exempt trading profit as an alternative to the 40% on all chargeable income. Personal income tax, introduced as a graduated residents' tax in 1941, at first ranged from 1% to 12.5% but by 1958 had increased to a range of from 3% to 20% depending on income. Other revenue was derived from licence fees, estate taxes, land taxes and poll taxes. The introduction of income taxes on companies and individuals cushioned the government's income against wide fluctuations due to fluctuations in world prices for the chief export products. Nevertheless, customs duties still supplied the bulk of the government's ordinary revenue, in 1958 for example, providing M$ 19,060,955 out of a total ordinary revenue of M$ 37,583,797.1

The chief items of expenditure were development schemes, public utilities and social services.

- Development Programmes.2

The first stages of the development plan consisted literally of re-building towns, communications, hospitals etc. The most startling examples of rebuilding were Jesselton and Sandakan, the two biggest towns, both almost completely rebuilt since the war. Recruitment of suitable staff was one of the most serious obstacles to an adequate rate of development, but the recruitment position gradually improved. Roads were rebuilt and improved, the railway was repaired, telecommunications were extended, airfields, schools, hospitals, port facilities, irrigation works, broadcasting facilities, research facilities and other public utilities were built. The cost of development was met partly from ordinary revenue and partly from foreign aid and loans.3

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(1) A.R.N.B. 1958 page 25.
(2) A.R.N.B. page 3 is the chief source of material on this section.
(3) Schemes financed by Colonial Development and Welfare grants are listed on pages 184-185 of A.R.N.B. 1958.
- Water and Power.\(^{(1)}\)

North Borneo was well endowed with resources for hydro-electricity but these resources were not tapped. The Government in the early post-war years supplied electricity to Jesselton and Labuan while a private company supplied Sandakan. Small privately owned undertakings served several smaller communities on yearly leases so that ultimate consolidation could occur to reduce cost. All electricity was produced by oil burning thermal units. In 1957 the North Borneo Electricity Board was established and took over all government electricity undertakings at an agreed valuation of $1,854,587, and also took over stores ordered by the Public Works Department.\(^{(2)}\)

The Board, the majority of whose members had been members of the previous Electricity Advisory Board, proceeded to implement the recommendations of the Advisory Board on the development of existing stations and the construction of new stations. The Board took over the responsibility for supplying electricity to a number of smaller stations, new generating plants were installed and improvements made. By 1958 the North Borneo Electricity Board was operating power supplies in Jesselton, Labuan, Tuaran, Kudat, Tawau, Keningan and Labaid Datu and plans were made for opening new stations at Papar and Tenom in 1959. The Sandakan Light and Power Co. Ltd. continued to supply power to Sandakan and small private undertakings continued to operate on the short term licences in Papar, Beaufort, Tenom and Semporna. A new private undertaking commenced in Kota Belud in 1958.

Water supplies by 1958 had not been developed satisfactorily, but considerable improvements had been made. The Public Works Department was responsible for water distribution systems in all the larger towns.

- Transport and Communications.\(^{(3)}\)

The transport system of North Borneo remained very much under-developed and was a major factor in retarding the development of the colony. Large areas of the colony were accessible only by river or path even in 1958. The east coast was particularly poorly developed.

Road building received considerable attention both in the improvement of existing roads and in the construction of new roads. Considerable sums of money were set aside to develop a system of main roads with bitumen surfaces and for the construction of a network of earth feeder roads for jeep and landrover traffic. Considerable attention was also given to the improvement of town roads. As more roads were built, taxis, buses, landrovers and lorries moved in to supply much needed services. Because of North Borneo's difficult terrain and because of the damage done to new and old roads, especially earth

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\(^{(1)}\) This section is based on C.S.S. page 196; A.R.N.B. 1958 pp. 115-118.
\(^{(3)}\) This section is based on C.S.S. pages 195-6 and A.R.N.B. 1958 Chapter 11.
roads, by rain, the development of North Borneo's roads was a slow and expensive business. The progress achieved can be seen in the following figures:

<table>
<thead>
<tr>
<th>Year</th>
<th>1949</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metalled roads with asphalt surface</td>
<td>130 miles</td>
<td>217 miles</td>
</tr>
<tr>
<td>Other metalled roads</td>
<td>23 &quot;</td>
<td>78 &quot;</td>
</tr>
<tr>
<td>Earth roads</td>
<td>225 &quot;</td>
<td>427 &quot; (including gravelled roads).</td>
</tr>
<tr>
<td>Bridle paths</td>
<td>578</td>
<td>---</td>
</tr>
</tbody>
</table>

North Borneo had the only important railway in British Borneo, a meter gauge line, 116 miles long, connecting Jesselton, the capital with Tenom and Melalap in the interior and 20 miles connecting Beaufort on the main line with Weston on the south coast. This line played an important part in encouraging the development of the rubber industry and provided the only land link with west coast towns south of Jesselton, and with the interior. Improvements to the line and to the rolling stock were gradually made. The story of North Borneo Railways with its "Murut Mail", "Flying Dusun", "Sabah Comet" and (an unofficial title) the "Bouncing Bejau" is an epic.

Coastal and river transport was of major importance to North Borneo, not only for external traffic but for internal traffic as well, especially on the east coast. Port facilities were developed at Sandakan, Labuan, Jesselton, Tawau, Lahad Datu, Bukapit and Kudat. Coastal shipping connected North Borneo ports with Sarawak, Hong Kong, Singapore, Thailand, Japan and Australia. In an attempt to promote Labuan as a port, it was made a free port.

The development of air transport played an important part in North Borneo's development, with the development of Borneo Airways and the construction of airports. The major airports at Jesselton, Sandakan and Labuan were the first to be built and were constantly improved. Smaller airports were built at Kudat, Lahad Datu, Tawau, Ranau and Keningau and other sites were selected on the coast and in the interior for construction of small strips (Semporna, Kunak, Tenom, Tambunan, Pensimangan, Sepulot and Agis.) Air connections existed with Brunei, Sarawak, Singapore and Hong Kong and until 1958, with Australia. This service was withdrawn in 1958 because of disturbances in Indonesia.

An overseas telegraph circuit was operated by Cable and Wireless, connecting Jesselton with Hong Kong, Singapore and Australia. External radio circuits also connected Jesselton with Sarawak and Brunei and radio telephone communications linked the major and minor towns in North Borneo. VHF radio telephone links were improved, with a repeater station on Mount

(2) A.R.N.B. 1958 page 135
Kinabalu and automatic telephone exchanges were installed in the major towns and some of the minor towns. A trunk service by line was rebuilt between Jesselton and Beaufort, but all internal telegraph services, except the Jesselton-Beaufort link, were *merely* converted to wireless telegraph circuits. Postal services were gradually improved with the opening of new post offices in smaller towns.

- Labour and Immigration Problems (1)

North Borneo suffered from a chronic labour shortage as the colony was inhabited chiefly by smallholders with little incentive to enter the labour market. As the country developed, the number of local people seeking employment, especially seasonal or part-time employment, increased, but not in proportion to the number of workers required for the development of the estates and of industry. Immigration by skilled and unskilled labour was therefore encouraged by the government. Cocoos Islanders, Chineese, Indians, Philippines, Javanese and other Indonesians, particularly from the Celebes and Timor, were recruited for unskilled labour. Skilled and semi-skilled workers were recruited, chiefly from Singapore and Hong Kong. In 1957 the government implemented a scheme to permit a limited number of selected and sponsored Chinese migrants from Hong Kong, who were related to families already settled in North Borneo, to enter the colony as agricultural workers, with prospects of being granted permanent residence. Under the new arrangements, skilled artisans from Hong Kong who were admitted on temporary permits could be permitted to remain permanently. (2) By 1958 the most important groups of immigrants were approximately 1,200 skilled and semi-skilled workers from Hong Kong, 5,000 unskilled workers from Timor and the Celebes and 2,000 from the Philippines. (3)

- Developments in Agriculture. (4)

As North Borneo was a predominantly agricultural country, lacking its neighbours' resources of oil, the government pursued a policy of encouraging increased agricultural production, not only in the long-established crops but in new crops so that the country's economy would be more diversified in a world of fluctuating prices. The Agriculture Department's policy was to aim at "a balanced increase of livestock, foodstuff and economic crops; the introduction and establishment, where suitable, of new and improved types of livestock and economic plants; the improvement of methods of cultivation and husbandry; the survey and development of new areas suitable for agriculture; the effective control of pests and diseases; the investigation, on experimental stations and in the field, of all problems relating to livestock and crops so as to obtain accurate information on which to base plans for future development". (5)

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(1) This section is based on the material in C.S.S. Chapter XIII; A.R.N.B. 1958 chapter 2 and I.N.B. pages 53-58
(2) A.R.N.B. 1957 page 2.
Land settlement schemes were established, such as those in Bungkor and Limbeawang in 1954, and those planned for Keningau and Tawau in 1958. In Keningau and Tawau, the first Land Utilisation Committees, consisting of representatives of all interested government departments, were set up in 1958 to ensure that development was properly planned and that the best possible use was made of the land resources. Other such committees were planned for other areas. It was hoped that settlement schemes would result not only in the opening up of new agricultural land but would also encourage the hill-dwelling shifting cultivators to take up more settled and more productive farming.

Rubber was an important crop for export and acreage devoted to rubber production was gradually increased to 148,952 acres by 1958. In 1950 the Rubber Fund Board was established, representing all rubber interests, small and large (1). The Board administered two schemes for the replanting and new planting of high yielding rubber: one for estates and one for small-holders. Research into rubber production was carried out and cash and planting materials were provided. To finance the scheme, a cess of 2 cents/lb. was levied from 1955 on rubber exported and export duty was correspondingly reduced by 2 cents/lb. (2) The Rubber Fund Board's normal revenue was derived from a cess of $ 4 cent per lb on all rubber exported, and from the Board's revenue, contributions were made to research organisations in Malaya (3).

To improve rice production, which played a vital part in the provision of the colony's food supply, the government built irrigation works in various parts of the country to help overcome the problem of drought. Improved rice mills were also established. By 1958, wet rice cultivation exceeded dry-rice cultivation (wet 43,121 acres, dry 32,301 acres). To encourage diversification in agricultural production, the following crops were also encouraged by the government: cocoa, oil palms, coffee, coconuts and hemp (4). Other crops of less importance were sago, maize, groundnuts, soya beans and fruit.

The Agriculture Department established a number of agricultural stations and experimental plots where various experiments with different crops in different kinds of soil were carried out. These stations tended to become specialised because of the nature of the soil in particular areas. The investigations of these stations included work on economic crops such as rubber, cocoa, padi, coconuts, oil palm, coffee, fruit, vegetables and grass, and on cattle, buffalo, pigs, poultry and freshwater fish. Agricultural education was gradually extended through courses at the agricultural stations and Rubber Fund Board nurseries, and pamphlets were distributed. Experimental work and assistance in controlling pests and disease affecting crops and livestock were also part of the government's programme and soil surveys were conducted to enable planning for the best use of the land.

(1) A.R.N.B. 1955 page 49.
(2) Ibid
(3) Ibid
(4) A.R.N.B. 1958 page 38
In 1958 planning began for the introduction of co-operatives and legislation was drawn up ready to launch co-operative ventures in 1959. Plans were considered for the establishment of projects in the fields of fishing, loans, stock raising, land development, retail stores and rubber processing.

Mechanisation on estates and agricultural stations was fairly well established but smallholders had difficulty in introducing mechanisation because of transport difficulties and consequent maintenance problems in all but the most accessible areas.

- Developments in Commerce and Industry. (1)

The basis of the economy of North Borneo was agricultural production by smallholders who produced both subsistence crops and export crops. Superimposed on this basis were the plantations and timber companies and some small processing industries serving the limited needs of estates and timber companies, and the various building, transport and commercial services. (2) Development occurred within this framework.

Commerce was the province of Chinese business houses, merchants and shopkeepers and of a few European import-export firms. The major commercial organisations reflected this pattern: the North Borneo Chamber of Commerce, the United Chinese Chamber of Commerce, the North Borneo Planters' Association and the Labuan Free Port Guild.

The chief manufacturing concerns were connected with rubber and timber production, the sawmills being the most important. Other small ventures were petrol driven rice mills, buffalo and petrol powered copra mills, some small factories producing cutch, concrete blocks, tiles, fittings and bricks and some native handicrafts.

Apart from early coal mining, which was later abandoned, no minerals were mined in North Borneo on a commercial scale, although small deposits of including coal, oil, limestone, manganese, brick clay, copper, sandstone, gold, silver, bauxite and asbestos were known to exist. The Geological Survey Department constantly searched for economic deposits of minerals and the Shell Company of North Borneo Ltd. searched for economic oil deposits without success.

The fishing industry, confined chiefly to inshore rather than deep sea fishing, produced large quantities of fish, some for export. The industry was chiefly controlled by Chinese middlemen, although most fishermen were natives. Mechanised fishing boats became more common and, partly for this reason, production of fish increased. Freshwater fish production was also encouraged and by 1958 there was a total of 64.6 fish ponds totalling 40.4 acres.

The most rapidly developing industry was timber. Reserved forests increased to 10.4% of the total area of the colony and plans were made in

(1) The main sources for this section are C.S.S. chapters XVI and XVII; A.R.N.B. 1958 Chapters 5 and 6; L.M.N.B. pages 6-8.
1958 to increase the reserve area to 24%. Approximately 80% of the land area of North Borneo, or 23,000 acres, was under forest so North Borneo had ample resources for its timber industry. The Forestry Department pursued the following policy to develop this industry:

"(a) to reserve permanently for the benefit of the present and future inhabitants of the country, forest land sufficient —

i) for the maintenance of the climatic and physical condition of the country, the safe-guarding of water supplies and soil fertility and the prevention of damage to rivers and agricultural land by flooding and erosion;

ii) for the supply in perpetuity at reasonable rates of all forms of forest produce required by the people for agricultural, domestic and industrial purposes;

(b) to manage the Forest Estate with the object of obtaining the highest revenue compatible with sustained yield, in so far as this is consistent with the two primary objects set out above;

(c) to provide the technically trained staff necessary for forest management and revenue collection, and for research into such problems as can be investigated locally;

(d) to support and co-operate with all appropriate schemes of regional forest research;

(e) to accept the principle that security of tenure and long-term planning are essential for the successful management of the Forest Estate;

(f) to foster, by education and propaganda, a real understanding among the people of North Borneo of the value of forests to them and their descendants."(1)

The timber industry steadily developed, especially after the British Borneo Timber Company Limited's monopoly of timber production was terminated in 1952. (2) By 1958, there were four large overseas 21-year concession holders, three large local companies with whom concession agreements were being finalised and 69 local firms working under annual licence. Increased mechanisation resulted in increased production. The increase in timber exports is shown in the following figures. (3)

**EXPORTS OF TIMBER — LOGS AND SAWN — IN TERMS OF SAWN TIMBER, THOUSANDS OF CUBIC FEET.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand cubes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>1,567</td>
</tr>
<tr>
<td>1948</td>
<td>2,860</td>
</tr>
<tr>
<td>1949</td>
<td>3,064</td>
</tr>
<tr>
<td>1950</td>
<td>3,265</td>
</tr>
<tr>
<td>1951</td>
<td>2,535</td>
</tr>
<tr>
<td>1952</td>
<td>2,741</td>
</tr>
<tr>
<td>1953</td>
<td>4,512</td>
</tr>
<tr>
<td>1954</td>
<td>9,202</td>
</tr>
<tr>
<td>1955</td>
<td>11,403</td>
</tr>
<tr>
<td>1956</td>
<td>13,306</td>
</tr>
<tr>
<td>1957</td>
<td>18,913</td>
</tr>
<tr>
<td>1958</td>
<td>22,672</td>
</tr>
</tbody>
</table>

(1) A.R.N.B. 1958, pages 60-61  
(2) A.R.N.B. 1958 page 38  
(3) A.R.N.B. 1958 page 65.
As part of the attempt to diversify the economy the North Borneo Government encouraged large and small investors to establish businesses. The North Borneo Credit Corporation was established in 1955 to extend credit at reasonable terms to individuals and companies for a wide variety of projects including agriculture, industry, public utilities and other undertakings. (1)

In 1956 further encouragement of industrial development was given in the Pioneer Industries (Relief from Income Tax) Ordinance. Under this Ordinance representations would be made to the Chief Secretary for an industry to be declared a pioneer industry and, if the application was successful, all profits during the first two years of operation and, under certain conditions, for the first four years of operation, were exempted from income tax. Certain other tax concessions were also made. (2)

Despite this encouragement and despite some industrial development, North Borneo continued to depend for its prosperity on the timber and rubber industry and on other agricultural products.

- Developments in the Import-Export Trade (3)

Like Sarawak and Brunei, North Borneo depended on foreign trade for a great deal of its food and consumer goods and for government revenue from customs duties. Both imports and exports increased steadily from 1946 to 1958. Timber rose to become the colony's most important export in 1958, followed by rubber and copra. (4) The government's encouragement of increased production of traditional export products and of new crops, led to the development of an economy that was reasonably balanced and cushioned against wide fluctuations in world prices, although timber, rubber and copra were still of overwhelming importance.

<table>
<thead>
<tr>
<th>Main Exports: (5)</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber (000 tons)</td>
<td>17.1</td>
<td>20.1</td>
<td>19.9</td>
<td>19.9</td>
<td>20.2</td>
</tr>
<tr>
<td>(million $)</td>
<td>24.0</td>
<td>45.9</td>
<td>40.3</td>
<td>37.0</td>
<td>32.8</td>
</tr>
<tr>
<td>Timber (mil. cu. ft)</td>
<td>10.5</td>
<td>13.2</td>
<td>15.7</td>
<td>21.9</td>
<td>26.3</td>
</tr>
<tr>
<td>Logs &amp; sawn (million $)</td>
<td>17.4</td>
<td>21.6</td>
<td>26.2</td>
<td>31.5</td>
<td>36.4</td>
</tr>
<tr>
<td>* Copra (000 tons)</td>
<td>26.6</td>
<td>35.2</td>
<td>59.2</td>
<td>63.9</td>
<td>67.2</td>
</tr>
<tr>
<td>(million $)</td>
<td>13.8</td>
<td>14.2</td>
<td>23.3</td>
<td>24.0</td>
<td>32.2</td>
</tr>
<tr>
<td>Hemp (000 tons)</td>
<td>1.9</td>
<td>2.8</td>
<td>2.1</td>
<td>2.9</td>
<td>2.4</td>
</tr>
<tr>
<td>(million $)</td>
<td>1.8</td>
<td>2.2</td>
<td>2.1</td>
<td>3.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Tobacco (000 lbs)</td>
<td>311.3</td>
<td>342.5</td>
<td>302.9</td>
<td>298.4</td>
<td>307.8</td>
</tr>
<tr>
<td>(million $)</td>
<td>3.5</td>
<td>3.2</td>
<td>3.4</td>
<td>2.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Cutch (000 tons)</td>
<td>5.6</td>
<td>4.1</td>
<td>4.4</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>(million $)</td>
<td>2.8</td>
<td>2.0</td>
<td>2.1</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Dried &amp; Salted Fish (000 tons)</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>(million $)</td>
<td>0.5</td>
<td>0.4</td>
<td>0.9</td>
<td>0.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>

(Continued)

(1) C.S.S. p. 138 and INB. p. 65
(2) I.N.B. p. 47
(3) This section is based on C.S.S. Chapter XVIII, I.N.B. pp. 6-8 and A.R.N.B. 1959 Chapter 5.
(4) A.R.N.B. 1958 page 37
(5) I.N.B. page 6
North Borneo imported a wide variety of products as the following figures show:-

<table>
<thead>
<tr>
<th>Main Imports (1)</th>
<th>1954</th>
<th>1955</th>
<th>1956</th>
<th>1957</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000 tons)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(million $)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firewood (000 tons)</td>
<td>24.5</td>
<td>25.2</td>
<td>13.7</td>
<td>15.2</td>
<td>13.3</td>
</tr>
<tr>
<td>(million $)</td>
<td>.5</td>
<td>.5</td>
<td>.3</td>
<td>.3</td>
<td>.2</td>
</tr>
<tr>
<td>Textiles &amp; Apparel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(million $)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice - (000 tons)</td>
<td>7.9</td>
<td>15.0</td>
<td>19.2</td>
<td>17.9</td>
<td>21.9</td>
</tr>
<tr>
<td>(million $)</td>
<td>3.9</td>
<td>6.4</td>
<td>8.3</td>
<td>8.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Tobacco, cigars and cigarettes -</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(000 lb.)</td>
<td>770.4</td>
<td>733.6</td>
<td>730.4</td>
<td>1,646.8</td>
<td>1,806.1</td>
</tr>
<tr>
<td>(million $)</td>
<td>4.6</td>
<td>4.2</td>
<td>4.3</td>
<td>8.9</td>
<td>9.8</td>
</tr>
<tr>
<td>Sugar - (000 tons)</td>
<td>6.3</td>
<td>7.2</td>
<td>7.1</td>
<td>7.4</td>
<td>8.5</td>
</tr>
<tr>
<td>(million $)</td>
<td>2.7</td>
<td>2.5</td>
<td>2.6</td>
<td>7.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Vehicles (Nos.)</td>
<td>2,674</td>
<td>3,580</td>
<td>5,327</td>
<td>4,072</td>
<td>4,340</td>
</tr>
<tr>
<td>(million $)</td>
<td>2.8</td>
<td>2.2</td>
<td>3.3</td>
<td>4.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Metals (000 tons)</td>
<td>5.9</td>
<td>10.9</td>
<td>10.1</td>
<td>8.4</td>
<td>8.9</td>
</tr>
<tr>
<td>(million $)</td>
<td>5.3</td>
<td>7.5</td>
<td>8.6</td>
<td>8.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Building Materials (000 tons)</td>
<td>13.4</td>
<td>23.5</td>
<td>29.2</td>
<td>29.0</td>
<td>29.0</td>
</tr>
<tr>
<td>(million $)</td>
<td>1.3</td>
<td>2.1</td>
<td>2.8</td>
<td>3.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Machinery (million $)</td>
<td>8.4</td>
<td>6.9</td>
<td>10.2</td>
<td>11.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Oils (million $)</td>
<td>5.8</td>
<td>5.0</td>
<td>5.6</td>
<td>5.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

A considerable barter trade built up between North Borneo, the Philippines and parts of Indonesia. This trade flowed chiefly through the east coast ports of Sandakan, Lahad Datu, Semporna and Tawau, but some barter trade was also carried on through Kudat in the north and through Jesselton and Labuan in the west. Copra, seashells, sugar, coffee, rubber, jelutong, pepper, sponges and native produce were imported in small native craft and exchanged for cigarettes, textiles, wearing apparel, machinery, mangrove bark, household goods and various other items. (2)

(1) I.N.B. page 6
The trade balance position for North Borneo was subject to fluctuation but generally showed a favourable balance.\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports M$ million</th>
<th>Exports, including re-exports M$ million</th>
<th>Balance of Trade M$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1938</td>
<td>6.4</td>
<td>9.8</td>
<td>+ 3.4</td>
</tr>
<tr>
<td>1939</td>
<td>6.5</td>
<td>13.5</td>
<td>+ 7.0</td>
</tr>
<tr>
<td>1940</td>
<td>10.0</td>
<td>20.3</td>
<td>+ 10.3</td>
</tr>
<tr>
<td>1947</td>
<td>20.5</td>
<td>17.0</td>
<td>- 3.5</td>
</tr>
<tr>
<td>1948</td>
<td>25.4</td>
<td>29.7</td>
<td>+ 4.3</td>
</tr>
<tr>
<td>1949</td>
<td>34.0</td>
<td>38.5</td>
<td>+ 4.5</td>
</tr>
<tr>
<td>1950</td>
<td>46.0</td>
<td>93.0</td>
<td>+ 47.0</td>
</tr>
<tr>
<td>1951</td>
<td>70.2</td>
<td>122.9</td>
<td>+ 52.7</td>
</tr>
<tr>
<td>1952</td>
<td>70.3</td>
<td>66.9</td>
<td>- 3.4</td>
</tr>
<tr>
<td>1953</td>
<td>70.0</td>
<td>60.3</td>
<td>- 9.7</td>
</tr>
<tr>
<td>1954</td>
<td>74.3</td>
<td>77.2</td>
<td>+ 2.9</td>
</tr>
<tr>
<td>1955</td>
<td>87.6</td>
<td>104.8</td>
<td>+ 17.2</td>
</tr>
<tr>
<td>1956</td>
<td>117.4</td>
<td>120.9</td>
<td>+ 3.5</td>
</tr>
<tr>
<td>1957</td>
<td>121.6</td>
<td>120.9</td>
<td>- .7</td>
</tr>
<tr>
<td>1958</td>
<td>128.4</td>
<td>130.4</td>
<td>+ 2.0</td>
</tr>
</tbody>
</table>

---

**Summary**

North Borneo, unlike Brunei and Sarawak, did not have economic oil or other mineral deposits, and therefore relied for its prosperity on agricultural and forest products. During the early post-war period the North Borneo Government was forced to operate at a deficit because of the tremendous cost of reconstruction and, although the public debt increased, the general economic position of North Borneo improved. The agricultural production was reasonably diversified and new crops showed promise of development. The way to North Borneo’s future prosperity seemed to be through increased agricultural production, which the colony was achieving. There was also the possibility of increased manufacturing based on the agricultural products. Improvement in transport was the chief necessity for agricultural development.

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\(^{(1)}\) A.R.N.B. 1958 page 37.
B. DEVELOPMENT OF GOVERNMENT SERVICES.

Before the Second World War the governments of British Borneo did little more than confine their activities to maintaining order and to providing certain basic services. There was no comprehensive government welfare programme and little attention was paid to education. The years 1946 to 1958 saw a tremendous increase in government services, not only in the various activities to encourage economic development (already discussed), but in education, information, public health and other social welfare services.

(a) Education.

(i) General Pattern of Education in British Borneo. (1)

Before the war the main burden of establishing and maintaining schools, particularly the few secondary schools, was borne by the Chinese community and the Christian missions, the former more or less autonomously and the latter with British encouragement and some financial aid. The post-war developments were characterised by an increase in the number and size of schools of all types, by the establishment of government schools for the native people who had previously been largely neglected, by increased enrolment, especially of girls, by increased government expenditure on education and by increased government influence over the three school systems: Chinese, government and mission.

Most of the government schools established were at the primary level where the need was greatest. Some were run by the central government, others by local authorities, where these existed, but all were supervised by the Education Department. The curriculum at the primary school level concentrated on practical education and basic skills, such as the three R's, gardening, handicrafts and hygiene, although other subjects, such as simple civics, were introduced. Government schools were mostly in Malay medium, although in Sarawak English was more common as the medium. The mission schools provided a similar course to that in the government schools, but generally used English as the medium of instruction. Some natives, but mostly Chinese, attended mission schools. The Chinese schools, both primary and secondary, were largely autonomous, and were run by leaders of the Chinese community, were largely financed by the Chinese community and tended to concentrate on Chinese language and culture, although increasing interest was shown in the teaching of English.

(ii) Sarawak. (2)

Under the Brookes the Sarawak Government did little to encourage education, apart from establishing a few primary schools for Malays, and

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(1) This section is based on chapter XXI of C.S.S. and on the chapters on Education in the Annual Reports.
(2) This section is based on I.S. pages 23-26; A.R.S. 1958 pages 65-70.
apart from providing a little help to mission and Chinese schools. In 1946 the Sarawak Government set itself the objective of establishing universal primary education. An English-medium teachers' training college was established in 1947, new rural schools were opened and the provision of primary education was made a local authority responsibility. In 1955, in order to achieve greater uniformity, in particular to bring the Chinese schools into a harmonious national education system and to give greater financial assistance to education, the existing method of providing financial aid was replaced by a new grants-in-aid scheme. Under the new scheme all aided schools, which meant the vast majority, were required to submit annual estimates of expenditure to the government. In return the government met all approved expenditures in excess of the amounts collected from school fees and from local authority contributions. Capital grants for new school buildings were also introduced and teachers were given improved terms of service and greater security of employment. The increase in the number of schools, in enrolments and in expenditure on education can be seen in the following figures.\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Schools</th>
<th>Number of Pupils</th>
<th>Central Govt. Expenditure, Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prim. Sec. Prim. Sec. Total</td>
<td>Native Pupils</td>
<td></td>
</tr>
<tr>
<td>1948</td>
<td>347 17</td>
<td>32,414 1,050 33,464</td>
<td>8,627 $276,436</td>
</tr>
<tr>
<td>1949</td>
<td>378 20</td>
<td>34,526 1,296 35,823</td>
<td>9,965 328,995</td>
</tr>
<tr>
<td>1950</td>
<td>406 20</td>
<td>37,670 1,753 39,423</td>
<td>11,448 416,660</td>
</tr>
<tr>
<td>1951</td>
<td>411 24</td>
<td>39,734 2,550 42,284</td>
<td>11,233 564,752</td>
</tr>
<tr>
<td>1952</td>
<td>441 27</td>
<td>41,914 3,537 45,451</td>
<td>12,072 632,476</td>
</tr>
<tr>
<td>1953</td>
<td>478 34</td>
<td>44,497 4,573 49,072</td>
<td>13,294 769,292</td>
</tr>
<tr>
<td>1954</td>
<td>504 34</td>
<td>47,543 5,245 53,788</td>
<td>15,121 1,022,137</td>
</tr>
<tr>
<td>1955</td>
<td>563 34</td>
<td>53,257 6,271 59,528</td>
<td>17,348 1,292,827</td>
</tr>
<tr>
<td>1956</td>
<td>605 33</td>
<td>61,852 7,174 69,026</td>
<td>21,863 5,748,864</td>
</tr>
<tr>
<td>1957</td>
<td>676 36</td>
<td>71,414 7,993 79,407</td>
<td>27,520 7,194,015</td>
</tr>
<tr>
<td>1958</td>
<td>756 38</td>
<td>82,216 8,716 90,932</td>
<td>34,452 8,757,335</td>
</tr>
</tbody>
</table>

The medium of instruction in most government primary schools run by local authorities was vernacular languages, with conversion to English in Primary III and IV, although there were a few Malay-medium schools. The primary school course was designed to cover six years, but many local authorities schools were not able to continue beyond Primary IV. Mission schools were English-medium. The Chinese schools, primary and secondary, were chiefly Mandarin-medium. English was generally taught at least as a subject in most schools and was the medium of instruction in all government and mission secondary schools.

Teacher training was expanded by extensions to the training college in Kuching (Batu Intan) and by the opening of a new college in Sibu in 1957. The two colleges provided places for 405 trainee teachers by 1958. In 1958 a Supervisor of Technical Education was appointed and plans were made for the training of staff to introduce secondary school courses in carpentry and wood-
work and for the establishment of commercial and other technical training classes.

As Sarawak had no university or real tertiary training institution, higher training had to be provided overseas. The government awarded scholarships for such training sponsored by Britain and Colombo Plan countries and by a few private organisations.

(iii) Brunei

Brunei, despite its wealth, was the most backward of the three British Borneo territories in education. Government expenditure on education nevertheless rose tremendously, e.g.

<table>
<thead>
<tr>
<th>Year</th>
<th>Education Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>M$ 201,000</td>
</tr>
<tr>
<td>1954</td>
<td>M$ 784,000</td>
</tr>
<tr>
<td>1958</td>
<td>M$ 3,179,490 + M$ 2,240,841</td>
</tr>
</tbody>
</table>

In 1954 a four year development plan for education was launched and new schools were built. Enrolment in schools gradually increased and stood at 12,929 in 1958. By 1958 there were 47 Malay-medium primary schools in Brunei, catering chiefly for Malays, although some non-Malay natives also attended. To encourage Chinese schools, Mandarin-medium, the Government instituted a system of paying 50% of recurrent costs. In 1957 a revision of salary for Chinese teachers resulted in less changes in staff in Chinese schools and in a general feeling of greater security. In addition to primary education, by 1958, three Chinese schools offered a Junior Middle course (three years of secondary education) and one Chinese school offered a Senior Middle course (full secondary). Mission schools, English-medium, expanded in enrolment. By 1958 there were six Mission primary schools with an enrolment totalling 2,072. English-medium secondary education was supplied by three government secondary schools and one mission school. The total enrolment for secondary education, including the 347 pupils in Chinese secondary schools, stood at 993 in 1958. There was one trade school in Brunei, established by the Brunei Shell Petroleum Company Ltd.

Being a Malay-Muslim State, the teaching of Malay in non-Malay schools was encouraged. By 1958 Malay was taught as a subject in 14 non-Malay schools by 27 teachers, for whom this work was additional to their normal duties.

Brunei was well behind in the provision of training facilities for teachers. Until 1956 it was entirely dependent on places in teachers' training colleges in Malaya, Singapore, North Borneo, Sarawak and Britain, but in

(1) This section is based on B.T. page 27; A.R.B. 1958 pp. 64-75
(3) A.R.B. 1958 page 64
(4) A.R.B. 1958 page 74
(6) A.R.B. 1958 page 70
1956 the Brunei Teachers' Training College was established to provide training for teachers in Malay schools. By 1958 this college was training 40 trainee teachers but there were still 41 trainee teachers studying overseas.

The Brunei government provided opportunities for adult education in two spheres: formal education from primary I to Form II and commercial subjects, and free adult literacy classes. To provide the former there were three centres at Brunei Town, Kuala Belait and Seria. The literacy classes, which aimed at teaching students to read and write in Malay, totalled 29 by 1958 and enrolled 663 students. There was considerable public interest in the literacy campaign.

(iv) North Borneo. (1)

Education, sadly neglected by the Chartered Company, received considerable attention from the post-war colonial government. Expenditure on education jumped to M$ 2,459,655 in 1951 (2) and to M$ 4,371,146 (including special development expenditure) in 1958. (3) Government primary schools, providing a six year course for natives and Malays, were opened in increasing numbers throughout the colony. Chinese and mission schools also provided a primary course in the medium of Mandarin and English respectively. In addition to these major school systems, there was a growth in chiefly Malay-medium Native Voluntary Schools - i.e. primary schools established by local communities with assistance from the government--and a few estate schools using either Malay or Chinese as the medium. Secondary education was available in English and Chinese medium, with English taught as a subject. Technical education was provided at the Government Trade School, opened in 1949. (4)

The number of school enrolments gradually increased and by 1958 it was estimated that for every two children in school, less than five children of school age were not at school. (5) The increase in the number of schools and in enrolments can be seen in the following figures: (6)

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary</th>
<th>Secondary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>10,268</td>
<td>---</td>
<td>10,268</td>
</tr>
<tr>
<td>1948</td>
<td>15,61-</td>
<td>24,2</td>
<td>15,852</td>
</tr>
<tr>
<td>1950</td>
<td>19,140</td>
<td>4,83</td>
<td>19,624</td>
</tr>
<tr>
<td>1952</td>
<td>21,953</td>
<td>1,038</td>
<td>22,991</td>
</tr>
<tr>
<td>1954</td>
<td>24,426</td>
<td>1,994</td>
<td>26,420</td>
</tr>
<tr>
<td>1956</td>
<td>29,967</td>
<td>2,013</td>
<td>31,980</td>
</tr>
<tr>
<td>1957</td>
<td>31,720</td>
<td>2,359</td>
<td>34,079</td>
</tr>
<tr>
<td>1958</td>
<td>37,591</td>
<td>3,019</td>
<td>40,610</td>
</tr>
</tbody>
</table>

(* Excluding the Teachers' College and the Trade School).

(1) This section is based on the education section of Chapter 7 in A.R.N.B. 1949-54, 1956-58, and on the "Education Department Triennial Survey", 1955-57, and 1958-60.
(2) A.R.N.B. 1951 pages 46-47.
(4) A.R.N.B. 1949 page 38.
(5) A.R.N.B. 1958 page 73.
Number of Schools Open 1946-1958

<table>
<thead>
<tr>
<th>Year</th>
<th>Govt.</th>
<th>Mission</th>
<th>Chinese</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>48</td>
<td>43</td>
<td>51</td>
<td>2</td>
<td>144</td>
</tr>
<tr>
<td>1948</td>
<td>66</td>
<td>56</td>
<td>63</td>
<td>8</td>
<td>193</td>
</tr>
<tr>
<td>1950</td>
<td>70</td>
<td>59</td>
<td>77</td>
<td>12</td>
<td>218</td>
</tr>
<tr>
<td>1952</td>
<td>73</td>
<td>62</td>
<td>86</td>
<td>7</td>
<td>228</td>
</tr>
<tr>
<td>1954</td>
<td>80</td>
<td>67</td>
<td>81</td>
<td>21</td>
<td>249</td>
</tr>
<tr>
<td>1956</td>
<td>86</td>
<td>69</td>
<td>81</td>
<td>46</td>
<td>282</td>
</tr>
<tr>
<td>1957</td>
<td>87</td>
<td>70</td>
<td>82</td>
<td>49</td>
<td>288</td>
</tr>
<tr>
<td>1958</td>
<td>90</td>
<td>81</td>
<td>88</td>
<td>74</td>
<td>333</td>
</tr>
</tbody>
</table>

(* Includes the Teachers' College and the Trade School)

In 1956 a Board of Education, representing all interests, creeds and races, was appointed to co-ordinate educational activities, expansion and planning. The colony was divided into 14 School Areas, each with its own appointed Local Education Committee. On the recommendations of the Board of Education, a government grant-in-aid scheme was established to cover recurrent expenditure, buildings and equipment for all aided schools.

In 1958, to establish more uniform standards, the North Borneo Schools Examinations Board came into full operation with responsibility for setting and marking the government examinations at the end of the primary school courses and at the end of the junior secondary school course.

One of the obstacles for pupils who received their primary education in Malay or Chinese schools and who wished to proceed to English-medium secondary schools, was their lack of knowledge of English. This was particularly a problem for natives, most of whom attended Malay-medium primary schools and for whom further education was limited to Chinese or English-medium schools. "Bridge classes" were established to help the brighter pupils to learn enough English to proceed to English-medium secondary education.

Another serious problem for educators in North Borneo was the wide range of ages of pupils starting school. In 1958, the ages of pupils beginning primary school ranged from under 6 to 13 years of age! To overcome this problem the Board of Education in 1957 introduced a graduated code governing the ages of admission to all types of schools, aiming, within five years, to have all pupils start school at 5 or 6 years of age.

The first government secondary school was opened in Jesselton in 1957. Prior to the establishment of this school, secondary education was confined to Chinese and mission schools. The government also sponsored two other post-primary (but not then full secondary) schools, one a post-primary Chinese school in Tawau and the other a junior secondary school at Labuan. The dependance on mission schools for secondary education can be seen in the following enrolment figures for 1958. (1)

(1) A.R.N.B. 1958 page 78.
Secondary School Enrolments

1958

Government 365
Mission 1,892
Chinese 762

The training of teachers was a serious problem. In 1952 the first step towards solving this problem was taken with the opening of a teachers' training college as a Colonial Development and Welfare Project. The college provided training in the medium of English, Chinese and Malay and by 1958 had a total enrolment of 159 students.

North Borneo had no university, the highest education available being a post-secondary matriculation course available at the Government Secondary School as from 1958. The North Borneo Government awarded scholarships for overseas study under schemes provided by Britain and other Colombo Plan countries and by a few private organisations.

Adult education was little developed with so many other pressing educational problems, but evening classes existed for English and other subjects for private candidates for the London General Certificate of Education examination. Classes in Malay language, commercial subjects and special technical training courses were also available, but all of these courses were confined chiefly to Jesselton. Adult literacy classes were provided for prisoners in the Jesselton prison.

(v) General Problems of Education in British Borneo.

In addition to the particular problems that faced each territory, there were certain problems common to British Borneo as a whole.

The governments' attempts to encourage the people to take an interest in education were hampered by a shortage of school accommodation. The governments, by building schools themselves and by providing financial aid to Chinese and mission schools, were largely able to overcome this problem with reasonable success.

A more serious problem was the shortage of teachers. When the standards of general education and of teacher training are taken into account, the problem was even more serious. At the secondary level, the three territories depended predominantly on ex-patriate staff, whose standards ranged from well qualified university graduates down to untrained teachers. As local students returned from overseas training the position improved, but by 1958 few had completed overseas training. The general shortage of secondary school graduates, especially natives, meant that the three territories had to rely heavily on primary school graduates and some junior secondary school graduates to staff the primary schools. As the development in primary and secondary education was really post-war, the production of pupils with secondary school education had not reached sufficient numbers by 1958 to meet the needs of over-
seas training, government service and private enterprise, let alone teaching. Sarawak was the best supplied in secondary school graduates, but even there, the numbers were still small, although increasing.\(^1\)

**SARAWAK**

<table>
<thead>
<tr>
<th>Year</th>
<th>Successful Cambridge Overseas School Certificate Candidates</th>
<th>Successful Candidates in Chinese Senior Middle School</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>1949</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>1950</td>
<td>21</td>
<td>-</td>
</tr>
<tr>
<td>1951</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>1952</td>
<td>46</td>
<td>-</td>
</tr>
<tr>
<td>1953</td>
<td>62</td>
<td>-</td>
</tr>
<tr>
<td>1954</td>
<td>62</td>
<td>30</td>
</tr>
<tr>
<td>1955</td>
<td>111</td>
<td>74</td>
</tr>
<tr>
<td>1956</td>
<td>113</td>
<td>88</td>
</tr>
<tr>
<td>1957</td>
<td>117</td>
<td>124</td>
</tr>
<tr>
<td>1958</td>
<td>179</td>
<td>290</td>
</tr>
</tbody>
</table>

In North Borneo in 1958, only 65 out of the 114 candidates who sat for the Cambridge Overseas School Certificate passed, and 31 private candidates passed the General Certificate of Education.\(^2\) In Brunei the position was even worse. 1957 was the first year that students sat for the Overseas Cambridge School Certificate.\(^3\) In 1958 only 23 pupils sat for this examination.\(^4\)

The establishment of teacher training institutions was a step in the direction of providing trained teachers for the education service, but these institutions were all post-war and had not had time to produce an adequate supply of trained teachers to meet the expanding demand for education. As a result, a large proportion of teachers, as well as possessing limited general education, were untrained.

In North Borneo an attempt was made in 1958 to solve the shortage of teachers by establishing a system whereby all students wishing to enter the teachers' training college were required to serve a minimum of one year as a pupil teacher before entering the college. Although this measure helped to provide people to stand in front of classes, it did not solve the shortage of suitably qualified teachers. As most of these pupil teachers had only just completed primary school, many of them vernacular-medium, their usefulness as untrained teachers was limited.

The shortage of suitable teachers and supervisory staff presented an obstacle not only to the expansion of education but also to the raising of

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\(^1\) T.S. page 99  
\(^2\) A.R.N.B. 1958 page 79  
\(^3\) A.R.B. 1957 page 63  
\(^4\) A.R.B. 1958 page 67
standards, particularly in vernacular-medium primary schools. Sarawak attempted to raise standards, particularly in rural schools, through establishing a system of group headmasters in 1957. Under this scheme, qualified ex-patriates were to be put in charge of a number of schools. In 1958 there appears to have been only two such group headmasters, supplied by Canada under the Colombo Plan. Although their work was valuable, it was on a small scale. Another important means to raise standards in rural education was the schools broadcasting service, established in 1958 with Colombo Plan aid from New Zealand. Vacation Courses for teachers were also conducted by the Sarawak Education Department with the help of the British Council. In Brunei and North Borneo the main burden of raising the standards of education rested with the small supervisory staff.

Another problem that affected standards in the schools was the shortage of suitable books. Only in Sarawak was this problem really tackled. In 1958 the Borneo Literature Bureau was established to encourage the production and distribution of suitable text books throughout the colony. At first its task was to concentrate on improving the distribution of existing texts. In 1958 the Education Department assumed responsibility for the central library in Kuching, and for its services to local public libraries. The British Council also assisted through its teachers' book box service.

Wastage of school pupils also presented a problem, especially in North Borneo. Towards 1958, the wastage was reduced as more pupils began to stay at school to complete their primary education.

Natives generally lagged behind the Chinese in their educational advancement, partly because their opportunity for education was almost non-existent before the war, whereas the Chinese had their own schools or could afford mission schools. Another reason for the natives' educational backwardness was the fact that standards in rural schools, which most natives attended, were lower than those in urban schools, where the Chinese tended to predominate. As more rural schools were built and as the standards of native teachers were raised, the position improved. Transition classes between vernacular-medium primary schools and English-medium secondary schools also helped to encourage more natives to proceed to secondary education. By 1958 more natives had filtered through to the secondary school level but the proportion of Chinese students who received scholarships for higher studies abroad was still higher than that of the native students. It was obvious that some years would have to pass before natives achieved equal status educationally with the Chinese as it would be some years before the effect of the expanded and improved primary education for natives made an impact on secondary school enrolments.

The Chinese schools presented a particular problem. They maintained a large degree of autonomy and had a predominately Chinese oriented curriculum, stressing the ties of the Chinese community with China and perpetuating the division between the Chinese and other Bornean communities. In Sarawak, the
Chinese schools were particularly troublesome as some of them became centres for Communist subversion. Communist elements were weeded out and efforts were made to encourage the development of a more Borneo-centred curriculum. In 1958, a committee appointed in Sarawak to enquire into the syllabuses, curriculum and textbooks in Chinese schools presented in its report, the recommendations of which were accepted by the Department and passed on to Chinese school management. All three governments attempted to increase their control over Chinese schools and to reduce the emphasis on Chinese studies in the curriculum but by 1958 these efforts had produced only small results.

(vii) Achievements in Education.

Although standards were generally low, chiefly because the developments in education started too late to provide a reserve of well-educated potential teachers in the immediate post-war years, a start in the improvement of education services was made. The increased school enrolments meant that more children received at least some education. This was particularly important for natives. As the schools mostly used one of three major languages (English, Mandarin or Malay) as the medium of instruction, literacy and language barriers were to some extent reduced as a generation of pupils emerged with some degree of fluency and literacy in at least one of three languages. Adult literacy classes, where they existed, also helped to spread literacy in one of the three major languages.

Education also provided some lowering of the barriers between the various communities, through developing broader loyalties and a consciousness of values beyond those of the village. The production of textbooks designed to inculcate loyalty to British Borneo and to British rule, played a limited but important part. Unfortunately, this development was least noticeable where it was probably most needed — in the Chinese schools, which, although they encouraged the development of loyalties beyond the village, tended to increase Chinese consciousness as opposed to Borneo consciousness.

By 1958 the three territories were well on the way to achieving universal primary education, but secondary education was still in its infancy. It was obvious that the three territories would depend on outside help for some years to provide staff for secondary schools, supervisory staff and higher education.

(b) Broadcasting and Information

(1) Problems of Mass Media.

Because of cultural and linguistic divisions within each of the three territories, the effectiveness of mass communication was limited. To reach a
reasonable audience, any information had to be distributed in at least five languages and had to be tailored to suit each community's cultural attitudes. The printed word, whilst enjoying considerable authority in native communities, was of limited effectiveness in rural areas because of illiteracy, although literacy was increasing as a result of education. The spread of knowledge of Malay, English and Mandarin also increased the effectiveness of mass media in that information disseminated in these languages could be understood by an increasing number of people. Nevertheless, the effectiveness of these languages for communication was still limited by 1958.

Before discussing the work of the Information Offices, I want to say something of the pattern of dissemination of information in British Borneo, as the Information Offices had to work largely within this framework.

(ii) Patterns of Dissemination of Information.

- Press.

The daily and periodical press in British Borneo covered publications in five languages: English, Malay, Chinese, Iban and Dayak. One newspaper in North Borneo also had a Kadayan section. Although the particular papers circulating in each language were quite separate from those circulating in other languages, each frequently referred to items published by other newspapers. Most of the papers were independently published, although the governments produced various types of bulletins in various languages. In Brunei, the Brunei Press tended to dominate the printing of local newspapers, as well as acting as the Government Printer.

Almost all of the newspapers in British Borneo originated in the post-war period. As there was no commercial news agency in British Borneo, newspapers relied for their information on foreign newspapers, foreign radio broadcasts and information provided by the government information services. All newspapers and printing establishments had to be registered and, although there were no constitutional provisions restricting the freedom of the press, no legal opposition to the Government was permitted. The emergency powers that could be used by the governments to stop subversion were sufficient to keep the press within reasonable limits. Criticism of the government did, of course, occur, but it was always within limits acceptable to the governments.

- Radio.

The three radio stations in British Borneo (Brunei's being the most recent - 1957) were government owned and broadcast in English, Malay and Mandarin, as well as the more important Chinese and native dialects. Attempts were made to represent various opinions, but there was no opportunity for seditious broadcasts. Radio was an effective means of reaching a large number of the people, as those who were not literate could listen to broadcasts.

(2) B.T. page 27.
major limitation to the effectiveness of radio was the number of radio sets. These steadily increased, especially when Japanese transistors invaded the market. In many rural areas one set served as a communal set for many groups and families. Foreign broadcasts from the Philippines, Malaya, Singapore, Hong Kong, Indonesia and Australia could easily be heard on short wave and some Filipino stations could be heard on medium wave.

- Films.

Commercially operated cinemas existed in the major centres and in many smaller towns. In addition, the information series provided free film shows throughout the territories.

- Informal channels.

Probably the most effective network for the dissemination of information was the "jungle telegraph". Coffee shops, market places and associations of various kinds provided sources of information and from these centres, native chiefs and other multi or bi-lingual individuals carried news about with them on their commercial and social visits to villages and longhouses. These informal channels provided the chief opportunity for subversive propaganda to circulate but, apart from Sarawak, there was little evidence of any subversive or clandestine propaganda.

(iii) Role of Government Information Services.

Each of the three territories developed its own information service after the Second World War. As well as providing non-government newspapers with information through the news service, the information services had the important task of creating political consciousness and loyalty to the government, of breaking down communal and village barriers, of fostering a Bornean consciousness and of producing a climate of opinion that would resist Communist subversion. This work was done through information releases to the local press, through radio, through government newsheets, bulletins, booklets and posters, through the provision of suitable free reading matter in English, Malay and Chinese in reading rooms in major centres and through free film shows, chiefly of an educational or documentary nature.

The information services did not generally attempt propaganda with high emotional appeal but concentrated on straight news and selected information calculated to support loyalty to British Borneo and to overall policy objectives.

It can be said, then, that the government controlled mass media in two ways: in a negative way, stopping any subversive propaganda through a system of registration and licensing and through the ability of the government to use emergency powers in the public interest; in a positive way through providing propaganda designed to inculcate loyalty and national consciousness.
It is difficult to assess how effective the information services were in their propaganda role but there is no doubt that they helped, at least to some extent, to widen the social and political horizons of the local people.

(e) Public Health

(i) General Developments in Public Health.

When the British Military Administration took control of the three British Borneo territories after the Japanese occupation, disease and malnutrition were widespread. Health services were therefore one of the most obvious needs and remained important needs long after the civil governments had been reinstated. Government expenditure on public health rose tremendously. Sarawak and North Borneo received considerable financial and other assistance from the Colonial Development and Welfare Fund, from the World Health Organisation and from Colombo Plan countries.

The three governments endeavoured to bring improved and modern health services to the people against the obstacles of poor communications, shortage of trained personnel and the local people’s widespread indifference to public health measures. Traditional unhygienic customs, suspicion, fear and superstition also had to be overcome in many of the rural communities. Through the schools, information service propaganda, community development schemes and various small training schemes for local people, health education was attempted. Government medical services were built up from the larger towns where large hospitals were built, and extended to provide small hospitals, clinics and dispensaries in the smaller towns and travelling dispensaries for the remoter areas. In each territory a Medical Department took responsibility for running the hospitals, clinics and dispensaries as well as for training nurses, midwives and health visitors. Overseas training was provided for future senior staff. In some cases local authorities also provided important health services. Most health services were free, although Sarawak instituted a system of small charges for those able to pay. The missions, the oil company, the British Red Cross and other voluntary organisations, as well as a small number of private practitioners, supplemented the efforts of the governments.

In addition to these developments, considerable improvements occurred in preventive medicine through central government schemes and local authority schemes to improve general hygiene and sanitation. Improved water supplies, garbage disposal, sewerage disposal and inspection of such services as hawkers, market places, coffee shops etc. were important in overcoming some of the basic problems of public health. A great deal of work was still necessary in 1958, especially in the provision of suitable water supplies in rural areas.

(11) The major Health Problems.

The most serious health problems in British Borneo were malnutrition, malaria, tuberculosis and intestinal infections. In all of these cases, health education was as important for a long range solution as was the provision of medical treatment.

Malaria and tuberculosis, the most serious diseases, required large scale public health measures and will be discussed separately for each territory.

Malnutrition, rarely seen in a severe form after British Borneo recovered from the war, but widespread in a mild form, was largely caused by the lack of certain foods, particularly those providing protein, calcium and vitamins, in the traditional diets. Intestinal parasites aggravated the problem and occasional shortages of staple food supplies, despite government relief measures, affected a number of the poorer and more remote communities. Education in hygiene and domestic science, with particular emphasis on diet, and increased agricultural production of a larger variety of food, were the long-term policies pursued to solve this problem. Medical attention from the expanding health services provided relief in the more serious cases. The supply of powdered milk to school children was important in combating malnutrition amongst the young people, and Brunei, particularly concerned with child welfare, provided a daily free meal to all aided schools where the majority of pupils travelled more than two miles to school.

Intestinal parasitic infections were very common and were caused chiefly by the low standards of hygiene, particularly in sewage disposal and water supply. These two aspects of rural life were often inextricably interwoven with unpleasant results! The solution was largely educational, and through schools, clinics, community development schemes and propaganda, efforts were made to develop greater public consciousness of the need for better sanitation and hygiene. The central governments and local authorities also endeavoured to improve hygiene through inspection and through initiating schemes for improved water supplies. These improvements were most difficult to accomplish in the remote rural areas where they were most needed. Meanwhile, extended and improved medical services were used in the diagnosis and treatment of diseases resulting from poor hygiene.

There were other health problems that, in comparison with the above, were less important by 1958, but which were nevertheless significant. Infant mortality was a serious problem in the early post-war years, but the establishment of health clinics, the training of rural midwives and the gradual adoption of Western hygiene, coupled with the decline in traditional superstitious practices, had resulted in this problem's becoming less serious, particularly in Brunei, where the health services emphasised maternity and child welfare. Leprosy and epidemics such as cholera and smallpox did not present serious problems by 1958 as the medical services were well able to deal with these diseases.
Mental health was not particularly well catered for, although both Sarawak and North Borneo had mental hospitals, the one in Sarawak being the better staffed.

Dental services were poor, with a heavy reliance on unqualified private practitioners. Only in Brunei was an adequate dental service emerging. In 1958, a school dental service was formed with the establishment of dental clinics in some of the larger schools in Brunei Town and Kuala Balait. It was planned to have a permanent dental clinic in each major school as staff became available.

(iii) Some particular Aspects of public Health in the three Territories.

Apart from the common problems and the basically similar pattern of development of the health services, there were certain aspects of these services that warrant separate consideration.

— Sarawak.

In Sarawak the medical services were characterised by two trends in development. On the one hand large hospitals were built in the main towns. These hospitals, whilst "staffed at a standard considerably below that of the United Kingdom in quality and quantity"(1) nevertheless offered "up to date therapeutic services including specialist attention of which the country can fairly be proud".(2) On the other hand, there developed a complicated network of fixed and travelling dispensaries, rural midwives and dressers, which were the result of local training schemes. The 1958 Annual Report claimed: "There are very few parts of Sarawak, even in the deep interior, that are not now within reach of some kind of medical help and for the first time it can be said that every part of the country and every inhabitant is at last in one way or another benefiting directly from the Government's medical and health work."(3) This was no mean achievement, despite the inadequacies that existed.

The local training of staff not only enabled medical services to be extended but also supplemented the government's attempts, through schemes to improve water supplies and through education, to raise hygiene standards. Every person trained in public health, hygiene and some branch of medicine, e.g. midwifery, became an example to his or her neighbours when he or she returned to the village.

Sarawak's campaign to overcome malaria began in 1953 after a country-wide malaria survey with the help of W.H.O. An experimental project of house-spraying was launched in the Barum River area. Following the success of the pilot scheme the government set large sums of money aside for a country-wide malaria control scheme, beginning in 1956. By 1958 malaria was under control throughout the country, although it had not been eradicated. In preparation

(1) A.R.S. 1958 page 71
(2) Ibid
(3) Ibid
for the next step from control to eradication, two conferences were held in 1958 at which representatives of the three British Borneo territories and Indonesian Borneo planned a Borneo-wide eradication scheme. The W.H.O. provided U.S.$150,000 per year to be spent in 1961, 1962 and 1963 on this project.

Tuberculosis had not been attacked on a large scale prior to 1958. The voluntary Anti-Tuberculosis Association of Sarawak conducted important welfare work amongst patients and their dependents; treatment was available in out-patients' sections and special wards in several hospitals; and B.G.G. vaccinations were given to new babies on a fairly large scale; but a properly organised campaign was only in the planning stages, awaiting the arrival in 1959 of Australian staff to be provided under the Colombo Plan.

- Brunei.

Brunei's health services were less extensive in terms of hospitals and coverage of the country than was Sarawak's, but in some other respects Brunei was more advanced. The difference in emphasis can be seen in the 1958 Annual Report's summary of Brunei's achievements: '1958 has been a year of considerable advance towards establishing the conditions necessary for a healthy environment for the inhabitants of the State of Brunei. Malaria has been reduced to a state of insignificance, a vigorous approach to the problems of tuberculosis has been made, a health department has been set up and has exerted an increasingly tighter control over hawkers, eating-houses, water supplies, sanitation and markets, the maternal and child health services have spread so that the whole of the populated coastal strip of the State is served by a network of clinics and some penetration up the rivers has begun, and finally but by no means least, the curative services as represented by the hospitals and dispensaries, static and mobile, have been made greater use of than ever before, and the volume of work dealt with by them has increased considerably.'(1)

Brunei's one private and two government hospitals were well equipped to deal with all but highly specialised medical, surgical and obstetric cases, which were sent to the General Hospital, Singapore. The government's Pharmaceutical Service, reorganised in 1958, distributed medical supplies to hospitals, clinics, dispensaries and schools.

The maternal and child welfare services were developed more rapidly than any other activity in the medical department. Health clinics were established in five major centres from which subsidiary rural clinics were operated. Health Sisters were appointed to these major clinics. Through the increased prosperity in the State, the services given at the clinics and the wide distribution of dried milk, iron and vitamin preparations, the standard of health of mothers and children improved noticeably. The government also emphasised the training of assistant health nurses and midwives, the

(1) A.R.B. 1958 pages 80-81
(2) A.R.B. 1958 page 86
detection, treatment and prevention of anaemia in pregnant women, home visiting by health sisters, health education and immunisation of young children against such diseases as smallpox and tuberculosis.

A further aspect of the government's emphasis on child health was the provision of free meals and powdered milk, biscuits and cakes to most schools, and the schools dental service established in 1958.

Brunei's malaria control campaign began in 1953 with house-spraying. This scheme was apparently not as thorough as it could have been and in 1958 the scheme was carefully planned and supervised. In addition to the housespraying, surveys of spleens were conducted and every effort was made to locate every case of malaria through the work of the medical officers, hospitals, clinics and health inspectors. Where a case of malaria was discovered, the village in which the patient was discovered was re-sprayed and Camoquin was issued to all the inhabitants. By 1958, the Brunei Government was confident that malaria had been reduced to "negligible proportions". (1)

The detection and treatment of tuberculosis was not attempted in a planned way prior to 1958. In February of 1958 a Medical Officer was appointed to conduct a survey of tuberculosis in Brunei. Plans were drawn up to detect and treat all possible cases of tuberculosis, to protect with B.C.G. vaccination the younger members of the population and those older people exposed to the risk of contracting the disease. Treatment of the disease was standardised in all hospitals and clinics. A scale of monthly allowances for patients or their dependants was established in cases of need. Civil servants were covered by special provisions awarding them up to two years' leave on full or half pay if they contracted the disease. A system of regular X-rays was established for teachers, civil servants, foodhandlers, hawkers, barbers etc. A contact survey was organised to X-ray those in contact with new cases and a propaganda campaign to inform the public of the danger of the disease and of the treatment available was launched. Arrangements were made for surgeons from Australia to visit Brunei in 1959 to operate on those cases that required surgery.

The other significant development in Brunei was the creation of a Health Office in 1958 headed by a Health Officer whose responsibility was for:

(1) The collection of data and preparation of returns relating to vital statistics and infectious diseases, and supervision of the registrations made under the British Births and Deaths Registration Enactments.

(2) Environmental Hygiene and Sanitation.

(3) The Municipal Health Officer's duties in Brunei Town, Seria, Kuala Belait, Tutong, Muara and Temburong.

(4) The organisation and control of the Anti-Malarial Residual Insecticide Spraying Programme. (2)

(1) A.R.B. 1958 page 98
(2) A.R.BZ 1958 pages 92-93
Probably the most important aspect of this development was the increased promotion of hygiene through inspection, and assistance in such problems as pest control and the supply of water.

- North Borneo.

By 1958 the rebuilding and rehabilitation of hospitals had almost been completed. The colony had two general hospitals capable of dealing with all general medical and surgical cases, five cottage hospitals capable of handling lighter cases, 18 dispensaries equipped for out-patient services and 12 dispensaries with provisions for in-patient treatment for simple cases requiring hospitalisation, two Maternity and Child Welfare Clinics, two tuberculosis units and one mental institution. The Lieper Settlement was abandoned in 1958 and the patients were transferred to Sarawak because the number of patients was too small for adequate facilities to be maintained. In addition, there were a number of travelling dispensaries that visited the remote areas, a system of health visitors, health inspectors and midwives, and a number of small hospitals operated by the larger estates and industrial concerns and by the missions.

North Borneo was behind Sarawak and Brunei in the control of malaria and tuberculosis. The anti-malaria project began in mid 1955 and was sponsored jointly by the North Borneo Government, W.H.O. and U.N.I.C.E.F. The island of Labuan and the Interior Residency were sprayed with insecticide three times between 1955 and 1958 and anti-malaria drugs were issued in many districts. The transmission of the disease in these areas appeared to have been effectively halted. It was therefore planned to extend the control methods to cover the whole of the colony by the end of 1960.

Towards the end of 1957 the North Borneo Government drew up a plan for a comprehensive scheme to control tuberculosis through the isolation and treatment of infected patients. It was planned to use tubercular testing and X-ray methods and to vaccinate with B.C.G. It was hoped to start the scheme in 1959 with Colombo Plan assistance from Australia. By 1958 special T.B. wards had been built in various hospitals, a T.B. hospital had been completed in Jesselton and one was nearing completion in Sandakan. The North Borneo Anti-Tuberculosis Association, a voluntary organisation, provided some welfare assistance for patients and their dependents.

(d) Social Welfare Services (1)

(i) The Background to Social Welfare in British Borneo.

In order to appreciate the post-war development in social welfare services in British Borneo, it is useful to consider the pre-war situation.

"Before World War II, there was no comprehensive government welfare program in British Borneo. Some aid to the needy was supplied by the Christian missions, but their work was limited by lack of funds and personnel. Since their efforts tended to reach only those who

did not object to Christian religious teachings, most of the Muslim Malays were excluded. The postwar years have seen a great expansion of government sponsored welfare services. There is still, however, little public concern for the general welfare of Borneans, and current health and welfare measures were initiated by the British authorities almost in the absence of any articulate public demand. The horizons of most Borneans do not go beyond the welfare of their particular community or group.

The paternalistic welfare activities of the British rajahs in Sarawak were confined to the Malays and other indigenous groups and did not extend to the Chinese. Although the present authorities try to be scrupulously fair, a preoccupation with the welfare of the indigenous groups as against that of the more prosperous Chinese persists. In past years, the British company which governed North Borneo showed a limited concern for the health and welfare of the people within its territory, and in Brunei the ruling elite for centuries was concerned with the welfare of only the Malay group. The Muslim tradition of charity may have been operative but its manifestations never developed into more than local voluntary relief for the needy."(1)

In the absence of major government welfare schemes and in a society basically divided into small, exclusive communities, charity tended to be based on traditional patterns of obligation and co-operation. The family and sometimes the village, in the case of the indigenous people, and the family or dialect association, in the case of the Chinese, provided relief in cases of distress. As the Chinese community was generally better organised and wealthier than the native community, the Chinese were in a better position to look after themselves. Government welfare activities tended therefore to be more concerned with assisting the more backward indigenous people. In some indigenous communities the early government attempts to provide assistance were rejected as insulting, but, as village communities become more affected by modern trends, government assistance came to be accepted.


Apart from health, education and community development schemes, social welfare activities in British Borneo, even in the post-war period, were not highly developed. Social welfare generally consisted of direct relief or specific projects carried out by voluntary groups such as the Red Cross, Rotary Clubs, Chinese Association and Missions, or by various government departments. In Sarawak and North Borneo the governments concentrated on providing assistance and encouragement to voluntary organisations. In Brunei, where money was more readily available, an attempt was made to establish a more ambitious social welfare scheme.

(1) C.S.S. page 215.
- Brunei.

In 1955 Brunei established a non-contributory State pensions scheme under the authority of the State Pensions Act, which provided for the following benefits:

"(a) Old Age Pensions,
(b) Pensions for the blind and allowances for their dependants,
(c) Allowances for the dependants of lepers,
(d) Allowances for the dependants of lunatics,
(e) Disability Pensions, and
(f) Such other pensions and allowances as may be prescribed by Regulations from time to time."(1)

The rates were $20 per month for pensions and, where dependants' allowances were paid, $20 per month for dependants over 15 years of age and $15 per month for persons under 15 years of age. The most important and widely awarded pension was the old age pension, awarded to all citizens over the age of 60 who were born in the State and resided in Brunei for at least 10 years prior to the date of eligibility for the pension or who were born outside the State but resided in Brunei for at least 30 years. Only one kind of pension could be awarded to any one person and by 1958 no rules had been promulgated authorizing the payment of any pensions under categories (e) or (f) above.

The scheme was administered by a Controller of Pensions, appointed by the British Resident. He was assisted by a staff at headquarters who investigated claims and sent out the monthly payment packets to District Officers for transmission to Village Headmen who distributed the pensions and allowances to the pensioners in their villages. An advisory committee consisting of representatives of the main races and of each district was appointed to advise the Controller on any matters arising from the Pensions Enactment. Provision existed for unsuccessful applicants for pensions to appeal to the Sultan-in-Council and an appeal committee was established.

In addition to these pensions, there was the important pension for T.B. sufferers and their dependants when this was justified by hardship.

- Sarawak.

In Sarawak, most of the welfare work was carried out by voluntary organisations, local relief committees and benevolent societies. The most important voluntary organisations were the British Red Cross, the Rotary Clubs, the Anti-Tuberculosis Association of Sarawak, the missions, the Prisoners' Aid Society, the Sarawak Youth Council, the Girl Guides and Boy Scouts and the Salvation Army. The activities of these organisations were largely piecemeal and varied considerably. For example, the Salvation Army's most important activity was the Boys' Hostel opened in 1958 to meet

(1) A.R.B. 1958 page 108
the need for child care and probation work; the Sarawak Youth Council established youth clubs throughout the country and organised national youth activities.

Co-ordination of welfare activities was attempted through the Social Welfare Council, a voluntary organisation, composed of representatives, with various welfare interests, from all parts of Sarawak. All welfare organisations had direct access to this Council. The Council, in consultation with the government, guided welfare policies and allocated funds according to need throughout the country. Social Welfare Council funds were derived from government grants and from the proceeds of the Sarawak Turf Club Sweepstakes.

The community development work should also be mentioned in this context. This work consisted of a number of schemes the aim of which was "to raise the living standards generally by teaching communities as a whole to improve their standards of agriculture (both with a view to consumption and sale), health, child care, co-operative trading, domestic arts and other basic techniques of making better use of the resources available to them."(1)

Community development was closely connected with education and agricultural extension work and concentrated on training local people to take greater initiative under the leadership of full-time, resident expatriates.

- North Borneo.

Social welfare work in North Borneo was largely a matter of voluntary work with the assistance of the Social Welfare Council and the Department of Labour and Welfare.

The Commissioner of Labour and Welfare was the Protector under the Women and Girls Protection Ordinance, but problems requiring his attention in this role were rare. Public assistance for the aged was the responsibility of the Department of Labour and Welfare operating under the Paupers' Ordinance. Institutes were maintained in Jesselton and Sandakan from a poor rate paid by employers and property owners and outdoor assistance was also provided. Two voluntary boards assisted the Commissioner of Labour and Welfare in the administration of the funds of the institutes and in the distribution of gifts from the public.

There was also a North Borneo War Victims' Fund established in 1949 under the North Borneo War Victims Ordinance. This fund was financed by voluntary contributions, an annual appeal on Liberation Day and by grants from the government. The fund provided assistance "towards the maintenance, education, benefit or advancement of any inhabitants of the former State of North Borneo who were incapacitated as a direct result of the war, and of their dependants."(2) The Fund was administered by a Board of Trustees,

(1) A.R.S. 1958 page 80
(2) A.R.N.B. 1958 page 94.
 chaired by the Commissioner of Labour and Welfare. Assistance provided by
the Fund consisted of monthly allowances and food (in 1958, 187 people re-
ceived this assistance) and the payment of part or all of the school fees
for the children of war victims.

Juvenile delinquency was a very minor problem in North Borneo and,
under the Prisons Ordinance, the Governor was empowered "to transfer any
juvenile delinquent or young offender to an approved school or to a place
of detention in Sarawak or Singapore, subject to the approval of the Govern-
ment of the receiving Colony."(1) Probation work, in so far as it existed,
was conducted by the Department of Labour and Welfare. The welfare of prison-
ers was looked after by Prison Justices and Prison Visiting Committees.

The major voluntary organisations providing social welfare services
were the British Red Cross, the St. John Ambulance Association and Brigade,
the Boy Scouts and Girl Guides, the North Borneo Anti-Tuberculosis Association
and Rotary International.

To provide co-ordination and assistance in the various social welfare
services, a Social Welfare Council was established in 1954 and consisted of
nine persons prominent in the fields of social welfare work, under the chair-
manship of the Commissioner of Labour and Welfare. The Council's terms of
reference were:

"(i) to co-ordinate the social welfare work of the voluntary
organisations in the District and of such organisations with that
of the Government;

(ii) to review the social welfare work being done in the
Colony from time to time and to bring to the notice
of Government any particular matters which it considers
require attention, including the necessity for the develop-
ment of social welfare work in any given direction;

(iii) to advise Government on particular issues connected with
social welfare which may be referred to it by Government;

(iv) to advise on the appropriate distribution among the various
social welfare organisations in the Colony of any funds
which may become available for welfare purposes from
Government revenue, social welfare lotteries, or any
other source."

The Social Welfare Council's revenue was chiefly derived from lotteries
and from government grants.

(1) A.R.N.B. 1958 page 95.
(2) A.R.N.B. 1958 page 93.
F. INTEGRATION WITHIN AND BETWEEN SARAWAK, BRUNEI AND NORTH BORNEO.

(a) Problems of Integration within each Territory.

In the short period between 1946 and 1958 the three British Borneo governments and the British Government had worked to overcome the many differences within each of the territories and to build a sense of unity between the various communities. Racial, language and cultural barriers had to be reduced as well as the vast differences in the pattern of economic activity between each of the communities, especially between the natives and the Chinese. Political consciousness had to be created amongst groups that predominantly lived and thought exclusively in terms of their own communities and not in national terms.

The danger was that in attempting to create loyalties beyond the family and village, the governments could create stronger racial loyalties and not national and inter-racial loyalties. In 1946 British Borneo, in very general terms, did not have any strong racial divisions because there was little unity within the racial groups. As people thought of themselves chiefly as members of a village and not of a race, there was little hostility towards other races. The concept of racial communities had not been born, except, to a limited extent, amongst the Malays and Chinese. The problem was to take the people of British Borneo straight from the village loyalty level to the national loyalty level, without fostering the intermediate stage of racial loyalty. Such a task provided "ample possibilities for difference, frustration, and ultimately even conflict". (1)

(b) Policies encouraging Integration within Sarawak, Brunei and North Borneo and their Effectiveness.

"The current British programme of political reform, economic development, and expanded educational and welfare activities is the central force actively making for integration in Bornean society today. Elements of uniformity are not lacking in the traditional social order, but none of these has generated dynamism which could overcome the prevailing diversity. In creating new expectations and stimulating demands for further gains, the British impact is changing Bornean social life. The process is a slow one, and the bulk of the population still follows the old ways. Nor are the consequences of change always fortunate, for some groups like the Land Dayaks seem to have lost their traditional focus without having been able to achieve a new one. Whether an ideal British Bornean nationality can be made strong enough to counteract the outside claims on the loyalty of such a group as the immigrant Chinese remains to be seen. Meanwhile, both Chinese and indigenous peoples seem to be working out limited goals in dealing with immediate problems through mixed local councils and in the legislatures. Out of the exercise

(1) C.S.S. page 91
of such responsibilities, which ultimately touch most phases of community
life, there is likely to emerge a more inclusive sense of public life than
Borneans have known in the past.”(1)

In the sphere of political reform the governments at first tended
to encourage the development of political consciousness on racial lines through
the system of appointing representatives of different racial groups to the
various councils, committees and boards. The most important measures to
develop political consciousness along non-racial lines were the experiments
in local government in Sarawak and North Borneo, whereby the various commun-
ities co-operated on local authorised of mixed racial composition and worked
to solve problems on a geographical rather than racial basis. By enlarging
the sphere of popular political action from the local government level to the
national level, as was done in Sarawak through using the local government
bodies as electoral colleges for the national assembly, the right type of
grooming in political responsibility was provided. Unfortunately, in Brunei,
where racialism was most in evidence, these measures were not introduced,
although some primitive local government bodies existed. It was also necessary
to ensure by both political reform and propaganda that the emerging political
consciousness should not become influenced by Communist and revolutionary
propaganda emanating from neighbouring countries.

The pattern of economic development, based on the production for export
of agricultural crops and oil, was a factor working towards greater integration
of the various communities. The bonds of internal trade served to bring to-
gether the indigenous groups, engaged in subsistence activities, and the
other communities such as the Chinese, who provided trading facilities for
cash crops and consumer goods. The independence of each community gradually
gave way to dependence on other communities as standards of living rose and
the demand for consumer goods increased. Development plans, aimed at raising
creating standards of living in rural areas, assisted in the growing integration of
economic activities and improvements in transport and education encouraged
increased mobility of labour in search of cash income. The growth of a more
integrated economy helped to break down the exclusiveness of the various
communities.

The rapid development of education provided an important factor for
unity. The exposure of more people to education, especially natives, broadened
previously limited horizons. The increasing uniformity in curriculum, the
use of three major languages, the growing central government control of edu-
cation and the encouragement of programmes to develop national consciousness
produced a new generation of people with wider loyalties and higher aspirations

(1) C.S.S. pages 5-6.
than their parents. Education also provided a better environment for the operation of government controlled mass media. The spread of education to native groups who had previously been neglected was of particular importance in raising native standards to a level closer to those of the Chinese. Native education provided employment opportunities that previously did not exist, for example, in government service, and even in the case of those native pupils who returned to the land, it produced a new peasant class better equipped to understand the world beyond their padi fields.

Social welfare services, although not highly developed, brought assistance to the needy from sources beyond the narrow confines of the family and village. Another of the bonds maintaining exclusive communities was thus loosened. Social welfare was also important in assisting the native communities to achieve higher standards of living.

The general effect of these political, economic, educational and social welfare developments was to reduce the exclusiveness of small, self-centred communities within each of the three territories.

(c) Policies encouraging Integration of the three British Borneo Territories and their Effectiveness.

At the official level of government, significant steps were taken towards the integration of the three British Borneo territories: shared departments and the judiciary, similar legislation and the inter-territorial conference. Economically, the three territories' concentration on the production of agricultural crops and oil for export, and British Borneo's place in a wider pattern of trade between South-east Asia and the rest of the world, provided elements making for inter-territorial unity. These factors were reinforced by the use of a common currency and by the transport and processing activities, in many cases shared between the territories, connected with export products.

By 1958 the territories of British Borneo were still at the formative stage in the process of nation building. The question was: what form of nation should be built? This question had to be answered in 1958 because the British Borneo territories would not be malleable for much longer. Should a nation of British Borneo be built? Should three small, separate nations be built, or should their development be woven into that of Singapore and Malaya? As no strong sense of nationality had evolved within each of the three territories, except to a certain extent in Brunei, there was no major nationalist obstacle to the creation of a British Bornean concept. In encouraging the development of loyalties wider than the village, it was possible to attempt to bypass the stage of racial loyalty and of loyalty to the separate entities of Sarawak, Brunei and North Borneo and to aim at the creation of loyalty to British Borneo.
The 1958 proposal for the creation of a federation of British Borneo represented the culmination of the post-war policies encouraging integration of the three territories. The attempts at integration had largely been successful as far as they went. The problem up to 1958 was, however, that British Borneo did not represent an entity. It was a collection of three parts, one of which was a sultanate with a proud past and with a wealthy present. The parts were held together and separated from Indonesian Borneo by the accident of control by a foreign power. This hardly provided a basis for the fostering of a sense of political unity. The proposal for a federation was an attempt to create a tangible political entity to which loyalty would be more easily fostered. Sir Roland Turnbull, the Governor of North Borneo, in his speech advocating the creation of the federation, warned that a delay in accepting the proposal could render its later acceptance impossible. He was aware of the danger that delay could result in the development of national loyalties to the separate parts and in development along different lines in the three states. These developments would render the creation of a federation more difficult. In a sense, the proposal was already too late in the case of Brunei, and premature in the cases of North Borneo and Sarawak.
FEDERATION AND BRITISH COLONIAL TERRITORIES

In some cases a federal type of government is not such a loose union of states as to make it a federation or a mere league of states. It is a real federation, with the same kind of co-operation as is characteristic of the American Union, the Canadian Union, and the Australian Union. It is a real federation, with a central government that can make laws for the whole country, and has the power to act... in a manner that is not possessed by a mere league of states.

A new state comes into existence... in the same way as by a treaty... from which they have no right to withdraw. It is a marriage and not a mere legal alliance... (although) the parties insist on retaining their autonomy and independence... the union is not... merely a league of states but a real federation... with the same kind of co-operation as is characteristic of the American Union, the Canadian Union, and the Australian Union.
4.

THE NATURE OF FEDERAL GOVERNMENT

The British Government has promoted the growth of federations within the Commonwealth as part of the nation-building process amongst small neighbouring colonial territories, lacking in isolation the size, strength and resources for successful independence. Before examining some of the federations created by Britain, I want to discuss the nature of federal government.

A. WHAT FEDERAL GOVERNMENT IS.

(a) Contrast between Treaties or Alliances, Leagues, Confederations, Federations and Unitary States.

States drawn together by certain common interests, may organise their partnership in various ways.

"When several states confer together and agree on a common course of action in certain specified circumstances such as resistance to a common enemy, they are bound together by treaty or alliance." (1) Such a treaty or alliance does not create a political entity but simply provides the basis for cooperation between separate governments on certain matters. A free trade area or defence area could, under certain circumstances, be an example of this type of arrangement. In some cases a league could be classified under this category. In other cases it would be more correctly classified in the following category.

When governments "go one step further and set up a more or less permanent body of delegates or ambassadors to make detailed recommendations for carrying out the treaty or implementing the alliance, their association together is called a confederation. ....... In a confederation, the common central body is merely a committee for deliberating and advising the separate members. It has no power over the separate states in the association or over the citizens of these states." (2) The Congress set up in America in 1777 provides an example of this type of arrangement. (3)

When a number of governments "give irrevocably to the common central body some portion of the authority hitherto exercised by each of the member states on its own account .... the central body becomes a government with power to act independently of its own volition and not merely a council of ambassadors. A new state comes into existence to which the citizens of the member states owe an allegiance and a duty of obedience .... The member states or provinces are joined together not by treaty but by a constitution from which they have no right to withdraw. It is a marriage and not merely a casual alliance .... (although) the parties insist on retaining their distinct identities and personalities." (4) Such an arrangement is a federation. The United States of America, created under the Constitution of 1789, is the classic

(1) C.E.D.G. page 482.
(2) C.E.D.G. page 482
(3) Ibid
(4) C.E.D.G. pp. 482-483.
example of such a system of government.

When autonomous regional units disappear and all final governmental authority rests in a single central government, as is the case in the United Kingdom of Great Britain, a unitary state exists.\(^{(1)}\) There is a form of association between a federation and a unitary state, in which regional and central governments exist, but in which the regional governments are subordinate to the central government. This could be regarded as a unitary state with decentralisation, or as an example of 'devolution', based on the 'devolutionary principle'.\(^{(2)}\) Whichever way such an association is regarded, it is not a federation.

As C.J. Friedrich,\(^{(3)}\) K.C. Wheare\(^{(4)}\) and others have pointed out, the distinction between these different types of association is not always clear cut. Within each of these categories, there is a range of possible associations. The classification of a political system is not always simple. Between the separate states co-operating on special matters by treaty or alliance, and the highly centralised unitary state, are associations embodying varying degrees of centralisation and decentralisation. Whilst in some cases it is clear into which category the political structure fits, other cases are borderline. Any given constitution or system of government may contain elements suggesting a federation and elements suggesting a unitary state, or alternatively, elements suggesting a confederation, and elements suggesting a federation.

The degree of permanence of the body of delegates representing a number of governments bound together by a treaty or alliance and the range and nature of subjects covered by the treaty or alliance could result in the association's being more of a confederation than an alliance. Similarly, the difference between a confederation with an influential central body and a federation with a weak central body and strong regional bodies is not very great, nor is the difference between a federation with a strong central government and weak regional governments on one hand and a unitary state with a large degree of decentralisation on the other.

A partnership of any one of the above types may or may not develop into a closer partnership and thus change the nature of the association. Switzerland and the United States of America are examples of federations evolving out of confederations.\(^{(5)}\) Australia is an example of a federation developing towards a unitary state,\(^{(6)}\) although it is still far more federal than unitary. One must therefore consider both the situation when the association is created and the pattern of developments that follow its creation. This would be particularly important in the case of an association which, in its original form was borderline. The pattern of developments in this case would give some indication of how the association should be classified.

\(^{(1)}\) S.B.D.G. page 433
\(^{(2)}\) F.G. page 32
\(^{(3)}\) C.J.F. pages 190-191
\(^{(4)}\) W.F.G. part 1
\(^{(5)}\) C.J.F. page 191
\(^{(6)}\) W.F.G. page 22. Actually Wheare describes Australia as developing towards a "quasi-federal" system.
To add to the complications, different terminology has sometimes been used to describe the same type of arrangement and, indeed, the same particular system, and the same terminology has sometimes been used to describe different arrangements. The confusion that is most relevant here is the interchangeable use of federal and confederate terminology as if these two types of political arrangement were the same. K.C. Wheare cites examples of this confusion in the cases of the 1861 Confederate States of America, the 1874 Swiss Constitution and the Constitution of Canada.\(^{(1)}\)

A federation can be distinguished in a broad way from the other types of political association. The rough distinction given above, however, is not adequate to distinguish true federations from quasi-federations. To provide a more precise definition of a federation, we need to turn to K.C. Wheare.

(b) The Federal Principle.

Much has been written on the question of what constitutes a federation. The term "federation" has been loosely used to describe a variety of political arrangements. K.C. Wheare describes the situation thus: "Most of those who use it (i.e. the term 'federation') agree in this, that they have in mind an association of states, which has been formed for certain common purposes, but in which the member states retain a large measure of their original independence. But although they agree in this, they differ about the particular form or type of association of states which they think it proper to describe as a federal government."\(^{(2)}\)

K.C. Wheare argues that the 1787 Constitution of the United States of America is the classic form of a federal Constitution. It is on this constitution that other federal constitutions have to a large extent been modelled. "The modern idea of what federal government is, has been determined by the United States of America .... and nowadays everybody regards the United States as an example of federal government. Many consider it the most important and the most successful example."\(^{(3)}\)

The 1787 American Constitution, although it did not use the words "federal" or "federation", has always been called "the Federal Constitution".\(^{(4)}\) The principle embodied in this constitution, the principle which distinguishes the form of association embodying in the United States Constitution from other forms of government, is "the method of dividing powers so that the general and regional governments are each, within a sphere, co-ordinate and independent."\(^{(5)}\) This principle K.C. Wheare calls the federal principle. As long as this principle is observed the particular method of allocating the powers is immaterial.\(^{(6)}\) Other definitions of the federal principle have been put forward from time to time\(^{(7)}\) but I think K.C. Wheare successfully justifies his definition which I have adopted for purposes of this thesis.

\(\text{\footnotesize (1) W.F.G. page 32}\)
\(\text{\footnotesize (2) W.F.G. page 1}\)
\(\text{\footnotesize (3) Ibid}\)
\(\text{\footnotesize (4) W.F.G. page 1}\)
\(\text{\footnotesize (5) W.F.G. page 11}\)
\(\text{\footnotesize (6) W.F.G. page \textbf{12}-13}\)
\(\text{\footnotesize (7) Discusses on pages 12-15 of W.F.G.}\)
(c) The Federal Principle and Federations.

(i) The Criterion for a Federation.

K.C. Wheare maintains that, although the federal principle needs to be defined in fairly precise terms, a federation need not necessarily apply the federal principle completely and without exception. A political union may be regarded as federal if the federal principle is predominant in the constitution and if the government in practice is predominatly federal in nature. The criterion for a federation is thus "Does the system of government embody predominantly a division of powers between general and regional authorities, each of which, in its own sphere, is co-ordinate with the others and independent of them? If so, that government is federal." (3)

(ii) Examples of Federations.

On K.C. Wheare's definition of the federal principle, the countries which possess a federal constitution and a federal system of government are the United States of America, Switzerland and Australia, although, in the case of Australia "tendencies are at work which may make it necessary soon to describe its constitution and its government as quasi-federal." (4) Canada is "an example of federal government, although its constitution is only quasi-federal". (5) These, according to K.C. Wheare, are the only examples of federation. "The remaining examples that come to mind seem to be cases of countries which have either federal constitutions but not federal governments, or quasi-federal constitutions but not federal governments, or constitutions and governments that are not federal at all." (6)

In what way are U.S.A, Australia, Canada and Switzerland federations?

- The United States of America. (6a)

The Constitution of the United States of America established "an association of states so organised that powers are divided between a general government which in certain matters - for example, the making of treaties and the coining of money - is independent of the governments of the associated states, and, on the other hand, state governments, which, in certain matters are, in their turn, independent of the general government. This involves, as a necessary consequence, that general and regional governments operate directly upon the people; each citizen is subject to two governments." (7) Although there are ambiguities in the division of powers the constitution "is quite clear on the point that, once granted that a government is acting within its allotted sphere, the government is not subordinate to any other government in the United States." (8)

The system of government that operates under the American Constitution is also federal in practice, although some modifications, which will be discussed later, have occurred, resulting in a weakening of the co-ordinate

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(1) W.F.G. page 16
(2) W.F.G. pages 21-33
(3) W.F.G. pp. 32-33
(4) W.F.G. page 22
(5) Ibid
(6) W.F.G. page 22. Wheare discusses examples of governments which are sometimes regarded as federations but which, on his criterion, are not: pp. 4-5, 22-31.
(6a) W.F.G. pp. 2-3
(7) W.F.G. page 2
(8) Ibid.
relationship between the federal and state governments.

- Australia.\(^{(1)}\)

Next to the United States of America, the 1900 Constitution of the Commonwealth of Australia is probably the best example of a federal constitution in that it "established a government for the whole of Australia which, within a sphere, was enabled to exercise powers independently of the governments of the states; while the latter, within a sphere, were authorised to act independently of the government of the whole Commonwealth. Neither State nor Commonwealth governments acting alone would alter the scope of the other's power as laid down in the Constitution. In personnel as in powers both Commonwealth and State parliaments were to be independent of each other. Each was to be elected directly by the people. The respective Cabinets were to be responsible each to its own parliament. Both Commonwealth and State parliaments were limited in their powers, but not by each other; they were to be co-ordinate with each other but they were to be subordinate to the Constitution. And, while the Constitution of the United States had been silent on the point, the Constitution Act of Australia declared that the people of the associating colonies were to form a federal Commonwealth."\(^{(2)}\)

The Constitution and the machinery of government in Australia have tended to change over the years in the direction of a unitary state. This development will be discussed later but, for the moment, it is sufficient to say that Australia can still virtually be classified as a federation because the federal principle is still the predominant principle in both the Constitution and the practice of government under the Constitution.

- Switzerland.\(^{(3)}\)

Switzerland is also an example of a federation in that the federal principle is predominant in both the constitution and practice of government, but there are two modifications of the federal principle, one favouring the regional governments, the other tending towards unitary government.

The first exception is the constitutional provision that the Council of State, the upper house of the central legislature, should contain two representatives of each of the cantons (provincial governments) and that these representatives should be paid by the cantons and elected for a term and in a manner determined by the cantons they represent. Although in theory this weakens the independence of the general government, the Council of States is only part, and probably the least influential part, of the general government and only a minority of cantons elect their representatives through cantonal councils.

The second modification to the federal principle is the provision that Swiss courts cannot declare any federal laws invalid although they may declare any cantonal laws void on the ground that they transgress the fields allotted

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\(^{(1)}\) W.F.G. page 17  
\(^{(2)}\) Ibid  
\(^{(3)}\) W.F.G. pages 17-19
to the cantons by the constitution. This provision is very different from that in the constitutions of the United States of America, Australia and Canada, where the courts, when so invited, are empowered to declare any laws of the general or state governments void because they exceed the powers of the government concerned. In Switzerland, the general government can thus pass laws on cantonal subjects and thus modify the distribution of powers between the general and regional governments without interference from the courts. On the other hand, the general government is not permitted to pass laws on any subject it chooses. The Constitution lists the general government's powers and provides for a referendum system whereby the general government can be forced to submit a law to the people for approval on the demand of 30,000 voters or of eight cantons.

The Swiss Constitution is thus predominantly federal in that it establishes general and regional governments each with its allotted sphere of power. Each government is expected to keep within its sphere and no one government has the final word in deciding the extent of that sphere.

In practice, the federal principle predominates in the system of government that operates under the constitution.

- Canada (1)

In the case of Canada the situation is a little more complicated. The British North American Act of 1867 together with certain subsequent amendments "divides the powers between provincial and Dominion legislatures in such a way that the provinces have exclusive legislative control over a list of enumerated subjects and the Dominion has exclusive legislative control of the rest, which 'for greater clarity', are enumerated also, although not exhaustively. The legislatures of Dominion and provinces are distinct in personnel from each other; neither has power to alter the Constitution so far as the distribution of powers is concerned. That power belongs to the United Kingdom parliament alone. The courts may be invited to declare Dominion or provincial laws void on the ground that they transgress the field allotted to the respective legislatures by the Constitution. So far the federal principle is rigidly applied. But there are certain important exceptions. The executive of the Dominion has power to disallow any act passed by a provincial legislature, whether or not the Act deals with subjects falling within the legislative field exclusively assigned to the provinces. Further the Dominion executive appoints the Lieutenant-Governor of a province, that is, the formal head of provincial government. It can instruct the Lieutenant-Governor to withhold his assent from provincial bills and to reserve them for consideration by the Dominion executive, and it may refuse assent to such reserved bills if it thinks fit. Finally, appointments to all the important judicial posts in the provinces are in the hands of the Dominion executive. These are all unitary elements in an otherwise strictly federal form of constitution. They are matters in which the regional governments are subordinate to the general government, and not co-ordinate with it." (2)
Although the general government cannot legislate on provincial subjects, as contrasted to the situation in South Africa where the central government can, the Canadian Dominion Government can stop provincial governments from legislating within their own spheres. This power can even be used to stop financial legislation and thus hamstring the provincial governments. Because of these exceptions to the federal principle, K.C. Wheare regards the Canadian Constitution as being quasi-federal.

In practice, however, the federal principle predominates in the actual operation of the Constitution. Although the general government has used its power of veto to stop provincial legislation of which it disapproved, it has not made wide use of this power because such a policy would be unpopular politically. Although the Dominion parliament appoints the Lieutenant-Governor of a province and although by law the Lieutenant-Governor appoints the ministers of his province, in practice the Lieutenant-Governor appoints the ministers who command the majority in the provincial legislature. "The fact is that Canada is politically federal and that no Dominion government which attempted to stress the unitary elements in the Canadian Constitution at the expense of the federal elements would survive ... . Although Canada has not a federal constitution, it has a federal government."(1)

(d) Conclusion:

I have accepted K.C. Wheare's line of argument that a federation must have a constitution and a system of government which embody "predominantly a division of powers between general and regional authorities, each of which in its own sphere, is co-ordinate with the others and independent of them."(2) I have also accepted his conclusion that the United States of America, Switzerland, Australia and Canada provide examples of federation, although, in some respects, Canada's constitution is not completely federal. There can be considerable variety in the way in which the federal principle is applied, without being invalidated, as can be seen in the differences between the four federations.

The practices of government that can develop within this variety of federal frameworks are even more varied.

(1) W.F.G. page 21
(2) W.F.G. pp. 32-33
B. HOW FEDERAL GOVERNMENT WORKS.

(a) Practices essential to Federal Government.

If a federal system of government is to be maintained there are certain practices or traditions that must be observed. These practices are established to varying extents in the four federations. It is not necessary for them all to be observed completely, but in so far as they are not observed, the federal principle ceases to operate. Once the point is reached at which most of these practices are not observed, the federal principle no longer predominates and the political union ceases to be a federation.

(i) The Supremacy of the Constitution.

It is essential for federal government that each government should be supreme within its sphere of power. It is therefore essential that "the terms of the agreement which establishes the general and regional governments and which distributes the powers between them must be binding upon the general and regional governments." (1) As it is the constitution which sets out the terms of this agreement, the constitution must be supreme at least in these respects. For this reason it is highly desirable that there should be a written constitution, and in the cases of the U.S.A., Australia, Canada and Switzerland, a written constitution exists.

The necessity for the supremacy of the constitution is declared in the United States Constitution (2) and recognised in principle in the constitutions of Australia and Canada. (3) In the case of Switzerland the supremacy of the constitution appears to be less assured although in practice, the principle is applied. (4)

It follows that neither the general nor the regional governments should alone be able to alter or interpret the terms of the agreement and it is for this reason that the second and third features of federal government mentioned below are necessary.

(ii) Rigid and widely based amending Procedure.

Neither the general nor the regional governments acting alone should have the power to amend the constitution, at least in so far as it affects the division of powers. The procedure for amendment is immaterial as long as this principle applies. Amendments can require action by both general and regional governments or a referendum can be involved as is the case in Australia and Switzerland. (5)

If agreement from both general and regional governments, or if support in a referendum is required for constitutional amendment, the constitution is

(1) W.F.G. page 159
(2) W.F.G. page 56
(3) W.F.G. pages 56-57
(4) W.F.G. page 57
(5) The procedures for amending the constitution are discussed on the following pages of W.F.G. - America, 57-58; Australia, 58; Switzerland, 58-59; Canada, 59.
likely to be too rigid to meet changing conditions. The greater the degree of agreement required, the more rigid is the constitution likely to be. Flexibility is obtained, however, through the informal procedure of constitutional amendment by judicial interpretation, which is discussed under the next heading. In Switzerland, because the courts are not empowered to declare general government laws invalid on the grounds that they exceed the powers of the general government, the general government is able to change the constitution's meaning if it succeeds in passing a law that conflicts with the constitution and that is either unchallenged or supported by a referendum. This does not undermine the federal principle, however, as the referendum procedure is there to be used if sufficient people feel that the general government is exceeding its powers.

(iii) Judicial Interpretation of the Constitution and Review of Legislation.

Disputes over the meaning of the provisions of the constitution must inevitably arise in a federal government, especially disputes over the scope of the general and regional governments' powers. It is essential that neither the general government alone nor the regional governments alone should have the final say in these disputes. It is therefore necessary for a body independent of both general and regional governments to decide on these issues. The most usual procedure is for the highest court in the federation to perform this function.

"In all four federations (U.S.A., Australia, Canada and Switzerland) the supreme court of the general government has some power to interpret the constitution and to determine disputes about its meaning, though the extent of this power varies from one to another. And this power carries with it, in all except Switzerland, some claim to consider the validity, not only of the statutes of the general legislature, but also of the statutes and constitutions of the regions. There again the extent of the power varies from federation to federation. But it can be seen that there is confined to a single court the power to interpret a uniform constitutional structure for a variety of governmental organisations contained within a federal government. And it will be noticed at the same time that the last word upon these constitutional matters is made to rest not with the courts of the regions, but with the court of the general government." (2)

In Australia and Canada, the highest court in the federation is given the widest powers of constitutional interpretation, since the Supreme Court of Australia and the High Court of Canada have authority to interpret both the federal and state constitutions and legislation. (3) In Switzerland, the powers of judicial review of the Federal Tribunal are restricted to cantonal law and the procedure of referendum becomes the means of restraining

(1) W.F.G. page 60
(2) W.F.G. page 72
(3) W.F.G. page 72
(4) W.F.G. page 73
the central government from exceeding its powers.\(^{(1)}\) In the United States, the Supreme Court is in a sense restricted to interpretations of federal constitutional law, as it lacks the power of general appeal from the States' Supreme Courts. On the other hand the U.S. Supreme Court has authority to interpret the federal constitution and, as this constitution imposes restrictions on the powers of the state governments, in so far as state constitutional law affects the federal constitution, the U.S. Supreme Court can act as a court of appeal,\(^{(2)}\) and hence can exercise its powers of interpretation and review.

It could be argued that a federal court's final authority for interpreting the constitution undermines the federal principle since the federal courts, formally dependent on the general government, will tend to favour the general government at the expense of the regional governments. This objection is removed if the federal courts are independent, as they are in Canada, Australia, America and Switzerland. Although the general government has control over the appointment and dismissal of federal judges\(^{(3)}\), there is a variety of ways in which this power can be controlled to ensure that the courts are independent. For example, in Australia, Supreme Court judges can be dismissed only for misbehaviour or incapacity.\(^{(4)}\) In practice the federal courts "have exhibited a considerable impartiality in the exercise of their functions as interpreters of the division of powers."\(^{(5)}\)

The judiciary thus ensures the supremacy of the constitution through its power to interpret the constitution impartially and through its power to enforce its interpretation by declaring legislation invalid if the legislation is challenged in the courts and proves to be inconsistent with the provisions of the constitution. Although this right to review legislation is not confined to the judiciary in federations (for example, the judiciary in Britain performs a similar function in relation to legislation of the British Government\(^{(6)}\)) it is of special importance in a federation because one government, by exceeding its powers, can upset the division of powers between the general and regional governments and can thus undermine the whole federal structure. The power of interpreting the constitution also gives the judiciary the power to alter the constitution through interpretation in the light of new conditions and thus introduces an element of flexibility whilst maintaining the principle that no one government acting alone should be able to alter the constitution.

It could be argued that, if the federal principle is to be strictly applied, there should be a dual system of courts established, one system to apply and interpret the law of the general government and the other system to apply and interpret the law of each state. In practice, only the United States has a system approaching this.\(^{(7)}\) Even in the United States, where

\(^{(1)}\) W.F.G. page 73
\(^{(2)}\) Ibid
\(^{(3)}\) W.F.G. page 62
\(^{(4)}\) Ibid
\(^{(5)}\) W.F.G. page 63.  \(^{(6)}\) W.F.G. page 66
\(^{(7)}\) W.F.G. page 69. The U.S., Australian, Canadian and Swiss court systems are discussed on pages 69-71.
there is a federal court system ranging from District Courts up through a system of Circuit Courts of Appeal to the Supreme Court and a system of state courts terminating in each state in a state Supreme Court, the two systems are not completely separate but tend to interlock.

"There has been no uniformity among federations in organizing their courts. The general legislatures have been quite ready in Canada, Australia and Switzerland, and to a small extent even in the United States, to rely upon the regional courts to apply and interpret the law of the general government. In every case it is to be noticed that the general legislatures had power, if they chose to exercise it, to set up a complete system of federal courts with exclusive jurisdiction. But while there has been this practice of trusting the regional courts to apply the law of the general government in Canada, Australia and Switzerland, it is to be noted that there exists always some form of safeguard for the general government in the appellate jurisdiction and, in some matters, in the original jurisdiction, which has been conferred upon the supreme court of the general government in the last resort to hear and determine the appeal.

It seems true to say therefore, that the method of organizing courts in a federal government need not be stereotyped. The principle of co-ordinate status for the general and regional governments permits of some overlapping of jurisdiction, provided there is always some safeguard such as the power to establish a parallel system of courts or a right of appeal from regional courts of double jurisdiction to a supreme court of the general government, where matters affecting the law of the general government are concerned. On the other hand, the case of Canada, where the appointment of all judges is in the hands of the general government, is an example of a system which contradicts the federal principle. It is a further illustration of the modified or quasi-federal system which the Canadian Constitution established.

(iv) The System of Division of Powers.

Although K.C. Wheare maintains that the criterion for federal government is that the powers must be divided between the general and the regional governments so that each government, in its own sphere, is co-ordinate with the others and independent of them, he does not regard concurrent powers over some matters as incompatible with the federal principle. When concurrent powers are created, there must be some provision to determine which authority is to prevail in case of conflicting legislation. The prevailing authority will thus possess potential (though not necessarily actual) exclusive jurisdiction, as it can gradually acquire complete control of subjects listed as concurrent through implementing comprehensive legislation which leaves no room for other governments to legislate in the field. The limits of the prevailing authority's control over concurrent powers are thus set by the prevailing authority itself. This does not destroy the operation of the federal principle, however, provided

(1) W.F.G. page 71
(2) W.F.G. page 79
that some subjects are controlled exclusively by the general government and some by the regional governments.\(^1\)

The simplest way to organise a federal government is to decide what matters should be regulated by the general government and to place these matters exclusively under the general government's control, leaving the rest exclusively to the control of the regional governments.\(^2\) This way the contracting states can see what they are committing themselves to and, as there is only one list of subjects, later disputes will be confined to the meaning of the subjects in the one list. Alternatively, a constitution could list the subjects to be controlled exclusively by the regional governments and leave the rest exclusively to the general government. If to the one list of powers a list of concurrent powers is added, the field for dispute is widened both in that the meaning of the words in the concurrent list can be disputed and in that some of these words may overlap or conflict with words in the list of exclusive powers. If to these lists a third list is added, defining the exclusive powers of the government whose exclusive powers have so far not been listed, the problems of interpretation and the range of dispute are further extended. The experience of the courts in interpreting the Canadian Constitution testifies to the nuisance value of a second exclusive list.\(^3\)

In practice, when the creation of a new federation is negotiated, although the partners may be able to agree on the subjects that should become federal powers, they are often reluctant to surrender immediately all control over these subjects to the new federal government and it is often inconvenient to do so until the new government has established the legislation and administration to exercise these powers. Certain powers are therefore made concurrent until the federal government chooses to take gradual control over them. In some cases concurrent powers are established as purely transitional until the federal government takes over exclusive control. Australia presents an example of this arrangement where the Constitution provided that the federal government should, within two years, assume exclusive control over customs duties and the granting of bounties on the production or export of goods when uniform duties and customs were imposed.\(^4\) Concurrent powers may be preferred for other reasons. For example, it may be desirable for the federal government in certain matters to encourage uniformity in the country or to encourage particular regional policies without assuming complete control of the subjects involved.

Concurrent powers are a feature of the constitutions of U.S.A., Australia, Canada and Switzerland. In Canada they are limited to only immigration and agriculture. In Switzerland the concurrent powers are more extensive and in Australia and U.S.A. the concurrent field covers a wide range of subjects.\(^5\)

\(^1\) W.F.G. page 79
\(^2\) W.F.G. page 83
\(^3\) W.G.F. page 82. This statement is explained and illustrated in Chapters VII and XII.
\(^4\) W.F.G. page 82
\(^5\) The particular concurrent powers are discussed in W.F.G. pp. 80-81.
In fact, however, the federal governments have generally legislated so comprehensively on most of the concurrent powers that the regional governments are virtually excluded, through the provision that general government legislation takes precedence over regional government legislation.\(^1\)

Whatever system of allocating powers is adopted, there is the question of the residual power.\(^2\) The method substantially adopted in U.S.A., Australia and Switzerland, is to allocate residual powers to the states.\(^3\) This procedure creates problems as the increasing demands for government services and controls in modern societies frequently demand strong action by general governments. The allocation of residual powers to the states thus restricts the general government in dealing with new types of problems that arise or, alternatively, necessitates constitutional amendment. On the other hand, the allocation of residual powers to the new general government is likely to be opposed by the contracting states because they are unlikely to favour the granting of unlimited and unspecified powers to the new government.\(^4\)

(v) The Right of Secession.

If the federal principle is to apply it is important that no one government acting alone should have the right to leave a federation and that the general government acting alone should not have the right to expel a member state, because such actions permit the general government to be subordinate to the regional governments or vice versa. In the constitutions of Canada, U.S.A., Switzerland and Australia, no place is found for a unilateral right of a region to secede or for the general government to expel.\(^5\) In the interests of good federal government the permanence of the relationship is most important.

(vi) Systems of State Representation in the general Government.

In any democratic system of government it is obvious that the legislature should reflect the population basis of the country. Densely populated areas should have greater representation than sparsely populated areas, otherwise populous areas would be underrepresented and sparsely populated areas would be overrepresented. On the other hand, sparsely populated states joining a new federation are likely to require equal representation so that they will not be swamped in federal affairs by the more populous states. The usual solution to this problem is to establish two houses in the federal legislature, the upper house having equal representation for each state, the lower house having representation based on population patterns. In U.S.A., Australia and Switzerland this system is adopted.\(^6\) In Canada the principle of equal representation for the provinces is not applied although some attempt is made to compensate the less populous provinces in the senate.

\(^{1}\) W.F.G. page 80
\(^{2}\) W.F.G. page 83
\(^{3}\) W.F.G. pages 83–84.
\(^{4}\) W.F.G. page 91
\(^{5}\) W.F.G. pages 92–93.
K.C. Whare maintains that equal representation for each state in the upper house is not essential for federal government but it is often essential if federal government is to work well. Without this guarantee it could prove impossible to initiate a federation and to make it work successfully, as the smaller states would be suspicious of the larger states' influence in the general government. On the other hand, with the exception of the United States Senate, upper houses have generally not been successful in safeguarding the interests of states because divisions other than state divisions have been the deciding factor. (1) In Australia and Canada, party divisions have proved more important than state divisions. (2) In Switzerland, the effectiveness of other institutions for safeguarding constitutional rights, especially the referendum, has tended to reduce the importance of equal representation. (3) In any case, differences between states are likely to be replaced by country-wide differences of other types, e.g. political party, class, economic, etc. as the federation develops. The equal representation of each state in the federal upper house is thus most important as a safeguard to dispel initial fears of the smaller contracting parties, but is not necessarily important to safeguard state rights in the general government once the federation is operating successfully.

(vii) Financial Independence.

If the federal principle of each government's being independent in its own sphere and in a co-ordinate rather than subordinate relationship to other governments, is to operate in practice as well as in law, it follows that "both general and regional governments must each have under its own independent control financial resources sufficient to perform its exclusive functions. Each must be financially co-ordinate with the other." (4)

In the four federations this situation was attempted by giving to both general and regional governments a sphere in which they could exercise independent budgetary power, though the extent of this sphere varied from case to case. In the case of Canada, the regional governments' budgetary independence was in theory restricted by the Dominion Parliament's power to disallow any provincial legislation, although this power was not generally used in regard to budget legislation. (5)

The original financial arrangements in U.S.A., Australia, Canada and Switzerland were as follows. The general governments were given a broad control through having exclusive control, actual or potential, over currency and coinage. (6) The general governments were also given authority to varying degrees over banking and this authority enabled them to approach control over the credit issuing functions of the banking institutions. (7) In so far as the above powers affected regional governments' finances, the regional governments were made subordinate to the general governments.

(1) W.F.G. page 94
(2) W.F.G. page 94
(3) W.F.G. page 92
(4) W.F.G. page 92 97
(5) W.F.G. page 92 97
(6) W.F.G. page 92 98
(7) Ibid
In terms of revenue resources, the general governments were given exclusive control, actual or potential, over revenue from customs and excise.\(^{(1)}\) The other sources of revenue were shared between general and regional governments and included receipts from property, commercial undertakings and monopolies, grants, loans and taxation.\(^{(2)}\)

Receipts from property, commercial undertakings and monopolies have, generally speaking, provided an independent source of revenue, as both general and regional governments have their own assets of this nature. This independence is subject to some degree of limitation, in some cases limiting both general and regional governments' independence and in some cases working chiefly against the regional governments' independence.\(^{(3)}\)

Grants in a federal system should ideally be obligatory and should not depend on the good will or discretion of the donor government\(^{(4)}\) as such dependence provides the donor with an opportunity to influence the policies of the recipient government. In theory, provision can be made for grants by the general government to the regional governments or vice versa. In the Swiss Constitution, provision was made for obligatory grants from the cantons to the general government, but these provisions did not prove important.\(^{(5)}\) Obligatory grants from the general government to the regional governments form part of the financial arrangements of the U.S.A., Canada, Australia and Switzerland,\(^{(6)}\) although constitutional provision for such grants was made only in the cases of Australia, Canada and Switzerland.\(^{(7)}\) In all four constitutions, provision was made for discretionary grants by the general government to the regional governments and these have been widely used to assist regional governments in fulfilling their functions.\(^{(8)}\) In U.S.A. all grants are made under these provisions.\(^{(9)}\) In Switzerland and Australia the greater proportion of grants by the general government has been made under the provisions for voluntary grants and even in Canada, where obligatory general government grants were most provided for, there has been an increase in regional revenue derived from voluntary grants because regional government expenditure has rendered the guaranteed obligatory grants inadequate.\(^{(10)}\)

In all four federations there is therefore some degree of financial dependence by the regional governments on general government grants, and in so far as the regional governments depend on voluntary grants from the general government, and hence on the general government's goodwill, the regional governments are subordinate to the general government. This situation appears to be unavoidable in federations as no constitutional provision for obligatory grants can foresee future changes in conditions that will render the obligatory grants inadequate.

\(^{(1)}\) W.F.G. page 100
\(^{(2)}\) Ibid
\(^{(3)}\) Examples are discussed on page 100 of W.F.G.
\(^{(4)}\) W.F.G. page 101
\(^{(5)}\) W.F.G. page 102. Details of this provision appear on page 102 of W.F.G.
\(^{(6)}\) Ibid
\(^{(7)}\) W.F.G. page 102. The particular arrangements are discussed on pp 102-103.
\(^{(8)}\) W.F.G. page 103
\(^{(9)}\) Ibid
\(^{(10)}\) Ibid
Power to raise loans was conferred on both general and regional governments in all four federations and has remained unaltered except in the case of Australia where a Loan Council, consisting of representatives of Commonwealth and State governments, assumed control over borrowing for purposes other than defence and was thus superimposed upon the federal structure.

The field of taxation is more complicated than the above sources of revenue and many changes have occurred in this field in the four federations. Theoretically, in a federation, all governments should be free to exercise taxation powers without interference from other governments. In practice, this principle has not been thoroughly applied in all of the constitutions and subsequent developments have completely destroyed the principle. In Canada, the Dominion parliament was given virtually unlimited taxation rights whilst the provincial parliaments' power was limited to direct taxes for provincial purpose and licence fees for provincial or municipal purposes. In Australia, the Commonwealth government's taxing power was more limited than the Canadian Dominion government's, by the provision that the Commonwealth tax laws should not discriminate between states or parts of states. The states' taxing powers, subject to this grant of power to the Commonwealth, remained as they were before federation. In the United States, the general government was limited by a similar provision to that of Australia but, in addition, its powers of direct taxation were further limited (until the XVIth amendment of 1913) by the provision that direct taxes had to be laid according to population. In Switzerland, apart from its powers over customs duties, the general government was given practically no other taxing power.

The above financial arrangements thus provided some guarantee of independent revenue to the general and regional governments but in fact, for reasons and by methods to be discussed later, the regional governments became financially subordinate to the general governments.

(viii) Conclusion

The above practices, designed to apply the federal principle, were embodied to varying extents in the constitutions of Canada, Australia, U.S.A. and Switzerland. They did not prove adequate, however, to ensure that the general and regional governments remained independent in their own spheres and co-ordinate with other governments in the federations. Changes occurred in the operation of the four federations. In some instances the practices were modified, in other instances, they proved sufficiently flexible to meet changing circumstances. Thus, despite the adoption of the federal principle and the above practices, the four federations saw the gradual growth in the power and importance of the general government at the expense of the regional governments.

(1) W.P.G. page 104
(2) W.P.G. page 105
(3) W.P.G. page 106
(4) Ibid
(5) W.P.G. pages 105-106
(6) Ibid
(b) Federal Government in Practice: important Patterns of Development in Federal Governments.

(i) Growth in Importance and Power of the general Governments.

- The Pattern of Growth.

In all four federations the general governments have grown stronger since the creation of the federations. It is to be expected that the general governments would grow in importance. Unlike the regional governments which, before federation, "had occupied almost the entire stage and had absorbed the greatest part of the political interest and energies of the peoples," the general governments started from nothing, except for the powers conferred upon them.

The growth in power and importance of the general governments has largely been accomplished by their increasing use of the exclusive and concurrent powers conferred upon them by the constitutions. Their powers to control defence and to make war and peace, their powers over foreign relations and over trade, especially foreign trade and the potentialities found in the original financial provisions of the constitutions (except, perhaps, in Switzerland) have been particularly important in fostering this development. As the general governments "were endowed with control over most of the more important matters with which governments have to deal", it is understandable that, as they began to exercise these powers, they should have increased in importance and power.

In the case of Switzerland, the general government's growth has largely been accomplished by constitutional amendments which increased the fields within the general government's jurisdiction and its financial powers. In Australia and Canada, one important constitutional change of this kind has occurred in each case and in the U.S.A. three such important constitutional changes have occurred, but in these three federations, the general governments have usually had to increase their power through the exploitation of the powers originally conferred upon them by the constitutions. In this development, the general governments of Australia and U.S.A. have been assisted by judicial interpretation which has tended to enlarge the powers of the general governments, not by granting them powers that the constitutions did not originally allocate to them, but by interpreting the original constitutional provisions covering the division of powers in such a way as to widen the meaning of the powers conferred upon the general governments at the expense of the powers of the regional governments.

(1) W.F.G. page 252
(2) Ibid
(3) Ibid
(4) Discussed in W.F.G. chapter X
(5) Discussed in W.F.G. chapter IX
(6) Discussed in W.F.G. chapter VII.
(7) W.F.G. page 253
(8) W.F.G. page 252
(9) Ibid
(10) Ibid
(11) Ibid
left the courts ample scope to interpret the constitutional provisions in this way. In Canada, by contrast, with few exceptions, judicial interpretation has tended to limit the general government’s powers, especially in peace time. (1)

Despite the apparent rigidity of a federal constitution, federations have in fact proved flexible, (2) either through factors operating on the actual law of the constitution - the process of constitutional amendment and the exercise of judicial review - or through factors operating not upon the strict law but upon its practice - the usage and the customs or conventions. In response to changing conditions the operation of the federations has changed to produce increasingly powerful general governments. Centralisation has grown up within the federal structure.

Factors encouraging the Growth in Importance and Power of the general Government.

K.C. Wheare summarises the factors that have produced general government dominance as follows:-

"The chief forces which have caused general governments to increase in strength at the expense of the regions - whether by the fuller exploitation of their existing powers or occasionally by the acquisition of new powers - seem to have been four-fold. They are war, economic depression, the growth of the social services and the mechanical revolution in transport and industry, the last named so familiar that its existence and significance are often overlooked. To express the same things in different words, they were power politics, depression politics, welfare politics and the internal combustion engine. War and economic depression demand unitary control if their problems are to be effectively treated, and they impose financial strains which only the general governments have been able to bear. Thus .... all general governments grew stronger in times of war and economic depression. The growth of the social services affects the general governments by slightly different routes. To some extent the cost of social services has been increased in times of economic depression and war, and this meant that the general governments had to come to the assistance of the regions. But the growth of social services went on quite independently of war and economic depression. Educational and health services were developed in times of peace. In most federations these matters were under the control of the regions, but in all it was found that the regions required financial assistance from the general governments. And finally the revolution in transport and industry made so much of life inter-state instead of intra-state, that large areas of activity came within the ambit of the general government’s control, until finally, in the United States, crime itself becomes a matter for Congress. And thus the powers of the general governments increased." (3)

(1) C.S.D.G. page 489
(2) Their degree of flexibility and the ways in which this flexibility has been achieved are discussed in Chapter XI of W.F.G.
(3) W.F.G. pages 253-254.
The above factors have tended to produce a somewhat unified national economy and have resulted in the growth of centralisation favouring the general governments against the regional governments. It could be argued that these factors have caused a growing tendency towards unitary government. As most of these factors are likely to continue, still further centralisation and general government dominance are likely to occur. This trend towards centralisation is, in some ways, most apparent in Australia, of which H. E. Macleay says: "It may be doubted .... whether the federal system in Australia could survive another war or another severe economic depression. The two wars of 1914 and 1939 and the economic crisis of the 1930's have already gone far towards converting Australia's federal constitution and government into a quasi-federal constitution and a quasi-federal government."(1)

(ii) Developments in public Finance: growing financial Dominance by the general Government.

- General Pattern.(2)

It is in the field of public finance that the growth in importance and power of the general governments compared to the regional governments, has been greatest. The need for unitary control in time of war and depression(3) and the need for the expansion of social services(4) beyond the resources of regional governments have been the major causes of this development.

This change has been accomplished partly by the general government's increased exploitation of the potentialities in the original financial provision of the constitutions, but also, to varying extents from federation to federation, by constitutional amendments. In all cases, the regional governments' dependence on compulsory and discretionary grants from the general government has assisted the general government in acquiring increased financial powers in exchange for increased grants to the regional governments.

Although the constitutions attempted to allocate financial resources to both general and regional governments, the original financial provisions did not and could not anticipate the changes that would occur in the operation of the federations. "Conditions in a variety of communities joined together in a federation differ too much from time to time and from place to place to be laid down finally in a constitution. There is and can be no final solution to the allocation of financial resources in a federal system. There can only be adjustments and re-allocations in the light of changing conditions."(5)

The adjustments that have occurred in the four federations have been different but they have all had the same effect: to increase the power and importance of the general governments. In Switzerland(6) adjustments have been made by constitutional amendments whereby both functions and financial resources

(1) W.F.G. pp. 254-255
(2) This is based on the summary on page 253 of W.F.G.
(3) W.F.G. page 254
(4) W.F.G. page 255
(5) W.F.G. page 123
(6) Ibid
have been redistributed. The cantons have steadily handed over functions and financial resources to assist in the performance of these functions to the federal government. In exchange for some of the financial resources surrendered, the cantons have received constitutionally guaranteed grants and have thus retained independence, though in a decreasing sphere of activities. The degree of their independence has been further reduced by their reliance on grants, most of which have been made at the discretion of the federal government.

Apart from the XVith amendment(1) to the Constitution of the United States, the Swiss pattern of adjustment has not been used in the other federations. In America(2) a system of discretionary grants by the federal government has been used. In Canada(3) although the Constitution guaranteed a number of grants to the provinces, when these have proved inadequate, as frequently has happened, increases have been subject to bargaining between the governments, with the Dominion government in the strongest position. In Australia(4) the federal-state Loan Council (to control borrowings) and the Commonwealth Grants Committee (an independent expert advisory committee) have provided the machinery for the allocation of funds to the states.

- Developments affecting the Sources of Revenue of general and regional Governments.

An aspect of the growth in the financial dominance of the general governments has been the change in the taxing powers of both general and regional governments.

"The raising and spending of revenue from customs duties has come to be given to the general governments alone. And in two of the four federations - Canada and Australia - the general governments seem to be empowered to make the methods of direct taxation also exclusive to themselves. In Switzerland the general government has entered the field of direct taxation and has excluded the regional governments. In the United States the general government similarly competes with the regional governments, but so far it has asserted no power to exclude them or to take priority over them. In all four cases there remains to the regional governments no important taxing power which is not either shared with the general government, or liable to be taken over by the general government. Apart from this, the general and regional governments have independent resources, subject to qualifications .... from grants - negligible for the general governments -- from revenue arising out of undertakings and property, and from loans - controlled in Australia jointly by general and regional governments in the Loan Council ... In all four countries the general governments have become incomparably the most powerful financial authorities in their federal systems, and the regional governments have been reduced to a

(1) XVith Amendment - "The Congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration." p.112, G.B.F.
(2) W.F.G. page 123
(3) Ibid
(4) W.F.G. page 124
restricted, if not subordinate, position.«(1)

All four federations have seen the gradual intrusion of the general governments into the field of direct taxation, a field left to the regional governments until the first world war. In Switzerland(2) this development took the form of constitutional amendments from time to time extending the central government's taxing powers. Constitutional amendments were necessary because the original financial provisions of the Constitution virtually restricted the general government's taxing powers to customs duties. In U.S.A., restrictions on the general government's power to levy income tax were removed by constitutional amendment(3) although the states did not vacate the field of income tax. In Canada,(4) the Dominion government, which the Constitution endowed with wide taxing powers, at first competed with the provinces in the field of income tax and then, by agreement, the provinces vacated this field in exchange for annual grants from the Dominion government. This was a temporary war time agreement that became permanent. In Australia,(5) the Commonwealth government began by competing with the states in the field of income tax and then acquired a monopoly in this field by passing legislation to induce and compel the states to surrender income tax to the Commonwealth in return for compensatory grants. Although this was originally introduced as a temporary wartime measure(6a) it has become permanent.

- Increased financial Dependence of regional Governments on general Governments.

The two world wars and perhaps to a lesser extent the depression forced the general governments in the four federations to take the initiative in taxing powers and in increasing the centralisation of finances. After the second world war the central governments showed no signs of decentralising revenue raising. They tended to take the initiative in raising revenue for social services, social reconstruction and economic reconstruction, when the regional governments had the legislative powers but lacked the financial resources to implement programmes in these fields. These activities amounted in some cases to the general governments' using their financial resources in fields in which they did not have the power to legislate and the supreme courts generally did not object, although the degree of latitude permitted to the general governments varied.(7)

The system of grants in aid developed most highly in the U.S.A., has been an important device by which the general government can influence regional government policy through financial control. Under this system the general government can require the regional governments accepting a grant, to introduce uniform standards in legislation and administration. Whilst this device cannot be used for obligatory general government grants it can be used for the

(1) W.F.G. pages 114-115.
(2) Discussed on page 108 of W.F.G.
(3) W.F.G. page 253.
(4) The changes in taxes in the U.S.A. are discussed on pages 109-110 of W.F.S.
(5) Discussed on page 109 of W.F.G.
(7) W.F.G. page 121-122
(9) Examples are discussed on page 247 of W.F.G.
grants made at the discretion of the general government, but, as has been mentioned earlier, the regional governments have come to rely more heavily on voluntary general government grants. This device has enabled some degree of policy uniformity to be achieved without the regional governments' surrender of powers to the general government but it has decreased the degree of independence of the regional governments.

This development has been inevitable. With the aid of their increased taxation powers and other sources of revenue, the general governments have had sufficient resources to perform their functions and, indeed, to assist the regional governments, but the regional governments have lacked the resources to meet their growing commitments and have thus come to rely upon the general governments for financial aid. The poorer the region the greater the degree of dependence on the general government grants. In this way the regional governments had no alternative but to accept some measure of financial subordination to the general governments, unless they surrendered their more expensive powers to the general governments. Either way their power was reduced.

(iii) Centralisation and the Survival of Federations.

Growth of Centralisation.

It can be seen, then, that both in terms of the powers exercised and in terms of financial resources, the general governments have grown at the expense of the regional governments. There has been a steady growth in centralisation as the general governments began to exercise the powers originally allocated to them by the regional governments and, in some cases, most noticeably in Switzerland, as the general governments extended their powers by acquiring new fields of legislations. In general, the courts, with the notable exception of Canada, have endorsed this trend by interpreting the constitution in favour of the general governments. The federal system in these four federations has survived, but the regional governments have become increasingly subordinate to the general governments. But this trend is only half of the story and is often exaggerated.

Growth of regional Governments.

Whilst it is true to say that the general governments have increased in power at the expense of the regional governments, it is also true to say that the regional governments have grown in importance since the federations were created. The quantity and depth of regional government activities have increased tremendously, as have their expenditures, especially on social services. In some ways this growth has increased their dependence on the general governments for financial aid because they have not had the independent resources to meet the expenses of their increasing functions. Nevertheless, they have in most cases, with the exception of the regional governments in Switzerland, kept direct control over most of their original powers, although the general governments have to some extent gained indirect control over the powers of the regional governments through the provision of

(1) W.F.G. page 115.
(2) W.F.G. pages 255-257.
the necessary but discretionary grants to the regional governments.

There has also been a growth in some cases in the self-consciousness and self-assertiveness of the regional governments. All four federations illustrate this.\(^1\) Regional distinctions, whilst in some ways merging in broad national divisions, nevertheless still exist, at least between groups of regional governments, for example, between the Southern and Northern states of America. "Not every region in a federal system feels the desire for independence to the same degree. But in every federation a few regions feel it so intensely that no attempt could be made to impose uniformity without bringing into view the possibility of breaking the union in pieces."\(^2\)

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\(^1\) Examples are given on pages 256-257 W.F.G.

\(^2\) W.F.G. page 257

\(^3\) An Alternative to Centralisation.

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- An Alternative to Centralisation.\(^3\)

In the fields of finance and policy, modern government frequently requires centralisation and uniformity in order that the needs for control and concerted government action may be met. Whilst this need has tended to increase the power of general governments at the expense of regional governments, it need not necessarily do so. Federal government is flexible and this flexibility need not necessarily result in changes to increase the power of the general government. There is scope in federations for co-operation between general and regional governments.

In the field of public finance Australia provides an example of machinery to reduce the general government's dominance over the regional governments. The Loan Council, on which both Commonwealth and State governments are represented, controls government borrowings. The Commonwealth Grants Committee, which is independent of the Commonwealth Government, advises the Commonwealth government on the grants it should make to the states. The states are therefore not completely dependent on the Commonwealth government's goodwill, although they are dependent on financial aid from the Commonwealth.

In the field of policy, a variety of machinery is possible for consultation and co-operation between regional governments and between general and regional governments. These devices have been used to varying extents in the four federations.

Regular conferences between heads of the executives or ministers or permanent officials may be used to promote consultation and discussion either on general policy or on particular policies. Interstate compacts may be made which require concerted action. Uniform state laws may be encouraged, as in U.S.A., by a permanent conference, representing the various governments, which prepares drafts on uniform laws for presentation to the state legislatures. Permanent councils of regional governments or of the general and regional governments may be established to promote legislative and administrative co-operation in particular fields. The administration of
federal and state laws on a particular matter may be fused by making state officials federal agents or vice versa. Temporary delegation of powers from the general to the regional governments or vice versa may be appropriate in special circumstances. Depending on the terms of the original constitution and depending on the goodwill between the various governments in the federation, the above devices can be used as an alternative to centralisation in meeting the need for concerted government action. In fact, they have proved less important than the centralising forces in the four federations, but they do illustrate a way in which the independence of the co-operating partners in a federation can be maintained without sacrificing the advantages of concerted action.
WHEN FEDERAL GOVERNMENT IS APPROPRIATE

(a) General Conditions.

Federal government is a compromise between a number of separate governments and a unitary state under one government. It is a "dual form of government calculated to reconcile unity with diversity." This sort of compromise is appropriate only under certain circumstances which make a federal union both desirable and practicable. These circumstances can be grouped under four headings: those producing the desire for a union; those producing the desire for some degree of regional independence within the union; those producing a capacity for co-operation within a federal union; and those producing a capacity for continued state government independence within a federation.

(b) Circumstances producing the Desire for a Union.

States co-operate with each other in the pursuit of common objectives. Such co-operation need not take the form of a federation. Unless there is a strong desire to be under one government for certain purposes, federation is unnecessary and is unlikely to be suggested. Treaties, alliances, or a confederation will suffice. Circumstances producing the desire for a federation must therefore be stronger than the mere desire to co-operate. They must produce the desire for a permanent union headed by one government. What set of circumstances produces such a desire?

"Communities have been led to desire union from a variety of reasons. But in the modern federations some factors seem always to have been present. A sense of military insecurity and of the consequent need for common defence; a desire to be independent of foreign powers, and a realisation that only through union could independence be secured; a hope of economic advantage from union; some political association of the communities concerned prior to their federal union, either in a loose confederation, as with the American states and the Swiss cantons, or as parts of the same empire, as with the Canadian and Australian colonies; geographical neighbourhood; and similarity of political institutions - these half-dozen factors all operated in the United States, Switzerland, Canada and Australia, to produce a desire for union among the communities concerned. They operated in varying degree in each case, but they were all present." (3)

The above circumstances can produce a desire for union, even when there are differences in language, religion and nationality between the potential members of the union. In Switzerland and Canada the desire for unity arose despite these differences. (4) It is not even necessary for the communities to share a common pattern of social institutions. Switzerland, Canada and America illustrate this. (5)

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(1) This section is based on material in C.E.D.G. pp 483-484; W.F.G. Chap. III.
(2) C.E.D.G. page 484.
(3) W.F.G. page 37
(4) Examples of these differences are given on page 39 of W.F.G.
(5) Ibid
Perhaps the most important element necessary to create the desire for a union is the presence of leaders and statesmen who express the desire for a union convincingly at the right time. If the desire for a union is not expressed, the above circumstances alone will not produce a union. In America, for example, the circumstances encouraging the formation of a union produced no more than a confederation until men like Washington, Hamilton, Jay, Madison, Benjamin Franklin and James Wilson provided the leadership to produce a union. Similarly, in Canada and Australia, leaders like Macdonald and Parkes provided effective leadership for the cause of union.

(c) Circumstances producing the Desire for some Degree of regional Independence within the Union.

If the desire for a union is strong, the political arrangement that results will be a unitary state either centralised or decentralised, unless circumstances exist and are expressed at the same time to create the desire for regional independence in some spheres.

It seems that each of the potential members of the federation should have some sense of nationality or at least have had some experience as distinct colonies or states, although the sense of nationality should not be so strong that it stops the development of loyalty to the federal government. In Canada, U.S.A., Australia and Switzerland, although none of the states involved had had a long history as truly independent states, all had existed as separate entities with their own governments. There should also be a divergence of economic interests, otherwise the economic advantages of union will simply create the desire for a unitary state. Geographical factors isolating or dividing the communities involved can be important in producing the desire for a federation rather than a unitary state, e.g. distance in Canada, Australia and America, mountains in Switzerland. Different nationalities (e.g. Switzerland and Canada\(^1\)), and different social institutions (e.g. Canada and U.S.A.\(^2\)) provide important obstacles to complete unity and hence, given the desire for a union, create a desire for a federal union.

Leadership effectively advocating a federation as opposed to a unitary state or a confederation is also important. In South Africa, for example, where similar circumstances to those resulting in a federation in Canada existed, the cause of federation lacked the effective leadership of the cause for a unitary state.\(^3\) As a result, South Africa became a unitary state.

(d) Circumstances producing a Capacity for Co-operation within a Federal Union.

The combination of factors producing a desire for a federal union is not sufficient to ensure that a federation will be created and that it will be able to operate effectively. The most obvious need for an effective federation is the capacity for the various uniting communities to co-operate in those matters that are allocated to the federal government.

\(^1\) Examples are discussed on page 42 W.F.G.
\(^2\) Ibid.
\(^3\) Examples are given on page 43 of W.F.G.
The desire for a federal government provides some guarantee that the federating communities will have the capacity to make a federation work. If they want a federal government strongly enough they will want to co-operate to make it work. The circumstances which produce the desire for a federation will tend to encourage the effective working of the federation. For example, the fear of a common enemy and the need for a common defence force provide cohesive forces that compel the federated units to submerge internal differences and antagonisms in the face of external antagonisms. In the case of Switzerland, the need for common defence overcame differences of language, race, religion and nationality. Common ties of race, language religion and nationality also provide an important, though not necessary, cohesion within a federation and are especially important if other factors are working against co-operation. These factors probably helped the U.S.A. to survive, despite the rift over slavery and despite the problem of distance.

If federated units are to work together effectively, it is important that they should have similar patterns of social organisation and, even more important, of political organisation. It is not necessary that they should be identical, but wide differences in patterns of social organisation can threaten the unity of the federation, as slavery did in America, and as the question of segregation is now doing. Similarity of political institutions is probably even more important. The constitutions of Switzerland, Canada, U.S.A. and Australia require that all units should adopt the same form of government. In U.S.A., all of the federating units already had republican systems, and in Canada and Australia all had constitutional monarchies. In Switzerland, prior to federation, the cantons did not have the same systems of government but were required to adopt republican governments by the constitution. It also seems clear that democratic governments are a pre-requisite of federal government, for autocratic or dictatorial governments at the federal or state level would, sooner or later, destroy the independence which each government must enjoy within its own sphere if federal government is to exist. Autocratic governments would be unlikely to accept the constitutional limitations on their powers.

(e) Circumstances producing a Capacity for continued State Government Independence within the Union.

If a federation is to survive, the state governments must be able to perform their functions within the new system of government. Some of the circumstances producing the desire for a federal rather than unitary basis for the union will enable the state governments to retain their independence in their own spheres. It is particularly important that each of the federating states should have had a previous existence as distinct political entities. "This means that the states joining to form a new general government, have at their disposal in their own regions a well-established system of government which will enable them to carry out their functions and maintain their integrity in the new system. More than that, it relieves the strain imposed upon the new system, by guaranteeing the stability of regional administration and
leaving energies free for the one formidable task of establishing the new general government. This is a great gain. It means that the communities will be required to establish one new government and not a collection of half a dozen or more governments.”(1)

The size of the states (area, population and resources) is also an important factor in that one or two of the units should not be powerful enough to overrule the others or to dominate the federal government, otherwise a unitary state can emerge or smaller members can become so disgruntled that they break from the federation. On the other hand, some difference in size and wealth is probably necessary in that it is the smaller and poorer states that are most likely to desire a federation rather than a unitary state. This difference in size and wealth is probably one of the factors that has kept Canada, Australia and U.S.A. federal.

In terms of resources, the federation as a whole and the parts that make it up must have the resources to support a federal system of government. Perhaps the most important of these resources is the adequate supply of men with the capacity to lead and govern, as a federation requires legislative and administrative skills not for one government but for many. States with very small populations or with backward education systems are likely to be at a disadvantage, as they will be unlikely to produce a number of suitable political leaders. This could mean either that small states would be unable to play their full part in the federal government or that the state governments in the small states would suffer through the transfer of the states' leadership resources from the state governments to the federal government. If all or most of the units cooperating in a federation cannot produce sufficient leadership material for the numerous governments, the chances of the federation's working are remote. Similarly, the federation as a whole and each part of it must have sufficient economic resources to support both federal and state governments. As federations involve more governments than a unitary state, the cost of maintaining a federation is higher. If the units forming a federation cannot afford a federal system, it will eventually collapse either through the collapse of the federal government or through the collapse of some of the state governments.

(1) Conclusion.

It is not true to say that all of the above circumstances must be present to render the establishment of a federal government desirable and practicable and to ensure its continuation. Insofar as some of the above factors do not operate, the establishment and maintenance of a federal system will be more difficult, but those of the above factors that do exist may operate so strongly that they compensate for the absence of others. The establishment and maintenance of a federal system of government requires a delicate balance of factors. If the factors encouraging union are strong and the factors encouraging regional independence in some spheres are weak, the federation, if established, will develop towards a unitary state.

If the factors encouraging union are weak and in the factors encouraging regional independence are strong, a confederation or alliance is more likely to

(1) W.F.G. page 49.
In leading colonial territories towards self-government, if at least one federation is created or, if a federation is created, it is likely to disintegrate in the long run because of the inability of the regions to co-operate.

Since the Second World War, several federations have been created among British dependencies, such as Federation of Malaya (1946)(8), the Federation of Nigeria (1954)(8) and Federation of the West Indies (1958)(9). It is to the discussion of these associations that I now wish to turn.

THE FEDERATION OF MALAYA.

(a) The Significance
FEDERATION IN BRITISH COLONIAL TERRITORIES

A. GENERAL REVIEW OF FEDERATIONS IN BRITISH COLONIAL TERRITORIES.

In leading colonial territories towards self-government and independence, Britain has often had to build nations out of fragmentary territories at the same time as encouraging the development of democratic government. The pattern of development of new nations has ranged from the development of unitary states with decentralisation, such as the Union of South Africa and Ghana, to loose arrangements such as the East Africa High Commission.

The type of development with which I am concerned in this thesis is the creation of federations. This is not a new British policy, although recent years have seen an increase in attempts to create federations. As early as the mid-nineteenth century the British Government proposed a federal union for the Australian colonies. This proposal was unsuccessful at the time, partly because the Australian states were not ready for federation. The Canadian Constitution, set out in the British North America Act of 1867, established the Canadian federation. The Constitution of the Commonwealth of Australia, enacted in 1900, established the Australian federation. Both these countries have been discussed as examples of federal government.

Since the second world war, several new federations have been created among British dependencies, the Federation of Malaya (1948), the Federation of Rhodesia and Nyasaland (1953), the Federation of Nigeria (1954) and the Federation of the West Indies (1958). It is to the discussion of these federations that I now wish to turn.

B. THE FEDERATION OF MALAYA.

(a) The Significance of the Federation of Malaya.

The federation of greatest significance to the British Borneo situation was the Federation of Malaya with which British Borneo shared historical, cultural and economic ties. The federal constitution of 1957, which set out the basis of government for the new independent Federation of Malaya, represented the culmination of Britain's attempts to build a nation in the Malay Peninsula. The Federation grew out of the loosely connected Malay states and British colonies in pre-war II Malaya. The first post-war attempt to create a unit Malaya failed miserably but rendered the 1948 federal union possible. The British controlled Federation of Malaya created in 1948 provided a workable framework in which some of the problems of national unity could be worked out and compromises reached as the country developed towards independence. The 1948-1957 federal union, successful in that the federation survived

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(1) G.P.A.S.S. page 114
(2) P.A.U.K.D. page 14
(4) W.F.G. page 19.
(5) W.F.G. page 17
(6) B.C.9 page xvi
(7) P.A.U.K.D. page 14
(8) M. page 371
(9) P.A.U.K.D. page 5
politically and developed economically, built up useful experience and a suitable environment for the launching of the new federal constitution in 1957.

The establishment of the federations of 1948 and 1957 was not accomplished without difficulty: there was the complete failure of the first attempt at Malayan unity; there were disagreements on the type of nation that should be built and on the place that each race should have in the nation; there was even armed revolt. Many of the tensions and disagreements persist to this day, but the federal union in Malaya survived and developed over a period of 15 years until it was enlarged in 1963 to become the Federation of Malaysia, incorporating Singapore, Sarawak and North Borneo. Whatever the outcome of Malaysia, the Federation of Malaya is significant as Britain's most successful attempt at leading colonial territories to independence through federation.

(b) Developments preceding Federation.

(1) The Federated Malay States, Unfederated Malay States and the Straits Settlements.

From the nineteenth century until the outbreak of the second world war a system of British protected Malay States (each with its own ruler) and British colonies was developed in the Malay Peninsula. Three major groupings emerged from the collection of states and colonies: the Federated Malay States (1), (Negri Sembilan, Pahang, Perak and Selangor); the Unfederated Malay States (2), (Johore, Kedah, Kelantan, Perlis and Trengganu); and the colonies of Penang and Malacca. These two colonies were part of the Straits Settlements, (3) which included Singapore and Labuan.

During the early years of British administration, the local population was not associated with the government, but the British attempted to rule in association with the local leaders. In the federated and unfederated Malay States, which were British protectorates, British Residents advised the Malay rulers on all matters except Muslim law and Malay custom. (4) In the protected Malay States and the colonies, the foundation was laid for modern political and economic development. Chinese and Indian immigration was encouraged and legal systems were introduced. (5) The Malay states and the Straits Settlements were loosely linked through the High Commissioner for the Malay States who was also Governor of the Straits Settlements. (6) This link was not unsimilar to the links between the British Borneo territories and between British Borneo and Singapore-Malaya.

In 1909 an important step was taken when a Federal Council of the four Federated Malay States was established. This Council consisted of the four rulers of the Federated Malay States, the four British Residents, the Resident-General and four unofficial members nominated by the High Commissioner, who presided. (7) In 1927 the Council's composition was changed. The Malay rulers

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(1) Discussed on pages 7-9 of B.C.9
(2) Discussed on pages 6-7 of B.C.9.
(3) Discussed on pages 9-10 of B.C.9
(4) F.M. page 17
(5) F.M. pages 16-17.
(6) F.M. page 19.
(7) F.M. page 17
withdraw, official members were increased to 13 and unofficial to 11. The Council then began to resemble a parliamentary body with a government and opposition.

(ii) The Malayan Union.

Before the second world war there was little demand for independence. The Malays were generally happy with the existing system which largely preserved the sovereignty of their traditional Malay rulers. The non-Malay immigrants were largely oriented to their homelands rather than to Malaya and took little interest in Malayan politics. During the Japanese occupation, however, resistance to the Japanese, starting amongst the Chinese and spreading to other races, caused a political consciousness to develop, and hostility to Japanese rule fostered some degree of hostility to all foreign rule. Hopes for independence were thwarted when the British Military Administration took over Malaya after the Japanese occupation ended.

The British, aware of the growth in political consciousness, believed that a return to the pre-war arrangements would not be possible. It was decided to establish a system of government that would develop towards responsible self-government and that would give to all people who had adopted Malaya as their homeland, an opportunity to participate in the country's affairs. A centralised system of government was chosen that would deprive the Malay rulers of all but nominal authority. The former Federated and Unfederated Malay States were grouped with the two British colonial settlements of Malacca and Penang to form the Malayan Union, with the capital in Kuala Lumpur, whilst Singapore and the remaining Straits Settlements, except Labuan, became the separate Colony of Singapore. Singapore was excluded from the Malayan Union "on account of its large intrepot trade and its special economic and social interests."

To establish the Union and to develop a common citizenship, new treaties were negotiated with each of the Malay rulers of the Malay States. Under these treaties, the Malay rulers, many against their better judgment, surrendered their sovereignty to the British Crown, which would relinquish sovereignty to the new nation when it became independent. The former protectorate relationship between Britain and the Malay States was thus abandoned. The Union was to be headed by a British governor assisted by appointed executive and legislative councils. Resident Commissioners would preside over State and Settlement councils which would have limited authority and which could be established later after consultation with local opinion. The role of a Malay ruler was reduced virtually to advising on Malay custom and religion.

(1) F.M. page 19
(2) F.M. page 19
(3) F.M. page 20
(4) B.C.9 page 11
(5) Ibid
(6) F.M.Y.B. page 29
(7) B.C.9 page 10
(8) F.M. page 21
(9) F.M.Y.B. page 50
(10) G.P.S.E.A. page 251
(11) F.M. page 21
(12) G.P.S.E. page 251
The Malayan Union thus undermined the Malay rulers, and the pre-war privileged position of the Malays. In each of the States the Malay rulers lost most of the rights, privileges and powers they had previously enjoyed. Although provision was made for the creation of state councils, there was no federal division of powers. Each of the States and Settlements had "little more power than a county council" and were "subject to being overridden by Union legislation". As the Union abolished the previous state citizenship provisions that favoured the Malays and as Union citizenship was to be granted to all persons, Malays and non-Malays on an equal basis, the Malays feared that the Union might allow non-Malays to be in the majority, a situation that could not have happened under the State nationality laws. Malay opposition to the Union rapidly grew and led to the formation of U.M.N.O. (United Malay National Organisation) with branches all over the country. Non-Malay opposition to the Union arose because the Union seemed "autocratic and illiberal and ... likely to perpetuate British rule indefinitely. It gave no recognition to aspirations for democratic self-government." Various proposals were made to replace the Union with a federation, in some cases incorporating Singapore, and negotiations for constitutional reform began between the Governor, representatives of political parties, the Malay rulers and the British Government. These negotiations resulted in the signing of the Federation of Malaya Agreement on 21st January 1948.

The Union failed to develop any sense of national unity. The Malays resented the loss of their privilege and the loss of the power of their rulers and the non-Malays saw the Union not as an opportunity for equal citizenship but as a perpetuation of British colonial rule.

(c) The Federation of Malaya 1948 - 1957.

Constitutional Arrangements.

The Federation of Malaya was inaugurated on 1st February 1946 and consisted of the same units as those that constituted the Malayan Union. The two settlements of Penang and Malacca remained British colonies but each of the rulers of the nine Malay states regained his sovereignty over his state and the pre-war protectorate relationship between the Malay states and Britain was restored. The Federal Agreement established an orthodox federal system under which the States and Settlements retained their own identity but were united under a strong central government. Powers were divided between the federal and the regional governments but most of the powers were allocated to the federal government. Although the federal government was the more powerful, a considerable degree of authority was restored to the rulers and their state executive councils and to the settlement governments, par-
particularly in matters of regional concern such as land administration.\(^{(1)}\)

A High Commissioner, appointed by the British Crown, headed the federal government, which consisted of executive and legislative councils.\(^{(2)}\) The federal Legislative Council of 75 members had an unofficial majority (50 members\(^{(3)}\)) appointed to represent racial and economic interests.\(^{(4)}\) A Conference of Rulers of the nine Malay States was also established to consult with the High Commissioner on policy, especially immigration policy, and to give assent to legislation passed by the Legislative Council.\(^{(5)}\) The courts were not empowered to interpret the constitution or to declare legislation invalid on constitutional grounds. A special tribunal was given exclusive jurisdiction over these matters.\(^{(6)}\)

The new federal system thus restored much of the pre-war power and prestige of the Malay rulers both within their own States and within the federal sphere through the Council of Rulers. The High Commissioner was made responsible for safeguarding "the special position of the Malays" although he was also supposed to safeguard "the legitimate interests of other communities".\(^{(7)}\) The special position of the Malays was thus acknowledged. A form of common citizenship was established for all who acknowledged Malaya as their home and who could meet certain stiff qualifications. The pre-war state nationalities were reaffirmed.\(^{(8)}\) Although the new federal citizenship requirements permitted a number of non-Malays to become citizens, the majority of those who qualified immediately for citizenship were Malays.\(^{(9)}\) The federation was thus an attempt to restore the special position of the Malays to some extent, whilst, at the same time, encouraging non-Malays to participate in the country's political life. The Malayan Union had gone too far too fast towards reducing Malay privilege. The Federation rectified this situation without abandoning the policy of integrating Malayans of various races.

(ii) Political Problems of the Federation.

- Lack of National Unity.

One of the most serious problems that threatened the survival of the Federation was the lack of national unity. Some sense of unity had been created in hostility towards the Japanese and later in opposition to the British and to the Malayan Union, but this unity was created by negative factors. The divisions of Malaya were not so much between the states but between the races. The Federation had restored the states as separate entities and the Constitution met most of the needs for state rights. The basic barrier to national unity was the racial consciousness of the Malays, Indians and Chinese. Most important of all was the rivalry between the

(1) F.M. page 21
(2) G.P.S.E.A. page 253
(3) F.M. page 21
(4) G.P.S.E.A. page 253
(5) Ibid
(6) B.C.9 page 11
(7) G.P.S.E.A. page 253
(8) F.M.Y.B. page 50
(9) F.M. page 21
Malays, who had been politically privileged in the pre-war Muslim states with Malay rulers, and the Chinese who were wealthier than the Malays and who, next to the British, dominated economic affairs.

When the Federation replaced the Malayan Union, the Malays generally, with the exception of those who demanded more democratic government, were content with the restored privileged position of the Malays and the restored prestige of the Malay rulers. The major opposition to the British and to the Federation came from those non-Malays who regarded the Federation as "a return to the pre-war pro-Malay policy and a revival of the partnership between British imperialism and Malay feudalism". The political parties and other groups that had been united in their opposition to the Union were, under the Federation, divided by the degree of self-government that they advocated and, above all, by their attitudes on the question of the position of the Malays in the type of government they envisaged. The Malayan Communist Party became one of the most important advocates of independence and constitutional reform, but declined in political influence in Malaya after the government succeeded in weakening the communists' hold on the trade unions and after their opposition changed from "peaceful, political action to armed revolt".

- Demand for Independence.

The role of the Communist Party leads me to the next problem that faced Malaya. The Communists had hoped to gain control of the country when the Japanese were driven out, but were frustrated by the arrival of the British Military Administration. They therefore began a terrorist campaign "to paralyse the economic recovery of the country". Opposition to the Japanese had engendered some degree of opposition to foreign rule of any kind. Elements of the Malayan national army that had fought the Japanese in the jungles were discontented at the slowness of the development of self-government after the restoration of British rule. The Malayan Union had created widespread suspicion of Britain's intentions concerning independence and the apparent revival of Malay privilege under the Federal Agreement encouraged opposition to the government by non-Malays, especially Chinese. Communist-backed terrorist activities, chiefly by Chinese, reached such serious proportions by June 1948 that a state of emergency was declared throughout the Federation. The campaign was chiefly directed against British rubber planters and tin miners and those Chinese who actively opposed the terrorists. At the height of the emergency the situation was so bad that "all the government could confidently claim was control of the urban areas and resources to patrol main roads".

Malayan, British and other Commonwealth forces were engaged in long jungle campaigns against the terrorists and measures of food control, curfew and

(1) G.P.S.E.A. page 253
(2) G.P.S.E.A. page 254
(3) F.M.Y.B. page 29
(4) B.C. 9 page 11
(5) Ibid
(6) F.M.Y.B. page 29
(7) F.M.Y.B. page 29
(8) Ibid
(9) B.C. 9 page 12
(10) F.K. page 23
other civilian restrictions were implemented to stop co-operation by the civilian population with the terrorists and to provide rural communities with protection against terrorist coercion. (1) The government even transplanted whole villages. (2) By 1957 most of Malaya had been cleared of fighting and restrictions had been removed in most areas (3) but it was not until 1960 that the State of Emergency ceased to exist. (4)

(iii) Policies to solve these Problems.

- National Unity.

Prior to the second world war, British policy was based on the assumption that the Malays were the most important political force in Malaya. The British administered Malaya through an alliance with the Malay rulers and aristocracy. The attempt to create a partnership between the various races through the Malayan Union represented a break with this policy, but an unsuccessful break. The Federation of 1948 represented a return to the pre-war British policy of basing their position in the States on a Malay alliance, except that the new alliance was more broadly based, involving popular and conservative Malay leaders as well as aristocrats. (5)

At the same time the British attempted to provide some share in political power and national aspirations to the Chinese and Indians who regarded Malaya as their home. This involved restraining Malay nationalism from becoming too narrow, encouraging the Malays to improve their relationship with other communities and encouraging the more desirable non-Malay elements to become more closely involved in Malayan affairs. (6)

Political consciousness and political parties had emerged during the Malayan Union and grew increasingly important. At first the parties had a predominantly communal appeal (7) but political divisions began to occur on non-communal lines, partly with British encouragement (8) and this development proved to be the most important factor working for increased national unity and decreased racial divisions. The emergence of the Alliance Party, linking Malay, Chinese and Indian interests, originally without British encouragement, (9) was the most successful development of inter-racial co-operation in political affairs.

The British authorities also attempted to promote national unity through encouraging the Chinese to yield some of their economic power to the Malays and through encouraging the Malays to yield some of their political privilege to the Chinese. (10)

(1) B.C.9 page 12  
(2) Ibid  
(3) Ibid  
(4) F.K. page 23  
(5) G.P.S.E.A. page 261-262  
(6) G.P.S.E.A. pages 261-2  
(7) G.P.S.E.A. page 255  
(8) G.P.S.E.A. page 256  
(9) The emergence of this party and the factors producing the Alliance are discussed on page 262 of G.P.S.E.A.  
(10) G.P.S.E.A. page 255
Schemes such as the 1950 Rural Industrial Development Authority, were established to improve the economic position of the Malays.\(^1\) In 1952 citizenship requirements were liberalised to allow more non-Malays to become Federal citizens.\(^2\) In 1953 Chinese and Indians were permitted to join the Malayan Civil Service in the ratio of one non-Malay to four Malays.\(^3\) The efforts to equalise Malay and Chinese economically and politically were, however, of little consequence.

"The relative political and economic positions of the Malay and Chinese communities changed little prior to independence in 1957. A major reason was that Chinese economic power was strongly entrenched and backed by decades of hard work, business experience and accumulated capital. Another reason was that prior to independence it was questionable how much the Malays really had to exchange. Most real political power was in British hands (e.g., 80% of the administrative positions in the Malayan Civil Service were held by British); much of what was termed Malay power was really political privilege. Finally, efforts to strengthen the Malays economically were never concerted, sustained or adequately financed - probably because of uncertainty over ultimate goals. Little encouragement was given to suggestions that legislation might be employed to transfer economic power from one community to another."\(^5\)

Education was a field in which national unity was to some extent encouraged. Education had largely been a private responsibility. The government had paid the whole cost of education only in the case of Malay children. English, Chinese and Indian schools operated in these separate languages and the Indian and Chinese schools tended to perpetuate links with India and China. The government attempted to promote education for Malays, many of whom had previously received little or no schooling and from 1950 attempted to establish a system of national schools.\(^6\) Attempts to integrate the various school systems met with little success because of strong sectional interests and in particular because of Chinese opposition to any attempts to limit their cultural autonomy.

- Steps towards Independence.

Independence from British rule, as well as being advocated by the terrorists, was advocated by the political parties, and negotiations occurred to promote development towards independence. The 1948 Federal Agreement had stated the intention of eventual independence,\(^7\) but before this could be achieved, some degree of Malayan national unity and the restoration of law and order through the suppression of the terrorists were necessary. Nevertheless, the Federation moved steadily towards independence.

\(^1\) G.P.S.E.A. page 255
\(^2\) Ibid
\(^3\) G.P.S.E.A. page 256
\(^4\) Ibid
\(^5\) G.P.S.E.A. page 257
\(^6\) Ibid
\(^7\) G.P.S.E.A. page 255
In 1951 six Malay members of the Federal Executive Council were assigned portfolios under the "member system" designed to prepare for cabinet government. In 1951 and 1952 municipal elections were held and in 1952 a Federal ordinance made possible the establishment of popularly elected town and village councils. These procedures laid the foundation for the extension of popular elections from the local government level to the state and then to the federal levels. The introduction of self-government at the local level was criticised by those who were impatient for independence. The British were also criticised for failing to create a Federal nationality when liberalising the requirements for Federal citizenship in 1952.

Political parties became active, encouraged by the introduction of local government elections. Their nature was summarised as follows: "The parties were conservative in respect to the economic and social backgrounds of their chief spokesmen, and each stood for independence. They differed with regard to their leaders' personalities, on the rate of appeal towards independence, and on the nature of Malayan unity which the British authorities had declared to be a prerequisite to freedom. Did Malayan unity mean merely political co-operation between communities, or did it mean some kind of synthesis of the Malay, Chinese and Indian cultures?"

In 1954 the first state elections were held. 1955 saw the introduction of a new constitution which transferred most of the responsibility for the Government of the Federation to the elected representatives of the people. In July of 1955 the first national elections were held for 52 seats out of the newly constituted 98 member Legislative Council. The elections resulted in an overwhelming victory (51 out of the 52 seats) for the Alliance Party, a coalition of the United Malay National Organisation (U.M.N.O), the Malayan Chinese Association (M.C.A.), and the Malayan Indian Congress (M.I.C.), led by Tun Abdul Rahman. After this election, the High Commissioner, in selecting Executive Council members, selected Legislative Council members who had popular support there.

The Alliance Party, having won the election on a platform for early independence, set about achieving its goal. In January 1956, representatives of the Alliance and of the Malay rulers attended a conference in London, as a result of which "the Federation of Malaya achieved internal self-government (including the appointment of a Chief Minister) and arrangements were set in train for the achievement of full self-government and independence within the Commonwealth by August 1957."

(1) G.P.S.E.A. page 255
(2) Ibid
(3) Ibid
(4) Ibid
(5) G.P.S.E.A. page 255. An account of the major parties is given on pp 255-6.
(6) G.P.S.E.A. page 257
(7) F.M. page 24
(8) Ibid
(9) B.C. 9 page 12 and G.P.S.E.A. page 258.
(10) F.M. page 24. Other decisions of the Conference are summarised on page 259 of G.P.S.E.A.
In March of 1956 an independent Constitutional Commission headed by Lord Reid began its work on preparing recommendations for the Constitution of the new independent Federation. At the London Conference agreement had been reached on the Commission's terms of reference which "determined the basic outlines of governmental structure, namely, a federal form of constitution with a strong central government employing parliamentary democracy and presided over by a constitutional head of state. The commission had, however, to deal with several vital and controversial questions on which the communities differed sharply. There were the issues of citizenship qualifications, national language, and Malay privileges. The commission was admonished to safeguard "the special position of the Malays and the legitimate interests of other communities."" (1)

The report of the Commission provided the basis for the new federal constitution although some of the recommendations were revised in favour of the Malays by representatives of the British Government, the Malay rulers and the Alliance Party. (2) After the Legislative Council had accepted the revised constitutional proposals, the Federation of Malaya Agreement was signed on behalf of the Queen and the Malay rulers in August 1957, and the new independent Federation of Malaya came into being on 31st August 1957.

(4) The Independent Federation of Malaya 1957. (3)

(1) The Constitution.
- The Sovereign.

The independent Federation of Malaya, whilst a member of the British Commonwealth and whilst acknowledging the Queen as the Head of the Commonwealth, has its own elected monarch as sovereign, the Yang di-Pertuan Agong, elected for a five year period by and from among the nine Malay rulers (4) on the basis of seniority. (5) The Yang di-Pertuan appoints a regent to head his State. (6) The Yang di-Pertuan Agong, "a sort of hybrid position between kingship and presidency" (7) is a constitutional monarch who makes most important appointments, chooses his Prime Minister from the party commanding a majority in the federal lower house and, on most matters, acts on the advice of the Prime Minister and the Cabinet, although he has discretionary powers on several important matters such as the dissolution of parliament, the appointment of the Prime Minister and the appointment of the Public Service Commissioners. (10)


The system of government established by the constitution is

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(1) G.P.S.E.A. page 259. The views held by the various communities are summarised on pages 259-260 of G.P.S.E.A.
(2) The recommendations and the major alterations are discussed on page 260 of G.P.S.E.A.
(3) This section was written in the present tense because, at the time of writing, the Federation of Malaya still existed.
(4) F.M. page 28
(5) B.C.9 page 53
(6) F.M.Y.B. page 440
(7) G.C.9 page 48
(8) F.M. page 25
(9) F.M.Y.B. page 439
(10) G.P.S.E.A. page 285
federal with a strong general government and eleven component states: the nine Malay states, no longer protectorates, and the new states of Malacca and Penang which are no longer colonies and which are no longer known as "Settlements". (1) There is a federal division of executive and legislative powers between the federal and state governments but no division of judicial powers. (2)

- The Division of Legislative Powers.

The constitution contains a federal division of legislative powers set out in a federal list, a state list and a concurrent list with residual powers allocated to the states. (3) The constitution also contains a Bill of Rights guaranteeing certain fundamental individual liberties on the infringement of which a federal or state law can be declared void, (4) by the Supreme Court. (5) In fact, however, the rights set out in the Bill of Rights vary in the extent to which the constitution entrenches them against infringement by ordinary legislation, some being completely entrenched, in others receiving virtually no protection at all. (6) The federal government can, for example, impose restrictions on the freedom of speech, and under emergency powers, the federal government can impose wide restrictions. (7)

Under the division of powers set out in the constitution the federal government is extremely powerful. It has special powers mentioned in individual articles of the constitution, for example, the power to admit new states and to alter certain provisions of the constitution. Its other powers are listed in the ninth schedule in a list which is, "to say the least, very comprehensive". (8) The list sets out a number of main heads under each of which are detailed sub-heads. The main heads (9) of federal legislative power, as well as containing the usual federal government powers such as external affairs, defence and internal security, cover such subjects as finance, trade, commerce and industry, shipping, education, medicine and health, labour and social security, newspapers and theatres. The federal government also has the power to implement national development plans, state powers to the contrary notwithstanding. (10)

The concurrent list (11) contains a number of social welfare powers, powers affecting animals and animal husbandry, town and country planning and public health. In the event of conflict between federal and state laws the federal laws prevail.

(1) B.C. 9 page 12
(2) Ibid
(3) F.M. page 24
(4) Op Cit
(5) G.P.S.E.A. page 287
(6) B.C. 9 pages 55-56
(7) G.P.S.E.A. page 289
(8) B.C. 9 page 50
(9) These are listed on page 50 of B.C. 9.
(10) G.P.S.E.A. page 288
The state list is not very generous. It contains such matters as Muslim law, land, agriculture, state works, machinery of State government and local government. Apart from matters of purely local or religious concern, the only important state power is that of legislating on land and even in this sphere the federal government and other bodies such as the National Land Council can limit the degree of independence of the state governments. (2) There is also provision for the federal government to legislate on state matters if requested to do so by a state government or for the purpose of promoting uniform laws in two or more states, in which cases the federal act must be adopted by the state legislature before coming into force. The federal government can legislate on state matters without state consent "for the purpose of implementing a treaty, agreement or convention between the Federation and any other country or any decision of an international organisation of which the Federation is a member; for the purpose of securing compliance with the State constitution; for the purpose of legislating against subversion; and in the case of emergency legislation." (3) The powers of emergency legislation and of legislation against subversion provide the federal government with power to legislate in special circumstances in ways which would otherwise be unconstitutional. (4) Even the allocation of residual powers to the states is not very generous because of the exhaustive nature of the list of federal and concurrent powers. (5) A further factor weakening the position of the states is that, with the exception of minor courts concerned with Malay custom and Islamic law, which are provided for under state law, the judiciary is a single system composed of the Chief Justice, a Supreme Court and subordinate courts established by the federal government, although important provisions are made to ensure that the judiciary will be independent. (7)

- The Separation of Powers in the federal Government.

The constitution provides for the separation of powers between the executive, legislature and judiciary to the extent that this is practised in Britain. (8) The cabinet provides the link between the executive and the legislature. The judiciary (9) is independent of both the executive and the legislature. The Chief Justice is appointed by the Yang di-Pertuan Agong on the advice of the Prime Minister and after consultation with the Conference of Rulers. The other judges are appointed by a similar process, with the additional requirement that the Prime Minister must consult the Chief Justice. Once appointed, no judge can be dismissed until he reaches retirement age unless he is unfit to perform his

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(1) Listed on page 51, B.C.9.
(2) Limitations on state powers on land are discussed on pp. 51-52 of B.C.9.
(3) B.C. 9 page 52
(4) B.C. 9 page 58
(5) Op Cit
(6) G.P.S.E.A. page 287
(7) F.M.Y.B. pages 425-426.
(8) B.C. 9 page 49
(9) Discussed on pages 425-426 of F.M.Y.B.
functions and there are procedural safeguards to ensure that dismissal cannot be easily accomplished without good grounds.

The Public Services of the Federation, both military and civilian are "non political and owe their loyalty to the Yang di-Pertuan Agong and the Rulers, although they serve the governments in power for the time being irrespective of the latter's political affiliations. To ensure the impartiality of the Service, and to protect it from political interference, a number of Service Commissions are established under the Constitution to select and appoint officers, to place them on the pensionable establishment, to decide on promotion, and to maintain discipline". The independence of the Commissions is safeguarded in much the same way as is the independence of the judiciary.


The financial provisions of the constitution strongly favour the federal government and establish a situation similar to that which has in practice, developed in other federations. Ordinary taxing power is given exclusively to the federal government. The position of the states in relation to the federal government may be summed up as follows.

"The only revenue which state laws may exact are Muslim taxes for religious purposes and local rates and taxes under local government legislation. Apart from Muslim revenue and a small number of taxes imposed by the States under legislation passed before Merdeka (Independence) day, the States are entirely dependent for their revenue upon grants from the federal government (some of which are not discretionary but depend upon formulas laid down in the constitution) and upon sources of revenue wisely under federal law assigned to the States by the constitution. Furthermore, the States are not allowed to borrow except from the Federation, or, for a period not exceeding twelve months, from a bank approved for that purpose by the federal government. Article 105 establishes a National Finance Council consisting of the Prime Minister, such other Ministers as the Prime Minister may designate, and one representative of each State. The federal government has a duty to consult the National Finance Council in respect of various financial matters, including the making of grants by the Federation to the States, the assignment to the States of all or part of the proceeds of a federal tax or fee, the exercise of federal and state borrowing powers and the making of loans to the States." (3)

(1) F.H.Y.B. page 433
(2) Ibid
(3) B.G. 9 pages 52-53.
The Composition of the Federal Government.

The federal government consists of an executive and a bi-cameral legislature. The executive, headed by the Yang di-Pertuan Agong (1), consists of the Prime Minister and a cabinet drawn from members of the federal parliament. The cabinet is responsible to the lower house. The Yang di-Pertuan Agong must act on the cabinet's advice on most matters, but has discretionary powers on such matters as the choice of the Prime Minister and the dissolution of parliament. (2)

The federal lower house or House of Representatives (Dewan Rakyat) consists of 104 members (3) elected on adult suffrage (4) of all federal citizens on a common electoral roll. (5) When the Federation became independent the legislature was only partly elected. One of the transitional provisions of the constitution required that the first fully elected lower house should be elected within two years of independence. (6)

The federal upper house or Senate (Dewan Negara) consists of 38 members, two elected by the legislative council of each state and 16 members appointed by the Yang di-Pertuan Agong from distinguished public figures and professional men. (7)

The Conference of Rulers.

The constitution provides for a Conference of Rulers (8) consisting of the nine Malay rulers and the governors of Malacca and Penang. This Conference elects the Yang di-Pertuan Agong and his deputy (the governors of Malacca and Penang do not take part in this) and may also remove him from office. (9) The consent of the Conference is required for certain laws such as those affecting the position of the rulers and the position of the Malaya. (10) The Conference can also consider national policy but in this activity it is joined by the Prime Minister and the Chief Ministers of the states. (11)

The State Constitutions.

Each of the states of the Federation has a written constitution. The rulers of the nine Malay States and the governors of Penang and Malacca, appointed by the Yang di-Pertuan Agong at his discretion, but after consultation with the Chief Minister of the State (12), are the heads of state governments and choose the state Chief Ministers from the party having a majority in the state legislatures.

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(1) F.M.Y.B. page 421.
(2) B.C. 9 page 49
(3) F.M. page 24.
(5) F.M. page 25
(6) Ibid
(7) Ibid
(8) F.M.Y.B. page 55
(9) B.C.9 page 53
(11) Ibid.
(12) F.M.Y.B. page 92.
There is little difference between the various state constitutions. Each state has a State Legislative Assembly which consists of one wholly elected chamber, but the State Secretary, State Legal Adviser and State Financial Officer have the right to speak and attend meetings, although they cannot vote. The Ruler or Governor heads the State Executive and acts on the advice of the State Executive Council, a form of cabinet consisting of the Chief Minister, who presides, and other Ministers when they exist. The State Secretary, State Legal Adviser and State Financial Officer have similar rights in the Executive Council to their rights in the Legislative Assembly. The relationship between the rulers or governors, cabinets and the legislatures are similar to the relationship between the Yang di-Pertuan Agong, the federal cabinet and the House of Representatives. (1) In every Malay state there is also a body of persons which functions more or less as a Privy Council. The names of these bodies and their composition vary from state to state. These councils select the ruler or heir apparent, proclaim the succession and are also charged with the duty of deciding whether the ruler has become unfit to continue to reign. (2)

- The Supremacy of the Constitution.

The Constitution is supreme and the Supreme Court is the guardian of the Constitution. (3) Any Act after Merdeka Day that conflicts with the Constitution may be declared void by the Supreme Court, but there is an elaborate arrangement for pre-Merdeka laws. (4) The amending process is relatively simple as, generally speaking, the federal government is the only organ concerned in the amending process: some provisions can be amended by an ordinary federal act; some provisions such as those affecting the position of the Rulers require a special federal parliamentary procedure with the concurrence of the Conference of Rulers; most amendments are made by the special parliamentary procedure of an act passed by a two-thirds majority in each federal house. (5) To this extent the supremacy of the constitution is undermined by the federal government's power to amend it.

- Malay Privileges, Citizenship, Language and Religion.

The provisions over which a great deal of argument occurred during the discussions preceding the constitutional agreement were those concerned with Malay privileges and the associated questions of citizenship, qualifications, language and religion. (6) The 1957

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(2) F.M.Y.B. pages 91-92.
(3) B.C. 9 pages 12 and 48.
(5) B.C. 9 page 47.
(6) These arguments and their effect on the constitution are discussed on pages 259-261 of G.F.S.E.A.
constitutional provisions on these matters represent the best type of compromise that could be reached.

The privileged position of the Malays is safeguarded in various ways and is not merely transitional. "The Yang di-Pertuan Agong is responsible for ensuring the welfare and advancement of the Malays, and may (after consultation with the Conference of Rulers) reserve a quota of posts for them in the Public Service, and a quota of occupational positions and licences in commerce. This may not however, affect the rights of others already holding these posts or holding the licences." The Conference of Rulers must be consulted "before any change can be made in policy affecting administrative action in connection with the special position of the Malays and the legitimate interests of other groups". The federal government has no right to legislate on matters affecting Malay custom without first consulting the Assembly in the state affected, although the state assemblies have full legislative powers on these matters within their states. Land reserved exclusively for use by Malays on or before Independence Day continues to be reserved and, subject to certain safeguards for other citizens, further land may be reserved. Recruitment to the Malay Regiment is restricted to Malays and the Malay language will ultimately be the sole official language of the Federation. Malays are also entitled to receive privileged treatment in the award of scholarships: "It is lawful for a number of scholarships to be reserved for Malays to maintain a reasonable racial balance in education, particularly with a view to entering the public service; but apart from such quota as may be established by the Yang di-Pertuan Agong, discrimination is not permitted in respect of scholarships paid from public funds."

Federal citizenship, established under the 1948 constitution, is continued in addition to State nationality which may be obtained under the laws of the Malay States. The qualifications set out in the 1957 Constitution make it easier for non-Malays born in Malaya to obtain federal citizenship and hence the franchise. Although the qualifications for federal citizenship were not made as liberal as some, especially the Chinese, advocated, they did enable many more people in Malaya to qualify for citizenship as is reflected in the growth of registrations on the electoral rolls from 1,240,000 in 1955 under the old provisions to 2,240,000 in 1959 under the new provisions.

The provisions affecting language favour Malay. "The national language of the Federation is Malay, and (the federal) Parliament has the right to decide the script (Romanised or Jawi) in which it may be written. Until 1967

(1) G.P.S.E.A. page 260
(2) F.M.Y.B. page 429
(3) F.M.Y.B. page 55
(4) Oop cit
(5) Ibid
(6) F.M.Y.B. page 429
(7) F.M.Y.B. page 436
(8) B.C. 9 page 149. The qualifications for federal citizenship are summarised on page 25 of F.M.
(9) F.M. page 25
(10) See pp. 259-261 of G.P.S.E.A.
(11) F.M. page 25
(and later, unless Parliament otherwise decides) English will continue to be the alternative official language; and until then, it must be used in all parliamentary Bills and Acts. Similarly, both Malay and English may be spoken in (the federal) Parliament and the State Assemblies, but English remains the language of the Supreme Court until Parliament decides (although evidence may be recorded in Malay if that language was used in the giving of evidence, and if both sides agree to it). Apart from the above, the use, teaching and learning of other languages is permitted without restraint; and Parliament has the right to 'preserve and sustain' the use and study of the language of any community in the Federation". (1)

Islam is the state religion in each state and the state ruler is the head of religion except in Penang and Malacca where the Yang di-Pertuan Agong is the head of religion. (2) Article 3 (1) provides that "Islam is the religion of the Federation; but other religions may be practised in peace and harmony in any part of the Federation." (3) Religious toleration is guaranteed by Article 11 which "entrenches the right of every person to profess and practise his religion, and (except that State law may control or restrict the propagation of any religious doctrine among those who practise the Muslim religion) to propagate it." (4)

(ii) The Federation of Malaya as an Example of Federation.

The constitution and system of government established in 1957 is basically federal with a strong central government. There are, however, elements that conflict with the federal principle, most of them increasing the power of the federal government.

The financial provisions clearly make the states subordinate to the Federal government, although the role of the National Finance Council reduces the degree of state government dependence on the federal government's good will.

The federal government is also liberally endowed with powers that enable it to legislate on state matters, such as the powers to control economic planning and the emergency powers, but most of these powers are for use in special circumstances and do not necessarily destroy the state governments' freedom to use their powers. The absence of state courts also enforces the federal principle in that states should have the right to establish their own courts, but, as the federal judiciary is independent, the equal subordination of state and federal governments to the constitution is not on this count destroyed. The most serious infringement of the federal principle is the process for amendment which gives the federal government the monopoly of this process, except in those cases in which it must consult the Council of Rulers, on which the states are represented.

There are two important provisions that favour the state governments, namely the procedure of election for the federal Senate, under which the majority of members are elected by the state legislative councils. As the senate is only part

(1) F.H.Y.B. page 427
(2) F.H.Y.B. page 93
(3) B.C. 9 page 49
(4) Ibid
of the federal legislature and as 16 out of the 38 senators are appointed by
the Yang di-Pertuan Agong, this provision does not result in the federal gov-
ernment's being unduly subordinate to the state governments. The second
provision favouring the states is their representation on the Council of Rulers
which elects the head of the federal government, the Yang di-Pertuan Agong.
Except, perhaps, in the case of Penang and Malacca, where the state governors
are appointed by the Yang di-Pertuan Agong, this representation gives state
rulers some influence in federal affairs through the Yang di-Pertuan Agong,
whom the state rulers elect, and through the limited role of the Council of
Rulers in federal government affairs.

(e) Problems of the Federation of Malaya.

(i) Economic Problems.

For the economy as a whole, the major problem has been the lack of
diversification. The economy has depended largely on the prices received
for rubber and tin exports which have produced "great wealth for some, a
comparatively good standard of living for many, and substantial public assets
in the form of communication facilities, buildings, utilities, schools and
hospitals." The problem has been, however, that the population has steadily
risen, whilst the rubber and tin industries, already mature, have not shown
evidence of potentialities for great expansion and hence for absorption of
the increasing labour force.

There has also been the danger of a sudden drop in world tin and rubber prices which would be disastrous for Malaya's economy. By national economic planning, the federal government has attempted to increase the efficiency of existing industries and to attract local and
foreign capital into new enterprises.

Malaya has been fortunate in the maintenance of reasonably high rubber
and tin prices, in the continuation of stable government and in possessing the
resources to provide a reasonable living standard for her people. Compared
with many other South-east Asian countries, Malaya's economy has been sound
and the country has been prosperous. Malaya's economic problems have still
not been solved but the development of communications and the economic
development have been considerable and sufficient to provide the necessary
economic foundation for the Federation.

(ii) Social Problem: National Unity.

The most serious problem of the Federation of Malaya has been the plural
nature of its society. This has affected the economic and political develop-
ment of the country and has been the fundamental problem that the Federation
has had to overcome. Racial consciousness and the gap in wealth and standards
of living between the Malays and the other races, especially the Chinese, has
been and still is a major problem. The Malays, held back by their class
structure within their own community and by the entrenched position of non-
Malays in the economy, have not prospered and developed as well as other races.

The federal government has attempted to reduce communalism by two major
approaches - "(1) measures to raise the living standards of the rural Malays
and generally to strengthen and widen Malay participation in the economic life
of the country, and (2) to establish a national school system with a Malayan-
oriented curriculum." The government has attempted to help the Malays to become prosperous
farmers and businessmen by providing such assistance as credit facilities,
market facilities, training, advisory services, rural health services and
education and by encouraging the growth of co-operative societies.

(1) G.P.S.E.A. page 292
(2) G.P.S.E.A. page 293
(3) Ibid
(4) P.267 of G.P.S.E.A. and pp 185-214 of FMYB.
(6) G.P.S.E.A. page 274
(7) G.P.S.E.A. page 297
(8) Ibid
In 1957 a national education programme(1) was given legislative sanction. The aim of the programme is "to implement a policy of preserving and sustaining the four main cultures of Malaya while at the same time establishing a truly national system of education in which the national language, Malay, shall gradually become the main medium of instruction."(2) Under this programme the government provides free primary education for six years in English, Malay, Chinese or Tamil with Malay and English as compulsory subjects. At the secondary level, assisted schools provide education in Malay or English, fees being charged for English schools and Malay schools being free. The same syllabuses, prescribed by the government, are used in all schools. The national education programme, whilst disputed by some non-Malays, represents a step towards overcoming the communal divisions in Malayan society.

Since the creation of the federation in 1963 and since the achievement of independence in 1957, national unity has been encouraged by a number of leaders of the Malay, Chinese and Indian communities who have taken tolerant and moderate stands that have been based on principles wider than the mere racial interests.(3) Nevertheless, communalism has not been completely sub-replaced by national unity.

(iii) Political Problems.(4)

The major political problem for the federation has been the effect in politics of communalism. Parties have generally evolved inter-racial platforms, the most successful being the Alliance Party merging Malay, Chinese and Indian interests. In the efforts to overcome the emergency and to obtain independence, leaders were generally willing to compromise racial interests for the sake of wider interests. Since independence this spirit of co-operation and compromise has continued to operate, but there are problems. Within each racial community there are elements that take a more uncompromising stand on questions affecting religious interests and these are questions to which no ultimate answer can be given except compromise. Some Malays demand stronger protection against being overwhelmed by non-Malays, many of whom have stronger loyalties to countries other than Malaya. The Malays have been able to retain a voting majority and have thus retained political supremacy. Non-Malays on the other hand demand a larger share in the country's affairs, especially through the further liberalisation of citizenship requirements so that more non-Malays resident in Malaya can play their part in the country's political life. The communities are divided on the question of the place of the Malay language and Islam in Malayan society and on most questions affecting Malay privileges. There are also divisions between aristocrats and common people amongst the Malays and between the rich and the poor in other communities.

Discussed on pp.297-298 of GPSEA, and on pp.345-359 of FMYB.
F.M.Y.B. page 349
G.P.S.E.A. page 298
Discussed on pages 298-303 of G.P.S.E.A.
These differences have resulted in stresses and strains within the political parties, especially within the Alliance Party. They have also stopped the emergence of an effective opposition. Nevertheless, due largely to the ability of a number of leaders, notably Tunku Abdul Rahman, parliamentary democracy has continued to flourish and the Federation has not collapsed under these strains.

Another important source of political controversy both before and after independence has been the issue of merger with Singapore. (1) This issue has also been connected with communal problems. Many groups and parties have advocated a merger between Malaya and Singapore. Support for merger has been strongest in Singapore where political groups have realised that Singapore would be unable to achieve independence alone and therefore have advocated independence through merger with the Federation of Malaya. This proposal became more strongly advocated after Malaya became independent.

The federal government in Malaya, however, has not favoured merger. Merger with Singapore would upset the racial balance of the Federation. In Malaya the Malays outnumber the Chinese by almost three to one, but merger with Singapore would give the Chinese equality of numbers if not a majority. (2) As Singapore Chinese have been regarded as predominantly China-oriented, (3) their absorption into Malaya would be difficult. The Alliance Party which has controlled the government of the Federation, has also opposed merger because it has feared that this would destroy its political power in the federation. The Alliance has been conservative and right wing, but the effective parties in Singapore have been left wing. There has been the further problem of Singapore's lawlessness with Chinese secret societies and an active Communist element which could upset the relative peace of Malaya. The problem of merger with Singapore was not to be solved until the Malaysia concept gained acceptance, thus providing, through North Borneo and Sarawak's inclusion, a counter-balance to Singapore's large and overwhelmingly Chinese population.

(f) Some probable Reasons for the Survival of the Federation of Malaya.

The Federation of Malaya before and since its creation has suffered from internal stresses, but these have not been of the type that would tend to disintegrate the union into its original parts. It is true that a sense of Malayan unity has only emerged in very recent years and is still somewhat doubtful. On the other hand, the rulers and the people of the states that formed the federation have not expressed any desire for separation. State differences have been virtually non-existent in the context of the nationwide issues produced by the racial divisions in the whole country.

Malay, Chinese and Indian communities exist in varying proportions in all states. The issues of Malay privilege and the place in the country

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(1) B.C. 9 pages 13-14.
(2) B.C. 9 page 13
(3) Ibid.
of non-Malays affect the whole country. The Malays throughout the federation have tended to combine to maintain Malay units and to safeguard the position of Malays against encroachments by non-Malays. Other racial groups have tended to combine in an effort to obtain a more equal share in Malayan affairs for non-Malays. Some leaders and groups in all communities, Malay and non-Malay, were anxious to work together to promote inter-racial harmony. (1)

All states, except Malacca and Penang, shared the same political traditions of Islamic states headed by Malay rulers advised by British administrators. British traditions of government were well established in both the protected Malay states and the British colonies.

There can be little doubt that the formation of the Malayan Union helped to create the Federation of Malaya. (2) The widespread opposition to the Union gave an impetus to the growth of political consciousness and produced an awareness of Malaya-wide issues (e.g., independence and the question of Malay privileges). The Union created an environment in which these issues would in future be argued not in each state but throughout the Malayan Peninsula. In the situation of an imposed union, a federal union also seemed to be more attractive. A federation represented the return of some powers to the states and to their rulers. In the situation of the Malayan Union with virtually no state powers, the rulers and their governments had much to gain from the replacement of the Union by a federation. It is questionable whether, viewing the prospect of federation from the situation of separate states, the rulers and their people would have found the proposal of a federation so attractive. If the Malayan Union had been a device to produce an ultimate federation, the British could have been credited with a superb Machiavellian manoeuvre.

There is little doubt that the desire to be rid of the Union and, especially after the 1948 federation was created, the desire to achieve independence, encouraged the various communities to subordinate their special interests to the wider purposes and to make the federation work so that it could become independent. The emergency also helped to encourage inter-communal co-operation. The emergence of inter-communal political parties provided a further check to the growth of inter-racial barriers.

Perhaps most important of all, Malaya was blessed with competent leaders who saw federation as the system most suitable to Malaya's future prosperity and stability. No leader commanding wide support opposed the concept of a federation. The disputes were chiefly concerned with the type of federation that should ultimately emerge and even in this area the arguments were not

(1) C.P.S.E.A. pp. 276–277
(2) P.P.Y.B. page 51
concerned so much with the federal provisions as with the provisions affecting the place of the various races in the new nation. Undoubtedly the man who can claim most of the credit for the survival of the federation is Tunku Abdul Rahman.

Finally, it should be mentioned that Malaya's prosperity and rapid economic development, especially since independence, have contributed to the stability and the survival of the federation.
C. THE FEDERATION OF RHODESIA & NYASALAND.

(a) The Significance of the Federation.

In the development of modern African states, one of the most serious problems has been the immense barriers between the black African majority, often divided into hostile tribal groups, and the minorities, European and Asian. One aspect of this problem has been the difficulty of devising a political system that would overcome the problem of these racial barriers. From the point of view of the European settlers who have, generally speaking, been the ruling group, the problem has been to ensure their survival as minorities in an overwhelmingly African continent. This problem has been aggravated by the rising tide of Black African nationalism. Broadly, two types of solutions have been attempted: (1) one to maintain European domination by varying degrees of suppression of non-Europeans; the other to attempt a reconciliation of the multi-racial societies so that all races learn to co-operate in a partnership. The Federation of Rhodesia and Nyasaland was regarded as "a new experiment intended to achieve multiracial harmony", (2) an attempt at creating a political system in which the various races could form a partnership. It represented a possible formula for the pattern of development of other British African territories where there were white settlers.

The Federation of Rhodesia and Nyasaland was also significant as an example of Britain's policy of nation building through federation in British colonial territories.

The experiment failed for reasons which will be discussed later. To some extent, the lessons that can be learnt from the federation's failure are applicable to the British Borneo situation, but, to my mind, one of the major reasons for the failure of the federation was that it was attempted in the African environment. There are some similarities between the two situations, but most of the problems of the Federation of Rhodesia and Nyasaland were, in the case of British Borneo, more potential than actual.

(b) The Constitution.

(1) Relationship to Britain: Status of the Federation and the Territories.

By an order in council of the British Crown (3) the Federation of Rhodesia and Nyasaland was established in 1953, comprising the self-governing colony of Southern Rhodesia and the two British protectorates

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(1) These are discussed in the "Introduction" to G.P.A.S.S.
(3) G.P.A.S.S. page 46.
of Northern Rhodesia and Nyasaland. (1) The federation and territories were administered in accordance with the usual traditions of colonies. The Queen was represented in the Federation by a Governor-General and in the states by Governors (2) who were not subordinate to the Governor-General. (3)

Because the federation brought together territories at different stages of political evolution and with different traditions and race policies, the preamble of the constitution provided for the continuance of responsible government in Southern Rhodesia and recognised the protectorate status of Northern Rhodesia and Nyasaland. These two northern protectorates were to continue to have separate governments for so long as their respective peoples desired and their governments, subject to the ultimate responsibility of the British Government, were to remain responsible for the control of land in their territories and for promoting the local and territorial political advancement of their peoples. (4)

Britain thus retained control over the two protectorates, whilst Southern Rhodesia remained self-governing, except for Britain's control over legislation on African affairs, a control that was, in fact, never applied. (5) The federation did not achieve full Dominion status as legislation in certain fields was reserved for Royal Assent (i.e. for consideration by the British Government) and Britain retained responsibility for external affairs. (6) Apart from these limitations, the federation was self-governing. (7)

(11) The Composition of the Governments.

- The Federal Government.

The federal government, located in Salisbury in Southern Rhodesia, was led by a Prime Minister and cabinet, on whose advice the Governor-General acted, except in the exercise of certain discretionary powers which were in practice very limited. (8) These discretionary powers included the giving or withholding of assent to bills and the power to reserve bills for the pleasure of the British Crown. (9) The Prime Minister and cabinet were responsible to a unicameral Federal Assembly which at first consisted of 39 members/17 came from Southern Rhodesia, 11 from Northern Rhodesia and 7 from Nyasaland. 26 of these members were elected in single-member constituencies (14 from Southern Rhodesia, 8 from Northern Rhodesia and 4 from Nyasaland) by voters enrolled according to the laws of each territory, with much smaller electorates in the northern territories. In addition there were three Europeans, one from each territory, to represent African interests and six specially elected African members, two from each territory. The Southern Rhodesian European representative of African

(1) P.A.U.K.D. page 14
(2) P.A.U.K.D. page 15
(3) G.P.A.S.S. page 46
(4) P.A.U.K.D. page 15
(5) C.A.B. Vol. 19 No. 10, page 151
(6) P.A.U.K.D. page 15
(7) Ibid
(8) P.A.U.K.D. page 15
(9) A.S. page 280
interests was elected by the ordinary electors; the two northerners were appointed by the respective governors. The Southern Rhodesian Africans were elected mainly by whites, in the same way as the white representatives, and the northern Africans were elected by the African Representative Councils, acting as an electoral college.

Although there was a common electoral roll, the white majority controlled the franchise since an income qualification for inclusion on the electoral roll excluded almost all non-whites and, in the Northern territories, the limitation of the franchise to British subjects excluded the British Protected Persons to which classification almost all Africans belonged. (1) In 1953 the number of Europeans registered as voters was 47,533. The other voters were 535 Asians, 535 coloureds and 429 Africans. (2)

- Southern Rhodesia. (3)

Southern Rhodesia became a self-governing colony in 1923 after a referendum in which the whites elected for quasi-independence under Britain rather than incorporation in the Union of South Africa. Southern Rhodesia was headed by a Governor who acted on the advice of a Premier and cabinet responsible to a European-dominated Legislative Assembly. Although the Southern Rhodesian government's official policy was to build a foundation for social and economic partnership between the different communities of the territory, and although the franchise for the Assembly was open to all British subjects, European and non-European, the property and income qualifications ensured that the whites controlled political power by excluding most Africans. Britain retained certain reserve powers in the matters of native affairs, to ensure that the white minority did not suppress the African majority, but these powers were never in fact invoked. (4)

- Northern Rhodesia. (5)

Northern Rhodesia as a British protectorate had developed along the usual British colonial lines towards self-government, prior to federation, except that this development was complicated by the problem of white domination. The Governor, who retained the right of veto, was assisted by an Executive Council and a Legislative Council.

At the time of federation in 1953 the Legislative Council, presided over by a Speaker, consisted of 10 European elected members, two European nominated unofficial members representing African interests, two African unofficial members nominated by the Governor, and nine official members. In nominating the two African unofficial members, the Governor in practice nominated two Africans selected by the African Representative Council, a

(2) A.S. page 283
(3) This account is based on material in C.A.B. Vol. 19 No. 10 page 151, G.P.A.S.S. pages 49-50 and A.S. pages 283-284.
(4) C.A.B. Vol. 28 No. 3 page 35
(5) This account is based on material in G.P.A.S.S. pages 50-52, C.A.B. Vol. 19 No. 10 page 151, and A.S. pages 290-291.
body which evolved in 1946 from a system of native local government. This Council consisted of members elected by Provincial Councils, together with four members nominated from Barotseland(1) and, under the presidency of the Secretary for Native Affairs, met annually.(2)

The franchise was restricted to British subjects over 21 years of age, with certain other qualifications based on literacy, length of residence and property or income. As Northern Rhodesia was a protectorate, the African inhabitants, except those few who became British subjects by naturalisation, were British Protected Persons and therefore were not eligible to vote.

The Executive Council at the time of federation consisted of the Governor, seven official members and four unofficial members. Three of the four unofficial members were appointed by the Governor from among the elected members of the Legislative Council and one was a nominated member of the Legislative Council representing African interests. As early as 1947 the "member" system was introduced when two unofficial members of the Executive Council were given responsibility for a group of departments whilst retaining their seats as elected members of the Legislative Council.

After the establishment of the federation, the Northern Rhodesian Constitution was amended in December 1953 to provide for a Legislative Council consisting of 18 unofficial members (two nominated to represent African interests, 12 elected European members and four African members nominated as before) and eight official members. The new Executive Council consisted of five official members and four unofficial members, one of whom was an unofficial member of the Legislative Council representing African interests. All members of the Executive Council were given portfolios.

It can be seen from the above that, as in Southern Rhodesia, the white minority enjoyed a virtual monopoly of elected representation, although provision existed for indirect election of four members of the Legislative Council by Africans. On the other hand, as Northern Rhodesia remained a British protectorate, Britain retained the ultimate responsibility for the territory's political advancement and therefore the ruling white minority was not entirely free to mould the territory's political development purely in their own interests.

- Nyasaland.(3)

Like Northern Rhodesia, Nyasaland had developed along traditional British colonial lines prior to federation. At the time of federation the Governor, who retained the right of veto, was assisted by a Legislative Council and an Executive Council.

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(1) The special position of Barotseland in the Protectorate of Northern Rhodesia is discussed on pages 485-491 of A.E. ZMwmgwzrmp
(2) A.S. page 452
(3) This section is based on material in G.P.A.S.S. pages 50-51, C.A.B. Vol. 19 No. 10 page 151, and A.S. pages 291-292.
The Legislative Council consisted of 21 members including the Governor: three ex officio members, seven official members and 10 unofficial members. Of the unofficials, five were Europeans selected from nominations made by public bodies representing European interests, one European was appointed by the Governor on other grounds, three Africans were selected from nominations made by the African Protectorate Council and one Asian was selected from nominations made by an Asian public body. The African Protectorate Council consisted of representatives elected by the three Provincial Councils which in turn consisted of official members and unofficial members elected by District meetings of Chiefs. (1)

The Executive Council consisted of five official members and one nominated unofficial member.

As the franchise was restricted to British subjects, most of the non-Europeans, who were generally British Protected persons, were not able to vote, although, as in Northern Rhodesia, a small number of non-Europeans were chosen by indirect election. Again, as in Northern Rhodesia the white minority held a virtual monopoly of political power, limited by Britain's ultimate responsibility for the political advancement of the territory.

(iii) Division of Powers. (2)

The constitution divided the legislative powers into three categories: those exclusively federal, those exclusively territorial, and those concurrent. Subjects not specifically listed in the exclusive and concurrent lists were allocated to the territorial legislatures.

A considerable range of subjects was allocated to the federal government, including external affairs, external trade, inter-territorial commerce, police, migration into the Federation, customs, currency, loans, taxation, railways, inter-territorial roads, posts and telegraphs, development and planning, major irrigation works, higher education, primary and secondary education for non-Africans and European agriculture in the two Rhodesias. The federal government thus controlled exclusively most powers connected with the economic and educational development of the federation.

The concurrent list, in which subjects federal legislation took priority over state legislation where there were inconsistencies, included such subjects as migration between the territories, the development of industries, electricity, scientific research, health, broadcasting and inter-territorial trade.

To the territories were left subjects that could broadly be described as those dealing with the race question, the position of Africans

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(1) A.S. page 496

and subjects of purely local concern: control of land, African agriculture, labour legislation, the system of native administration and local government.

(iv) Financial Arrangements.

The financial arrangements clearly favoured the federal government exclusive amongst whose limited powers were taxation and loans. (1) The territories retained the right to levy a surcharge on individuals and companies in the territories. (2) Some indication of the relative scale of revenue is given in the estimates framed in the 1952 report of the Fiscal Commission. (3)

<table>
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<tr>
<th>Revenue Source</th>
<th>Amount</th>
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<tr>
<td>Federal Revenue</td>
<td>£27,624,000</td>
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<tr>
<td>Southern Rhodesian Revenue</td>
<td>12,977,000</td>
</tr>
<tr>
<td>Northern Rhodesian Revenue</td>
<td>8,567,000</td>
</tr>
<tr>
<td>Nyasaland Revenue</td>
<td>2,886,000</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>£52,054,000</td>
</tr>
</tbody>
</table>

(v) Courts and the Civil Service.

The existing Rhodesia and Nyasaland Court of Appeal became the supreme court of the federation with authority to decide questions on the respective powers of the federal and territorial governments, subject to appeal to the judicial committee of the Privy Council. (4) The territories retained their high or supreme courts which acted as courts of appeal from lower courts. There was also a system of territorial native courts. (5) A federal mixed civil service was also created to complement the civil services of the territories. (6)

(vi) The Concept of Partnership.

Written into the preamble of the constitution was the following statement declaring the principle of "partnership" which the federation was intended to foster.

"And whereas the association of the Colony and territories aforesaid in a Federation under Her Majesty's sovereignty, enjoying responsible government in accordance with this Constitution, would conduce to the security, advancement and welfare of all their inhabitants, and in particular would foster partnership and co-operation between their inhabitants and enable the Federation, when those inhabitants so desire, to go forward with confidence toward the attainment of full membership of the Commonwealth." (7)

This was an ambitious concept and slogan but it proved difficult to implement in a situation in which the white minority (estimated at 274,000

(1) C.A.B. Vol 19 No. 10 page 152 and G.P.A.S.S. page 46
(2) A.S. page 646. African taxes are discussed on pp. 656-658 of A.S.
(3) A.S. pages 280-281
(4) G.P.A.S.S. page 46
(5) A.S. page 612. Native courts are discussed in general terms in A.S. pages 630-639.
(6) Op Cit.
(7) Quoted on page 7 of G.P.A.S.S.
in 1957) was unwilling to permit the African majority (7,140,000 in 1957) to have political power in proportion to its size. The term "partnership" became a source of dispute over its meaning and implementation. Even though Britain retained ultimate control over the federation's political development it was unable to persuade the European minority to implement an effective policy to achieve a basis for partnership.

(vii) African and Asian Interests

The most serious problem of the federation from the point of view of African interests was the need to ensure that the Africans, especially those of the two protectorates, were not subjected to the unchecked will of the European minority. The federation's 22,700 Asians were virtually forgotten in the attempts to deal with the more serious problem of the African majority. In addition to the existing systems of native administration and advisory bodies on African affairs in the territories, an elaborate method of appeal to the British Government was written into the federal constitution to guard against discriminatory legislation.

An African Affairs Board was established to examine legislative proposals affecting African interests. It was originally intended that the Board should stand above partisan politics but in practice it took the form of a standing committee of the federal legislature. The Board consisted of six members: the three elected European members concerned with African interests in the Legislative Assembly and three elected Africans, one from each territory, elected by and from among all African members of the federal Legislative Assembly. The Board could make representations to the federal government on matters within the authority of the federation in the interests of Africans and could assist territorial governments, when requested by them to do so, in the study of matters affecting Africans. The most important function of the Board was to draw attention to any federal bill which it considered discriminatory against Africans. The Board could have such a bill reserved by the Governor-General for Her Majesty's pleasure, which meant, in fact, that the British Government would decide whether to accept or reject it. After the Board's first important protest was rejected by the British Government, the Board's role as the guardian of African interests was seen by the African majority and the liberal Europeans as illusory.

(c) The Collapse of the Federation and its Causes.

(i) Some important Events in the Development and Collapse of the Federation.

The Federation was established in an atmosphere of disagreement and with some misgivings in Britain. The Labour Party, in opposition, was par-

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(3) Some of the different interpretations and applications of the concept are discussed on pages 153-154 of C.A.B. Vol. 19 No. 10, and pages 35-37 of C.A.B. Vol. 19xxMxxMt 28 No. 3; also pages 185-186 of A.S.
(4) This section is based on PAUKD p.15; CAB Vol.26 No.3 p.37, & GPASS p.47
(5) C.A.B. Vol. 28 No. 3 page 36
(6) The position of Asians and policies concerning them are discussed briefly on page 400 of A.S.
(7) These are discussed in A.S. pages 443-452, 486-497.
(8) The protest is discussed on page 37 of C.A.B. Vol. 28 No. 3.
ticularly opposed to the federation, on the grounds of African interests. (1) Despite the obvious economic advantages of federation and despite rapid economic development, (2) the federal had a difficult time with disputes and even riots. Tension in the federation steadily mounted between black and white and between the northern provinces and Southern Rhodesia, and ultimately led to the collapse of the federation.

The decision to create the federation was not a sudden one, but was the outcome of protracted negotiations. As early as 1915 a movement arose for the amalgamation of Northern and Southern Rhodesia. (3) In 1929 a Commission was appointed to consider schemes for a Closer Union of the Dependencies in Eastern and Central Africa, but the idea of union was rejected as impractical at that time. Various conferences and discussions followed, culminating in the 1937 Royal Commission on the possibilities of closer association between the Rhodesias and Nyasaland. The Commission maintained that, although ultimate amalgamation was desirable and likely, the territories were not ready for federation because of differences in their constitutional status and because of differences in native policy. (4) The Commission recommended the establishment of an inter-territorial council to co-ordinate the existing government services. (5) This recommendation was not implemented until 1945 when the Central African Council was established as a consultative body, consisting of the Governor of Southern Rhodesia as Chairman and four members from each of the territories, including the two northern governors. The Council succeeded in extending some of the Southern Rhodesian services to Northern Rhodesia and Nyasaland, but it relied on the territorial governments to implement its recommendations. (6)

A series of conferences was held in 1950, 1951 and 1952, (7) which led to the formation of the federation in 1953, after the three territorial legislatures, a referendum (of white voters) in Southern Rhodesia and the British Parliament in July 1953 had approved the proposal for federation.

After the creation of the federation, agitation, industrial disputes and rioting gradually developed, reaching such serious proportions that on 26th February 1959 (8) Southern Rhodesia declared a State of Emergency, resulting in harsh suppression of Africans. and On March 3 (9) the Governor of Nyasaland took similar action. The crisis in Central Africa was the subject of two Commissions. The first was the Devlin Commission which enquired into the events in Nyasaland, particularly from 1958 to the emergency operations which crushed the African Congress Party in 1959 (10). This Commission's findings and the mounting violence made it obvious that all was not well in the federation. A constitutional conference was already planned for 1960 in which the

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(1) C.A.B. Vol. 19 No. 10 page 152.
(2) Ibid.
(3) A.S. page 276
(4) A.S. page 277
(5) Ibid
(6) A.S. page 277
(7) C.A.B. Vol. 19 No. 10 page 152
(8) Ibid.
(9) Ibid.
federal government hoped to achieve the decisions it desired.\(^{(1)}\) The British Government, however, decided that an enquiry was necessary to obtain information on the real situation in the federation. Although this proposal was opposed by the federal government, agreement was eventually reached that a Commission should prepare the way for the constitutional conference. The Monckton Commission, consisting of 13 members from the federation, one from Canada, one from Australia and 11 from Britain, then began its enquiry.\(^{(2)}\) Its report, published in October 1960, contains some important findings and recommendations.\(^{(3)}\)

The Commission found that African opposition to the federation, especially in the northern provinces, was widespread and of long standing and that no important and well-publicised steps had been taken to demonstrate the reality of racial partnership in the federation. It drew attention to discrimination against Africans and to the fact that the federation had come to be associated in African minds with a policy of white domination.

The Commission suggested various constitutional reforms that could help to solve some of the problems and that could give some hope for the survival of the federation: the name "Federation" should be changed; there should be an equal distribution of seats in the federal legislature (30 each) between African and European communities\(^{(4)}\) and a reduction in the qualifications for the franchise so that a far greater number of Africans could share in the election of the federal legislature;\(^{(5)}\) there should be a substantial reduction in federal powers by a return to the states of all powers except those relating to external affairs, defence and the promotion of economic activity\(^{(6)}\); the territories should have the right of secession\(^{(7)}\); the constitution should include a Bill of Rights to protect the individual against discrimination and suppression and to remove the fear of suppression;\(^{(7)}\) the territories should be granted the right of secession\(^{(8)}\).

The federal government condemned the findings of the Commission, particularly the suggestion that the territories should have the right to secede.\(^{(9)}\) To many it seemed that a conference on the federal constitution would be fruitless until the tense situation in the three territories had been examined and reforms made\(^{(10)}\). On the other hand the federal government wanted talks on the federal constitution before changes were made in the territorial constitutions\(^{(11)}\) as the sort of changes that were likely were those that would favour the Africans and such changes would not be in the interests of the white dominated federal government. A series of conferences began on both the territorial and federal constitutions and bitter arguments developed between African and European leaders and between political parties. Representatives walked out of conferences, rival proposals were made and troops in the federation were mobilised.\(^{(12)}\)

\(^{(1)}\) C.A.B. Vol. 28 No. 3 page 40
\(^{(2)}\) Ibid
\(^{(3)}\) The important findings and recommendations are summarised on pages 41-42 of C.A.B. Vol. 28 No. 3.
\(^{(5)}\) C.A.B. Vol. 28 No. 3 page 42.
\(^{(6)}\) C.P.A.S.S. page 48
\(^{(7)}\) Ibid
\(^{(8)}\) C.P.A.S.S. page 49
\(^{(9)}\) C.A.B. Vol. 28 No. 3 page 42
\(^{(10)}\) Ibid
\(^{(11)}\) Ibid
\(^{(12)}\) An account of the developments after the Monckton Commission is given on pages 42-48 of C.A.B. Vol. 28 No. 3.
to produce agreement, but important changes were accepted in Nyasaland and Northern Rhodesia.

In Nyasaland (1) the Africans had obtained a majority in the unofficial membership of the territorial Legislative Council in August of 1959. In August of 1960 elections introducing a new constitution for Nyasaland resulted in control of the expanded Legislative Council by the Malawi Congress Party and in a majority of African ministers in the Executive Council. Nyasaland's demands for secession and self-government naturally increased as the federation was the only obstacle to the African gaining complete control of their own affairs. In November of 1962, agreement was reached on a self-governing constitution for Nyasaland to come into force in 1963 and in December of 1962 the British Government accepted the principle that Nyasaland should be allowed to secede from the federation. In February of 1963 Dr. Hastings Kamuzu Banda, an African, became Nyasaland's first Prime Minister.

In Northern Rhodesia (2) a new constitution was introduced in September 1962, resulting in December 1962 in a territorial government formed with an African elected majority. To Northern Rhodesian Africans, the federation was thus the only remaining obstacle to their advancement. In February of 1963 the Legislative Council asked for secession from the federation and called for a new constitution providing for universal suffrage and self-government. In March 1963 the British Government accepted the principle that any territory wishing to secede from the federation would be allowed to do so.

In Southern Rhodesia agreement on constitutional reform proved more difficult because the white minority was more solidly entrenched and the colony was self-governing, with the result that Britain's ability to influence the colony's affairs was more limited than in the case of the northern protectorates. The proposals that emerged were for a new constitution with a bill of rights, the removal of most of the existing restrictions and a new electoral law that would give Africans a representation of 15 seats in an enlarged legislature of 65. (3) These proposals were supported by Sir Edgar Whitehead's United Federal Party which was in power in Southern Rhodesia. The National Democratic Party accepted the proposals as an interim measure. (4) The African leaders accepted the proposals only on the basis that they were a step towards universal suffrage on a common roll. The Dominion Party rejected the proposals entirely and refused to accept any change that would advance the Africans politically. (5) Matters became more confused when Sir Edgar Whitehead assured the Europeans that the proposals

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(1) These events are summarised on page 2 of F.S.O. "Nyasaland" R(C.F.S.) 5570 of July 1963, Classification 111/12, prepared for the British Information Services.
(2) Page 2 of F.S.O. "Northern Rhodesia", R(C.F.S.) 5532 of July 1963, Classification 111/16, prepared for the United Kingdom Information Service.
(3) Page 43 of C.A.B. Vol. 28 No. 7
(4) Page 45 of C.A.B. Vol. 28 No. 7
(5) [Handwritten notes: "Somewhere on the next page, somewhere between pages 55 and 56.""]
(6) Ibid
would not be an interim measure but would come into effect for all time. (1)

In a referendum in July 1961, the Southern Rhodesian (white dominated) electorate supported Sir Edgar Whitehead's proposals by a majority of 2 to 1. (2) It seemed hopeful that a compromise would be reached between the principle of African advancement advocated by Africans, supported by northern Africans and the British Government and the principle of continued white domination supported by the white minority. Events took an unexpected change, however, in the Southern Rhodesian elections of December 1962 when Sir Edgar Whitehead's United Federal Party was defeated by Mr. Winston Field's Rhodesian Front, which led to the "installation of a rough-and-ready white nationalist government in Southern Rhodesia". (3) The victory of the Rhodesian Front represented a rejection of Sir Edgar Whitehead's belated liberal policy towards the Africans. The northern provinces and Southern Rhodesia were thus irrevocably divided on the question of political rights for Africans.

The developments in the three territories had rendered the survival of the federation impossible. It was too late to change the federal constitution. Had the Mocron Commission's recommendations been implemented before the changes in the territorial constitutions occurred, it is possible that the federation might have survived, but the Mocron Commission was really too late and the basic issue of the federation, that of the place of the Europeans and Africans, not only in the federation but in each of the territories, was one on which agreement could not really be reached, even within the framework of the type of constitution suggested by the Mocron Commission.

After the British Government's decision in March 1963 that any territory wishing to secede from the federation would be allowed to do so (4) and after the developments in the three territories, it was only a matter of time before the federation collapsed. The Southern Rhodesian Government followed the announcement of the British Government's acceptance of the principle of succession by a formal request for independence to be granted to Southern Rhodesia on the first date on which either of the other two territories was allowed to secede and obtain its independence. (5) At a conference held at Victoria Falls in June-July 1963, agreement was reached on arrangements for the orderly dissolution of the federation and for future co-operation between the constituent territories. (6) The target date for the end of the federation was set as 31st December, 1963. (7)


Modern political institutions and the boundaries of modern Africa are chiefly the product of European domination. Out of the chaos has emerged an African nationalism with all the bitterness of racial hostility. The

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(1) Page 45 G.A.D. Vol. 28 No. 7
(3) "The Economist", December 22, 1962, page 1180
(5) "Commonwealth Survey", Vol. 9 No. 16 page 654.
(6) Op Cit
(7) "Commonwealth Survey", Vol. 9 No. 16 page 654.
political problem of white domination by a minority of European settlers is one that has proved difficult to solve. The provision of political power to the African majority in proportion to its size has naturally been opposed by the white minority for whom political control by Africans means ruination. (1)

Against this broad background the Federation of Rhodesia and Nyasaland was created in an attempt to build a partnership between the different races. As the African demand for an increased share of political power and wealth grew, the white minority advocated stronger measures to safeguard its position. The African movements within the federation were "clearly part of a general Africanist wave sweeping through Black Africa" (2), although they were "separately tuned to the charismatic qualities of their respective leadership as well as the particular environmental situation in each colony". (3) The events in the federation could not remain separate from the battles being fought in the rest of Africa and in the United Nations between black and white. (4) The federation failed partly because it rested on an impossible assumption, that partnership between different races in Africa was possible. It failed partly because of the pattern of events in Africa as a whole that rendered effective partnership impossible.

(iii) Differences between the three Territories.

Northern Rhodesia and Nyasaland came under British control by more or less peaceful methods and largely with the consent of the ruling chiefs. Much of traditional native organisation remained intact. There was no widespread alienation of land in the northern territories and only limited areas were granted to settlers. (5) In Southern Rhodesia the native states were crushed in war and extinguished. Direct rule by white officialdom replaced the indigenous rulers, although attempts were later made to recreate African local government through chiefs and their councils. Land was taken over by white settlers, leaving only small areas of land for the natives. (6) The European population was chiefly concentrated in Southern Rhodesia (225,000 out of a total of 312,000 (7)) with the result that a white dominated federal government meant domination by Southern Rhodesia.

There was also a difference in the stage of political development between the northern territories and Southern Rhodesia. Southern Rhodesia was already self-governing whilst Northern Rhodesia and Nyasaland were still protectorates. This meant in effect that the white minority of Southern Rhodesia was virtually unchecked by Britain in its control over the black majority and that "the European immigrant carried with him from his home-

(1) See G.P.A.S.S. page 3 for an account of the African environment.
(2) G.P.A.S.S. page 56
(3) Ibid
(4) "The Round Table" No. 206 September 1962, page 361
(5) This account is based on G.P.A.S.S. page 44 and C.A.B. Vol. 19 No.10 page 159
(6) Ibid
(7) C.A.B. Vol. 28 No. 3 page 35
land not only the right to rule himself but also lordship over the native subjects of the Crown." (1) It is true that Britain retained the power to interfere on matters affecting native affairs but this power was never in fact invoked. (2) In the northern protectorates, although there was little African participation in political affairs at the territorial level, "the rulers of the protectorate were trained civil servants serving limited terms overseas and not interested members of the economic and social hierarchy dominating the life of the community. As a result, the welfare of the African, insofar as it could be determined by a product of British public school training, received fair consideration and perhaps even preference over the interests of minority groups." (3)

It is not surprising therefore that different racial policies developed between the northern protectorates and Southern Rhodesia. Race relations in the northern protectorates were little better than in the south and the white minority were not anxious to encourage full African participation in politics, especially above the local government level, but in the south, segregation and white supremacy were given a stronger legal basis. (4) In particular, the British Government's policies in the northern protectorates gave Africans the hope of advancement, (5) whilst in Southern Rhodesia, doctrine of "parallel development", akin in many ways to South Africa's "apartheid", and the concept that, in the interests of all communities, control of the government should rest permanently in the hands of the white minority (6) were expressed in discriminatory measures and often suppressive measures.

Just before federation, the gap between north and south was widening. The British Government had succeeded in forcing extra African representation on the Northern Rhodesian Legislative Council while in the Copperbelt region of Northern Rhodesia, African unionism was becoming increasingly effective. (7) By contrast, "before federation, Southern Rhodesia required all native Africans to carry passes when outside tribal areas. African trade unions were denied legal recognition, while penalties of imprisonment or flogging were imposed on Africans who deserted their employment or neglected their duties. By a cruelly misnamed law, the Industrial Conciliation Act of 1945, Africans were effectively barred from certain forms of skilled labour, particularly on the railroads. Humiliating stigmas were permitted to be inflicted on Africans in terms of separate entrances to post offices and banks, exclusion from European hotels and motion picture houses, and separate accommodation in trains, buses and taxis." (8) After federation, little more than token changes were made in discrimination. As a result, northern Africans were hostile to Southern Rhodesia.

(1) C.P.A.S.S. page 43
(2) C.A.B. Vol. 28 No. 7 page 75
(3) C.A.B. Vol. 19 No. 10 page 151
(4) Ibid
(5) Ibid
(6) Discussed on page 195 of A.S. 1832-185
(7) C.A.B. Vol. 19 No. 10 page 152
(8) C.P.A.S.S. page 52
The attempt to federate the northern protectorates with Southern Rhodesia was thus opposed from the start by Northern Africans who were "particularly hostile to the thought of any close association with Southern Rhodesia. This was not because of ignorance, but on the contrary, it stemmed from their intimate knowledge of white attitudes in the South." (1) The association of the northern protectorates with Southern Rhodesia, Southern Rhodesia's greater representation in the federal government, the sighting of the federal capital in Southern Rhodesia, and the wide federal powers contributed to the northern African's feeling that the federation was "too much influenced by European interests and by the native policies of Southern Rhodesia". (2) The attempt to federate the two northern protectorates with Southern Rhodesia thus caused the federation to be viewed by Northern Africans as the obstacle to their political advancement. Had the federal government been given less powers, had the northern states been given equal representation with Southern Rhodesia in a federal lower house, and had the capital been sited in the north, the feeling that the federation was dominated by Southern Rhodesia would have had less foundation and would, perhaps, have been less strongly felt.

On the other hand, such arrangements would almost certainly have been opposed by the Southern Rhodesian whites whose supremacy would have been threatened. The chief backers of the federation proposals would thus have withdrawn their support. It seems to me that the particular federal constitutional provisions were of little significance and that no suitable provisions could have been devised to bring the northern and southern areas with their different racial policies together. Against the wider background of the struggle between black and white, the particular constitutional provisions did no more than spark off the clash that was inevitable and that rendered the federation impossible before it was created.

The differences between the northern protectorates and the south were increased after federation by the constitutional changes in Northern Rhodesia and Nyasaland resulting in African controlled governments and by Southern Rhodesia's failure to make similar reforms.

The three territories also possessed different economic backgrounds, which was a factor supporting federation, since they were complementary, but one of the problems after federation was that the huge development programmes tended to concentrate on the central areas of the federation and to neglect the periphery, especially Nyasaland. (3) This tendency aggravated the existing political and social discontent, especially in Nyasaland, where few benefits from federation could be seen and where the growing drain of migrant labour to the more developed areas was resented. (4)

(1) C.A.B. Vol. 28 No. 3 page 35
(2) C.A.B. Vol. 28 No. 3 page 41
(3) C.A.B. Vol. 19 No. 10 page 156
(4) Ibid
(iv) Lack of Support for the Federation Concept.

The original proposals for a closer association were initiated by the white minority, particularly the white minority of Southern Rhodesia. (1) The greatest support for the proposals as federation grew near came from the same sources. (2) "The decision to create a federal state out of the three territories was sparked by the European settlers and finally taken with hesitation and considerable disquiet by the mother parliament in London. (3) The fact that the three territorial governments and a referendum in Southern Rhodesia supported the proposal for federation (4) meant little in terms of the opinion of the majority, as the territorial governments and the referendum merely reflected white opinion.

The major argument for the federation was economic, since the three territories had become increasingly complementary. "Southern Rhodesia with the bulk of the white population and the bulk of manufacturing industry, a well-developed agriculture and numerous diverse mining interests, was a chronic sufferer from adverse trade balances. Northern Rhodesia, with its great copper resources and some other minerals, has very little commercial farming, a small white population, and huge areas in which the economic impact of development has so far had little positive effect. Nyasaland is the most densely peopled of the three, and the chief source of migrant labour, but also the poorest and most backward. In the Federation, it is Northern Rhodesia that provides the raw material wealth, Nyasaland that provides the bulk of the surplus labour, and Southern Rhodesia that provides the secondary industry and the diversified nuclear area of the Federal State. Individually, none of the three territories constituted a viable state; together they make a strong, prosperous unit able to finance development and manage its own affairs. From the outset, this has been the major argument for closer association." (5) This argument meant little, however, to the African majority.

During the period of the talks that led to the creation of the federation, increasing opposition to the proposal emerged amongst the African leaders who feared the spread of Southern Rhodesian policies (6), especially since it was the known desire of the whites to amalgamate the three territories and govern from Salisbury. (7) There was also some opposition from the more conservative southern whites who "feared a weakening of their structure of race laws and customs from the north". (8) These were the disagreements that were to become more important as the federation developed into a struggle between Africans who demanded political advancement, whites who wanted a "partnership" of the races within the federal system, and the conservative whites who wanted to maintain white supremacy. The most important opposition was from the Africans who lacked the organs

(1) A.S. pages 276-278
(2) A.S. pages 278-279
(3) G.P.A.S.S. page 45
(4) A.S. page 279
(5) C.A.B. Vol. 19 No. 10 page 151
(6) C.A.B. Vol. 19 No. 10 page 152
(7) C.A.B. Vol. 28 No. 3 page 35
(8) Op Cit.
of communal expression and political power to voice their opposition effectively. (1) The Monckton Commission made it quite clear that the "Federation was imposed against the will of the Africans in the Northern Territories". (2)

The federation was thus born with support only by a minority and with the bitter opposition of the majority. This weak foundation for the federation was unable to withstand the strains that developed after the federation was created.

(5) Federation and the African Struggle for Advancement.

The federal constitution spoke of the partnership that was to be built between the races. In practice, the partnership concept proved difficult to implement because the foundations for co-operation between the races did not exist. In all three territories and in the federal government, African advancement was, in African eyes, too slow. (3) As reforms in the northern territories gave Africans the chance for political advancement, Southern Rhodesia's policies caused mounting opposition amongst Africans in the northern territories to association with Southern Rhodesia. The federal government's failure to encourage African advancement and Southern Rhodesia's role in the federal government caused Africans of the northern territories to regard the federation as an attempt to extend Southern Rhodesia's policies of white domination. The Monckton Commission drew attention to these attitudes. (4)

African suspicions that the federation was the means of enforcing white domination of the Southern Rhodesian type on all three territories were reinforced by the 1957 Federal Electoral Act which, whilst proclaiming the principle of partnership, established the means for maintaining almost exclusive power for the white minority. (5) The Act established two electoral rolls, "A" with high qualifications and "B" with low qualifications. Voters on the "A" roll could vote for an elected member and for an elected African member, whilst voters on the "B" roll could vote only for an elected African member. As there were to be 44 electoral districts for elected members and only eight for elected African members, it was clear that the voters on the "A" roll, virtually confined to Europeans because of the qualifications for enrolment, would control the federal government.

The Monckton Commission, whilst refraining from commenting on the wisdom of the Act, was quite definite on the effect of this Act. "It appeared to us that any hope that African opinion would, in time, become reconciled to Federation in its existing form was seriously jeopardised.

(1) G.P.A.S.S. page 45
(2) Quoted on page 41 of C.A.B. Vol. 28 No. 3.
(3) The failure to implement the principle "partnership" is discussed on pages 52-54 of G.P.A.S.S.
(4) C.A.B. Vol. 28 No. 3 page 41
(5) C.A.B. Vol. 28 No. 3 page 47. The details of the Act are summarised on this page.
by the electoral legislation of 1957 and the circumstances of its enactment. (1)

When Northern Rhodesia and Nyasaland achieved governments with African elected majorities whilst, at the same time, the Southern Rhodesian Government and the Federal Government remained in the control of the white minority, it was clear to African leaders in the northern territories that the federation was an obstacle to African advancement and that secession from the federation was necessary.

(vi) Leadership and political Parties. (2)

Despite the aim of partnership, the federation failed to produce effective multi-racial political parties. (3) The electoral laws at the time of federation ensured that the white minority controlled electoral results. The political parties that mattered therefore had policies that appealed to the white voters. "Personalities, together with transitory responses to a rapidly changing social and economic situation", appeared "to determine shifting party lines within the European community". (4) Nevertheless, two opposing principles divided the white electorate between those who supported a policy of "European domination that compromises between the police state of South Africa and acceptance of African participation in political power at some future date" (5) and those who supported a policy of permanent European domination. (6) The supporters of the latter view were particularly strong in Southern Rhodesia, where there were elements who favoured a union of the Copperbelt area of Northern Rhodesia and Southern Rhodesia with some kind of link with South Africa. (7)

In a situation of white dominated electorates it is difficult to see how a party could emerge that would be able to command support from the Africans and at the same time gain electoral support from the whites. It became very clear that to the African majority, only ultimate African control of government would in the long run be acceptable, as anything short of this would give undue power to the white minority. To the white minority, African participation in political affairs in proportion to their numbers would threaten the survival of the white minority. The closest approach to a multi-racial party was Garfield Todd's United Federal Party, which failed to gain sufficient support in the federation and split into territorial parties, and Sir John Moffatt's Northern Rhodesian Liberal Party. (8) The attempt to extend political power to Africans in the north tended to increase tension because, in the explosive racial situation, any particular compromise was unacceptable to a large number of people and nothing other than compromise, even if only temporary, was likely to work. The struggle between white and black had no solution and without a solution to this problem, the federation could not survive.

(1) Quoted on page 41 of C.A.B. Vol. 28 No. 3
(3) G.P.A.S.S. page 54
(4) Ibid
(5) G.P.A.S.S. page 55
(6) Ibid
(7) G.P.A.S.S. page 55
(8) Ibid
The African majority, at first largely barred from participation in national politics, and, at best, given a minor role, tended to express itself in movements rather than parties. These movements were influenced to varying extents by African nationalism in the rest of Africa and were particularly opposed to Southern Rhodesia's policies. African movements in the northern territories were in addition opposed to Southern Rhodesia's influence in the federation. Attempts to increase the amount of power exercised by the Africans occurred too late to foster an effective partnership. African political parties emerged too late to avoid a racial bias. The struggle that Africans had, to achieve adequate representation in political affairs, and the violence and suppression that occurred, worked against the creation of an effective multi-racial political party and tended to foster suspicion and resentment between the races. Each advance made by Africans in the northern territories produced opposition from some elements in the northern white minority, and, more important, encouraged the larger white minority of Southern Rhodesia to resist similar advances by Africans both in Southern Rhodesia and in the federation.

The collapse of the federation was hastened by the developments in the territories while questions of the future federal constitution remained undecided. I have already discussed these developments which may be briefly summarised as constitutional changes in Nyasaland and Northern Rhodesia, resulting in African controlled governments, and the Southern Rhodesian election victory for the Rhodesian Front which supported white supremacy. By 1963 political parties were clearly divided between African parties and European parties. The prospects of a party or leader emerging to unite liberal African and European elements were extremely remote, partly because such elements scarcely existed. Most important of all for the federation, the northern territories were controlled by Africans, whilst Southern Rhodesia was controlled by conservative whites. No federal government would be possible, which would satisfy these two elements, whose views were beyond the point at which compromise could be made.

(4) Lessons for British Borneo.

Racial tension and the struggle for power between the white minority and the black majority were the basic causes of the collapse of the federation. Fortunately, British Borneo did not have the same legacy of racial tension as did Central Africa, nor did British Borneo have the problem of white settlers attempting to retain control. There was, however, a potential source of trouble through racial differences between Malays, non-Malay native and Chinese.

If a federation of British Borneo were to succeed, it would have to be based on wide support of all races and not, as in the case of the Central African Federation, on the support of one racial group or a minority. As the British authorities wisely attempted to test public opinion before

(1) G.P.A.S.S. page 28 55.
(2) G.P.A.S.S. page 56.
creating a British Borneo federation, the chances of the federation's being imposed against the will of the majority were remote, although it was difficult to test public opinion accurately when public opinion lacked organised means of expression.

It would also be important that, if a federation were created, no one race should dominate. There was a potential danger that Brunei, an oil-rich Islamic state with a system of government that favoured pre-dominantly Malay control, could become the Southern Rhodesia of British Borneo. This situation would be unlikely to arise if political parties developed along multi-racial lines. At the time of the federation proposals, only one political party existed in British Borneo, and that was the People's Party in Brunei which had a strong racial bias towards the Malays. There was a risk that the federation would become a battleground between racial parties, although the experience of the Federation of Malaya indicated that multi-racial political parties were possible in an environment very similar to that of British Borneo.

The most important difference between the situation in British Borneo at the time of the federation proposals and the situation in Central Africa when the federation was created, was that British Borneo did not show signs of the strong racial tensions of Africa. By the time these tensions emerged, if they emerged, there was a good chance that the federation would be well established and, like the Federation of Malaya, would be able to survive the stresses and strains.
D. THE FEDERATION OF NIGERIA

(a) The Significance of the Federation.

The Federation of Nigeria before gaining its independence was the largest of the United Kingdom dependencies in both area (373,250 square miles) and population (51,171,000).\(^1\) When the federation was established, many observers predicted that it would not survive because of the strong regional loyalties and lack of national unity, but survive it did. With the granting of independence to Nigeria in 1960, Britain accomplished one of its most successful experiments in nation building and in particular, in nation building through federation.

The Federation of Nigeria has also been an example of how a federal structure can survive constitutional changes. Changes occurred in the composition of the Federation, internal self-government was granted to the Eastern and Western Regions before it was granted to the Northern Region and, three years after becoming an independent member of the Commonwealth with a local representative of the Queen, the Federation became a Republic with its own President. Despite these changes and internal tensions, the Federation of Nigeria survived.

(b) Constitutional Development

(i) Major Developments

Nigeria has advanced towards unity and independence by a series of territorial and constitutional changes that have welded a number of units into a federal union.

The process began in 1862 when Lagos became a British Colony\(^2\) and a small nominated Legislative Council was established.\(^3\) From 1885 an amalgamation of British companies acquired control over what in 1900 became the Protectorate of Northern Nigeria and the Protectorate of Southern Nigeria.\(^4\) In 1906 Southern Nigeria and Lagos were amalgamated into the Colony and Protectorate of Southern Nigeria which in 1914 was expanded to become the Colony and Protectorate of Nigeria incorporating Northern Nigeria, Southern Nigeria and Lagos.\(^5\) The Legislative Council in Lagos was reconstructed as the Nigerian Council which was purely advisory.\(^6\) In 1921 Britain assumed a League of Nations mandate over the western part of the former German colony of Kamerun which was thereafter administered as part of Nigeria,\(^7\) and in the same year a Legislative Council was instituted with an elected element but with competence confined to the Colony of Lagos and the Southern Provinces of the Protectorate.\(^8\) In 1946 the Cameroons under British mandate were placed under United Nations trusteeship with

\(^{(1)}\) P.A.U.K.D., page 9
\(^{(2)}\) page 2 of P.S.D., "Nigeria" No.R (C.P.S.), 5532 October 1963
\(^{(3)}\) A.S., page 308
\(^{(4)}\) OF CIT
\(^{(5)}\) Ibid
\(^{(6)}\) A.S., page 308
\(^{(7)}\) OF CIT
\(^{(8)}\) A.S., page 309
Britain as the administering authority. The first important step towards federation was also taken in 1946 with the introduction of a revised constitution providing for a central legislature representing the whole of Nigeria and regional councils for the northern, eastern and western groups of provinces. In 1951 a new constitution was promulgated by an Order in Council providing for a more federal form of government and for the introduction of a ministerial system. It was in 1954 that the Federation of Nigeria was formally created consisting of three Regions (the Northern Region as part of which the northern portion of the Cameroons was administered, the Eastern Region and the Western Region), the quasi-federal territory of the Southern Cameroons, and Lagos, the federal capital. In 1954 the Eastern and Western Regions were granted internal self-government and the office of Federal Prime Minister was created. In 1959 the Northern Region was granted internal self-government and in 1960 the Federation of Nigeria became an independent member of the Commonwealth, whilst the trust territory of the Cameroons remained under British Administration. In 1961, following plebiscites, the Southern Cameroons joined the Republic of Cameroon and the Northern Cameroons became part of the Federation of Nigeria as a province of North Nigeria. The Federation had reached its final form except for the 1963 change when Nigeria became a republic within the Commonwealth on 1st October.

(ii) The Constitution of 1951

Although this constitution did not formally establish the Federation of Nigeria, it was important in that it established a basically federal system from which the 1954 constitution evolved. The 1951 constitution allocated specified legislative and financial powers to the regional governments and left residual powers with the central government. The central legislature consisted of a single house of 148 members elected by and responsible to the regional legislatures. The central executive consisted of 18 members (6 ex-officers and 4 nominated by each regional house). All ministers were of equal status and initially there was no direct individual ministerial responsibility. There were no premiers or prime ministers in the central or regional governments. The Governor of Nigeria headed the central government and lieutenant-governors headed the regional governments, all being British appointments. A unitary public service was established under the control of the governor and the judiciary.

(2) IBID
(3) A.S.page 310
(4) F.A.U.I.D. page 9
(6) IBID
(7) IBID
(8) IBID
(9) IBID
(10) R. page 372
and marketing boards were centrally controlled. The Northern Cameroons were administered as part of the Northern Region and the Southern Cameroons as part of the Eastern Region.

(iii) The Constitution of 1954

The 1954 constitution was in many ways similar to that of 1951 but was a more truly federal constitution and established a less powerful central government with more autonomous regional governments,(1) The status of the British heads of government was changed, the central head of government becoming the Governor-General and the regional heads Governors.(2) The legislative powers were allocated by the provision of limited specified subjects, such as communications, police, defence and foreign affairs,(3) for federal control and specified concurrent powers, with residual powers allotted to the regions.(4) Regional public services, regional judiciaries and regional marketing boards were established alongside the federal bodies.(5)

The federal legislature was unicameral, consisting of a speaker and 184 elected members(92 elected from the Northern Region, 42 from the Western Region, 42 from the Eastern Region, 6 from the Southern Cameroons and 2 from Lagos) (6). Whereas under the 1951 constitution, elected members of the legislature were elected by and were responsible to the regional legislatures, the 1954 constitution provided for the federal legislature members to be elected by separate elections and not by the regional houses. In addition to the elected members, there were three ex-officio members who were also members of the Federal Council of Ministers, and provision was made for the Governor-General to appoint up to 6 special members to represent interests not otherwise adequately represented.(7) The federal executive consisted of 10 ministers (3 from each Region and one from the Southern Cameroons) recommended by majority party leaders, three ex-officio members who were also members of the federal legislature and the Governor-General as President. Ministers were given individual ministerial responsibility.(8) There was no position of federal prime minister.(9)

The three regions, by contrast, introduced the position of premier.(10) The regional governments were not of a standard pattern as they were at different stages of development from feudal tribal government to representative democratic government. The Northern and Eastern Regions had two chamber systems consisting of a House of Chiefs and a House of Assembly.(11) In the Eastern Region arrangements were made to

(1) A.S. page 312
(2) IBID
(3) R.G. April 1962 page 213
(4) OGBIT
(5) N page 372
(6) P.A.U.K.D. page 9
(7) A.S. page 312
(8) N page 372 and A.S. page 313
(9) N page 372
(10) IBID
(11) P.A.U.K.D. page 10
add a House of Chiefs to the existing unicameral system. All members of
Houses of Assembly in the Eastern and Western Regions were elected, whilst
in the Northern Region and in the Southern Cameroons, the majority of
members were elected and the Governors were empowered to appoint
additional members. Each Region and the Southern Cameroons had an
Executive Council under a Governor. The town of Lagos, the federal
capital, became a federal territory, independent of the Western Region.
The Southern Cameroons, whilst continuing to be administered as part of
Nigeria, became a quasi-federal territory with its own legislature and
executive. The Northern Cameroons continued to be administered as part
of the Northern Region but a consultative committee was established to
advise on the interests of the public in that area.

The systems of election for both federal and regional
legislatures were separate and varied from region to region. In the
Northern Region and the Southern Cameroons, election to the federal
legislature was through electoral colleges. In the Western Region, the federal
franchise was confined to taxpayers, irrespective of age. In the Eastern
Region there was universal adult suffrage. This was later altered to
universal adult suffrage except in the Northern Region where the vote was
confined to men. Elections to the regional houses of assembly broadly
followed the same pattern.

In 1948 government expenditure was placed on a regional footing
and when the Federation of Nigeria was created, regional autonomy was
reinforced by the decision to re-allocate to the region of origin the
export dues levied by the federal government on its produce. As export
revenue made up the bulk of Nigeria's revenue, this was a significant
provision. In 1958 the process was amended slightly by the decision to
base re-allocation partly on need and not entirely on derivation.
Although the federal government retained approximately half the national
income, the regional governments had sufficient assured income to be able
to meet the cost of their day-to-day administration as well as the cost
of their own development plans.

(iv) Constitutional Agreements 1957

In 1957 the Western and Eastern Regions were granted internal
self government, which resulted in important changes in their regional
governments. The Premiers presided over the executive councils and all
members of these councils became ministers appointed on the advice of the
premiers. There were certain other important changes. To the three

(1) P.A.U.K.D. page 10
(2) A.S. page 372
(3) IBID
(4) IBID
(5) P.A.U.K.D. page 10
(6) A.S. page 373
(8) N C April 1962 page 213
(9) IBID
(10) IBID
classification ULI II prepared for the British Information Service
(12) P.A.U.K.D. page 10
regional premiers was added the position of Premier of the Southern Cameroons and the Southern Cameroons gained greater regional autonomy. The federal legislature became unicameral. The new House of Representatives consisted of 320 directly elected members on the basis of one member for approximately each 100,000 of the population. The Senate consisted of 52 members representing the regions and Lagos, plus special and ex-officio members. 36 of these senators were elected on the basis of 12 per region and were nominated by the regional governments subject to the approval of the legislatures. The Senate had revisionary rather than primary powers. The central executive also changed in nature and composition, to consist of 11 members, i.e. Prime Minister and 10 other members recommended by him from either the House of Representatives or the Senate. The position of federal Prime Minister was thus created.

(v) Subsequent Developments

In 1959 the Northern Region was granted internal self-government with resulting changes in the regional government, giving the Premier greater power. In 1960, when Nigeria became an independent territory, the position of Governor-General was retained and an African, Dr. Azikwe, was selected for this nonpartisan office. The independence of the judiciary public service and police was assured by various independent commissions, an important provision in a newly independent country.

In 1963 when Nigeria became a republic, very little alteration was made to the constitution. The status of the head of state was changed so that he would no longer represent the Queen. The constitution provided that the head of state should be the President, elected for five years by an electoral college of all the members of both houses of the federal parliament. Executive authority was vested in the President but in general he exercised this authority only in accordance with the advice of Ministers. The federal House of Representatives consisted of 312 members elected in single-member constituencies on a population basis of one member per approximately 100,000 people. The federal Senate consisted of 12 senators from each of the three regions, nominated by their governments after approval from the regional legislatures, four senators from Lagos and four special members appointed by the President.

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(1) N page 372
(2) IBID
(3) F.A.U.K.D. page 10
(4) N page 372
(5) G.P.A.S.S. page 106
(6) IBID
(7) IBID
(8) N page 372
(9) IBID
(10) Page 2 of F S C "Nigeria" R. (C.F.S.) 5533 of October 1965, classification III II prepared for the British Information Services
(11) GPASS page 107
(12) GPASS page 106
(13) N C September 1963 page 606
(14) Page 2 of F S C "Nigeria" R. (C.F.S.) 5533 of October 1965, classification III II prepared for the British Information Services
(15) IBID
(16) IBID
The Council of Ministers which was collectively responsible to
the federal parliament was charged with the general direction and control
of the government and consisted of the Prime Minister and other ministers.
The President appointed as Prime Minister the person commanding a
majority in the House of Representatives and the ministers were appointed
by the President, on the advice of the Prime Minister. (1)

The regional governments were fairly standardised. Each of the
regional legislatures consisted of a House of Assembly and a House of Chiefs,
all members of the House of Assembly were elected, except in Northern
Nigeria where the Governor would appoint up to five special members. Each
region had an Executive Council consisting of a Premier and ministers. (2)
The Governor of each region appointed as Premier the man commanding a
majority in the House of Assembly and ministers were appointed by the
Governor on the advice of the Premier. (3)

The system of elections for federal and regional governments
remained separate and, except in Northern Nigeria where the franchise was
restricted to males, there was universal adult franchis. (4)

One significant change that was made under the 1963 constitution
was the abolition of the Judicial Service Commission, the main effect of
which was to render a judge liable to dismissal from office on an address
from parliament supported by the majority of two-thirds of the members of
each house, requesting dismissal on the grounds of inability to perform
his office or on the grounds of misbehaviour. (5)

(c) Factors for Unity and Diversity in the Federation

(i) Divisions within the Regions

"As a unit of government Nigeria is an artificial creation; it is
perhaps the most artificial of the many administrative units created in
the course of the European occupation of Africa. But there is more. In
Nigeria the British Administration has in the past recognised those
Regional units which have hitherto been accepted as representing natural
divisions of the territory for governmental purposes, and which have
accordingly been regarded as the appropriate constituents of a Federal
system, should the Constitution take that form. But it has become
doubtful whether this assumption has become fully justified. The
Northern Region is, for example, usually regarded as a homogeneous unit,
mainly owing to the predominance of the Muslim Emirates. But there is
a large area in Northern Nigeria which is neither Muslim nor part of the
Emirate system. The Yoruba Chiefdoms constitute something like a natural
core in the Western Region, but the Benin and Delta Provinces are
essentially different in their character. In the Eastern Region the Ibo
constitute not one but two natural groups, and the Efik - Ibibio
contribute a third group." (6)
The major regions that were joined together in the federation did not then represent united entities in themselves. The existence of minorities in the various regions gave rise to demands for the formation of new states and also affected the development of political parties and party alignments. Political leadership not only had to unite the various regions but also had to win the support and confidence of the minority groups within the regions.

(ii) Cultural and Social Differences between the Regions.

Apart from the complications of the minority groups, the regions that were united in the federation had different cultural and social backgrounds. The coastal towns and Colony of Lagos was "bustling and sophisticated;" the Northern Region, which contained over half of the population of the federation, was predominantly Muslim and still largely feudal, with Muslim Emirates exercising a powerful influence in political affairs. The Eastern Region was dominated by the well organised and somewhat aggressive Ibo whilst the Western Region was dominated by the Yoruba people who had once known great kingdoms. In addition there was the trust territory of the Southern Cameroons which eventually elected to leave the federation and join the Republic of Cameroon.

(iii) Political Differences between the Regions.

Perhaps more significant were the different patterns and traditions of government which varied from region to region as did the stage of development reached in advancement towards democratic self-government.

In Northern Nigeria, the British originally introduced a policy of indirect rule, encouraging the continuation of the well established systems of native authorities. Later the British tried to extend the system of indirect rule to the southern part of Nigeria where native rulers were not as well established as in the north. This was an important aspect of British policy, indeed "till the end of the second world war, it was often argued that it should be the object of British policy to transfer power not to a Nigerian parliamentary democracy, but to the traditional Nigerian authorities, enlightened by the yeers of British rule and grouped together in some central authority." After the second world war, British policy clearly changed to an emphasis on developing parliamentary democracy at the central and regional levels, whilst relying heavily on native authorities at the

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(1) C P A S S page 109
(2) IBID
(3) C P A S S page 105
(4) IBID
(5) IBID
(6) Page 2 of F S C "Nigeria" No.R (C F S ) 5533 of October 1963
(7) C A B Vol.25 No.7 page 105
(8) C A B Vol.25 No.7 page 106
(9) C A B Vol 25 No.7 page 106
local government level. What emerged was a system of government that was a compromise between systems of traditional rule and parliamentary democracy. The policy of encouraging native systems of government had met with varying degrees of success, the Northern Region being the most successful and the Eastern Region the least successful because of the absence of genuine native authorities.

The policy of fostering democratic parliamentary government likewise achieved varying degrees of success in inverse proportion to the strength of traditional systems of native government. The Northern Region, for example, lagged behind the other regions in this respect, which partly explains why it achieved internal self-government later than the Western and Eastern Regions. The varying degrees to which native systems and parliamentary systems were established in the regions contributed to the tension between the regions.

The most important political division in the federation was between the conservative elements in the Northern Region and the more radical elements in the Eastern and Western Regions, where democratic procedures were more strongly established. So great was this difference, that "at the end of 1954 it seemed as though the desire for (traditional) self-expression by the North was likely to prove a far stronger force than the call of the South to form a single front in the interests of the early attainment of Nigerian independence". These differences were shown early in 1955 when it became clear that it would be difficult to form a federal cabinet as the instrument of a common federal policy.

(iv) Lack of National Unity

In a country of approximately 10 million people divided among 10 major ethnic groupings and constituted by bringing together regions with different political traditions and with internal divisions, it is not surprising that a sense of national unity and of political unity was not apparent. As late as 1962 it was observed that "although in a federation such as Australia, where the level of education is relatively high, most people have some concept of their national destiny, the same cannot be said of Nigeria. Indeed it is difficult to emphasize sufficiently the strength of regional feeling, even among the educated classes, now that the novelty of nationalism has worn off."

The lack of national unity and the strength of regional loyalties were reflected and reinforced by the pattern of development of political parties. Party organisations started out as national liberation move-
ments but the comparative ease with which self-government and independence were achieved and the many divisions within Nigeria seem resulted in the political parties assuming regional or even tribal groupings. The major political issues in Nigeria have been those concerned with "the balance of power among the three Regions: matters of political doctrine and economic interest have not been as important as the ambitions of the dominant group in each of the Regions to safeguard its position in the life of the federation."(1) This preoccupation has produced some strange alliances such as that between the most leftist party, the N.C.N.C. (National Council for Nigeria and the Cameroons) and the conservative N.P.C. (Northern Peoples' Congress). (2) In this struggle for power the Northern Region has drawn its strength from the size of its territory and population whilst the Eastern and Western Regions have possessed superior education and skill, more experience at democratic government and better organised groupings. (3) The demands for new states from minority groups have also complicated the groupings of the political parties as the main parties have tended to oppose secessionist movements in their own Regions whilst supporting them in other Regions as a device to weaken their opponents. (4) To many, the lack of national unity and the strength of regional loyalties indicated that the federation would not survive after independence. "In 1960 it was widely believed that the tensions between the three Regions would prove to be too strong to sustain the superstructure of a federal government. In particular the feeling was that the Northern Region, still largely under the rule of its Muslim emirs, would be unable to keep in step with the more progressive Eastern and Western regions. There was no love lost either between the Ibo of the Eastern Region and their Yoruba neighbours in the West. This tribal antipathy had found expression in the formation of regionally based political parties - Dr. Azikiwe's National Council of Nigeria and the Cameroons in the East and the Action Group under the leadership of Chief Awokele in the West. The struggle for independence forged no lasting alliance between them, and once it was over, the federal constitution was exposed to the full force of this three-way geographic and political division."(5)


The constitution was partly to blame for the lack of national unity. It tended to create a gulf between the federal government and the people and to encourage regional loyalties through granting so many

(1) G A B Vol 25 No. 7 page 107
(2) N C April 62 page 214
(3) G A B Vol 25 No. 7 page 108
(4) G A B Vol 25 No. 7 page 108
(5) N C April 62 page 219
powers to the regional governments and through providing a reasonable degree of regional autonomy in the financial arrangements. On the other hand, this very weakness of the federal government was one of the major reasons for the survival of the federation. The position in 1962 was summed up thus:

"Once outside the Federal capital, Lagos, the traveller sees little evidence of any authority save that of the particular Region through which he is passing. Ibadan, Enugu and Kaduna have each acquired the trappings of a national capital, and it is only the freedom of trade and the presence of Federal police that suggests each Region is not a separate country after all.

As a result of this regional autonomy the sphere of Federal politics often seems removed from the daily lives of the people. The Federal Parliament is at its most purposeful when discussing foreign affairs, but on other matters tends to become something of a hot-house, with more talk and manoeuvring than effective action.

This is not without its advantages: for it is only by channelling political energy away from the Federal arena and into the Regional Parliaments that the constitution enables the political parties to come together in the centre at all. Although Nigeria's politicians obviously enjoy their position, there would be little hope of stability, let alone of the present ruling coalition between the Northerners (N.R.C.) and the Easterners (N.C.W.O.), if all were not certain that, come what may, there was no chance of anyone but themselves running the lion's share of their homeland. (I)

Factors working for National Unity

On the other hand, the above factors working against national unity were not entirely unopposed by factors working in the opposite direction. The differences between the various communities of Nigeria can be exaggerated. Whilst there are important differences, " in essence they all are African peoples, sharing a period of rapid transition that affects both social ties and means of livelihood. Time, economic change and growth of communications are working on the side of integration. Ambitious, well-educated, far seeing individuals in every region are attracted to the service of the new state."

The only real obstacles in the way of wider political horizons are inertia, suspicion and sloth. An institutional framework that maintains the appearance of regional self-government while bringing the leaders of each area to work together in a central government is probably the most effective political instrument that can be achieved under present conditions. (2) Increasing economic development and the development of each of the regions towards democratic parliamentary government (3) also meant that, although beginning from separate, and in the case of political institutions, different starting points, they were all developing in the same direction.

(1) S.C. April 1962 page 214
(2) S.P.A.S.V page 103
(3) C.A.B. Vol 23 No.7 page 106
Economic development provided an important source of unity amongst Nigerian leaders, as they realised the need to plan the economic development of the country as a whole. Although in the Central African Federation the economic advantages of the federation were not sufficient to hold the territories together, they were sufficient in the case of Nigeria. This was partly because in Central Africa, the advancement of the federation was not an African responsibility and the economic development of the country was associated with white exploitation, whereas, in Nigeria, at both the federal and regional levels, African leaders were responsible for economic and political affairs. The advancement of Nigeria was an African responsibility and a goal with which the African leaders were therefore associated. Nigeria was poor and depended for its future prosperity on improved agriculture and diversification of the economy. The geography of Nigeria helped to provide an economic link between the regions, as the North depended on the South for its line of communications and the South depended on the North for part of its subsistence and a large part of its export. The need for co-ordinated economic planning has also helped to promote co-operation between the African leaders in the National Economic Council, established in 1955 to co-ordinate federal and regional activities, reinforced in 1959 by the Joint Planning Commission to take responsibility for the £275 million 1955-62 economic plan.

Applicability of the Nigerian Experience to British Borneo

The Federation of Nigeria showed that a federation between diversified units with different traditions is possible if sufficient autonomy is left to the regions and if the federation is sufficiently flexible to meet changing situations. This would seem to indicate that a British Borneo federation would have its best chance of survival if the federal government at first had limited exclusive powers. Nigeria has shown that constitutional changes after the creation of the federation are possible without causing disruption.

In the British Borneo situation Brunei would be similar to the Northern Region in its tradition of Malay aristocratic rule and Sarawak and North Borneo would be similar to the Eastern and Western Regions with their more highly developed democratic governments. Brunei would be less powerful in the British Borneo federation because of its small size and population, although this would be compensated by Brunei's wealth. Regional divisions would also be reduced by the existence of Muslim Malay groups and Chinese in all three territories.

(1) C A B Vol 25 No. 7 page 109
(2) IBID
(3) A S, page 313
(4) N C April 62 pages 214 and 215
The need for co-ordinated economic planning in developing agricultural production and in diversifying the economy would, in British Borneo as in Nigeria, encourage co-operation of the territorial leaders. As British Borneo already shared a number of common services there was already some experience of successful inter-territorial co-operation. A federation of British Borneo would therefore commence its existence with more factors working for unity than existed in Nigeria. If Nigeria could survive as a federation, it would seem therefore that British Borneo would have a greater chance of survival.
E. THE FEDERATION OF THE WEST INDIES.

(a) Developments preceding Federation.

(1) Early Proposals for Federation.

Official and unofficial proposals for a closer association in the British West Indies had been made and discussed since the mid nineteenth century, but, apart from the 1871 federation of the Leeward Islands, nothing constructive was done to implement the idea of closer association.\(^{1}\) Even the much criticised\(^{2}\) Leeward Islands federation was more of a confederation\(^{3}\) and suffered from a weak central government composed of members of the local assemblies delegated to the federal assembly.\(^{4}\) There were also various loose associations of some of the smaller colonies, particularly in the Windward Islands,\(^{5}\) but these were hardly federal.

In considering the proposals for closer association in the West Indies, the British Government was aware of the need for popular support for the idea, and of the need for an adequate supply of politically experienced local leaders to enable a federation to work.\(^{6}\) The idea of closer association did not generally enjoy popular support and the colonies of the West Indies had not developed sufficiently towards democratic self-government to produce sufficient well trained local political leaders.\(^{7}\) A further problem in the path of closer association was the isolation of each of the West Indies colonies.\(^{8}\)

(ii) Growth in Acceptance of the federal Concept.

From 1944 to 1956,\(^{9}\) the concept of closer association of some or all of the West Indian colonies gained increasing acceptance. This was partly because improvements in sea, air and telegraphic communications brought the West Indian colonies into closer contact with each other, especially in the Southern Caribbean, although these improvements tended to bring each of the colonies into closer contact with the outside world rather than with each other. Politically, the period was one of growing discontent, agitation and demands for increased development towards democratic self-government and one of growing realisation in Britain of the need to foster self-government and economic and social welfare development in her dependencies.

During this period, negotiations and discussions were concerned with three major issues: the fostering of development towards democratic

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\(^{1}\) S.A.E.S. page 100. The early proposals are discussed on pages 133-144 of S.A.E.S.

\(^{2}\) S.A.E.S. page 135

\(^{3}\) S.A.E.S. page 143

\(^{4}\) S.A.E.S. page 144

\(^{5}\) Discussed on pages 134-135 of S.A.E.S.

\(^{6}\) S.A.E.S. page 100

\(^{7}\) Ibid

\(^{8}\) S.A.E.S. page 137

\(^{9}\) Discussed on pages 137-144 of S.A.E.S.
self-government in each of the West Indies colonies; a proposal for federation of the Leeward and Windward Islands, and the concept of a larger West Indian federation.

On the question of a federation of the Leeward and Windward Islands a Royal Commission recommended a federation on an experimental basis, drawing on the experience of the federation of the Leeward Islands. The British Government, aware of the weakness of the Leeward federation due to the weak central government, advocated a strong central government, and offered a block grant under the Colonial Development and Welfare Fund to cover the extra expenses involved in setting up the federation.

In the discussions on federation, there was inevitably a conflict between the desire for internal development on an insular basis and the desire for a strong national federation. The progress of each of the colonies towards democratic self-government at different speeds also presented problems for the smaller colonies in entering a federation. On the other hand, economic development and the development towards democratic self-government were factors encouraging support for closer association as this appeared to be the best method for the smaller colonies to achieve self-government and independence. West Indian nationalism began to gain support, reinforced by the growth of organisations and political parties with a West Indian consciousness, such as the Associated Chambers of Commerce of the West Indies, the Caribbean Labour Movement, Federation of Civil Servants of the West Indies, the Caribbean Bar Association and the Caribbean Union of Teachers.

(iii) The Final Stages of the Negotiations to establish the West Indies Federation

The increasing acceptance of a federal concept for the West Indies and a growing popular demand for closer association led to the conference of representatives of all British West Indian colonies, including the mainland territories of British Guiana and British Honduras at Montego Bay, Jamaica in 1947. The decisions made at this conference represented an important step towards creating a federation.

"The Montego Bay Conference decided to adopt a unified currency, to create a regional primary producers' association, and to establish a joint trade mission in London and a regional economic committee to co-ordinate economic and trade matters. With a view to planning for the federal government which it approved in principle - to be modelled on the Australian system - it set up two commissions to examine the introduction of a customs union and a unified civil service, and a body known as the Standing Closer Association Committee to plan the establishment of the federal government."
In 1949 the Standing Closer Association Committee produced its first full draft of a constitution. The two mainland territories of British Guiana and British Honduras rejected the draft, as they each feared a flood of Negro immigrants from the smaller but more densely populated islands, without compensating capital for development to absorb immigrants. The island territories, however, endorsed the draft which was discussed and slightly modified at a conference in London in 1953. This conference was attended by representatives of all of the British West Indian colonies and the British Government, while British Guiana and British Honduras, although no longer prepared to join the federation, sent observers. The acceptance of the principle of freedom of movement between the territories caused anxiety and some reservations in Trinidad, where the living standards could be jeopardised by a flood of immigrants from the poorer Windward Islands and Barbados. A conference on the freedom of movement was therefore called in Trinidad in 1955, at which a compromise proposal was accepted, whereby the territories would retain control over international migration for five years after federation, after which the federal government would assume control.

In 1956 the final conference on federation was held in London. At this conference, largely as a result of the insistence of the delegation from Jamaica, the most politically advanced towards self-government, the constitutional proposals were modified to produce a more democratic system of government. The two most important sources of disagreement were the issues over a customs union and the site for the federal capital.

Jamaica opposed a customs union as the Jamaican Government had fostered the development of protected industries and feared competition particularly from the light industries in Trinidad. The introduction of a customs union would also deprive the Jamaican Government of a small but important source of revenue. It was eventually agreed that, in principle, it was "essential to the economic strength of the area that there should be an integrated trade policy for the Federation and that there should be introduced as far and as quickly as practicable a Customs Union, including internal Free Trade." It was also agreed that a statement to this effect should be included in the preamble of the constitution. To meet the objections of Jamaica, a Commission on Trade and Tariffs was appointed to enquire into the fiscal and economic implications of a customs union.

The selection of a site for the federal capital was a difficult problem. The 1953 conference in London had suggested Grenada as the capital, but it lacked important facilities such as a first class airport.

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(1) S A E S page 146. This report is discussed on pages 146-152 of S A E S
(2) C A B Vol 23 No.13 page 202
(3) Discussed on pages 152-155 of S A C S
(4) S A E S page 153
(5) Discussed on pages 155-157 of S A E S
(6) Discussed on pages 157-159 of S A E S
(7) S A E S page 158
The 1956 conference was unable to settle this question and appointed a site commission of three Englishmen who would be able to make impartial recommendations. The Commission's report in 1957 recommended Barbados because of racialism and corruption in Trinidad and because of the danger of Jamaican's weighty population influencing the federation if the capital were sited in Jamaica.

The conference established other commissions on the unification of the civil service, on judicial matters and on fiscal matters. It also replaced the Standing Closer Association Committee with Standing Federation Committee which was to operate until after the first federal elections resulted in the establishment of a Federal Government.

In 1957 the Standing Federation Committee met in Jamaica to make the final arrangements for the creation of the federation. The meeting gave evidence of nationalist fervour and some degree of regional discord especially over the choice of the federal capital. The Committee rejected the Site Commission's recommendation of Barbados as first preference for the capital and selected Trinidad instead. The Committee also decided to drop the title of British Caribbean Federation and to replace it with "The West Indies".

On 3rd February, 1958, the Federation of the West Indies was formally established when the Governor-General assumed office in Trinidad. On that date the interim provisions of the constitution came into operation and the remaining provisions were to come into force on dates proclaimed by the Governor-General. The federation consisted of Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts-Nevis-Aguilla, St. Lucia, St. Vincent and Trinidad and Tobago. The mainland British dependencies, British Guiana and British Honduras, did not join the federation.

(b) The Constitution.

(i) Relationship with Britain

The Queen was represented in the federation by a Governor-General and Commander-in-Chief. The executive authority of the federation was vested in

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(1) These commissions are discussed on pages 159-160 of S.A.E.S
(2) This meeting is discussed on pages 161-162 of S.A.E.S
(3) P.A.U.K.D. page 5
(4) Ibid
(5) This section is based on the brief summaries on pages 5-6 of P.A.U.K.D. and C.A.E Vol 23 No.13 pages 203-204
the Queen, on whose behalf, subject to the provisions of the constitution, the Governor-General acted. He was required to act in accordance with the advice of the Council of State except on matters of urgency and on certain specified matters. On matters affecting defence, central affairs and the financial stability of the federation, the Governor-General was required to obtain the approval of the British Secretary of State if he acted contrary to the advice of the Council of State. On these matters the British Government could enact legislation by order in Council without reference to the West Indies Government.

(ii) The Council of State

The Council of State, normally presided over by the Governor-General, consisted of the Prime Minister and ten other Ministers and was the principal instrument of policy for the federation, advising the Governor-General in the exercise of his functions. The Prime Minister was elected by and from among the members of the federal House of Representatives and advised the Governor-General in the nomination of the other ministers. Not less than three ministers were to be members of the Senate and the rest were to be members of the House of Representatives. The Governor-General was empowered to nominate three federal public servants to attend meetings of the Council and to take part in discussions.

(iii) The federal Legislature

The federal legislature, consisting of a House of Representatives and a Senate, could be dissolved by the Governor-General and had a full term of five years. The House of Representatives consisted of 45 members (17 from Jamaica, 10 from Trinidad, 5 from Barbados, 1 from Montserrat and 2 from each of the other six territories), elected by adult suffrage on the first-past-the-post principle, and was presided over by a Speaker. The representation in the lower house did not reflect the population of the territories but was rather designed to curb the power of the larger territories in the lower house. In this way, state rights were not protected solely by the upper house. The upper house, or Senate, consisted of 19 members appointed by the Governor-General on the basis of 1 from Montserrat and 2 from each of the other territories.

Bills other than money bills could be introduced into either house but money bills could be introduced only in the House of Representatives. Money bills could be presented to the Governor-General for assent, even if
not passed by the Senate, but on all other bills, the Senate had a delaying power of one year.

(iv) The Division of Legislative Powers

The constitution provided for exclusively federal powers and concurrent powers and allocated the residual powers to the territorial legislatures. The exclusively federal and concurrent powers provided for a strong federal government.

The exclusively federal powers included defence, exchange control, immigration and emigration, federal public services and federal agencies and institutions, including the University College. The concurrent powers, in which federal law prevailed in the event of inconsistencies between federal and territorial legislation, included civil aviation, shipping, banks and banking, industrial arbitration, currency, customs and excise duties, industrial development, postal services, higher education other than that provided by the University College, research and surveys (except by federal agencies) telegraph and telephone communications, trade and commerce and trade unions.

(v) The federal Judiciary.

The Federal Supreme Court consisted of a Chief Justice and at least three Judges and had original jurisdiction in proceedings between the federal and a territorial government or between territorial governments. The Supreme Court also had authority to interpret the federal constitution.

(vi) Financial Provisions. (I)

Although the federal government was given wide legislative powers, it was limited in the exercise of its powers by the financial provisions. The constitution provided that, for the first five years, federal revenue was not to exceed £2,375,000 p.a. The federal government's revenue was to come from profits made by the issuing of currency and from contributions from the territorial governments' own revenue. A fixed proportion of territorial revenue was to be paid to the federal government (43% in Jamaica, 39% in Trinidad, 8½% in Barbados and less than 2% in each of the other territories). Additional revenue was promised by Britain (up to £1½ m. towards the cost of the federal capital) and by Canada (£4½ m over a five year period for the development of inter-territorial trade and communications). The constitution also provided that, should the federal government enter the field of customs duty during the first five year period, any sums collected above the maximum

(I) The repercussions of the financial provisions are discussed on pages 197-213 of S.A.E.S.
set for federal revenue should be returned to the territories. Even after
the first five year period when the federal government would be empowered to
levy income tax and customs duties it was unlikely that the federal govern-
ment would be able to increase its revenue appreciably in comparison to the
territorial revenues because the economy was unlikely to be able to support
any substantial increase in taxation.

The financial provisions thus made the federal government dependent
on the territorial governments, particularly Jamaica and Trinidad, for its
income. The financial provisions limited the development and welfare
activities which the federal government could launch and also limited the
amount of aid the federal government could give the poorer territories. This
aid would undoubtedly be needed and demanded by the poorer territories and
would therefore force the federal government to attempt to increase the con-
tributions of the richer territories so that more money could be reallocated
to the poorer territories, a development unlikely to be popular with the
richer territories. During the interim period, some assistance was provided
by Britain's promise of £1 2½m assistance to the poorer territories over the
first five-year period.

(vii) Territorial Governments, (1)

The territories comprising the federation were each headed by a
Governor and varied in their degree of internal responsible government from
the more advanced territories of Barbados, Jamaica and Trinidad to the more
backward territories such as the island of Montserrat. The more advanced
territories had a nominated upper house and an elected lower house, elected
on adult suffrage, with systems of ministerial responsibility. The more back-
ward territories had a single legislature with a majority of elected members,
elected by adult suffrage. The former federated Leeward Islands, whilst
sharing the same Governor, were divided into four territories, each with its
own legislature and executive council. Trinidad and Tobago were amalgamated
and the four Windward Islands, whilst each possessing a separate legislature
and Executive Council, shared the one Governor.

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(1) Each of these territories is discussed separately on pages 7-8 of
P.A.U.K.D.
(viii) Provisions for Constitutional Review

Provision was made for the review of the constitution not less than five years after its introduction, by a conference to be attended by representatives of the British Government, the federal government and the territorial governments. In particular, the financial provisions concerning the institution of federal taxation of incomes and profits were to be reviewed.

(a) Factors for Unity and Diversity in the Federation

(i) Population.

The West Indies consisted of people of various races. The majority were of African descent, but there were elements of British, Portuguese, Syrian, Chinese, French, Spanish and East Indians. Although there was some variety in the particular combinations from island to island, this was generally no problem for the federation, as the largest group of Negro origins could be found throughout the territories and most of the inhabitants tended to regard themselves as West Indians, having renounced their ties to their original homelands. The population of the West Indies, whilst diverse in origin, had a greater similarity of outlook than did the English and French elements in Canada when the federation was established there.

(ii) Size

A far more serious problem for the federation was the distribution of population and the size of the territories. Jamaica and Trinidad were by far the largest territories with the largest population. This presented a problem from the outset. To protect the smaller territories against domination by the larger territories, the constitution provided for disproportionate representation of the smaller territories in the federal House of Representatives, a provision that became increasingly unpopular in the larger territories, especially Jamaica.


(2) S.A.E.S. page 107.

(3)
(I)

<table>
<thead>
<tr>
<th>Area</th>
<th>Area Sq. Miles</th>
<th>Pop. mid-year est.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>4,411</td>
<td>1,563,700</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>1,980</td>
<td>742,500</td>
</tr>
<tr>
<td>Barbados</td>
<td>166</td>
<td>228,000</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>238</td>
<td>89,000</td>
</tr>
<tr>
<td>Grenada</td>
<td>133</td>
<td>88,640</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>150</td>
<td>77,700</td>
</tr>
<tr>
<td>Dominica</td>
<td>305</td>
<td>63,800</td>
</tr>
<tr>
<td>St. Kitts, Nevis &amp; Anguilla</td>
<td>153</td>
<td>54,800</td>
</tr>
<tr>
<td>Antigua</td>
<td>171</td>
<td>53,000</td>
</tr>
<tr>
<td>Montserrat</td>
<td>32</td>
<td>14,400</td>
</tr>
</tbody>
</table>

Totals: 7,739 2,975,540

(iii) Wealth

As to be expected in a union of territories of such different sizes, there were gaps in wealth between the larger and smaller territories.

Revenue 1957 £ 000 (2)

<table>
<thead>
<tr>
<th>Area</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica</td>
<td>29,170</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>23,566</td>
</tr>
<tr>
<td>Barbados</td>
<td>5,220</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>1,411</td>
</tr>
<tr>
<td>Grenada</td>
<td>1,139</td>
</tr>
<tr>
<td>St. Vincent</td>
<td>1,156</td>
</tr>
<tr>
<td>Dominica</td>
<td>1,076</td>
</tr>
<tr>
<td>St. Kitts, Nevis &amp; Anguilla</td>
<td>1,765</td>
</tr>
<tr>
<td>Antigua</td>
<td>1,936</td>
</tr>
<tr>
<td>Montserrat</td>
<td>327</td>
</tr>
</tbody>
</table>

Total: 66,766

This was a potential source of friction in the federation because the federal government, lacking the resources to develop the poorer territories and lacking the resources to provide adequate financial aid.

(1) From C A B Vol 23 No 13 page 197

(2) ISID
to the poorer territories, was likely to fact the choice of allowing the poorer territories to become disgruntled as the gap between them and the richer, more developed territories/ or of creating opposition in the richer territories through increasing their contribution to federal revenue for redistribution to the poorer territories.

The difference in wealth affected discussions during the early stages of the federation negotiations. Trinidad, the richest territory with a higher living standard than the poorer territories faced the possibility of floods of immigrants from the smaller territories. Although control over inter-territorial migration was to remain in territorial hands for the interim period, when the time came for the federal government to assume control over internal migration, a dispute between Trinidad and the poorer territories was almost certain on this issue.

(iv) Isolation

One of the obstacles to the development of unity was the scattered nature of the territories, which at first produced predominantly insular attitudes on the part of the inhabitants and caused early opposition to federation proposals. The improvements in transport and communication improved the position slightly although they tended to bring the territories into closer contact with the outside world rather than with each other. Whilst acknowledging the difficulty of federating island territories scattered over wide areas, it should nevertheless be noted that the West Indies territories, though divided by the sea, did not cover as vast distances as did the federations of Australia and Canada.

(v) Economic Development

The economic problems of the area, - the need to combat poverty, to protect and develop the sugar industry on which the economy depended and to diversify the economy - contributed to the growth of inter-territorial cooperation even before federation.

The most significant development was the creation of the Regional Economic Committee after the 1947 Montego Bay Conference, to co-ordinate economic and trade matters. The West Indian leaders realised that a single government would have more success in securing overseas finance and markets.

(I) Page 107 S A E S
(2) This Committee’s work is discussed on pages 166–177 of S A E S
(3) C A B Vol 23 No.13 page 202
that co-ordinated economic planning would produce better long-term results and that the burden of taxation for development and welfare programmes would be better shared over a wide area. Many were also aware of the benefits that would accrue from stimulated inter-territorial trade and a Customs Union.

The question of free trade and a Customs Union produced dissension from Jamaica where the government had successfully developed protected industries by the use of protective tariffs. The introduction of free trade, whilst in the interest of the other territories and the federation as a whole, threatened to damage Jamaica's industries and hence to upset her economy. The interim provisions for retaining territorial control over customs was no real solution as, in the long run, the federation and the territories other than Jamaica were in favour of free trade. Indeed, the longer Jamaica retained control over her internal economic policies, the wider the divergence of interest between Jamaica and the other territories became on this issue.

(vi) Separation of political Traditions.

Under colonial rule, each territory tended to be kept separate with its own governors, legislatures, executives and policies for political and economic development. Although some territories had earlier histories of association with colonial powers other than Britain, they shared a common pattern of development towards self-government under British control. As other forces produced an environment favourable to federation, the different units were able to overcome their political isolation sufficiently to enable the federation to be launched. The change was reflected in the development of political parties.

Political parties had emerged before the creation of the federation and there were important differences between the party systems of each territory. For example, Jamaica had a two party system in which the Peoples' National Party and the Jamaica Labour Party competed. In Barbados there were two Negro labour parties, one inter-racial moderate party and the Barbados Labour Party holding the central position and a majority in the territorial legislature. In the Leeward Islands labour parties virtually

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(1a) S.I.A.B.S. page 107
(1) C A B Vol 23 No. 13 page 202
(2) Ibid
(3) W.T. June 1962 page 237
(4) R.T. June 1962 No. 207 page 271
(5) Discussed on pages 204-206 of C.A.B. Vol 23 No. 13
monopolised the elected seats and there was no effective opposition.

The development of federal political parties was a difficult task. The pre-federation conferences had generally been attended by inter-party delegations but divisions in these conferences were along territorial lines rather than party lines. The successful formation of a Federal Labour Party in 1956 resulted in an amalgamation of various parties to form the Democratic Labour Party as the federal opponent to the Federal Labour Party. By the time of the first federal election, party lines were drawn throughout the federation and the election was fought almost exclusively between the two federal parties. (I) This was an encouraging sign that federal divisions had replaced territorial divisions.

(vii) The Development of National Unity and federal consciousness. Although slow to emerge, a West Indian nationalism did emerge to overcome the isolation and insularity of the territories. It was this rise in national feeling that produced the widespread support for federation in 1947 whereas previously, popular opinion had opposed federation. Common economic problems and the need for inter-territorial co-operation (2) fostered initially by Britain, laid the foundation for the development of a national consciousness and for the creation of the federation. As early as 1898 an Imperial Department of Agriculture was created for the Leeward and Windward Islands with advisory functions in the more developed colonies of British Guiana, Trinidad and Jamaica. Inter-territorial conferences of senior public servants were also part of the pre-federation West Indian scene and, although these conferences did not appreciably affect popular attitudes they did foster the habit of inter-territorial administrative co-operation and the development of uniform legislation in the territories. Other federation-wide organisations such as the Caribbean Commission, the Regional Economic Committee and Imperial Marketing Board, the Trade Commission Service, the British West Indian Sugar Association, the Federated Chambers of Commerce, (3) the Caribbean Labour Movement, the Federation of Civil Servants of the West Indies, the Caribbean Bar Association, the Caribbean Union of Teachers and the Church all contributed to the fostering of a sense of national unity. The establishment of the Imperial College in Trinidad, and probably more

(I) C A B Vol 23 No.13 page 206
(2) Discussed on pages 162-182 and 286-327 of S A E S
(3) Page 108 S A E S
important, the establishment of the University College of the West Indies in 1948 were important examples of co-operation in education and, especially in the case of the latter, were important in fostering a sense of national unity. (1)

Perhaps the most important factor contributing to the growth of federal consciousness and West Indian nationalism was the realisation on the part of the West Indian political leaders and then the people that federation was the only way in which the territories, especially the smaller territories, could hope to achieve the political and economic foundations for independence. It was the desire for independence and the realisation of the importance of federation to achieve this that provided the major stimulation of popular support for the federation proposals.

(d) The Collapse of the Federation and its Causes. (2)

Although early proposals for a West Indian federation lacked popular support the eventual creation of the federation had widespread support and good will. The federation was created after careful planning and much negotiation and it seemed that the federation had every chance of survival.

The most serious problems that led to the collapse of the federation were the difference in size of the territories, the development of conflicting economic interest between Jamaica and the rest of the federation and Trinidad's desire to restrict immigration from other territories.

Resentment in Jamaica against proposals for an ultimate Customs Union and resentment against Jamaica's small representation in the federal government increased after the creation of the federation. Jamaica's poor representation was accentuated by the choice of a Prime Minister from Barbados, by the allocation of only one portfolio to a minister from Jamaica and by the fact that the Leader of the Opposition was from Trinidad. (4) A split between Sir Grentley Adams, the Federal Prime Minister, and Mr. Manley, the Jamaican Premier, gradually developed, despite the fact that their parties were affiliated. The difference of opinion between these two leaders was emphasised by events late in 1958 when the Prime Minister raised the

(1) Pages 323–324 S.A.E.S
(2) C A B Vol 23 No 13 Page 202 and page 107 S.A.E.S
(3) This section is based on the accounts given in R.T. June 1962 No 207 pages 271–278 and W.T. June 1962 pages 233–242
(4) W.T. June 1962 page 240
question of the introduction of direct federal taxes to overcome the paucity of federal finances. Sir Alexander Bustamante, leading the opposition party in Jamaica reacted violently to this proposal and stirred up so much opposition amongst Jamaican public opinion that Mr. Manley was forced to oppose the suggestion. This dispute brought to the fore Jamaica’s earlier reservations on federation and in the Jamaican General Election of July 1959 Jamaica’s place in the federation became an election issue. Sir Alexander Bustamante’s party adopted the slogan “Jamaica must lead the Federation or secede.” Mr. Manley expressed his government’s attitude thus: “Proper representation on a population basis, protection against every form of taxation, revision of the constitution to give us freedom to pursue our own economic development policy, protection of Jamaica’s interest and, in particular, of our industrial programme in everything that relates to a Customs Union.” Mr. Manley won the election but the opposition party continued to play up the federal issue.

In October 1958 the federal House of Representatives had passed a motion seeking early independence and Dominion status for the federation. As a result, an inter-governmental conference was held in Trinidad in September-October 1959 to revise the constitution and to prepare for a conference with the British Government. This conference resulted in increased strain between the governments as Jamaica demanded 32 seats out of an enlarged 65 seat House of Representatives and demanded that the federal government should be deprived of powers which would interfere with territorial government’s development policies. Trinidad, on the other hand, demanded a stronger central authority with greater financial powers. The conference failed to reach agreement and in 1960 Mr. Manley went to London for discussions with the Colonial Secretary, warning that Jamaica would not compromise on her demands. Sir Alexander Bustamante announced that if his party were returned to power in Jamaica, Jamaica would secede. Mr. Manley, maintaining that this announcement required a test of popular opinion on the federation issue, announced a referendum in May 1960.

(1) W.T. June 1962 page 240
(2) Quoted on page 240 of W.T. June 1962
(3) IBM
without consulting the British Government or the Federal Government.\(^{(1)}\)

In May-June 1961 the pre-independence conference was held in London. The date for independence of the federation was set at 31st May, 1962. Jamaica gained increased representation in the federal House of Representatives and compromise agreements were reached on the issues of a Customs Union and the freedom of movement. The federal government was granted independent powers of taxation to increase its revenue and a final conference was arranged for January 1962.\(^{(2)}\) It appeared that the federation had overcome its problems.

The Jamaican referendum was held in September 1961.\(^{(3)}\) Just under 61% of the Jamaican electorate voted and secession was supported by a majority of 35,000\(^{(4)}\). The voting was along more or less customary party lines and the result was more an outcome of rivalry between Mr. Manly and Sir Alexander Bustamente\(^{(5)}\) than an expression of widespread Jamaican opposition to the federation. Nevertheless, Mr. Manly had to seek secession as a result of the outcome of the referendum. The British Government agreed to Jamaica's secession.

With the largest member of the federation removed, Trinidad was unwilling to remain as the sole large and wealthy territory in a smaller federation with the other territories. The smaller territories were offered the opportunity to join a unitary state with Trinidad and Tobago, but they rejected this offer as it involved the loss of their individual entities. As a result, what was left of the federation was the separate units of Jamaica, Trinidad and Tobago and the smaller territories which would attempt to form a new federation.\(^{(6)}\) The Federation of the West Indies was dissolved on 31st May, 1962.\(^{(7)}\)

\(=\text{(e) Applicability of the West Indies Experience to British Borneo}\)

Whether the federation would have survived had Jamaica not held a referendum is open to question. The issues of a customs union and of freedom of movement were likely to be problems that would recur, but the chances

\(1\) The account of these developments occurs on page 241 of W.T. June 1962
\(2\) W.T. June 1962 page 242
\(3\) W.T. June 1962 page 242
\(4\) W.T. June 1962 page 235
\(5\) Ibid
\(6\) W.T. June 1962 page 234
\(7\) Page 2 of F.S.C. No. (C.F.S.) 5588 of July 1963, classification III,16, "Trinidad and Tobago"
were that the federation would have survived by continued compromise.

In British Borneo, whilst there were differences in the sizes of the territories and differences in wealth, the type of issues that arose in the West Indies were likely, except perhaps, the question of freedom of movement. Even in this matter, there was no likelihood of any one territory being swamped by people from other territories. Although Brunei generally had a higher standard of living than the other territories and although it offered more employment opportunities in its oil industry, the other two territories were not overpopulated and there was generally speaking plenty of work available in each territory because of the small population and the shortage of labour.

The issue of free trade was unlikely to cause dissension among the three territories. All three were attempting to develop industries, but there was no danger of competition between the three territories damaging new industries, as no one territory was appreciably more advanced in this respect than the others. Free trade in British Borneo was likely, in fact, to encourage development in all three territories through increased markets.

Perhaps the most important lesson for British Borneo from the collapse of the West Indies Federation would be to ensure that no rash act such as the Jamaican Referendum could occur in British Borneo.
PART THREE

THE OFFICIAL 1958 PROPOSAL

FOR CLOSER ASSOCIATION OF

THE BRITISH BORNEO TERRITORIES
A. THE PROPOSAL.

On Friday, 7th February, 1958, Sir Anthony Abell, the Governor of Sarawak, in a broadcast over Radio Sarawak, put forward the broad outline of a plan for "the closer association of the three territories of Sarawak, Brunei and North Borneo". (1) On the same date, Sir Roland Turnbull, the Governor of North Borneo, made a similar broadcast over Radio Sabah, the national broadcasting station of North Borneo. (2) It is these two speeches, considered together, that I regard as constituting the proposal for closer association.

The proposal gives rise to one problem that I should like to solve straight away, at least for purposes of this thesis. This problem is one that both Governors, perhaps wisely, avoided. It is the problem of a suitable name for the new nation that would be created by the closer association.

"Sarawak, Brunei and North Borneo", apart from being too long, would merely describe the parts rather than the new whole. "British Borneo" is a term that has been used frequently to refer collectively to Brunei, Sarawak and North Borneo. This would obviously be unsuitable as the name for the association because the term "British" would be inappropriate in the name of a new nation in Southeast Asia in this day and age. "Borneo", whilst possibly the least offensive to Southeast Asian sensitivities (apart from its connotation of the primitive past of head hunting) would not be strictly accurate because Kalimantan or Indonesian Borneo, which occupies more than two-thirds of Borneo, (3) was not included in the proposal for the closer association. "North Borneo" (4) whilst geographically

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(1) "Sarawak by the Week" 6/58 from Feb. 2nd to Feb. 8th 1958, Page 1. Issued by the Government of Sarawak Information Service Kuching. All quotations from Sir Anthony Abell, unless otherwise stated, are from this document.
(2) Text of an Address on Closer Association between Sarawak, Brunei and North Borneo, by His Excellency, the Governor of North Borneo, Sir Roland Turnbull, K.C.M.G., broadcast over Radio Sabah at 7.00 p.m. on February 7th, 1958. Issued by the Information Service, North Borneo. All quotations from Sir Roland Turnbull, unless otherwise stated, are from this document.
(3) C.S. page 19
(4) Asahari, when the Brunei Rebellion began, declared himself to be President of the United States of "Kalimantan Utara" (literally "North Borneo").
reasonably accurate, would be inappropriate because of possible confusion with the then Colony of North Borneo. "North West Borneo" would avoid this confusion, but part of North Borneo is on the North East Coast.

The problem of finding a suitable name for the association has been solved by events since 1958. Malaysia has solved at least one problem.

As I cannot find a more suitable name and as I think this is the most accurate and the one least likely to be confused with other names, I propose to refer to the nation which would have resulted from the creation of the closer association as "British Borneo". As a collective term to refer to Sarawak, Brunei and North Borneo other than as linked in the closer association. I shall use the term "the British Borneo territories", a name frequently used for this purpose.

The speeches of the two Governors were designed to initiate public thought and discussion on the question of the possible closer association of Sarawak, Brunei and North Borneo. As this was the first time the question had been brought officially to the notice of the public, the speeches did not contain very detailed proposals and did not attempt to provide a clear blueprint for the association. They proposed the principle of closer association and gave some indication of what the acceptance of the proposal could involve. As a result, the speeches were rather vague and tentative on many points.

The Governors were addressing primarily the people of North Borneo and Sarawak and therefore gave most attention to the effect on these two countries of the acceptance of the principle of closer association. The concepts used were mostly expressed in terms applicable to Sarawak and North Borneo. The implications of Brunei's entering the association were also mentioned. There were many sources of complication in terminology and in theoretical and practical proposals arising from the different stages of political development in the three territories and, above all, arising from the fact that Brunei was a British protectorate whereas Sarawak and North Borneo were British colonies.

The two speeches were obviously not the result of a sudden inspiration on the part of both Governors. It was obviously not coincidental that the two Governors made simultaneous broadcasts on the same subject over their respective national radio stations. The speeches were not made up on the spur of the moment but were given after careful consideration and preparatory discussions. Sir Anthony Abell made it clear in his speech
that discussions had occurred both within his own government and between Sarawak and the two neighbouring territories and that agreement on a basic proposal for public discussion had been reached between Sarawak and North Borneo whilst Brunei was undecided. The following four quotations from Sir Anthony Abell's speech illustrate this point.

"I do want this to be clearly understood that the Government is not putting to you a firm plan which it has already decided in detail, it is merely outlining a series of ideas which it considers to be basically sound and good for consideration by you".

"My own personal view, and that of my officers and advisers, is that some step towards closer association and closer partnership as is now suggested would be of great value to "Sarawak".

"His Highness the Sultan of Brunei is aware of the discussions which have taken place and is aware that we in Sarawak and North Borneo intend to consult public opinion".

"Your Resident District Officers and Senior Native Officers are aware of these views and are prepared to discuss the matter with you at any time, and to answer your questions."

Each Governor was therefore aware of the other's views and was giving his own account of a mutually acceptable proposal for discussion. The difference between the two speeches was largely a reflection of the personalities of the speakers: Sir Roland Turnbull's more scholarly dissertation with considerable attention to principles and theory and Sir Anthony Abell's less theoretical and more practical account.

It is most unlikely that the two Governors would have made simultaneous broadcasts proposing such an important political development without first consulting the United Kingdom Commissioner-General for Southeast Asia and the Colonial Office. It is also most unlikely that the proposal would have been made publicly by the Governors unless it was supported by the British Government. Sir Roland Turnbull even mentioned evidence of the British Government's support for the proposal: "Her Majesty's Government in the United Kingdom, through individual Ministers, have several times spoken of the suggestion with favour". Although the idea of closer association for the British Borneo territories was not new when advocated by the two Governors, the two speeches were important in that two heads of government in their respective territories officially initiated public discussion of a proposal for closer association and publicly declared their support for the proposal.

The initiative for the proposal came from official quarters, not from
"the People". Whether one or both Governors or the British Government first set in motion the process that produced the two speeches is not known, nor is it really important. What is important is that the initiating of the proposal had official blessing. The British Government clearly intended that a closer association should be established if sufficient local support for the proposal could be engendered. Although the speeches were designed to leave plenty of room for discussion and although a firm, specific, detailed scheme was not proposed, the British Government and the Governors must have agreed in principle on the type of closer association they would favour before initiating the public discussion. By considering the two speeches together, we can form some idea of the type of association envisaged and supported by the Governors and by the British Government.
A METHOD USED IN INTERPRETING THE GOVERNORS' SPEECHES

In order to consider the two proposals together, I have attempted to draw out from the speeches those elements that are common to both speeches. Both Governors did not always stress the same aspects or choose the same aspects for detailed explanation. Each is more specific than the other on certain points. As the Governors were merely attempting to introduce the subject and to stimulate discussion, alternatives naturally occurred within and between the speeches. Vague or general proposals pregnant with implications were sometimes given. Where important alternatives have appeared to exist I have tried to bring out the alternatives and where the implications of an expressed principle or detail have indicated that one of the alternatives was more important or favoured, I have tried to show this. Whilst the speeches do not contradict each other on any fundamental issue, there are important differences between and within the speeches, arising from their tentative and brief nature. My task in attempting to relate the alternatives and explain the possible contradictions was at times made more difficult by ambiguities in the wording of important statements.

Where no indication of a change in the existing situation in the Borneo territories was implied or expressed, I have assumed that no change would occur.

In attempting to interpret the speeches, to link the given details, to formulate principles and to trace some of the detail implied in the more general statements, I have tried to apply principles of federalism and the facts of the Borneo situation to the statements made in the speeches. I have tried to avoid putting words into the Governors' mouths, but it is possible that, in supplying detail to a general statement, I have added ideas that the Governors may not have intended. One of the aims of the speeches was, of course, to encourage people to do this. In order to avoid straying too far from what was said I have quoted the Governors' relevant statements on each matter discussed.

Having stated this, I now wish to raise the important question: what form of closer association was proposed?
7. **FORM OF THE PROPOSED CLOSER ASSOCIATION**

**A. FEDERAL BASIS: CLOSE OR LOOSE?**

Both Governors acknowledged the need for maintaining the individuality and identity of the three British Borneo territories but stressed the need for a central authority responsible for policy in those areas of common interest to the three territories. Although Sir Anthony Abell did not refer to the proposed closer association as a federation his proposals implied a type of federation. Sir Roland Turnbull, on the other hand, specifically advocated "some form of federation". For this reason, I have adopted the term "the Federal Government" to refer to the government of the associated territories.

Sir Roland Turnbull may not have envisaged a conventional federation, because he defined the term in a broad way: "In this address I use the word 'federation' as one of convenience to describe the formal political association of two or more separate countries for the furtherance of their joint interests". This definition does not necessarily involve independence of each government of the others within its own sphere of activities.

Below are the relevant statements on the type of closer association envisaged.

**Sir Roland Turnbull:** "In this address I use the word 'federation' as one of convenience to describe a formal political association of two or more separate countries for the furtherance of their joint interests. There are many kinds of federation, some of them very close, some very loose, and I do not attempt to forecast what particular form of association will emerge as most appropriate for these countries if, in fact, agreement is reached for the creation of any.

But let us accept it, being guided by experience elsewhere, that some form of federation is in principle both desirable and advantageous. That does not mean that you should not look closely to your own interests before changing from principle to practice."

"Clearly recognising the special position of Brunei, amalgamation of the three countries into one is impractical even if it were desirable, which I do not think would be the case. Their constitutions apart, the three countries are very individual and their individuality is worthy of retention. On the other hand, if their association is to be effective, they must be clearly identified to the rest of the world as one. The mere superimposition of yet another constitutional body over the three Governments with limited and begrudged authority would be extravagant, ineffective and otiose. It would be essential that the three Governments should define these interests that they regard as common and be prepared to surrender, of their own will, the control of those interests to a central body representative of all three."

**Sir Anthony Abell:** None of us, I think, would want to enter into any form of association which would destroy those traditional characteristics of which all three territories are rightly and properly proud; but we can,
I think, achieve a much closer association than exists at present without any loss of our character if we proceed on the following lines.

What we would need would be a central authority to see that the rules of the partnership were observed and that its main objective was always kept in mind.

The central authority should also be made responsible for certain activities which the three partners consider could best be dealt with on a central or inter-territorial basis."

Sir Roland Turnbull thus specifically rejected the principle of amalgamation, as did Sir Anthony Abell by implication. Sir Roland also specifically rejected the principle of confederation, "the superimposition of yet another constitutional body over the three governments with limited or begrudged authority.

Accepting the proposition that the Governors endorsed the federal principle as the basis for the proposed closer association, were their proposals compatible with federal principles? Would the federation be what Sir Roland described as "close" or "loose"? Was federation an intermediate step to amalgamation?

To answer these questions, we need to look more closely at the governors' accounts of the basis for the relationship between the federal and the state governments and at the subjects to be covered by state and federal powers.
B. SUMMARY OF POSSIBLE INTERPRETATIONS OF THE BASIS SUGGESTED BY THE
GOVERNORS FOR THE RELATIONSHIP BETWEEN THE GOVERNMENTS OF THE FEDERATION.

(a) Titles of Federal and State Heads of Government:
Implications on their Relationship.

It seems to me that there are four possible interpretations of the
Governors' statements on this matter.

The first interpretation is that the central authority and Queen's
Representative at the federal level would be the Governor-General of British
Borneo and High Commissioner for Brunei. In North Borneo and in Sarawak, there
would continue to be a state Governor who would be autonomous on state matters
at least in some respects and who would be the Queen's Representative at the
state level. In Brunei, the Sultan would continue to be Head of State and
would continue to receive and accept the advice of the British Resident, who
would be the chief administrative officer supervised by the Governor-General
of British Borneo in his capacity of High Commissioner for Brunei. The Queen's
Representative in Brunei would be the Governor-General of British Borneo as
High Commissioner for Brunei, represented in Brunei by the British Resident.

The second interpretation is the same as the first, except that the
central authority would be styled Governor-General of British Borneo and High
Commissioner for Brunei and the state authorities in Sarawak and North Borneo
would be called Lieutenant Governors. This would follow the model of Canada.

The third interpretation would be the same as the first except that the
central authority would be styled Governor of British Borneo and High
Commissioner for Brunei and the state authorities in Sarawak and North Borneo
would be called Lieutenant Governors.

The fourth interpretation is that the central authority would be called
Governor of British Borneo and High Commissioner for Brunei. The situation in
Brunei would remain the same as it was in 1958 but in North Borneo and Sarawak
the position of Governor would disappear. The then Governor's function of
Queen's Representative would be assumed by the Governor of British Borneo who
would be the Queen's Representative not only at the federal level but at the
state level also. The chief officer in Sarawak and North Borneo would be redu-
ced to a position similar to that of the British Resident in Brunei and would
be supervised by the Governor of British Borneo. No title was suggested for
the chief state officer under these conditions except "officer".

For purposes of this thesis I shall refer to the chief officer of the
federal or central government as the "Governor of British Borneo".
(b) *Relationship between the Federal and State Governments.*

(i) Brunei.

Whatever the relationship between the federal and state governments, Brunei would not be independent of the federal government even in state matters. The power of Brunei's Sultan and his combined legislative and executive councils was limited by the power of the British Resident in Brunei, whose advice the Sultan had to accept on matters other than religion and local customs and who was responsible to the High Commissioner for Brunei. Brunei would have its own nominal Head of State, state assembly and state departments to exercise state powers but the Governor of British Borneo, as High Commissioner for Brunei, would be able to influence state affairs through the British Resident in Brunei.

(ii) Sarawak and North Borneo.

If Sarawak and North Borneo were to continue to have governors, the state legislative councils and the state departments would be independent of the Federal Government in that they would operate without direct interference by the Governor of British Borneo. Sarawak and North Borneo were not each to have a governor but were to have an officer in charge of local affairs responsible to the Governor of British Borneo as state representative of the Queen, the state governments of Sarawak and North Borneo, like that of Brunei, would not be independent of the federal government.

With or without a governor in Sarawak and North Borneo, the executive councils in these states would not be independent from the federal government as, on Sir Anthony Abell's proposal, which I shall discuss later, the Governor of British Borneo would have direct influence over these councils. His power in this respect would weaken the autonomy of the state legislative councils and administrations in that he would be able to participate directly in the formulation of state policy through his role in the state executive councils. He would also have some influence over the state departments through their subordination to the state executive councils. Although, if Sarawak and North Borneo each had a governor, the Governor of British Borneo would have no authority over the legislative assemblies' activities within state powers, his position in the executive councils of Sarawak and North Borneo would act as a check on the deliberations of the legislative assemblies in these states.

Because of the Governor of British Borneo's influence over the executive councils, one could argue that the North Borneo and Sarawak
governments would not be independent of the federal government, even if they each had a governor and Queen's representative.

The suggested division of powers also has a bearing on the relationship between the state and federal governments but before discussing the proposed division of powers, I should like to give some evidence to support the above interpretations of the proposal and to examine in more detail the implications of these interpretations.
C. PROPOSED TITLE AND ROLE OF THE HEAD OF THE FEDERAL GOVERNMENT.

(a) The Queen's Representative.

Sir Roland Turnbull: "I personally would like to see the identity of interests personified in a single Governor and High Commissioner for all three territories".

Sir Anthony Abell: "The central authority might consist of a single Representative of the Queen for all three territories exercising the powers of the present High Commissioner in Brunei".

(i) Title: Governor or Governor-General.

Sir Anthony Abell proposed alternative titles: "Governor" or "Governor-General." Sir Roland Turnbull suggested only one of these: "Governor." The term "Governor-General" would be appropriate if, as Sir Anthony proposed, the chief officer in Sarawak and North Borneo was to be called "Governor". The term "Governor" would be appropriate, if, as Sir Anthony also proposed, the chief in Sarawak and in North Borneo was to be called "Lieutenant Governor" or if, as is another possible interpretation, the position of Governor in North Borneo and Sarawak was to disappear.

Common to both speeches is the proposed title of "Governor" for the central authority. I shall therefore use the term "Governor of British Borneo" to refer to this position.

Governor of British Borneo to be the High Commissioner for Brunei than for the governor of one of the other associated states to act in this capacity.

(I) C.S.S. page 60
(iii) Role in the Federal Government

Apart from suggesting some federal government powers, Sir Roland Turnbull did not give any detailed indication of the work that he thought the Governor of British Borneo should do. Sir Anthony Abell provided more detailed suggestions. These suggestions have an important bearing on the type of federation envisaged.

Guardian of the Federation

Sir Anthony Abell: "What we should need would be a central authority (later defined as consisting of the Queen's Representative) to see that the rules of the partnership were observed and that its main objective was always kept in mind. He would, of course, be assisted in this function by his advisers and by the federal departments.

Relationship to the People

Sir Anthony Abell: "He (the Governor of British Borneo) would travel as Queen's Representative throughout the three territories... It would be possible for him to spend a great deal of his time visiting the people of the three territories; he would indeed be less tied to a central headquarters than is the Governor to-day and with the vast improvements in communications which we plan he should be able to keep in very close touch with the people of all three territories."

Considerable importance was rightly attached to the British Borneo Governor's keeping in close touch with the people of British Borneo and to his travelling widely, thus performing the function of being the impartial/figurehead. He would be to the people of the federation as a whole what the Governors of North Borneo and Sarawak were to the people of these territories; the representative of the Queen (whose photograph could be seen along with Phillip's, the Sultan of Brunei's and Tunku Abdul Rahman's, in that order of frequency, in homes, shops, schools and other most unlikely places even in the remote parts of British Borneo), a father-figure to whom they could look for help and guidance, the tangible focal point of the people's loyalties, the outward and visible sign of the invisible government. The British Borneo Governor's role would be to bring and interpret the federal government to the people and, conversely, to interpret the people's wishes and needs on a federation-wide basis. This was the type of concept involved in Sir Roland Turnbull's desire "to see the identity of interest personified in a single
Governor and High Commissioner for all three territories.

The native and Malay of the British Borneo territories (to a lesser extent, the Chinese) whether autocratic or democratic in their social organisation, had long been accustomed to loyalty to people rather than to vague ideals and institutions. The loyalty to and confidence in the Governors of Sarawak and North Borneo could be seen in the excitement, enthusiasm and genuine pleasure that native chiefs and ordinary citizens experienced when His Excellency the Governor visited their village or town. Multi-racial gatherings and parties and, in non-Muslim villages, heavy drinking celebrations were a normal part of these visits. In Brunei, the people's loyalty was directed to the Sultan. Clearly some personal figure was needed as a focal point of loyalties to British Borneo as a whole.

I have no doubt that the educational, public relations and paternal roles of the Governor of British Borneo would be most important in moulding a federal consciousness and in building national confidence and loyalty transcending race and state, during the early pre-representative government days of the federation. The personality and work of the Governor of British Borneo would be more important in the early stages than any local political leader as only the Governor of British Borneo would be accepted as impartial in relation to the interests of each state and racial group. It would, of course, be important for the Governor of British Borneo to have the loyal support of local leaders. It would be vital to see that a British official of the right type (e.g., another Malcolm Macdonald) was appointed as Governor of British Borneo and that he was not remote and isolated in the capital of British Borneo. This would change, probably faster than either Governor realised, once the pressure for independence became widespread. The public image of the Governor would change, to become the symbol of colonialism and, perhaps, of white domination. By the time this would occur, it would be hoped that national consciousness and loyalty to the wider entity of British Borneo would have been fostered and that suitable local leaders would have been groomed to carry on the process of nation building.

Whilst I can see that this aspect of the British Borneo Governor's work would be important, I cannot see how, with his federal government responsibilities in the capital, he would "be less tied to a central headquarters" than were the Governors of Sarawak and North Borneo. I cannot
see how "he would be able to keep in very close touch with the people of all three territories", even with the "waste improvements in communications" planned. He would be able to travel throughout the three territories but I think Sir Anthony Abell was exaggerating the ease with which the Governor of British Borneo could keep in touch with the people by direct personal contact.

--- Relationship to Federal Councils

Both Governors referred to counsellors or advisers for the Governor of British Borneo. His relationship to these advisers will be examined when I deal with the question of the appointment and role of these advisers.

--- Relationship to Federal Departments

Sir Anthony Abell: "The central authority (later defined as consisting of the Queen's Representative) should also be made responsible for certain activities which the three partners consider could best be dealt with on a central or inter-territorial basis": I shall later examine the activities which were suggested as suitable for inclusion in this category.

To assist him in carrying out his responsibility for the federal government's activities the Governor of British Borneo would need a federal civil service organised into departments. The most senior civil servants would presumably be members of the federal advisory council or councils just as the senior civil servants in the existing British Borneo territories were members of the state councils, although neither Governor suggested this. If this would be so, the federal civil service's role would not be confined to the mere execution of federal policy. The senior civil servants would have some say in the formulation of policy, but while ever the Governor of British Borneo was more powerful than his advisers in the conduct of federal affairs, he would determine the basic lines and objectives of federal policy, no doubt after considering his counsellors' advice. Even without representation on the federal advisory council or councils, the federal civil service would have considerable power because, in colonies as well as in independent countries, the civil service, in executing policy, has an important degree of discretionary power in working out the details of the policy. The more technical the activities of the department, the greater is the departmental staff's power. Nevertheless, the Governor of British Borneo would be ultimately responsible for the federal department's activities.

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(1) C.E.D.G. chapter xvi and, in particular on page 498, discusses the role of civil servants in influencing government policy
(iv) Role in the State Governments.

Emergency restraining influence on State Governments

As I have already stated, Sir Anthony Abell intended that the Governor of British Borneo should be the guardian of the federation; i.e., that he should "...as..." the rules of the partnership were observed and that its main objective was always kept in mind." This function would involve the British Borneo Governor's possessing the right to act as a restraining influence, where necessary, not only on the federal government but also on the state governments. He would have to stop state governments from acting outside their powers. He would also have to interfere with any state policy that was against the main objective of the federation, even if the matter concerned was within the state government's powers.

The Judiciary would be able to establish whether a state government was exceeding its powers under the constitution. The state government either would or would not have the power to carry out a certain activity and the Judiciary would be able to interpret the constitution if there was any doubt.

It would be more difficult to establish whether a state policy was against the main objective of the federation. Depending on the constitutional terms that established the British Borneo Governor's right and responsibility to ensure that the main objective of the partnership was kept in mind, this power could be abused to interfere unduly with the state government's policies within state powers. While a suitable Governor of British Borneo was in office and while he was able to control his federal advisers, such an abuse of this power would be unlikely. A sensible Governor of British Borneo would only use this power to restrain a state government when its policy was clearly jeopardizing the partnership. As he would have many means at his disposal to influence state governments, he would probably be able to avert a serious crisis well before it reached crisis proportions. Nevertheless, should a serious threat occur to the partnership the Governor of British Borneo would have the right to restrain the government whose action presented the threat.

When I discuss the Governor of British Borneo's relationship to Brunei, I shall show that he would have sufficient control over Brunei's affairs to ensure that state actions would be compatible with the interests of the whole of British Borneo. In the case of Sarawak and North Borneo
there are two possible interpretations of the proposal. One is that the Governor of British Borneo would have a similar sort of control over the affairs of Sarawak and North Borneo as he would have over the affairs of Brunei. The other is that his direct influence over state affairs in Sarawak and North Borneo would be limited to his role in the executive and councils of these territories and that any other influence that he might have over the Sarawak and North Borneo governments would be indirect, for example, through the double role of those advisers who would serve in both state and federal assemblies, through consultation with the state governors and through the Colonial Office and the Commissioner-General for South-east Asia.

It is also possible that devices such as those used in the Canadian Constitution would be available to the Governor of British Borneo in keeping the state governments in check. For example, the British North American Act that established the Dominion of Canada, provided that the formal heads of the provincial governments "should be appointed by the federal government and that they should have the power to reserve provincial legislation for the pleasure of the federal cabinet."(1) "The federal cabinet was also given power to disallow within a limited time any laws enacted by the provincial legislatures."(2) As the Governor of British Borneo would be the dominant figure in the federal government, any such provisions would give him authority to check the state governments when necessary.

Influence in Brunei: legislative, executive and administrative

I have already argued that the two Governors proposed that the Governor of British Borneo should become the High Commissioner for Brunei. Assuming this to be established, what influence would the Governor of British Borneo have in Brunei's affairs as High Commissioner for Brunei?

As no indication was given of a proposed change in the role of the High Commissioner for Brunei, I assume that his role would remain as it was. He would supervise the British Resident, who would exercise the general functions of administration in Brunei, who would sit on the State Council (the combined legislative and executive council) and whose advice the Sultan would have to seek and accept on all matters other than those

(1) C.E.D.G. page 487
(2) Ibid
affecting the Mohammedan Religion and local customs. (1)

The Governor of British Borneo would therefore have considerable influence over all aspects of Brunei's state government activities.

Sir Anthony Abell proposed that the Governor of British Borneo should preside over meetings of the Sarawak and North Borneo executive councils. It would not be possible to suggest that the Governor of British Borneo should preside over meetings of the State Council in Brunei as this would deprive the Sultan of his nominal authority over this council. It was also unnecessary to suggest this in the case of Brunei, for, although the Sultan in Council was the supreme authority, the Governor of British Borneo would have adequate control not only over the executive functions of the State Council, but also over its legislative functions, through the British Resident. Brunei would therefore not be autonomous but would be subordinate to the Governor of British Borneo and hence to the Federal Government. This would not be a federal relationship. The lack of autonomy was probably considered necessary because of Brunei's then political backwardness and because of the absence in federal Brunei of the means of indirect influence in state affairs available in Sarawak and North Borneo through the state governors. If no state governors were to exist in Sarawak and North Borneo, the Governor of British Borneo would have direct control over their state affairs as Queen's Representative.

The Brunei Sultan in Council was the supreme authority in Brunei. (2) whereas the Governor-in-Council was (with some minor qualifications) the supreme authority in Sarawak and North Borneo. The two Governors were on ordinary matters responsible to the Secretary of State in the Colonial Office and were co-ordinated and supervised in a general way by the Commissioner-General for the United Kingdom in Southeast Asia. (3) Presumably the new Governor of British Borneo would similarly be supervised by the Commissioner-General and would be responsible to the Colonial Office. When necessary, the policies and activities of Sarawak and North Borneo could be influenced, even if these states were autonomous, through the Governors of Sarawak and North Borneo. If negotiation and consultation between the Governors of Sarawak, North Borneo and British Borneo failed to produce agreement, the Commissioner-General for Southeast Asia or the Colonial Office could exert pressure on the dissenting governor. Similar influence could not be exercised over the Brunei Government through the Sultan, since he is not responsible to anyone,
except through the treaty arrangements whereby the British Resident, supervised by the High Commissioner for Brunei, has the final say on all important matters. Influence over the state affairs of Sarawak and North Borneo would thus be ensured but, without the existing powers of the High Commissioner for Brunei, the Governor of British Borneo would have no such influence over Brunei's affairs, unless Brunei became a colony with a governor. The Sultan would never accept such a proposal.

One other source of influence over Brunei's affairs would exist for the Governor of British Borneo. In so far as he controlled or influenced his federal advisers and in so far as they were influential in Brunei's state affairs, the Governor of British Borneo could influence Brunei policies through his federal advisers from Brunei.

Possible direct supervisory Role over Chief Officers of Sarawak and North Borneo

There are two possible interpretations of the speeches on this point. One is that Sarawak and North Borneo would continue to be headed by governors who would be the Queen's representatives in their states, who would be in charge of the state governments and who would be responsible in a general way to the U.K. Commissioner-General for Southeast Asia and to the Colonial Office but not to the Governor of British Borneo. The other interpretation is that the Governor of British Borneo would represent the Queen at both state and federal levels, that the governors of Sarawak and North Borneo would be responsible to the Governor of British Borneo and that the Governor of British Borneo would therefore have a supervisory role over the governors of Sarawak and North Borneo. The titles of the state governors would probably be changed to reflect their change in status. Insufficient attention was given in the speeches to this point. It seems to me that what little was said was not always consistent, even acknowledging alternatives, and was at times vague and ambiguous.

I have already discussed the suggestion that the Governor of British Borneo should have a general restraining influence on the state governments. In addition to that vague proposal, there were a number of statements made that, to my mind, could be interpreted to mean that the Governor of British Borneo would have a supervisory role over the chief officers of Sarawak and North Borneo. These statements were as follows.

Sir Anthony Abell: "The central authority might consist of a single
Representative of the Queen for all three territories exercising the powers of the present High Commissioner in Brunei.

Sir Roland Turnbull: "I personally would like to see the identity of interests personified in a single Governor and High Commissioner for all three territories."

Sir Anthony Abell: "He (the Governor of British Borneo, or as Sir Anthony Abell calls him, the 'central authority') would travel as Queen's Representative throughout the three territories presiding over the Supreme Council meetings in Kuching from time to time and at the Executive Council in Jesselton."

Sir Anthony Abell: "The Queen's Representative will remain in close touch with the people"

The first statement quoted above could mean simply that there would be a federal representative of the Queen who would head the federal government. The statement does not necessarily mean that there would be no separate state representatives of the Queen. It could alternatively mean that the "single Representative of the Queen for all three territories" would be the only representative of the Queen. As the statement is dealing specifically with the role of the central authority, it would be reasonable to interpret the statement as being unconcerned with the states and therefore as having no implications on the question of state representation of the Queen.

This is not true, however, of Sir Roland Turnbull's statement, the second quotation above. Had Sir Roland Turnbull said "personified at the federal level by a single Governor" he would have implied that the state governors would continue to exist, but he did not do so. Without any qualification and without a context that undoubtedly established the statement as referring solely to the federal level, he said he would like to see the identity of interests personified in a single governor. Unlike Sir Anthony Abell, Sir Roland Turnbull did not even mention the posts of state governor or lieutenant governor. He did not explain what change if any would occur to the state titles as a result of the central authority's assuming the title of "Governor". His failure to mention the state posts, combined with his unqualified use of the words "single Governor", could indicate that he intended that only one post of governor would exist under the new arrangements.
This impression is further reinforced by Sir Roland Turnbull's statement early in the speech that he believed that the three territories "should join together to become as nearly as possible one country as their many differences may permit". Although he thought these many differences would not permit the abolition of state governments, he may have thought that the differences would not be too great to permit the abolition of state governors and state representatives of the Queen. On this interpretation, the Governor of British Borneo would be the Queen's representative in the federal government and in the state governments of Sarawak and North Borneo. He would also be the Queen's representative in Brunei in his role of High Commissioner for Brunei. The Governor of British Borneo would thus be the "single Governor" and the "single Representative of the Queen" for all three territories.

Sir Anthony Abell did propose titles for the heads of government in Sarawak and North Borneo and, on one interpretation, his statement supports the above line of thought at least as one alternative arrangement for the closer association. Unfortunately, this statement is too brief and not sufficiently elaborated. His statement was that "Sarawak and North Borneo will of course continue to have Officers, Governors or Lieutenant Governors in charge of local affairs."

One meaning of this statement is that Sarawak and North Borneo would each be headed by a "Governor" as Queen's representative if the federal government was headed by a "Governor-General" or by a "Lieutenant Governor" if the federal position was styled "Governor". Sir Roland Turnbull's suggestion that the central authority of the federation should be a "Governor" would, on this interpretation, imply that Sarawak and North Borneo would each be headed by a "Lieutenant Governor".

Sir Anthony Abell's wording of his statement is unclear because of his choice of words, order of words and punctuation. Had he said "Sarawak and North Borneo will of course continue to have officers and Governors or Lieutenant Governors...."or".... to have Governors or Lieutenant Governors and officers...."it would have been clear that "officers" referred to government officers, e.g., heads of departments, in charge of local affairs but responsible to the state Governors or to the Lieutenant Governors. The alternatives for the title of the state representative of the Queen would thus be limited to "Governors" or "Lieutenant Governors" and the proposed existence of these positions
would be established. As Sir Anthony Abell worded his statement as he did, it is possible that his term "Officers", spelt with a capital and occurring in the context "Officers, Governors or Lieutenant Governors" was put forward as an alternative to the titles "Governors" and "Lieutenant Governors". In this case the "Officers" would not necessarily have an equivalent status to that of a governor.

Sir Anthony's description of the role of these "Officers, Governors or Lieutenant Governors" as being "in charge of the local affairs" does not state clearly that the "Officers" of Sarawak and North Borneo would represent the Queen or that they would have an equivalent status to that of a governor. The Chief Secretary of North Borneo or a Resident in his Residency or a District Officer in his District could validly be described as being "in charge of the local affairs". The phrase "in charge of the local affairs" could imply that these "Officers" would not be responsible to the Governor of British Borneo, but they could still be regarded as being in charge of the local affairs even if they were responsible to the Governor of British Borneo. The above statement, then, does not establish beyond doubt whether the Governor of British Borneo would represent the Queen in Sarawak and North Borneo as well as in the federal government or whether the "Officers" in Sarawak and North Borneo would be the state Queen's representatives.

There is a further ambiguity in the statement I first quoted and this ambiguity has bearing on the relationship between the head of the Sarawak and North Borneo governments and the Governor of British Borneo. The statement establishes the principle of the Governor of British Borneo's supervisory powers over the Brunei state government and possibly over the state governments of Sarawak and North Borneo. The ambiguity arises from the words "Exercising the powers of the present High Commissioner in Brunei". Is this simply a description of the Governor of British Borneo's relationship to Brunei or is it a description of the Governor of British Borneo's relationship to the states generally? Had Sir Anthony Abell said: "who would also be the High Commissioner for Brunei" the ambiguity would not have existed. If the statement means that the Governor of British Borneo would exercise the same powers over state governments in Sarawak and North Borneo as he would exercise over the state government of Brunei, the suggestion that the chief officers of the states should be called "officers"
would be necessary to reflect the change in status of the Sarawak and North Borneo chief officers.

In the third statement quoted above, Sir Anthony Abell proposed that the Governor of British Borneo should preside over the Sarawak and North Borneo executive councils: "He (the Governor of British Borneo) would travel as Queen's Representative throughout the three territories presiding over the Supreme Council meetings in Kuching from time to time and at the Executive Council in Jesselton". This statement establishes at least one way in which the Governor of British Borneo would be able to influence state policies in Sarawak and North Borneo, but it indicates more than this. It seems to me that the statement means that the Governor of British Borneo would preside over these state councils as the Queen's representative at the state level. If this is correct, the statement also implies the abolition of state governors in North Borneo and Sarawak at least in so far as it implies the abolition of state representatives of the Queen. If the Governor of British Borneo were to represent the Queen at the state level, the chief officers of Sarawak and North Borneo would be responsible to the Governor of British Borneo. The chief officers of Sarawak and North Borneo would have a similar status in relation to the Governor of British Borneo as the British Resident in Brunei had the Governor of British Borneo would have a supervisory role over the activities of all three state chief officers.

If the statement did not mean that the Governor of British Borneo would preside over the Sarawak and North Borneo executive councils as Queen's representative in these two states, in what capacity would he do so? I can think of no justification for his presiding over state councils by virtue of his role of Queen's representative at the federal level if the chief officers in Sarawak and North Borneo represented the Queen in these states. As Sir Anthony Abell gave no explanation as to why the Governor of British Borneo should have this power and as the statement setting out this power suggests that he would preside over these councils as Queen's representative, I can only conclude that Sir Anthony Abell intended the Governor of British Borneo would be the Queen's representative in Sarawak and North Borneo.

The following could also be significant: "He (the Governor of British Borneo) would travel as Queen's Representative throughout the three territories." Had Sir Anthony Abell said "as the representative
of the Queen in the central government" the statement would not have implied the abolition of state representatives of the Queen in North Borneo and Sarawak. Worded as it is, it implies only one representative of the Queen in the Borneo territories. Later, Sir Anthony Abell made another statement with the same implication: "The Queen's Representative will remain in close touch with the people."

It is possible, then, that Sir Anthony Abell and Sir Roland Turnbull intended, at least as one possibility, that the Governor of British Borneo should become the Queen's representative in both the federal and the state governments and that the chief officers of Sarawak and North Borneo should therefore be responsible to the Governor of British Borneo. As Queen's representative in the states of Sarawak and North Borneo, the Governor of British Borneo would head the state governments and would therefore supervise the activities of the chief officers of Sarawak and North Borneo. The Governor of British Borneo's supervisory role over the British Resident who, in one sense, was the chief officer of Brunei, would be clearly established as the Governor of British Borneo would be the High Commissioner for Brunei. A similar supervisory role over Sarawak and North Borneo would establish a common pattern in the relationship between all three state governments and the federal government.

This interpretation of the proposals would be compatible with the concept of the Governor of British Borneo's role as guardian of the partnership and would also be compatible with the literal interpretation of Sir Roland Turnbull's expressed desire to see a single Governor for all three territories, with Sir Anthony Abell's suggestion of "Officer" as one of the possible titles for the chief officers in Sarawak and North Borneo and with Sir Anthony Abell's proposal that the Governor of British Borneo should preside over the executive councils in Sarawak and North Borneo. This supervisory role of the Governor of British Borneo would establish a theoretically subordinate relationship between the state governments and the federal government but considerable state control over state affairs would be maintained through the continued existence of state councils, state departments and a chief officer resident in each state.

Also, both Governors made statements that could be interpreted to mean that Sarawak and North Borneo should remain completely autonomous in state affairs and that they should continue to have their own governors and Queen's representatives.
Sir Anthony Abell "None of us, I think, would want to enter into any form of association which would destroy those territorial characteristics of which all three territories are rightly and properly proud."

Sir Roland Turnbull: "The three territories are very individual and their individuality is worthy of retention."

Sir Anthony Abell: "The central authority's control would therefore be limited to those activities specifically allotted to it by the three governments."

Sir Anthony Abell: "The three governments would continue as before to control their own revenue and expenditure and to fulfill the functions of independent governments in their own territories."

Sir Anthony Abell: "Sarawak will still retain its own name and identity and order its own internal affairs, and control its own estimates."

The first two statements quoted above may be no more than an expression of the need to maintain state governments to deal with state affairs. It might have been thought that sufficient state control would be maintained over state affairs through the existence of state governments, especially the legislative councils in which, according to Sir Anthony Abell, the Governor of British Borneo would not sit. It might have been thought that separate state Queen's representatives, independent of the Governor of British Borneo, would not be necessary and that the Governor of British Borneo's general supervision of the chief officers of Sarawak and North Borneo would not interfere with the maintenance of the identity and traditions of Sarawak and North Borneo. The High Commissioner for Brunei's general supervision of Brunei's affairs through the British Resident had not interfered with Brunei's identity or traditions, for the simple reason that the High Commissioner was not concerned with meddling in day to day matters. The Governor of British Borneo could likewise be expected to leave routine policy matters on state affairs to state officers.

Sir Anthony Abell's statement that "the central authority's control would therefore be limited to those activities specifically allotted to it by the three governments," coming as it does straight after his line of reasoning that culminates in the hope that eventually shared services would emerge "in most departments of government to-day" is strange, if it is to be taken literally. It is also difficult to
integrate in its literal meaning with his proposal that the Governor of British Borneo should preside over the executive councils of Sarawak and North Borneo. It seems to me that the statement is not to be taken literally. This being so, the Governor of British Borneo's general supervision of the state governments, like his right to preside over state executive councils, would not be incompatible with the above statement if it merely asserts the right of state governments to deal with their own affairs, even though they are ultimately responsible for their actions to the Governor of British Borneo. In the same way, the Governor of British Borneo's general supervisory powers over Sarawak and North Borneo would not interfere with their right "to control their own revenue and expenditure" nor would it interfere with Sarawak's right to "order its own internal affairs, and control its own estimates".

Finally, the statement that "the three governments would continue as before . . . to fulfill the functions of independent governments in their own territories" does not necessarily oppose the principle of the Governor of British Borneo's supervisory powers over the Sarawak and North Borneo governments, as Sir Anthony's own proposals that the Governor of British Borneo should exercise the powers of the High Commissioner for Brunei and that he should preside over the executive councils in Sarawak and North Borneo would be invalidated if the statement was intended to be taken literally.

A compromise interpretation of all of the above statements would seem to be that the state and federal governments would theoretically be autonomous within their respective powers but that the Governor of British Borneo would be able to influence the state governments when necessary through his constitutional powers to safeguard the federation, through his supervision of the British Resident in Brunei, through his right to preside over the executive councils of Sarawak and North Borneo and probably through his general supervision of the chief officers of Sarawak and North Borneo. The Governor of British Borneo would be the Queen's representative at the federal level and, through his role as High Commissioner for Brunei, would be the Queen's representative at the state level in at least one state. It is probable that he would also be the Queen's representative at the state level in Sarawak and North Borneo with the result that the chief officers of Sarawak and North Borneo would be officers similar in status and perhaps title to the British Resident in Brunei.
Influence in Executive Councils of Sarawak and North Borneo

Sir Roland Turnbull did not specifically suggest that the Governor of British Borneo should have any direct influence over the executive councils of Sarawak and North Borneo, but Sir Anthony Abell did: "He (the Governor of British Borneo) would travel as Queen's Representative presiding over the Supreme Council (the executive council) meetings in Kuching from time to time and at the Executive Council in Jesselton".

Sir Anthony's use of the phrase "from time to time" could have two possible meanings: either the Governor of British Borneo would preside over all the executive council meetings which then happened to occur from time to time or he would preside over some but not all such meetings. It seems to me that the former is the most likely meaning, but, whichever interpretation is correct, the principle of his direct influence over the executive bodies of Sarawak and North Borneo would be established. Whether he presided over some or all such meetings would merely affect the degree to which he would use his influence.

The executive councils of Sarawak and North Borneo would therefore not be autonomous but could be influenced by the Governor of British Borneo and hence by the Federal Government. If Sarawak and North Borneo were each to continue to have a governor, each governor's control over his state's affairs would be reduced by the Governor of British Borneo's right to preside over meetings of the state executive council. Because their executive councils would not be autonomous, the state governments would not be autonomous, as the Governor of British Borneo could influence state affairs through the executive councils. He could also influence the state administrations through their subordination to the state executive councils. Even with their own governors, Sarawak and North Borneo, like Brunei, would be subordinate to the Federal Government, although the degree of their subordination would not be as great as that of Brunei.

Influence in Legislative Councils of Sarawak and North Borneo.

Sir Roland Turnbull was silent on this matter but Sir Anthony Abell stated: "He (the Governor of British Borneo) would not sit on Council Negri (the legislative council) in Sarawak nor in the Legislative Council in North Borneo."
Assuming that Sarawak and North Borneo were to be headed by governors, the governors would preside over their legislative councils and the deliberations of these councils on matters within state powers would be free from the direct influence of the Governor of British Borneo and hence of the Federal Government. The legislative councils of Sarawak and North Borneo would therefore be autonomous.

There would, however, be some indirect checks on the autonomy of the legislative councils. The Governor of British Borneo could, when necessary, influence their deliberations through the co-operation of the state governors who, even if they were not responsible to the Governor of British Borneo, would, like him, be responsible to the Commissioner-general for Southeast Asia and to the Colonial Office. Federal councillors who were also members of state legislative councils could also exercise some influence on behalf of the Governor of British Borneo and the Federal Government. Nevertheless, on this interpretation, the legislative councils in Sarawak and North Borneo would theoretically be autonomous, direct checks to their autonomy coming from the Governor of British Borneo's responsibility to see that the main objective of the partnership was kept in mind.

If state governors were not to be appointed to Sarawak and North Borneo, presumably the officer in charge of local affairs would, in the absence of a local head of state, preside over the legislative council meetings. As I have already explained, under these conditions, the officer in charge of local affairs would be responsible to the Governor of British Borneo. The Governor of British Borneo would therefore be able to influence the deliberations of the state legislative councils through the officer in charge of local affairs even though the Governor of British Borneo would not sit on the legislative councils. His influence over the Sarawak and North Borneo legislative councils under these conditions would be similar to his influence over the State Council in Brunei. On this interpretation, the legislative councils of Sarawak and North Borneo would not be autonomous.

With or without state governors in Sarawak and North Borneo, the effectiveness of the autonomy of the state legislative councils would be greatly reduced by the Governor of British Borneo's role in the executive councils of these territories. Sir Anthony Abell's specific proposal
that the Governor of British Borneo should not sit on the legislative council of Sarawak and North Borneo, whilst encouraging relatively uninhibited discussion of state issues in these councils, would not give state governments autonomy in the execution of the legislative council's proposals.

—— Influence in State Departments of Sarawak and North Borneo

If Sarawak and North Borneo were to be headed by governors as state representatives of the Queen, the governors would control the state departments through the Chief Secretary. The Governor of British Borneo would have no direct authority over state departments but would be able to influence their policies through his role in the state executive councils. If there were any senior state civil servants who, as members of the state executive and legislative councils, were appointed by the Governor of British Borneo as federal counsellors, the Governor of British Borneo would be able to exercise indirect influence on the state departments when necessary through these advisers.

If state governors were not to be appointed to Sarawak and North Borneo, the Governor of British Borneo, as Queen's Representative, would control the state departments through the officer in charge of local affairs in the same way as he would control the administration of Brunei through the British Resident.

—— Summary of direct and indirect Influence of the Governor-General over State Governments

In the proposed closer association of the British Borneo territories, the central authority, the Governor and High Commissioner, and hence the Federal Government, would have at least some control over state affairs. This control would be authorised by the Governor of British Borneo's role of guardian of the partnership and in the case of Brunei, his control would be considerable because of his position of High Commissioner for Brunei. In the case of Sarawak and North Borneo, he would at the very least be able to influence state affairs through his role in the executive councils if state governors and Queen's representatives existed or, if he assumed the function of Queen's representative in the states as well as the federation, he would be able to exercise considerable influence over state affairs through his authority over the officer in charge of local affairs.

If Sarawak and North Borneo each had governors, the Governor of British Borneo would have some indirect influence over state affairs through
consultation with the state governors and, if necessary through the office of Commissioner-General for Southeast Asia or the Colonial Office to which both he and the state governors would be responsible.

A final source of indirect influence over state governments would be through the federal counsellors whose role in federal and state affairs we must now examine.

(b) FEDERAL COUNSELLORS

Both Governors referred to the counsellors who would assist the Governor of British Borneo but no real attention was given to the method of selection and appointment of these counsellors, to the way in which they would be grouped, or to their role, except that they would advise the Governor of British Borneo.

Sir Roland Turnbull: "I personally would like to see the identity of interests personified in a single Governor and High Commissioner for all three territories who would be advised by counsellors coming from all three."

Sir Anthony Abell: "His (the Governor of British Borneo's) advisers might conveniently be drawn from the Executive/Legislative Councils of the three territories."

(1) Method of Selection

Both speeches stated that the federal advisers should have among their numbers people from all three territories, but neither speech indicated whether an equal number of federal advisers should be drawn from each state, whether the proportion of advisers from each state should reflect the relative populations and sizes of the states, whether the most suitable people should become advisers, irrespective of their states or whether two or three of the above principles should be combined.

Similarly, the speeches gave no indication as to whether the federal advisers should be elected by the people, elected by the state councils, appointed by the state governors and the Sultan or appointed by the Governor of British Borneo, with or without advice from the state governments or governors and Sultan. In 1958 the state councils were moving at various speeds towards an elected basis but were still largely appointed to various degrees by the governors and the Sultan and were in no way directly elected. It was unlikely, therefore, that Sir Roland Turnbull and Sir Anthony Abell envisaged direct election of federal advisers in the early years of the
federation. Any of the remaining procedures or a combination of some or all of these procedures could have been envisaged by the two governors and would have been practical. If the state governments were to select some or all of the federal advisers, it would be possible, once the proportion of advisers from each state was established, to leave the decision on the method of selection of the advisers to the state councils, governor or Sultan. This would enable each state to use a procedure suitable for its stage of political development.

I think it unlikely that Sir Roland Turnbull and Sir Anthony Abell would advocate a system whereby the Governor of British Borneo had no control over the selection of his advisers. I think the most likely procedure in the early stages of the federation, would be for the Governor-General to appoint the majority of his advisers whilst the states would be able to elect some of his advisers by the most suitable method for each state. Sir Anthony Abell's statement that the Governor of British Borneo's advisers should be "drawn from the Executive/Legislative Councils of the three territories" does not indicate an elected majority. Presumably, as each of the states developed towards directly elected state governments, the federal government would develop in the same direction, but, in 1958, the days of direct election probably seemed far off.

Sir Roland Turnbull's vague proposal does not specify that the federal advisers should be drawn from the state councils, although he could have meant this. Sir Anthony Abell's proposal specifically states that the federal advisers "might conveniently be drawn from the Executive/Legislative Councils of the three territories". In the early years of the federation this would certainly have been convenient. In 1958 and, indeed, today, there was and is a scarcity of experienced political leaders in the three territories. Those most likely to be able to contribute to federal affairs would be those experienced in state affairs. Whether, by moving into federal positions, the advisers would lose their state positions was not stated. It is probable that the federal advisers would continue to hold their state positions, as have many of the British Borneo territories' Malaysia representatives. This would be justifiable because the state councils would probably have difficulty in replacing their federal representatives by suitable state advisers. Common advisers at the federal and state levels would also be a factor working for close co-operation between the state and the federal
governments, a desirable objective that both speeches supported.

In 1958 the state councils in British Borneo included members from the
civil service. In Brunei, the State Council, consisting of 19 members, con-
tained at least 3 European members of the civil service.

(1) In the Council
Negri (Legislative Council) in Sarawak, at least 14 members out of the total
of 45 members were drawn from the civil service, whilst in the Supreme Council
(Executive Council) at least 4 members (3 ex-officio and one other) out of the
total of 10 members were drawn from the civil service.

(2) In the Executive
Council in North Borneo, at least 5 members (3 ex-officio and 2 official mem-
ers) out of a total of 9 members, excluding the Governor, were appointed from
the civil service and in the Legislative Council at 12 members (3 ex-officio
and 9 official members) out of a total of 22 members, excluding the Governor,
were drawn from the civil service.

(3) Civil servants were an important source
of ex-officio and official members and in some cases of elected members of
these councils. Sir Anthony Abell's statement that the federal counsellors
"might conveniently be drawn from the Executive/Legislative Councils of the
three territories" would appear to render civil servants in federal depart-
ments ineligible for appointment as members of the federal councils unless
they were members of state councils. It seems to me fairly clear that the
pattern of appointing a number of civil servants to councils would be con-
tinued in the federal government and that federal civil servants would be
considered eligible for such appointments, but this was not stated by either
Governor.

(11) Grouping of Federal Counsellors.

Neither Governor mentioned how the federal counsellors would be
grouped into councils. The Governors could have intended that there would
be only one council, as in Brunei, combining the functions of a legislative
and executive council. They could have envisaged two councils, one executive
and one legislative, as in Sarawak and North Borneo, or three councils, two
legislative (one with equal state representation) and one executive. As two
out of the three states had separate legislative and executive councils and
as separate legislative and executive councils were to be established in
Brunei in 1959, it seems more likely that the federal government would have
at least two councils, one executive and one legislative.

(1) A.R.B. 1958 page 203
(2) A.R.B 1958 page 164 and pages 193-194. Note that the second heading on
page 193 is incorrect and should read "Members of Council Negri at the
end of 1958"
(3) A R B 1958 pages 174 and 210
Sir Roland Turnbull and Sir Anthony Abell failed to mention whether the federal council or councils would have equal representation for each state or state representation proportionate to each state's population or state representation that would reflect the number of suitable candidates from each state for the posts of federal councillors.

(iii) Role of Federal Counsellors

— In the Federal Government

Apart from the statement that the federal counsellors would advise the Governor of British Borneo, no indication was given of their relationship to the Governor of British Borneo or of their role in the government of the federation.

If the federal counsellors were wholly or partly appointed by the Governor of British Borneo he would exercise considerable influence over his advisers. As the proportion of elected advisers increased, the Governor of British Borneo's influence over the counsellors would decrease. No indication was given of the proposed proportion of elected and appointed advisers but it seems to me that at least some of these advisers and probably the majority would be appointed by the Governor of British Borneo.

Both Sir Anthony Abell and Sir Roland Turnbull stated that the Federation of British Borneo would be a colony. This does not tell us very much about the relative power of the Governor of British Borneo and his advisers, as a colonial governor's power can range from complete actual control to almost purely nominal control, depending on the stage the colony has reached in its development towards self-government and independence. Sir Anthony Abell was more concerned with explaining the role of the Governor of British Borneo than with explaining the role of the federal advisers. Sir Roland Turnbull did not bother to explain either. If the two Governors had intended that the federal advisers should exercise any great direct influence over federal affairs they would have given more information on the type of councils these advisers would constitute and on the role of these councils. As they did not do so and as they used the terms "advisers" and "counsellors", I interpret their proposal to mean that the Governor of British Borneo would be the dominant figure in federal affairs and that, at least in the early days of the federation, the federal government would be administered along the lines of a colony in the early stages of political development. The federal council or councils would act in a purely advisory capacity to the Governor of British Borneo who would have the
full power and responsibility to conduct the affairs of the federation.

The Governors' silence on the nature and role of the federation assemblies could not be taken to infer that the pattern for their constitution and role would be found in the constitution and role of the state councils. Apart from the fact that nothing in the Governors' speeches implied this, each territory was at a different stage of political development and the nature and role of the state councils in each territory reflected these different stages.

If federal advisers were appointed by the Governor of British Borneo, he would exercise considerable influence over the federal assembly or assemblies. As the proportion of elected federal advisers increased, the Governor of British Borneo's influence over the assembly or assemblies would decrease. The point would ultimately be reached at which the federal assembly of assemblies would be predominantly elected and at which their role in federal affairs would increase to become more than advisory. This would be part of the development towards independence. No indication was given that such a development was envisaged early in the federation and no indication was given of the pattern that such a development would follow.

It would appear, then, that the only influence of the federal council or councils in the affairs of the federal government would be through their advising the Governor of British Borneo. In their role as federal advisers, those who were drawn from the state executive/legislative councils would be able to make known to the Governor of British Borneo the views of the state governments and the needs of their states. The Governor of British Borneo would naturally consider their views but would not be bound to accept his counsellors' advice. Nevertheless, the federal advisers would try to ensure that the federal government's activities would be in the interests of their states and in this way their role would be to work for co-operation between the federal and the state governments.

--- In the State Governments.

In so far as the federal advisers were able to influence the Governor of British Borneo and in so far as he would be able to influence the state governments, directly or indirectly, the federal advisers would have an indirect influence over state affairs. Those federal advisers who were drawn
from the state executive/legislative councils would also be able to bring
to their roles of state counsellors a wider view of issues and policies
and some conception of their federal colleagues' views on the needs of the
nation as a whole. As the federal advisers developed stronger loyalties
to and identification with the federal government's attitudes and policies,
they would become stronger advocates in state councils for state policies
that were compatible with those of other states and with the more general
goals of the federal government. This would be another aspect of their
role of working for co-operation between the state and federal governments.
D. **PROPOSED TITLES AND ROLES OF THE HEADS OF THE STATE GOVERNMENTS.**

The titles and roles of the heads of the state governments would depend on the title and role of the head of the federal government. I have already mentioned the possible different interpretations that could be made of the two Governors' speeches. In Brunei, the Sultan of Brunei would continue to be the theoretical head of state but would still be obliged to accept the advice of the British Resident on all matters other than those affecting the Mohammedan religion and local customs. The British Resident's responsibility to the High Commissioner for Brunei would remain and would result in his being responsible to the Governor of British Borneo who would assume the role of High Commissioner for Brunei. In Sarawak and North Borneo, the state governments would be headed by governors, lieutenant governors, or officers equivalent in status to the British Resident in Brunei, depending on the title and role of the Governor of British Borneo.

The two speeches made it clear that the British Resident in Brunei would be responsible to the Governor of British Borneo, but the situation in Sarawak and North Borneo was not so clear. If the heads of Sarawak and North Borneo continued to represent the Queen, the Governor of British Borneo would have no direct influence on them. He would, however, have influence over state affairs through the state executive councils and through his overriding power to safeguard the main objectives of the partnership. As the two state representatives of the Queen and the Governor of British Borneo would be responsible to the Commissioner-General for Southeast Asia and to the Colonial Office, influence could be exerted in either direction through these two offices. Similarly, consultation between the Governor of British Borneo and the state representatives of the Queen could result in influence being exerted in either direction as could the double role of those advisers who served in both state and federal assemblies. There would be ample opportunity for co-operation between the Governor of British Borneo and the state representatives of the Queen, but, unlike the Governor of British Borneo, the state representatives of the Queen would have no direct influence outside their own governments.

If the heads of the Sarawak and North Borneo governments did not represent the Queen they would be responsible on all matters to the Governor of British Borneo who would be the Queen's representative at both the federal and state levels and would therefore be liable to be influenced directly by him.

Whatever the changes in the lines of responsibility from the heads of state governments upwards, no changes were suggested in their relationship to their state subordinates and state advisers, except that the heads of government in Sarawak and North Borneo would surrender some or all of their influence on the executive councils to the governor of
British Borneo. The heads of the state governments would therefore continue to be in charge of the local affairs, subject to varying degrees of direct and indirect influence from the Governor of British Borneo, depending on their relationship to him. The state councils and state departments would continue as before to assist in formulating and executing policy in those activities that did not become federal powers.
E. PROPOSED INITIAL DIVISION OF POWERS BETWEEN THE FEDERAL AND THE STATE GOVERNMENTS.

(a) Proposed Federal Powers.

As already mentioned, Sir Anthony Abell proposed that the central authority, which he later defined as the Governor of Governor-General and High Commissioner and whom I have called the Governor of British Borneo (and High Commissioner for Brunei) should "see that the rules of the partnership were observed and that its main objective was always kept in mind". This would give vague overriding powers to the federal government through the Governor of British Borneo and High Commissioner.

Apart from this power, the two governors' speeches indicated that they intended the federal powers to be limited and specified, at least in the early stages of the federation.

Sir Roland Turnbull: "It would be essential that the three governments should define those interests that they regard as common, and be prepared to surrender, of their own will, the control of those interests to a central body representative of them all."

Sir Anthony Abell: "The central authority should also be made responsible for certain activities which the three partners consider could best be dealt with on a central or inter-territorial basis."

"The central authority's control would therefore be limited to those activities specifically allotted to it by the three governments."

If the federal powers were to be specified and limited, some indication of the envisaged degree of closeness or looseness of the federation can be gained from an examination of those subjects which the two governors suggested as suitable for federal control.

Sir Anthony suggested the following subjects as those that could best be dealt with on a central or inter-territorial basis:
- Defence
- External Relations
- Communications: Civil Aviation & Meteorological Services Postal Services Telecommunications
- The combined departments already existing.

Sir Roland Turnbull listed in the following order of importance the areas of common interest for which the federal government should be responsible:--
- External Relations
- Areas already the responsibility of joint departments
- Internal Security.

Common to both proposals for federal powers are:-
- Defence (expressed by Sir Anthony Abell but only implied by Sir Roland Turnbull's phrase "our relations with other countries."
- External Relations
- Existing joint departments, which then were -
  - the Judiciary
  - Geological Survey
  - Civil Aviation and Meteorological Services.

Federal departments would therefore be created to cover the above activities which the states would cease to control. Many of these departments were already combined. Federal departments could, perhaps, also be created to cover the activities suggested as federal by Sir Anthony Abell but not mentioned by Sir Roland Turnbull:
- Communications: - Postal Services
  - Telecommunications

(b) Proposed State Powers.

Both governors made it clear that they considered it important that the state governments should maintain their own identity. As both governors proposed limited and specified powers for the federal government it would appear that the remaining powers should be state. The only limitation to state control of these powers would arise from the Governor of British Borneo's power as Governor and High Commissioner to influence state affairs.

Sir Roland Turnbull, apart from mentioning that "Federation would not mean that Brunei money would be shared with North Borneo and Sarawak", did not make any specific statements on state powers. Sir Anthony Abell did give assurances of state powers:

"The three governments would continue as before to control their own revenue and expenditure and generally to fulfill the functions of an independent government in their own territories."

"Sarawak and North Borneo will of course continue to have officers, Governors or Lieutenant Governors in charge of the local affairs."

"Sarawak will still retain its own name and identity and order its own internal affairs, and control its own estimates."

The state governments, then, would continue to control those powers not allotted to the federal government. It was especially stressed that they would keep control over their own estimates, revenue and expenditure. They would, presumably, also keep their own territorial and native courts for, although the Supreme Court of Judicature, consisting of a High Court of Justice and a Court of Appeal, would become federal by virtue of the fact that it was already a joint service, the territorial and native courts would remain state by virtue of the fact that they were not already joint services. The federal courts would presumably retain the powers of the existing joint judiciary. This being so, the federal courts would be more powerful than the state courts because the High Court would continue to possess its original
and appellate jurisdiction over the more serious or important civil and criminal cases and would continue to have the right to rest its decisions on its own precedents or findings. The Supreme Court of Appeal would presumably continue to hear appeals from the High Court. Although neither Governor suggested this, it is probable that the federal judiciary would be given the power to interpret the constitution on behalf of the Governor of British Borneo. In this way, the federal courts could interfere with state powers in the same way as the federal courts in most federations are able to.
F. POSSIBLE LATER DEVELOPMENTS; GRADUAL REDUCTION IN INDEPENDENT STATE GOVERNMENT ACTIVITIES.

The Governors' accounts of the proposed federal and state powers indicated that the proposed federation should be what Sir Roland Turnbull called a "loose" federation in that the suggested federal powers covered a relatively small range of activities leaving a wide range of activities to the states.

There was a second element in the Governors' speeches that suggested the gradual development of a closer federation, brought about by a gradual decrease in independent state government activities.

(a) The Governor's Suggestions.

Sir Anthony Abell: "We would hope that in time and with the growth in confidence it would be found both economical and advantageous to share other services such as Trade and Customs, Banking and Currency, and in the fields of Research and the specialist services required in Medical, Education, Agriculture and in fact in most departments of Government today."

Sir Roland Turnbull suggested a similar development. Having proposed internal security as a federal power, he said: "I have not the slightest doubt that in this, as in many other fields, our individual resources when combined could be deployed to the much greater advantage of all. Customs, immigration policy, health, education are all subjects in which we have already sought to secure unanimity but in which, because we are not bound together, local interests have so far won the day. Some or all of them could be made the ultimate responsibility of the central authority. But perhaps I go too far too fast. These are matters that would necessarily be the subject of much thought before agreement could be reached. But of this I am quite sure, that we could all profit very greatly in all these fields by the joint use of the resources that are available to us individually."

Sir Roland Turnbull's use of the term "ultimate" could mean ultimate time or ultimate in terms of in terms of/spheres of responsibility. Ultimate in terms of time would mean that Sir Roland Turnbull proposed that some time after the creation of the federation these powers should be transferred to the federal government. If the term ultimate is used to refer to spheres of responsibility, Sir Roland Turnbull's statement becomes a proposal for concurrent powers with the
federal government's legislation prevailing over state legislation where inconsistencies arise.

Both Governors, in discussing the economic advantages of the federation indicated another possible source of expansion in federal powers.

Sir Roland Turnbull: "Economically small countries suffer from their excessive dependence on foreign trade. The economic success of federation would depend largely on the extent to which we are prepared to abandon internal trade barriers and to pool our productive resources. But in this too, we need not go too quickly, for, as Mr. Casey said, 'it is experience in working together that builds up the habit of co-operation and emphasis its growth.'"

Sir Anthony Abell: "I have no doubt that closer association in partnership will have great economic advantages to us. In time it is certain that the larger markets and the removal of trade barriers will lead to greater opportunities and to better trading conditions and, therefore, to a higher standard of living. The Government of the three territories should, in due course, be able to offer to the people greater facilities more cheaply and with greater efficiency."

The establishment of a free trade area, the pooling of productive resources and, above all, the provision by the federal government ("the Government of the three territories") of greater facilities more cheaply and with greater efficiency, would necessitate the federal government's assuming at least some control over trade and customs, unless some inter-state agreements or agencies, independent of the federal government, were to evolve. Either way, independent state government action would be reduced.

As the economic advantages provided one of the major arguments in favour of the creation of the federation, I am surprised that trade and customs was not proposed as an initial federal power. Both Governors must have been afraid that the states, especially Brunei, would violently oppose losing this power initially. They probably hoped that, with the growth in confidence after the federation had existed for a while, the greater economic advantages of federal control over trade and customs would probably encourage the state governments to hand over these powers to the federal government.

It is clear, then, that both Governors hoped for a gradual reduction in the inefficiencies and disadvantages of separate state policies on matters not
allocated initially to the federal government, by the gradual limitation of the area of independent state government action to a smaller range of activities. Sir Roland Turnbull appeared to favour a growth in the federal government's responsibilities to cover the activities he listed and, apparently, other activities. Sir Anthony Abell, whilst not advocating specifically the growth of federal powers (except in trade where he mentioned the better services the federal government could provide), expressed the hope that there would be a growth in shared services extending ultimately to "most departments of government to-day."

Why was the proposal for the federation expressed in such a way that independent state government activities would be gradually reduced? Why were extensive federal powers not advocated from the beginning, or, alternatively, why were state powers not established permanently?

(b) Possible Reasons for these Suggestions.

It should be remembered that neither Governor was putting forward a firm, detailed plan. Each was initiating discussion on the principle of the possible closer association of the three British Borneo territories. Both speeches were, therefore, an attempt to explain the possible developments that would occur if the federation was established. For this reason, both speeches were necessarily indefinite in their accounts of the possible state and federal powers.

The governors may simply have been pointing out the obvious fact that tendencies towards greater centralisation of facilities and resources could occur after the federation was launched. In this case, they were explaining some of the advantages of such centralisation and assuring the people that this development would not be undesirable.

Alternatively, it is possible, and, I think, more likely, that the two Governors advocated the gradual development of centralisation. In this case, it is understandable that, in the first official proposals for closer association, the initial federal powers suggested should be no more than those that would be necessary to meet the existing common interests and to lay the foundation for the growth of Bornean consciousness. The smaller the proposed initial federal powers, the less would be the fear that local policies would be changed and the less public opposition to the proposal for closer association would occur.
Each area of government activity controlled initially by the federal government would, in the early years of the federation, be a source of potential state dissatisfaction at federal policies and hence of possible loss of confidence in and loyalty to the federation. The initial federal powers common to both Governors' proposals (defence, external relations, internal security and the existing joint departments) were in those areas in which federal control was obviously necessary. They were also in areas in which uniformity of policy already existed. Defence and external relations were already handled not by the state governments but by the British Government, as Sir Roland Turnbull pointed out. The existing joint departments were already providing shared facilities quite satisfactorily. Internal security was a field in which considerable interstate co-operation already existed. The federal government would be more likely to operate with little disagreement within itself and between it and the state governments while those affairs in which local interests had so far won the day remained in state hands so that each state could pursue its own policies.

As the federation became more established and accepted, the pattern of development of each state would tend to produce a smaller area of interstate disagreement on a smaller range of policy matters. This desirable development could, if necessary, be encouraged, accelerated or even forced on important matters. In time, the growth in federal powers and/or the growth of interstate co-operative machinery to control increasing aspects of government activities would thus be possible without undue discord between the state and federal governments.

How would this increase in federal powers and/or growth of interstate co-operation be accomplished?

(c) Possible ways in which these developments could occur.

I can only give possible interpretations of the proposals on this point as neither Governor stated what form the development towards centralisation and/or interstate co-operation should take. Both Governors indicated specifically the powers they considered should be initially federal. The precise nature of subsequent developments and the order of the powers to be affected were not stated. Neither Governor indicated whether the reduction in independent state government activities should be through an increase in the federal government's powers or through the growth of interstate co-operative
machinery or both. Neither Governor indicated how gradual the development should be — when and with what powers the trend towards shared services should start and when and with what powers the process should end. The most obvious powers to be affected by the process were listed but both Governors implied that other powers could also be affected. Sir Anthony Abell preceded his list with the phrase "to share other services such as" and ended by suggesting that the development of shared services might ultimately embrace "most departments of Government today". Sir Roland Turnbull also qualified his list by the phrase "in this as in many other fields". No indication was given as to whether the process should be encouraged or forced or whether it should be left to occur as a result of post-federation political and social developments. Perhaps for some powers the process should be accelerated while for other powers it could be left to occur without positive encouragement.

Any or all of the following developments could have been intended: federal powers would be formally increased through constitutional changes, through pre-arranged transfers of powers or through the creation of joint federal and state powers; federal powers would be increased without formal constitutional provision for this increase; interstate and/or state/federal consultative and co-operative machinery would evolve within the established division of powers.

(1) Formal constitutional expansion of Federal Powers.

- Constitutional Amendment.

If the Governors envisaged a growth in federal powers and a reduction in state powers, they might have thought that this change in the division of powers could be accomplished through one constitutional change after a number of years or through many changes from time to time. As they appeared to advocate a gradual change, it is most likely that they envisaged a number of changes over a number of years.

If constitutional expansion of federal powers was intended, two possible approaches could have been anticipated. The expansion of federal powers could be made to foster and accelerate the development of uniform national policies on certain matters and, conversely, to check the development of different state policies on these matters. The expansion of federal powers
would thus precede the development of nationally uniform policies.

Alternatively, the extension of federal powers to new activities could be left to occur as a logical, economising step after the development of national consciousness and awareness of national needs had produced growing uniformity of state policies in given activities. The extension of federal powers to these activities would not encourage the development of uniform policies but would be the result of this development.

Sir Roland Turnbull's warning that, if a federation was to occur, it would be better to occur soon, before the three territories developed too far along different lines, and his reference to the fact that attempts to obtain unanimity on policies in customs, immigration, health and education had previously failed because local interests had so far won the day, indicate that, if anything, he would support the former basis for the extension of powers to at least some activities. On the other hand, he might have thought that the creation of the federation, no matter how loose, would result, in the long run, in increasing tendencies towards uniform policies without the prior extension of federal powers.

Sir Anthony Abell's account of centralisation's occurring as a result of the growth of confidence and the awareness of the greater economy and advantages of shared services indicates that he hoped that this centralisation would grow out of increased uniformity of policies rather than as a device to produce increasing uniformity.

For those matters in which early uniformity of policy would not be necessary, in which separate state policies would be desirable for some time and in which uniformity was likely to occur later without positive encouragement, there would be no need for special provisions to be made in the constitution. When the desire and need for separate state policies on a given subject had disappeared and if the state and federal governments agreed that greater economy and efficiency would result from the transfer of this power to the federal government, the transfer could occur through the normal procedure for constitutional change. Provided that the machinery for constitutional change was not too cumbersome, there would be no problem in this type of development.

On the other hand, I do not think that numerous changes in the constitution would be a desirable aim. If the procedure for change was cumbersome,
the frequent transfer of powers to the federal government could be an expensive difficult and inefficient process. If the procedure for normal constitutional change made a change simple to accomplish, the separate transfer of numerous powers to the federal government would not be so difficult, but the stability of the constitution could be impaired by the very ease with which a constitutional change could be affected. If, as in Malaya, the federal government acting alone had the power to alter the constitution, the federal government would be able to assume state powers without the consent of the state governments.

- Pre-arranged Extension of Federal Powers.

The Governors may have felt that the extension of federal powers to some subjects needed to be pre-arranged to encourage, accelerate or force the development of uniform state policies and to ensure eventual federal control. The subjects of customs, immigration, health, education and agriculture, listed by Sir Roland Turnbull as probably suitable for ultimate federal control, could have been examples of such powers.

On such matters, important differences existed between the policies of each state. National uniformity of policy on these matters was not important in the early years of the federation but would become important later. Left entirely in state hands, the policies pursued by the states could accentuate the diversity of state interests and could render unlikely the ultimate transfer of the powers of the federal government. Sir Roland Turnbull's warning of the need for the early creation of the federation draws attention to the danger that independent state policies could drive the states further apart. "North Borneo is developing quickly upon its own lines; so also are Brunei and Sarawak. With time the differences will become greater, and not less, and if you desire to grasp the advantages of federation you should do so soon, for in time the differences could be too great to overcome."

If the Governors felt that the existing differences between state policies on such matters were sufficiently important to cause a breakdown in discussion of the whole proposal for closer association, it would be best to leave these matters initially under state control. It would obviously be unwise to suggest that the federal government should have full control over these matters as soon as the federation was established. It would be equally
umwise to leave such matters as unqualified state powers if the development of uniformity within a few years was considered important. The solution could be for the constitution to list the power or powers concerned as state for a specified period after which they were to become federal or to list the power or powers concerned as federal with the operative control to remain in state hands for a specified or unspecified period. Interim provisions of this nature were used, for example, in the West Indian Federation (freedom of movement and Customs union provisions) and in the constitution for Malaysia, in which education was made a federal power with operative control remaining in state hands in the Borneo territories until the states agreed to surrender these powers.¹ The classification of a power as federal with interim state control would probably make the transfer of the power to the federal government easier, than the classification of the power as initially state and ultimately federal.

Whether the powers were federal with interim state control or initially state with later transfer to the federal government, the development of uniformity of policies and the ultimate transfer of the powers to the federal government could be made more certain by making special constitutional provision for a procedure whereby the states would have little or no say on the question of the transfer of these powers when they were scheduled to be transferred. In this way state rights on most matters could be protected by a procedure for constitutional reform requiring the full approval of the states, whilst the transfer of certain specified powers could be ensured by provision for their later transfer to the federal government without full state approval. Such a procedure would also reduce the number and frequency of constitutional charges. A procedure of this nature was suggested for the control of Brunei's oil revenues in Malaysia. Brunei's refusal to join Malaysia was partly because of Brunei's unwillingness to accept the provision for the ultimate transfer of control of oil revenues to the federal government.

If a proposal for the subsequent automatic transfer of specific powers to the federal government was likely to meet with opposition, the transfer could be encouraged, but not ensured, by specific provision for the later transfer of these powers subject to state approval. By setting a reasonable period of delay

¹. M R I G C page 4 paragraph 17.
for the transfer of the powers, the constitution would help to create the right sort of political and social environment for the ultimate transfer in that the initial state control would satisfy local desires to pursue independent policies whilst establishing the principle that ultimately the powers would have to become federal. People would have time to adjust their attitudes to the ultimate surrender of the powers concerned. The direct and indirect influence of the Governor of British Borneo over the state governments could be used to prepare for this transfer especially while political parties were unimportant or non-existent and while the state councils were predominantly appointed rather than elected. Interstate consultative and co-operative machinery, to be discussed later, and the development of national consciousness and the awareness of national needs, emerging after the creation of the federation would all help to prepare for the ultimate transfer.

A proposal for the ultimate transfer of specific powers to the federal government, either with or without state approval, would probably have been accepted in the British Borneo territories of 1958 for at least some powers, if the idea of federation had been keenly supported. Such a proposal would have been more acceptable than one suggesting wide initial federal powers and would have provided more encouragement for the transfer of the specified powers than a proposal that simply listed limited federal powers with no specific provision for the subsequent extension of federal powers to other activities.

- Powers shared by the State and Federal Governments.

An alternative procedure to the above, accomplishing subsequent increased federal control without a formal constitutional change, would be for the constitution to list certain powers as the joint responsibility of the federal and the state governments, with the provision that federal legislation should take precedence over state legislation on these matters. If the demand for initial local control was likely to be strong, a further provision could be added for some or all joint powers whereby the federal government would be required to refrain from using these powers for a specified period after the creation of the federation. This procedure would ensure the ultimate automatic growth of federal control over the activities covered by the joint powers whilst appearing to be a procedure designed to meet demands
for state control over these activities. This type of compromise would probably be accepted if the specified period for sole state control was long enough.

Neither Governor specifically suggested joint federal and state powers but Sir Roland Turnbull did make a statement that could be interpreted to propose joint powers depending on his meaning of "ultimate": "Customs, immigration policy, health, education are all subjects in which we have already sought to secure unanimity but in which, because we are not bound together, local interests have so far won the day. Some or all of them could be made the ultimate responsibility of the central authority."

It is possible, then, that both Governors thought of the extension of federal powers as occurring in some cases through normal constitutional changes and in other cases either through special constitutional provisions for the later transfer of specified powers to the federal government or through the creation of joint federal/state powers.

(ii) Extension of Federal Control without a change in the initial Division of Powers.

Apart from the use of the state influence of the Governor of British Borneo, there are two main ways in which the federal government's control could be increased without a formal change in the initial division of powers. One is through the federal government's growth of financial dominance over the state governments, the other is through judicial interpretation.


Neither Governor gave a very detailed account of the proposed financial arrangements for the federation. Sir Anthony Abell specifically stated that the three state governments "would continue as before to control their own revenue and expenditure" and that "Sarawak would ..... control its own estimates." It appears that at least nominal financial autonomy was intended for the states but the degree to which the state governments would be able to control their own estimates would depend on the particular financial provisions of the constitution.

There would be three possible types of financial arrangement: the federal government would monopolise the collection of government revenue and would allocate portions of the revenue to the state governments; the state governments would monopolise the collection of government revenue and would
each contribute a portion of their income to the federal government; both state and federal governments would have their own sources of revenue independent of each other.

It is fairly obvious that the two Governors did not envisage the first type of arrangement. Sir Roland Turnbull, in discussing the position of Brunei as the richest of the potential members of the federation, stated that, although Brunei would be expected to contribute its share of the cost of the joint services as would the other states, and although Brunei might reasonably be expected to invest some of its surplus wealth in Sarawak and North Borneo, Brunei's wealth would remain Brunei's. This statement and those of Sir Anthony Abell quoted above indicate that the two Governors did not intend that the state governments should be entirely dependent on the federal government for finance.

It is possible that the second type of arrangement was envisaged but I think it unlikely, as the federal government's position would be weakened through its dependence on the state governments for funds. Sir Roland Turnbull's rejection of "the mere superimposition of yet another constitutional body over the three Governments, with limited and begrudging authority" as "extravagant, ineffective and otiose" indicates that this type of financial arrangement would be unlikely. If the federal government's funds were to consist entirely of grants from the state governments, the federal government would be most unlikely to achieve financial dominance and would therefore be unlikely to increase its influence over the state governments through financial control.

It is most likely that the two Governors intended that the federal and state governments would have their own independent sources of revenue. As no indication was given of what these sources of revenue were to be, no clear picture can be formulated of the initial relative financial positions of the federal and state governments. Much would depend on how such sources of revenue as the following were allocated: corporation tax, income tax, inheritance tax, property tax, sales tax and import and export duties.

As the federal government would have control over external relations and as the hope was expressed that a national economic unit and free trade area would develop, it is probable that the federal government would eventually assume control over customs duties. As these were the most important sources
of income for the Sarawak and North Borneo governments, the federal government would acquire financial dominance at least over these two governments by acquiring control over customs duties. In the case of the loss of customs duties to the federal government would not jeopardise Brunei's financial independence, but the federal government's assumption of control over income tax would.

The power over external relations could also be used by the federal government to attempt to control subsidies to agricultural and industrial enterprises when these subsidies were designed to encourage local products to compete in overseas markets. The control of external relations would also probably mean that the federal government would be the most influential government in attracting and controlling overseas capital and in channelling its flow to the various parts of the federation. The control over subsidies and foreign capital, whilst not being a source of federal income, would be a source of indirect federal influence over state governments' incomes and policies.

Although it was not suggested that the federal government should initially control trade and customs and the economy generally, the hope was expressed that a national economic unit and free trade area embracing the three territories would develop. If this was to develop, some degree of federal control over economic activity would be necessary. If a constitutional change were to occur to provide the federal government with the necessary powers to regulate economic activity, once established, these powers could be used by the federal government to impose taxes directly related to commerce and trade and to set up systems of subsidies. These measures would increase both federal revenue and federal control over state economic development and hence, indirectly, federal influence over the state government's income.

Probably the most important source of the federal government's growth in financial dominance would arise from the expensive development schemes that would be necessary in the Borneo territories if they were to progress. The development of transport and communications, especially roads, agricultural and industrial development and the improvement and extension of
social service schemes such as education and medical services would all be expensive and vital not only to the federation as a whole but to each state as well. It would be unlikely that the state governments, with the probable exception of Brunei, would be able to finance all of these schemes. The state governments would have to rely on outside aid, from the federal government if it was wealthy enough, and from foreign sources. Foreign aid in the form of grants, loans, free equipment, free personnel and scholarships for overseas training were an important part of North Borneo's and Sarawak's activities in 1958 and had been so since the war. "Both Sarawak and North Borneo, unable to finance their own reconstruction programs, have received large allotments out of the British Colonial Development, Welfare and Reconstruction Fund. These have totalled in some instances nearly half the entire governmental expenditures of the two colonies. With this aid, both have been able to rebuild towns, reinstate and expand communications and transportation services, increase educational facilities, and enter upon an extensive economic development program. Brunei, on the other hand, made prosperous by its oil fields has not required economic relief but has, in fact, made loans and grants to the other two colonies and to Malaya."¹ The Borneo territories faced a tremendous and expensive task of reconstruction after the war. The economies of the three territories had been disrupted. The task of fostering development of the three territories after federation would also be tremendous and expensive and, although the economies of the three territories would yield increasing government income as they developed, foreign aid from Britain and from Colombo Plan countries would continue to be essential for an adequate rate of development of the economy and of welfare services. Brunei, although likely to be able to finance its own schemes initially, would probably come to depend on outside aid as oil production declined and as the need for development increased.

As the federal government would control external relations it would almost certainly control foreign aid. If the federal government did have this power, whatever the initial division of financial resources between the federal and state governments, the federal government would have control over an important source of revenue for state governments.

¹. C S S page 17
The state governments would hand their requests for foreign aid to the federal government which would have to assess the relative importance of the requests from each state before making the requests to the foreign sources. The power to control the priorities for foreign aid would enable the federal government to use the provision of foreign aid as it would use the provision of aid from its own resources as a means to influence and even control state policies. The provision of foreign aid and federal aid to the states would probably produce a system similar to the grants-in-aid in Canada and the United States of America. Such a system would inevitably enhance the importance of the federal government and diminish to some extent the autonomy and independence of the state governments.

Speaking of the grants-in-aid schemes in Canada and America, J. H. Corry says: "In some measure, then, depending on their amount, these grants require the state governments to dance to the tune of the federal government, which selects the pieces to be played and prescribes the tempo and manner of execution. This is not a serious interference with state independence as long as the aided activities are only a few of those in which the state governments are engaged." Large scale development and social service schemes would probably constitute the greatest part of state government activities and would certainly be politically and economically their most important activities. The States' reliance on federal or foreign aid for these activities would be likely to be considerable, except in the case of Brunei while oil flowed. Certainly, any state that relied heavily on foreign or federal aid would develop more rapidly than a state that avoided this aid. The state that lagged in development through avoiding aid would face unpleasant economic and political consequences when the gap between it and its more rapidly developing neighbours became wide. Sarawak and North Borneo at least would, therefore, be forced to use foreign or federal aid to keep up with each other and with Brunei and to meet local needs and demands for development.

1. C E D G pages 503-505 discusses how the federal grants-in-aid system as used in Canada and the U. S. A. can give the federal government control over state government activities.

2. C E D G page 503-504
Federal control over state policies requiring aid could be established through earmarking the grants for specific purposes, thus directly influencing the states' estimates. Further indirect influence over state budgets could be achieved by requiring the state governments to spend, from their own resources, specified sums as an indication of the importance of the project for which aid was requested. The federal government could even go so far as to lay down specifications covering the particular activity that was being aided and the state governments could be required to meet these specifications to earn the grant. These specifications could affect policy or the types of administration that would use the grant. Federal influence over state policy could thus be gained in those activities relying on federal or foreign grants.

Federal influence could also be exercised over state activities not relying on federal or foreign aid through the threat of reducing or withholding aid to some vital project. A state government could be forced to modify or abandon a policy incompatible with national goals or could be forced to introduce policies that it would not otherwise introduce. I think the federal government would be unlikely to use this sort of blackmail unless absolutely necessary but it could do so by threatening to classify a particular state's request as a low priority.

The federal government could, therefore, use the provision of aid to the state governments to encourage growing uniformity of state policy especially in development projects and could discourage and even sabotage policies that were exk incompatible with national objectives, even though the state governments would theoretically control the activities concerned and would theoretically control their own budgets.

As I have already pointed out in Part Two, the federal governments in Australia, Canada, America and Switzerland have increased their financial powers considerably at the expense of the states. In the cases of Canada, U.S.A. and Australia, this increase has been accomplished largely as a result of the potentialities of the original financial provisions. If the original financial provisions of the British Borneo constitution gave the federal government sufficient potential powers, there is no doubt that these powers would eventually be exploited.

1. WFG page 253
Even without liberal financial powers, the federal government, if if controlled the allocation of foreign aid, could use the promise of increased aid or the threat of decreased aid to encourage or force the state governments to transfer to the federal government the most important revenue earning powers allocated to the states. Australia provides an example of a federation in which a federal government successfully persuaded the states to surrender important taxing powers.

The only check to the federal government's growth in financial influence over the states would be for the original financial provisions of the constitution to allocate to the federal government limited financial powers and limited sources of revenue devoid of potentialities for exploitation. In view of the two Governors' hope for the gradual reduction in independent state government activities and for the gradual emergence of national consciousness and confidence, such financial provisions would seem unlikely. It seems to me that the initial financial provisions would most likely provide the federal government with sufficient sources of revenue and sufficient financial powers to enable it eventually to emerge as the dominant government financially. From its position of financial dominance it could encourage uniform state policies through stipulating conditions for financial aid.

Through Judicial Interpretation.

The judiciary in some federations, for example Australia and the U. S. A., has interpreted the constitution in such a way as to expand federal powers. K. C. Wheare summarises the way in which this has happened in U. S. A. and Australia as follows:

"It was remarked earlier that although the general governments of the United States and Australia had been able to extend their powers over new fields in the course of years, this process had not been predominantly the result of explicit amendments to the Constitution. What, then, had made it possible? It was the result, in large measure, of the interpretation of the constitution by the courts. In the view of the judges of the Supreme Court of the United States and of the High Court of Australia, the original constitutions of these federations had conferred power upon
their general governments to undertake legislation and administration in many spheres of economic and social life. This is, of course, only a general statement. It is necessary to emphasise that the process was not always continuous. There were ebbs and flows in the tide of judicial opinion. But if the position to-day is compared with that of a hundred years ago in the United States, for example, it can be seen that the general government has been able to regulate activities over a much wider range and that this exercise of its powers has been possible not only because the legislature wished it, but because the judiciary also upheld it.¹

In the case of Canada the trend has been in the reverse direction. "In Canada, on the other hand, the net result of judicial interpretation has been to restrict the sphere of action of the general government. Here again it is important to emphasise that there are exceptions to the general statement. But the trend of judicial review has been towards limiting the powers of the general government."²

K. C. Wheare pointed out that the courts can adapt a constitution to the needs of the time but cannot amend it.³ J. A. Corry argued that the trend for court interpretations in America to extend federal powers arose in response to a need that was felt.⁴ This need was for increased central government control as a result of the growth of a unified national economy, the growth of widespread governmental activities and the growth of nation wide groups and interests such as employers and trade unions. Emergencies such as wars and depressions undoubtedly helped the development of centralisation in America and Australia. In interpreting the terms of the constitution, the judges' personal views of what is politically wise or what is necessary play an important part.⁵

External threats and depressions would be possible in the early years of the federation but even without these factors, both Governors envisaged the growth of a national economy and the expansion of federal government activities in the spheres of economics and social welfare. The need for large scale and rapid development of the three territories in almost every aspect would create

1. W F 6 page 229
2. Ibid
3. W F 6 page 237
4. C E D G page 503
5. W F 6 page 233
new needs for federal government control in response to which needs the judiciary would be likely to interpret the constitution so as to enhance the federal government’s powers. The federal power over external relations and the federal power to see that the main objective of the partnership was kept in mind could be two sources of wide interpretation of federal powers. If control of economic affairs became a federal power there would be a tremendous scope for judicial interpretation supporting extended federal government activities. Much would depend on the particular provisions used to establish the federal government’s general welfare and economic powers and on whether the specific federal powers were listed in a restrictive or illustrative way. Much would also depend on the wording of the provisions for state powers if they were specified.

Both Governors probably envisaged a constitution that would provide ample scope for the judiciary to interpret federal powers sufficiently widely to enable the federal government to meet the growing needs of the federation for centralised control and direction.

(iii) Possible Development of Interstate and State/Federal Consultation and Co-operation.

I have mentioned various ways in which the federal government could assume increasing control over more fields of government activity as the federation developed. It is possible, however, that the development of a closer federation would not depend entirely on the increase in federal powers. It is possible that Sir Anthony Abell and Sir Roland Turnbull envisaged a growth in interstate and state-federal consultation and co-operation which could render increased federal powers in some activities unnecessary or which, on the other hand, could pave the way for increased federal powers. As mentioned in Part Two, there is a wide range of possible consultative and co-operative machinery such as interstate compacts, interstate conferences or permanent bodies working for uniform state laws, conferences at the political and/or administrative levels on particular subjects, associations of officials concerned with particular activities in different states, councils of state governments and permanent commissions on interstate co-operation generally
and commissions on particular subjects of common interest.\(^1\)

Such consultation and co-operation need not necessarily be confined to the state governments. Similar consultative and co-operative machinery involving state and federal governments is also possible for those activities that both the federal and state governments control.\(^2\) It is even possible to attempt to fuse the administration of federal and state laws on a particular matter by making state officials federal agents for administration of the federal part of the activity and vice versa.\(^3\)

Sir Anthony Abell's hope that "in time and with the growth of confidence it would be found both economical and advantageous to share other services such as Trade and Customs, Banking and Currency, and in the fields of Research and the specialist services required in Medical, Education, Agriculture and indeed in most departments of Government to-day," does not necessarily mean that the state governments should surrender completely their control of these matters to the federal government.

Interstate conferences and commissions could advise state governments on uniform legislation and policies. Interstate agencies could be established to advise the state governments or to administer policies on particular matters. The three Borneo territories had already succeeded in establishing shared services without giving control of these services to a common government. These shared services were the Judiciary, the Departments of Geological Survey, Civil Aviation and Meteorological Survey and Borneo Airways. In 1959 another shared specialised service was created when a joint Census Department was established. Similar joint ventures could be attempted in other spheres either as a preparation for the creation of federal departments on these matters or as co-operative ventures that would remain essentially interstate rather than federal.

While over the state governments were dominated by the chief officers, civil servants and appointed council members, the implementation of the recommendations of such interstate bodies would be fairly easy to obtain on all matters on which there were not fundamental differences of opinion between the states. It would even be possible for permanent interstate agencies to operate with wide delegated authority in spheres that involved specialised

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2. C E D G page 499
3. C E D G page 500
knowledge. This would be government by experts, but, in colonial as in independent governments, government by experts is efficient and often unavoidable. While political consciousness was not very developed and while political parties were relatively poorly organised, there would be little opposition to the operation of such agencies so long as they were efficient and so long as they did not noticeably favour one part of the country.

Similarly, co-operation between the federal and state governments on matters within the powers of both levels of government would be relatively easy to obtain while the Governor of British Borneo continued to have important influence over both state and federal governments and while advisers continued to hold positions in both state and federal assemblies. When state and federal councils became predominantly elected, when political parties became organised and when people developed a political sense, such co-operation could well prove more difficult to obtain. But, by the time these political developments began to affect the governments, some habits of co-operation would have been established, some basically uniform policies would have directed developments in the three territories along the same lines and the more general social and political factors encouraged by the development of nation-wide needs and interests would have been set in operation by the federal government's use of federal powers. Sir Roland Turnbull and Sir Anthony Abell might have hoped that, by the early creation of a federation, by the federal government's exercise of its powers and by the operation of co-operative and consultative machinery, state policies would have been established along mutually compatible lines before the advent of self government.

How workable would interstate and state-federal co-operative machinery be? I have already mentioned examples of successful joint ventures by the three British Borneo territories. Since 1953 there has been an inter-territorial committee representing Sarawak, Brunei and North Borneo to promote consultation and co-operation between the three territories. Its work has had some success, for example, the effective operation of the joint departments. Co-operation has also existed between the police forces of the three territories. There has also been successful sharing of training facilities such as teacher train-
ing, before each territory was capable of meeting its own needs independently. On the other hand, as Sir Roland Turnbull pointed out, customs, immigration, health and education were fields in which attempts at unanimity had been unsuccessful. Despite this, the three Borneo territories had shown themselves capable of co-operating to the point of sharing some joint services without the constitutional and emotional bond of a federation.

While each state had its own peculiar circumstances and characteristics, unanimity would be impossible in fields that would require significant variations of policy in each territory but some degree of uniformity and cooperation could be encouraged through consultative and co-operative machinery. Once the general economic, political and social forces set in motion by the creation of a federation had had time to work and once, as a result of these forces, the three territories had begun to develop stronger common needs and characteristics, the degree of acceptable uniformity of policy would increase as would the amount of successful co-operation. In those activities where interstate and state-federal co-operation was achieved, the extension of federal powers could be regarded as unnecessary. Alternatively, the extension of federal powers in these activities would be easy to achieve if this would produce greater efficiency or economy. Where sufficient co-operation was not achieved, the attempts at co-operation could pave the way for the extension of federal powers or would establish that different state policies were essential and that the extension of federal powers to these activities would, therefore, be an unwise move at that stage.

At the very least, it could be said that consultation and co-operation between the state governments and between the state and federal governments would be a possible worthwhile development in some government activities.
G. **TYPE OF FEDERATION.**

(a) **Implications of the Relationship between the Chief Officers of the State and Federal Governments.**

From the proposals dealing with the titles and functions of the Governor of British Borneo and of the Chief Officers of the states, it is clear that the federal government through the Governor of British Borneo would have at least some influence over state affairs. In Brunei, the Governor of British Borneo's influence in his role of High Commissioner for Brunei, would be considerable through his supervision of the British Resident's activities. In Sarawak and North Borneo, the Governor of British Borneo would influence state affairs through his position in the executive councils. His influence would be even greater if it was intended that he should be the Queen's representative in these states and hence the immediate superior of the Chief Officers of Sarawak and North Borneo. If Sarawak and North Borneo continued to be headed by governors and Queen's representatives, although these officers would be independent of the Governor of British Borneo, collaboration between the governors and the Governor of British Borneo and their common responsibility to the Commissioner-General for South East Asia and the Colonial Office would tend to result in state/federal co-operation.

Some degree of legislative autonomy was suggested by Sir Anthony Abell's proposal that the Governor of British Borneo should not sit in the legislative councils in Sarawak and North Borneo. As it was not suggested that the Governor of British Borneo should sit in the State Council in Brunei, Brunei would also presumably have legislative autonomy. This autonomy would be countered by state executive subordination to the Governor of British Borneo through his right to preside over the executive councils of Sarawak and North Borneo and through his supervision of the British Resident in Brunei who more or less controlled the executive there because of the Sultan's treaty obligations.

Whatever the division of powers between the federal and state governments, the federal government would, therefore, have an overriding influence over state affairs through the state roles of the Governor of British Borneo. The separation of federal and state powers would be further countered by some counsellors serving as members of both state and federal assemblies. The
lack of separation of powers would not necessarily mean that the Governor of British Borneo and the federal government would frequently interfere in state affairs but the ability to do so would exist for use when necessary.

The Governor's proposals do not appear to establish state and federal governments, each independent in its own sphere. There is an elaborate inter-relation of powers and lines of responsibility in a complex system of checks and balances. These checks and balances, with the exception of the exclusion of the Governor of British Borneo from Sarawak's and North Borneo's legislative council would tend to operate against state autonomy.

It seems to me that the two governors were proposing a federal framework within which state legislative autonomy would be theoretically established but within which the federal government would in fact be the dominant power through the Governor of British Borneo's overriding supervisory power in state affairs. Such an arrangement would help to ensure that the federation was not wrecked in the early years by an unco-operative state.

(b) Implications of the proposed Division of Powers.

The suggested initial allocation of powers to the federal and state governments appears to favour what Sir Roland Turnbull would call a "loose" federation in that, on the basis of either Sir Roland Turnbull's or Sir Anthony Abell's account, the federal powers would cover a rather small range of activities leaving a wide range to the states. To counter the federation's looseness there would be the influence over the states of the Governor of British Borneo and High Commissioner and the central authority's overriding power to see that the main objective of the partnership was always kept in mind (Sir Anthony Abell).

It would seem that the constitution would list the federal government's powers and that, apart from the power to see that the main objectives of the federation were always kept in mind, the federal government's authority would be limited to the powers allotted to it. The states would have the remaining powers which might or might not be listed. There is the possibility that some joint federal and state powers would be listed and/or that the states' control over certain powers would be merely transitional.
It is also clear that the two Governors hoped that the federation would gradually become "closer" by a subsequent growth in federal powers and/or by the growth of interstate and perhaps state/federal consultation and co-operation.

(c) Possible Developments in the Federation.

(1) Maintenance of the Original Framework.

If the type of arrangement proposed by the two Governors was to remain basically unaltered, apart from constitutional changes in the division of powers over certain types of activity, could this be validly described as a federation? On the criterion suggested in Part Two, that a system of government, to be described as federal, should predominantly embody the federal principle of co-ordinate governments each independent in its own sphere, the proposed closer association of British Borneo would be federal in that separate state and federal governments would be created, each with its own sphere of activity. Working against this principle would be the power of the Governor of British Borneo, as High Commissioner to Brunei, to influence state affairs in Brunei through his subordinate officer, the British Resident. The Governor of British Borneo's right to preside over the executive councils of Sarawak and North Borneo would also be an exception to the federal principle. If the Governor of British Borneo was also the Queen's representative at the state level in Sarawak and North Borneo and, therefore, the chief officer in each of these territories was responsible to the Governor of British Borneo, a further exception to the federal principle would occur. From one point of view, the proposed arrangements could be regarded as quasi-federal with the Governor of British Borneo possessing overriding power to co-ordinate the federal and state governments. On the other hand, the proposed arrangements could be regarded as unitary with a large measure of decentralisation through the retention of state executives, legislatures and administrations to handle state affairs.

Canada illustrates a system in which the central government can have some degree of control over the state governments' activities without destroying the federal nature of the constitution. As in the case of Canada, much would depend on how the constitutional arrangements were applied. It would be likely that the Governor of British Borneo would, in fact, refrain from interfering with state autonomy, except when necessary. If this were so, the association would in actual operation be predominantly federal.
(ii) Development of a Conventional Federation.

It is to be expected that the federation would grow closer as the national bonds strengthened. The proposal of an initial quasi-federal framework, within which the states would be nominally autonomous but within which the Governor of British Borneo and High Commissioner would be the dominant power, would safeguard the existence of the federation until the federal government's powers had strengthened or increased and until interstate co-operation was firmly established. Once the states were inextricably dependent on one another and on the federal government and once national consciousness and needs had developed, the need for the Governor of British Borneo's influence over the state governments would diminish and his function would probably change. By the time the Governor of British Borneo became nothing more than the figurehead of the federal government, the federation would probably have entered the self-government stage in which the established powers of each government and the established patterns of interstate and state/federal co-operation would have to replace the subtle bonds, provided by colonial administrators, as the political and legal cement keeping the federation together.

The people of the British Borneo territories were generally quite happy with the status quo of 1958. The line to encourage acceptance of the proposal for closer association under these circumstances would, therefore, be to argue that things would not change very much. In order to avoid public suspicion and conservative opposition to the proposal, it would be natural to play up the element of state autonomy in the proposals and to play down the element of federal dominance. It would also be natural to propose initially few federal powers whilst pointing out the advantages of the gradual development of less state autonomy as the federation developed. I think these considerations throw some light on the apparent contradictions between the element in the proposals suggesting a loose federation and the elements suggesting a close federation.

Assuming that the two Governors envisaged the ultimate development of a federation with some federal powers, some joint powers and some state powers and assuming that the Governor of British Borneo's role in state affairs would gradually diminish to the point at which genuine autonomy would exist for each government within its own powers, a conventional federation would emerge.
There would, of course, be the inevitable overlapping of powers and the inevitable entanglement of state and federal activities that the courts have to unravel, but a theoretically federal system with autonomous governments would be possible.

(iii) Development of a Unitary State.

There is a third possible type of ultimate development. This would be the development from a loose federation to a close federation and then to a unitary state.

There are elements in the two speeches that could be taken to indicate that this type of later development was envisaged. Firstly there is Sir Anthony Abell's statement that there was no question in his mind "that it is to the long term advantage of the peoples of all three countries that they should join together to become as nearly as possible one country as their many differences may permit". Whilst he regarded amalgamation as impractical at that stage, he may have hoped that the differences between the three countries would ultimately be slight enough to permit the development of a unitary state with some degree of decentralisation. He gave one example of the way in which the differences would decrease in significance: "...and against the larger background (of the federation) the problems of each (territory) would appear so much the smaller". Then there are the following elements: Sir Roland Turnbull's account of the later developments indicating a growth of federal powers, his reference to the advantages of combined resources in many fields, some of which were specified in an illustrative but not definitive way, Sir Anthony Abell's hope that shared services would evolve to cover "most departments of Government to-day" and Sir Anthony Abell's consistent avoidance of the term "federation".

The Borneo territories were certainly not ready for a proposal of amalgamation in 1958. Successful amalgamation would depend on the growth of considerable confidence in the new nation and a blending of state individualities to produce characteristics, traditions, loyalties and needs that cut across state boundaries. In a sense there were many common bonds between the three territories, bonds of race, language, culture and political traditions but this would be true only at a level of broad generalisations. There were still tremendous differences in detail between the three territories. A federation would help to build common national characteristics and might ultimately render amalgamation possible, but this process would take a long time. If the Governors
hoped for ultimate amalgamation it would be as a very long term objective.

If the Governors regarded ultimate amalgamation as a worthwhile objective, they were wise to suggest a federation as the initial basis for association and to avoid mentioning amalgamation as an ultimate objective. The Sultan of Brunei, his and the Governors' counsellors and the people of the three territories would have found the proposal of a unitary state unacceptable and discussion of the proposal for closer association would have been rejected as soon as the discussion started. The Sultan of Brunei would be unlikely to forego his sovereignty over Brunei. His sovereignty over all three territories would have been unacceptable to Sarawak and to North Borneo. The differences between the three territories, their history and their then state of political and social development would have made amalgamation impossible.

Within three and a quarter years from the proposal for closer association the proposal for Malaysia was to emerge. It is possible that the Governors or the Colonial Office hoped that the federation of British Borneo would be launched and would have time to develop into a unitary state before the need for Malaysia emerged. If the three British Borneo territories had become amalgamated before the proposal for Malaysia, their absorption into Malaysia would have been easier. On the other hand, the absorption of a federation of the British Borneo territories would have been almost as easy to accomplish. If the proposal for closer association of the British Borneo territories was a preparation for Malaysia and if it was hoped that amalgamation of the British Borneo territories would occur before Malaysia, Malaysia would have been regarded as a much later development than it proved to be.

Although there is an element in the two speeches that suggests a trend towards ultimate amalgamation, this element can also be interpreted to indicate nothing more than a proposal for the gradual development of a close federation. To support this interpretation, there are elements in the speeches that are incompatible with the concept of ultimate amalgamation: Sir Anthony Abell's statements guaranteeing state rights, Sir Roland Turnbull's specific rejection of amalgamation, his use of the term "federation" a term which he defined and a system which he contrasted with amalgamation, both Governors' acceptance of the need to preserve the identity and traditions of the three territories.
These statements may have been purely politic to encourage acceptance of the proposal, or they may have been referring only to the initial basis of the association, but I think these statements were a genuine expression of preference for a federal rather than a unitary basis for the closer association, not only in the initial stages but as the permanent framework within which the federation would develop.

Both Governors may have thought that the federation would grow closer as it developed, until it reached a point at which it ceased to be a federation. In a sense, the proposal was for a system of government that was half way between a federal and a unitary system, but I think the proposal was essentially for a federation that would be initially loose in theory with countering federal dominance in practice and that would gradually grow into a close federation in both theory and practice. If Sir Roland Turnbull and Sir Anthony Abell had the development of a unitary state in mind, I think it would have been considered as a possible long term pattern of development but not as an objective worthy of conscious pursuit.
8. THE SIGNIFICANCE OF THE PROPOSAL

A. THE FIRST OFFICIAL INITIATION OF PUBLIC DISCUSSION OF THE PROPOSAL FOR CLOSER ASSOCIATION.

(a) The Context of the Official Proposal

(1) The Development of the British Borneo Concept.

Since 1946 the three British Borneo territories had developed steadily towards integration. This could be seen in the development of a basically similar pattern of legislation, in similar policies on many matters, in similar political developments and in the emergence of such joint departments and common services as the Supreme Court and the Department of Geological Survey. Perhaps the most important official encouragement of this developing integration was the creation in 1953 of the standing conference known as the Sarawak-North Borneo-Brunei Conference (known as the inter-territorial committee) which, as Sir Roland Turnbull pointed out, had met at regular intervals "to consider the application in practice of a policy that has long been assumed, that the three territories should work together."

Considering the position of the three territories in 1946 and their different traditions and early rivalries, the achievements in the direction of integration had been considerable by 1958, especially between Sarawak and North Borneo, but important differences still existed. Brunei had proved the most difficult to integrate with the other two territories, partly because it did not become a colony and partly because of the peculiar political and social and economic factors arising from the fact that Brunei was an oil-rich Islamic state with a Sultan and Malay aristocracy. The proposal for a federation of Sarawak, North Borneo and Brunei was an attempt to bring this process of integration to its culmination, to encourage further integration whilst at the same time to leave the three territories free to develop along their own lines in matters in which uniformity was unnecessary, impractical or undesirable. The 1958 proposal represented the first official sponsoring of a political entity that would give expression to the British Borneo concept.

The speeches of Sir Roland Turnbull and Sir Anthony Abell did not constitute the first appearance of the concept of closer association for the
British Borneo territories. Both Governors acknowledged that closer association of these territories was no new idea. "It is a subject I have pondered for years" (Sir Roland Turnbull) "It is a matter which has been in the minds of many of us for some time." (Sir Anthony Abell)

Both Governors referred to earlier proposals.

Sir Roland Turnbull: "The possibility of the closer association of these three countries is no new subject. Her Majesty's Government in the United Kingdom, through individual Ministers, have several times spoken of the suggestion with favour. From time to time the newspapers of the world have featured articles representing their political association as a natural and seemingly inevitable development and our failure to bring it about has more than once been criticised."

Sir Anthony Abell: "Some of you will have seen references to it and speculation about it in the newspapers, and I have no doubt that many of you will have discussed it amongst yourselves."

(iii) Preparation for the Proposal.

I have already pointed out that the two speeches were given after the two Governors and senior officials had given sufficient thought and discussion to the idea to be able to produce a proposal suitable for public discussion. Sir Roland Turnbull had even knowingly prepared for the official launching of public discussion of the proposals: "When I spoke to you on the 9th November on the second anniversary of Radio Sabah, I forecast that this station would in its third year be most concerned with political matters. I suggested that we must now begin to think of the political structures that go to the building of a nation and if that phrase, I included the relations of the several communities within North Borneo, each with the others, the association and identification of all the people of the country with its government, and the relations of this country and government with others external to it — particularly with its neighbours, Brunei and Sarawak. I was not then being prophetic, for I had every reason to believe that at some distant date I would be talking to you, as I do to-night, about a matter of very special importance to you all, the constitutional future of the three countries of North Borneo, Brunei and Sarawak."
Not only had discussions and thought preceded the official proposal, but, as Sir Roland Turnbull pointed out, practical steps had already been taken to bring the three territories into a co-operative relationship. "For five years an inter-territorial committee has met at regular intervals in one or other of the countries to consider the application in practice of a policy that has always been assumed, that the three countries should work together." In addition to the inter-governmental committee joint departments and ventures had already been successfully established.

(iii) Significance of the Proposal.

The significance of the two speeches was well expressed by the Governors themselves. Contrasting his speech to earlier proposals for closer association of the British Borneo territories, Sir Anthony Abell said, "but this is the first time that any public reference has been made to the subject by any Government in the Borneo territories."

Sir Roland Turnbull pointed out the same significance: "The difference to-night is that I, as the responsible head of your Government, am asking you to consider, in all gravity, the merits from the point of view of you, the people of North Borneo, of the proposal that North Borneo should enter into with Brunei and Sarawak some kind of constitutional pact."

(b) Method used to initiate public Discussion.

(1) Public Discussion of the Principle of Closer Association before firm Proposals.

Before public discussion of the proposal was launched, the two Governors and senior officials had agreed upon a proposal suitable for discussion. In their speeches, Sir Anthony Abell and Sir Roland Turnbull were officially proposing the principle of closer association and giving their opinions on how the principle could be applied. They made it quite clear that they supported the principle of closer association.

Sir Roland Turnbull: "It is a subject on which I have pondered for many years and there remains no question in my mind that it is to the long term advantage of the peoples of all three countries that they should join together to become as nearly as possible one country as their many differences may permit .... but whatever opinion you may ultimately arrive at, let there be no doubt in your mind, as there is none in mine, of the advantage of the proposal
in theory .... But let us accept it, being guided by experience elsewhere, that some form of federation in principle is both desirable and advantageous .... It may be that you here in North Borneo, or our neighbours in Brunei or Sarawak, may come to a similar conclusion (as countries cited as examples of the unsuitability of a federation), albeit - as I think - unwisely .... But of this I am quite sure, that we could all profit very greatly in all these fields by the joint use of the resources that are available to us individually."

Sir Anthony Abell: "None of us, I think would want to enter into any form of association which would destroy those traditional characteristics of which all three territories are rightly and properly proud, but we can, I think, achieve a much closer association than exists at present without any loss of our own character if we proceed on the following lines ... That is in broad outline the kind of partnership which I believe should improve our status, strengthen our position and bring us many advantages without, as I have already stated, destroying the essential character of the internal Government of Sarawak .... My own personal opinion is that it can best be achieved on the lines I have suggested ... My personal view and that of my officers and advisers is that some step towards closer association and closer partnership such as is now suggested would be of great value to Sarawak .... What are the disadvantages of such a scheme? I can see none of substance ... I personally think the proposals I have suggested to you, or something very like them, are essential to Sarawak's future security and the maintenance of Sarawak's way of life ... I want to assure you before I finish that the object in the forefront of my mind when I talk to you to-night is to preserve securely Sarawak's present happy and friendly character. After long consideration of all the factors involved, I am certain that some closer association with our neighbours is essential for this."

Although Sir Roland Turnbull and Sir Anthony Abell strongly supported the proposal, they constantly stressed that their opinions did not represent firm proposals, that no blueprint was being presented at that stage and that no commitments had been made.

Sir Roland Turnbull, having said that he had no doubt that it was to the advantage of the peoples of the three territories to federate added: "But in this matter my opinion is only one opinion." Other statements in the same vein were: "Anything I suggest to-night must be accepted as no more than a
suggestion, a possible framework which is for you to consider, and so far at any rate as North Borneo is concerned, to accept, to refuse or to amend ... There are many different kinds of federation, some of them very close, some very loose, and I do not attempt to forecast what particular form of association will emerge as appropriate for this country, if, in fact, agreement is reached for the creation of any ... It may be that you here in North Borneo, or our neighbours in Brunei or Sarawak, may come to a similar conclusion (i.e. that closer association is not a good idea), albeit - as I think - unwisely ... But I emphasise that these are my ideas and not in any way specific proposals ... But perhaps I go too far too fast. These are matters that would necessarily be the subject of much thought before agreement could be reached ... Nobody is committed to any decision in the matters of which I have spoken, not Her Majesty's Government, nor His Highness the Sultan nor the Governments of Sarawak and North Borneo."

Sir Anthony Abell: "I want to emphasise the fact that what I have just said does not represent a set of firm and final proposals for closer partnership ... I do want this to be clearly understood that the Government is not putting to you a firm plan which it has already decided in detail, it is merely outlining a series of ideas which it considers to be basically sound and good for consideration by you ... I personally think the proposals I have suggested to you, or something very like them, are essential to Sarawak's future security and the maintenance of Sarawak's way of life, others may have other ideas ..."

The people were being asked to consider and discuss the proposal in principle and the suggestions made. What was intended to be the pattern of this consideration and discussion and what was the next step to be?

Sir Roland Turnbull: "I, as the responsible head of your Government, am asking you to consider, in all gravity, the merits from the point of view of you, the people of North Borneo, of the proposition that North Borneo should enter into with Brunei and Sarawak some kind of constitutional pact ... Whenever Her Majesty's Ministers in the United Kingdom have expressed themselves as being in favour of some kind of political association of these countries, they have always said that the question was ultimately one for the people here to decide for themselves. Permit me to be more precise as to the meaning of that phrase. It means that the Governments of North Borneo and Sarawak must be
satisfied both that it is a desirable development and that there exists in
their countries bodies of opinion in favour of federation sufficiently sub-
stantial to make it workable; in the case of Brunei it would mean that His
Highness the Sultan and his Government were convinced that it would be to the
advantage of His Highness's country and acceptable to a substantial body of
his people ... It is you who will live in the federal country if it is brought
about and it is your opinion that, at any rate as far as North Borneo North
Borneo is concerned, must be decisive ... Anything that I suggest to-night
must be accepted as no more than a suggestion, a possible framework which it
is for you to consider, and so far at any rate as North Borneo is concerned,
to accept, to refuse or to amend ... But let us accept it, being guided by
experience elsewhere, that some form of federation is in principle both
desirable and advantageous. That does not mean that you should not look
closely to your own interests before changing from principle into practice ...
Formal political association could be secured, of course, only at a price,
and that price you must now assess ... These are matters that would necessarily
be the subject of much thought before agreement is reached ... I have given
you much to ponder on. Nobody is committed to any decision in the matter of
which I have spoken, not Her Majesty's Government, nor His Highness the Sultan
nor the Governments of Sarawak and North Borneo. And all four must needs
consent before such an association can be brought about. But if it is brought
about, it will affect your own children and their future. I trust you will
think about it soberly and gravely."

Sir Anthony Abell: "... What I am doing to-night is putting before you
the people of Sarawak, a number of ideas on this important subject which I want
you to consider carefully, and on which I want you, in due course, and when
you have fully considered them, to express your own views ... Your Residents,
District Officers and Senior Native Officers are aware of these views and are
prepared to discuss the matter with you at any time, and to answer your questions.
When you have had time to consider these proposals there will be a formal discus-
sion of them in your District Council and your Divisional Advisory Council, and
at a later stage, in the Council Negri ... Whatever the public's view on these
questions, I hope that they are aired and discussed thoughtfully and amicably."
Of the procedure in Brunei, Sir Anthony Abell said: "His Highness the Sultan is aware of the discussions which have taken place and is aware also that we in Sarawak and North Borneo intend to consult public opinion. He quite understandably would like first to study the plans which emerge from our discussions and the public reaction to these plans before he commits either himself or his Government to their support ... I hope that public discussion will convince the people of Brunei of the solid advantages of a closer association and a better understanding of her neighbours."

It is clear, then, that, after agreeing on the basic principles for a proposal for closer association, both Governors gave speeches designed to stimulate public thought and discussion and to win public support for the principle of closer association of the three territories. The two speeches were the beginning of a combined public opinion survey and educational and propagandist campaign. Sir Anthony Abell's statement, "Your Residents, District Officers and Senior Native Officers are aware of these views and are prepared to discuss the matter with you at any time, and to answer your questions," indicates that the public discussion was to be organised. These Officials had obviously been briefed or would be briefed soon after the speech. Sir Roland Turnbull gave no indication of similar organisation in North Borneo, but, in fact, government officers were to play an important role in the public discussions there. Once the public had had time to consider and discuss the proposal fully and informally and once their leaders had considered the proposal and were aware of the public reaction, the discussions would become more official. Formal discussions would be held in the local government assemblies and then in the national legislative assemblies and, it was hoped, would lead to the formulation of a firm plan. After official inter-governmental negotiations, the plan would be accepted by the three British Borneo governments and by the British government.

(ii) Reasons for this Method.

As Sir Roland Turnbull pointed out, before the federation could come into being, the governments of North Borneo, Sarawak and Brunei would have to be satisfied "that it was a desirable development and that there exists in their countries a body of opinion in favour of federation sufficiently substantial to make it workable ... This is the only sure foundation for such
a departure as I now propose. This also explains what may have already occurred to those of my Legislative advisers who are listening to me, why I should have chosen to broach this subject on the radio rather than in the constitutional body that determines your affairs."

North Borneo, Brunei and Sarawak were still at a primitive level of political development. The official proposal for closer association was a revolutionary step, a "departure" (Sir Roland Turnbull), a projection of the three quiet territories into the hurly-burly of twentieth century politics. It was by no means clear that the three territories were ready for such an important step. Sir Roland Turnbull was aware of this as indicated by the following statement, which, whilst acknowledging the possibility that the proposal could be premature, suggests that it was not: "I can describe and later will describe, what to my mind would be a workable form of association for the three countries. But I think you know me well enough to realise that I never have and never would seek to impose on the people of this country a political structure for which you are not ready. I have many times expressed the hope that North Borneo, which I am quite sure will ultimately emerge as a strong country, would evolve in accordance with its own genius. Anything I suggest to-night must be accepted as no more than a suggestion, a possible framework which it is for you to consider, and so far at any rate as North Borneo is concerned, to accept, to refuse, or to amend."

Apart from the fact that the British Government had always maintained "that the question was ultimately one for the people here to decide for themselves" (Sir Roland Turnbull), it was clear that "the only sure foundation for such a departure" (Sir Roland Turnbull) was a large measure of popular support for the proposal. Without popular support, if the federation were created, its chances of survival would be uncertain and the risk of destroying the peace and stability of the three territories, with consequent disruption of their smooth evolution towards self-government, would be considerable. Even the proposal's public discussion of the proposal had its dangers, as Sir Anthony Abell realised: "Whatever the public's views on these questions, I hope that they are aired and discussed thoughtfully and amicably, and that in no circumstances will you allow mischief-makers to make these proposals an opportunity to foster resentment and racial discord."

It was, therefore, decided "to consult public opinion" (Sir
Anthony Abell) before making firm proposals. This was a difficult thing to do because public opinion was basically not informed, not organised and not used to expressing itself on political issues. The public was generally not in a position to form an opinion, and even less to express one, and had to be helped to form an opinion and to express it, without having an opinion forced upon it. A referendum was clearly out of the question, partly for the above reasons and partly because the public was not used to participating in such activities. It was not possible simply to ask the legislative advisers as they were not directly elected and in this sense could not claim to represent the public's views on this issue. A start had to be made to give the public a chance to participate in the decision to federate, otherwise there was a danger that a premature development would be imposed on the people and would later be rejected.

The public discussion was aimed at establishing whether closer association was acceptable in principle. The two Governors refrained from making firm proposals because opposition could be engendered to the whole proposal over some particular terms of the proposal. It was also important that the people and their leaders should have plenty of time to think about, discuss and make suggestions on the proposal. In this way, the public would be less likely to be suspicious of the proposal and of Britain's intentions and would be less likely to reject the proposal out of distrust. The formulation of the terms of the partnership should be a co-operative effort and should emerge from the discussions so that the partnership would express the people's wishes and would not be an imposed pre-arranged scheme. Sir Anthony Abell hoped for a similar process to that which produced Sarawak's new constitution: "I think we showed here in Sarawak, when between us we made Sarawak's new Constitution, that we were capable of settling important issues of this kind in a spirit of reason and co-operation between all races and all interested parties." On the closer association issue, however, it was intended to stimulate public discussion on a much larger scale.

It was important that the people should be given time to think about the proposal and to work out and express any doubts or misgivings at the outset. As Sir Roland Turnbull pointed out: "There are advantages and disadvantages and second thoughts after the event are of immeasurably less value than considered thoughts before it ... But just as one should give sober thought before..."
entering into marriage, so before entering into a partnership, particularly a permanent partnership, you must give thought not only to what you yourself have to offer but to the merits of your prospective partners. "Sir Anthony Abell also stressed the need for careful thought: "... what I am doing to-night is putting to you, the people of Sarawak, a number of ideas on this important subject which I want you to consider carefully, and on which I want you, in due course, and when you have fully considered them, to express your own ideas."

To avoid a hasty and unpopular decision, it was important that widespread unofficial discussion should occur and that the legislative advisers should have time to consider the proposal and the public reaction before official discussions in the legislative councils determined the pattern of future events. Sir Roland Turnbull gave as his reason for launching the discussion through a broadcast, the importance of adequate consideration before an official discussions "I did of course give very careful thought to the choice of medium. At first sight the obvious course would have been to address the Legislative Council. But I considered it unfair to do so without due warning, the absence of which would deny to my Councillors the opportunity for consultation and deliberation provided by the course I have in fact adopted. So fundamental a change is not a matter on which any man should be asked to utter at short notice. I have no doubt that many of you have considered it already. But I ask you to consider it anew." Brunei presented a particularly thorny problem as a Muslim State and a protectorate with a Sultan who would be unlikely to rush into a partnership that would reduce his power. He would have to be given every opportunity to think about the proposal and to test public opinion in whatever way he considered suitable before being asked to decide. Any premature presentation of firm plans or any tendency to rush a decision would almost certainly frighten him into rejecting the proposal. Both Governors were aware of the need to avoid giving any impression of attempting to influence the Sultan.

Sir Roland Turnbull: "Together these countries (Sarawak, North Borneo and Brunei) are commonly spoken of as British Borneo, but the term is of course only one of convenience. Two of them, Sarawak and North Borneo, are indeed British, but Brunei is an Islamic State with its own sovereign head, His Highness the Sultan, who is in treaty relations with Her Majesty the Queen and by
that treaty accepts Her Majesty's advice and protection. It is of the utmost importance that that cardinal fact should be kept in mind when thought is given as I am sure it will be given, to what I am about to say."

Sir Roland Turnbull was careful to point out the subtle difference between the procedure in Sarawak and North Borneo and the procedure in Brunei to establish a partnership: "in the case of Brunei it would mean that His Highness the Sultan and his Government (not just "the Government") were convinced that it would be to the advantage of His Highness's country and acceptable to a substantial body of people." He was careful to refer to the Sultan as "a forward-looking ruler dedicated to the service of his people" and to contrast the Sultan with the Malay proverb's "frog beneath a coconut shell which believes that shell to be the whole world." Sir Roland Turnbull, like Sir Anthony Abell, stressed that the Sultan was in no way committed by this public proposal for closer association.

The procedure used to launch the proposal appeared to the Governors to be the best way to establish that the proposal was desirable and that it was acceptable to most people. By using this procedure, every opportunity would be given to the people to learn about the proposal, to understand what it involved, to ask questions, to express opinions and then to decide. It seems to me that there was no doubt that the governments would have to prepare and help the people to participate in the discussion and that it was, therefore, decided that the proposal could best be launched in the way that it was, so that would be adequate time was given for discussion to occur before a decision was made.

There was one other important reason for public discussion prior to the proposal of a firm blueprint. Sir Roland Turnbull did not believe in "Government by blueprint". He liked flexibility and was fundamentally opposed to the imposition of constitutional developments on the people in advance of their wishes.¹. This was a constant theme in Sir Roland Turnbull's speeches. It was very much in keeping with his established policy in leading North Borneo towards self-government that the final proposals for federation, if they were to emerge, should be the result of public discussion and of the expressed wishes of the people.

¹. R T N B "Address to Legislative Council, 28th November, 1957 - page 7
(c) **Effectiveness of this Method.**

Assuming that the proposal was not premature and that federation was a feasible proposition for the British Borneo territories, was the method used to launch the proposal sound?

I think it was sound to launch the proposal with two speeches by the Governors followed by general discussion then official discussion at the legislative level. It was also sound that the first stage of the discussions should be on the general question of whether closer association was desirable in any form. Once it was established that a partnership was desirable and was supported by the public, the discussion could be guided to the question of the particular type of partnership that should be adopted.

Sir Anthony Abell and Sir Roland Turnbull were wise to stress in their speeches that the views they expressed were only their suggestions and not final plans. I feel, however, that it would have been better if they had clarified their views further before giving their broadcasts. Either because they had not agreed upon a firm proposal or because they were anxious to avoid imposing their views on the people, the two Governors made speeches that contained too many vague and possibly incompatible statements. Sir Roland Turnbull and Sir Anthony Abell could have attempted to define in clear terms the issues and problems involved in creating a closer association and could have given a more detailed account of the possible solutions to the problems. What was needed to set the public discussion going along the right lines was a more detailed and precise statement of exactly what type of arrangements they favoured: the relationship between the state governments and the federal government, the initial division of powers, the financial arrangements, the types of federal assemblies, the basis for selection of federal advisers, the powers of the assemblies, the envisaged pattern of later development of the federation. If the two Governors believed that acceptable alternatives existed, the alternatives should have been clearly explained in more detail instead of being implied in vague statements.

It would have been possible for Sir Anthony Abell and Sir Roland Turnbull to make more detailed proposals and express their preferences more clearly than they did without necessarily imposing their views on the public. They constantly stated in their speeches that they were asking the people to consider the
basic principle of closer association and that the suggestions in the speeches were not binding or final. With these statements included or, if necessary, emphasised more, the two Governors could have avoided forcing ideas on the people and at the same time could have put forward tidy proposals. Both Governors were trusted and popular leaders and their sincerity would not have been seriously doubted.

It seems to me that, if an official proposal for a major scheme is vague or not clearly explained in sufficient detail, the discussion based on the proposal can hardly be expected to be clear. If people are not clear on what they are supposed to be discussing the discussion is likely to disintegrate and the people are likely to become confused or disinterested. It was difficult for the people and even for most of the political leaders in the three Borneo territories to understand what closer association meant. They were, therefore, unlikely to be able to define for themselves the problems and issues involved and were even less likely to be able to suggest the type of detailed proposals that would result in a practicable and acceptable partnership. It seems to me, then, that the issues and the alternative solutions should have been presented to the people more clearly before they were asked to comment.

The lack of a clear set of firm proposals in the speeches could have been rectified later during the discussions if the governments had put forward such proposals more forcibly. It is true that it could be argued that such a procedure would be forcing views upon the people and would be influencing their deliberations too strongly. In societies that are more or less at a pre-political stage of development or, at best, at a very primitive stage, such an argument is untenable. People cannot simply be asked for their views on an important political development if they do not have any knowledge of the facts and the alternatives involved. If there are well organised political parties, elected governments and an educated public reasonably experienced in politics at a national (not a village) level, it would be valid to argue that an attempt to assess public opinion can and should be made without any official efforts to influence the public's decision. If, in order to express an opinion, the people must first be told what is involved, they may as well be told clearly what those in a position to know consider to be desirable and why. Alternatives
can be put to the people and the people can be free from coercion in reaching their decisions, but this does not mean that the government must refrain from making definite proposals and from expressing preferences when alternative proposals are involved. The people of British Borneo were not ready to discuss the proposal for closer association of the three territories without a tremendous amount of help and guidance and, indeed, pressurised political education.

The government officers did, of course, try to help and guide the people in the discussions that occurred after the broadcasts but it seems to me that the discussions lacked strong leadership. A much stronger lead could have been taken by the governments without leaving themselves open to the accusation that they were forcing the federation on the people. It is true that some neighbouring South East Asian nations might have unjustly accused the British administration of forcing a neo-colonialist scheme on to the people if a stronger lead had been taken, but I think this risk could have been taken, as it was taken when the Malaysian proposals arose.

The proof of the pudding is in the eating. The attempt to establish a federation failed. This could have been because the proposal was impractical or premature at that time or because more important proposals were to occur to overshadow the proposal for a British Borneo federation before the idea had time to become established. Nevertheless, I think one of the factors contributing to the failure of the attempt to launch the federation was the governments' unwillingness to express their views strongly and to launch a thorough propaganda campaign in favour of the federation.
B. POSSIBLE CONNECTION BETWEEN THE PROPOSAL AND INDEPENDENCE.

An obvious question that arises from the proposal for the closer association of the British Borneo territories and from the manner in which the proposal was made is: was federation of the British Borneo territories intended to accelerate self-government and independence in these three countries - was Britain anxious to withdraw?

(a) British Policy on Self-Government and Independence.

"It is British policy that the colonies are to be regarded as trustee- ships whose peoples are to be fitted for self-government as soon as possible. This basic policy is being followed in British Borneo." 1. Sir Roland Turnbull stated this principle: "You are all aware that it is the policy of Her Majesty's Government - and this is true of all likely Governments in England - to lead colonial peoples towards self-government."

The British Borneo territories were obviously evolving towards independence, probably through federation. "Since 1956, following a decade of recovery from the set back of the Japanese occupation, all three territories, Brunei, Sarawak and North Borneo, have suffered constitutional changes, designed to adapt them the more readily to the needs of independence, and, perhaps, integration either as a self-contained federation, or as States of the Federation of Malaya." 2. The development of inter-territorial co-operation, the constitutional changes tending towards self-government, the experiments in popular rule at the local government level, the economic, educational and social welfare programmes aimed at improving the wealth, education and well-being of the people, especially the natives, and the efforts to train more local people to take responsible positions in government are all examples of the application in these three territories of a policy to encourage their development towards self-government and independence. The three territories had reached different stages in this development, Sarawak being the most advanced politically. All three had a long way to go before effective self-government would be possible and even further to go before independence could be achieved but there can be no doubt that independence was the objective and that the three territories were moving in this direction. Federation could well have

1. C S S page 61
2. B C 9 page 119
been envisaged as a means to accelerate this slow development. The later entry of Sarawak and North Borneo into Malaysia became the means for these two territories to achieve rapid self-government and independence from Britain. Britain supported Malaysia for a number of reasons, one of which appears to be that, in the case of Sarawak and North Borneo, it was the means for these countries to achieve independence.

(b) Federation as a Means to achieve Independence.

Independence for small countries is difficult to achieve. As both Governors pointed out, small countries are not very powerful or secure. Their defence, internal security, economies, natural resources and resources of educated leaders, administrators and technologists are usually inadequate to accomplish effective independence. The difference between the three British Borneo territories as separate units and as a federated entity was well illustrated by Sir Roland Turnbull: "But it must be admitted that of the three territories, Sarawak with 50,000 square miles and between 6, and 700,000 people, North Borneo with 30,000 square miles and less than 400,000 people, and Brunei with 2,000 odd square miles and some 60,000 people, none is a very considerable country; but with more than 80,000 square miles (much larger than the Federation of Malaya) and well over a million people we might build a country of some importance in South East Asia."

Britain has used federation as a means to lead small colonies to independence. Independence through federation could almost be regarded as the Colonial Office's formula for small dependencies. The Federation of Rhodesia and Nyasaland, the Federation of Nigeria, the Federation of Malaya and the Federation of the West Indies are all examples of this policy of establishing federations to promote the development of self-government and independence in British dependencies.

One major stumbling block to independence for the separate British Borneo territories would be the difficulty of guaranteeing their defence and internal security. The cost of defence and security, and, indeed, the provision of sufficient bodies to form an adequate defence force, would be beyond the individual resources of the three territories. Until their defence could be reasonably assured with a heavy reliance on local
resources their effective independence would be difficult to guarantee. If they separately became independent, Sarawak, North Borneo and Brunei would be almost completely dependent on Britain for their defence. This situation would inevitably reduce their independence as Britain would have to maintain a considerable degree of control over their defence, security and foreign policies.

It would also be more difficult to defend the three territories separately. Whilst Britain’s commitment to defend each territory would provide some deterrent to foreign aggressors, it would be easier for an aggressor to attempt to undermine one country at a time than to attempt to undermine a combination of the three territories. With a federation, an aggressor would be up against a larger, more powerful local government and would have to subvert, attack and overrun a much larger area than would be the case if each territory was separately independent. An assault by external aggression and internal subversion on one of the three separately independent countries would result either in the overthrow of the government or in the country’s being occupied by British defence forces. The federation would obviously require Britain’s assistance in the event of aggression, but the larger political unit, with a larger local responsibility for Borneo’s internal security and defence forces, would be a greater deterrent to aggression and subversion. The federation would be in a better position to rely more heavily on its own resources to defend itself. Britain’s role would be to supplement local defence forces, which, however small, would be larger than any one of the territories alone could provide. There would be less possibility of a situation arising in which Britain’s assistance in defending British Borneo could be represented as colonialist suppression of local attempts to throw off the colonial yoke.

Federation would therefore, provide a better defence and internal security basis for independence and in this way would make earlier independence practicable.

The cost of maintaining adequate relations with foreign countries would be beyond the individual resources of separate Borneo territories. It would also be difficult for any one of the territories to find sufficient well qualified people to staff their foreign services. There would be a shortage of educated people to meet the needs of domestic affairs, so few if any could be spared for foreign activities. If the three countries each became separately independent either they would have to maintain very restricted relations with
very few countries or they would have to rely on Britain to represent their interests abroad. Either way would not be very suitable for an independent country. A federation, whilst still not possessing unlimited funds and personnel to maintain foreign relations, would at least be able to share a common foreign service and thus triple the strength of their foreign representation.

The proposed federal government's powers illustrate one way in which the federation would be a step towards self-government and independence. External affairs were proposed as a federal power. This aspect of government was then controlled by Britain. Even though the Governor of British Borneo would be the dominant figures in the federal government, the federal government's control of foreign affairs would represent a step towards self-government and independence in that Britain would no longer be directly responsible. Without federation, this power would undoubtedly remain solely in Britain's hands, just as Singapore's external relations and internal security remained in Britain's hands from 1959, when Singapore achieved internal self-government, until the federation of Malaysia was created in 1963 and the new federal government assumed Britain's responsibility for Singapore's foreign relations and internal security.

A federation would also enable the three territories to build up common services, the more rapid local staffing of which would be easier because the educated groups of all three territories would be available as a source of recruitment. Responsible federal legislative advisers would also be easier because the leadership resources of the three territories would be combined.

Both Governors pointed out that a federation would result in a larger economic unit with greater wealth and development for all three territories. Sir Roland Turnbull pointed out that a federation would be a step towards greater economic independence. "Economically small countries suffer from their excessive dependence on foreign trade. The economic success of federation would depend largely on the extent to which we are prepared to abandon internal trade barriers and to pool our productive resources." The economic success of the Borneo territories would be vital to their development as independent countries. Without federation the advantages of the larger economic unit would not be ensured. The bonds created by a federation would provide a more integrated economy for Sarawak, North Borneo and Brunei and would thus provide the economic basis for independence.
The proposed federation would create a larger colony which would be more suitable for more rapid development towards self-government and independence than would Sarawak, North Borneo and Brunei separately. As separate independent countries their survival would be difficult to ensure. Britain would, therefore, be obliged to delay the advent of their separate independence or run the obvious risk of their subsequent loss of independence as small countries in a troubled South East Asia.

(c) Possible Reasons for Britain's Desire to Withdraw from British Borneo.

Are there any possible motives that would indicate that Britain was anxious to withdraw from British Borneo?

Firstly, there is the British policy to bring independence to colonies as quickly as possible. Not only is this policy declared but it has obviously been implemented throughout the world. Singapore, the British Borneo territories and Hong Kong were the only remaining British colonies in South East Asia. Singapore was moving rapidly towards internal self-government (achieved in 1959). The British Borneo territories had no reached this stage because of their backwardness in all ways. It would be in line with British policy elsewhere to do whatever was possible to prepare these territories for stable independence.

The decision to grant independence has been partly ideological. It is no longer fashionable or respectable to be a colonial power, at least in the Western world. Colonies are also expensive and involve heavy commitments. The emergence of colonies as independent members of the British Commonwealth helps to reduce some of the burden of Britain's overseas commitments. A federation of British Borneo would be likely to develop self-reliance more quickly than would Sarawak, North Borneo and Brunei separately.

Britain was under pressure in the United Nations to speed up independence for her colonies. The anti-colonial movement was strong and growing especially in South East Asia.

Britain has tended to grant independence to colonies before ill feeling and bloodshed developed. Her departure has generally been timed to forestall the growth of resentment in the colonial territories. Although there was no evidence of any widespread resentment in the British Borneo territories
towards the British colonial governments, events in South East Asia have moved with surprising speed and there was no doubt an awareness that demands for independence in Borneo could become widespread in a short time. There would be no time to prepare the three territories for independence after these demands arose. A federation would provide the framework in which Britain could attempt to lead the three territories to self-government and stable independence before such demands made independence urgent. There was also the risk of unfortunate "liberation" movements, arising within the territories (then most unlikely in the foreseeable future) and from outside the territories, if they remained colonies indefinitely. Britain's colonial role in the British Borneo territories could provide an invitation to communists and others to threaten the stability of the area from within and from without. A federation of British Borneo, moving rapidly towards self-government and independence, whilst not entirely safe, would be safer than the perpetuation of two colonies and a protectorate or three small independent countries.

The above were, I think sound arguments for Britain to attempt to accelerate the development of independence in British Borneo and federation of the three territories would provide an effective means to produce this acceleration.

(d) **The Governors' Statements on this Question.**

Sir Anthony Abell said that "these proposals will not in any way impede or retard the process of preparation for internal self-government as laid down in our Constitution". Later, he also said "Her Majesty's Government in the United Kingdom will continue to be our guardian and our friend and indeed a partner with the three of us in this venture." It should be remembered that Sir Anthony Abell was addressing the most politically developed of the three territories, where the prospect of self-government was supported by at least some of the people.

Sir Roland Turnbull, on the other hand, was speaking to a country more backward politically: "I think I know you well enough to guess the question that will now be uppermost in your minds. Where, in all this, stands Her Majesty's Government in the United Kingdom? You are all aware that it is the policy of Her Majesty's Government - and this is true of all likely governments in England - to lead colonial peoples towards self-government. I know that many
of you will now think that the proposal for the federation of the three territories denotes the desire of the British Government to transfer responsibility for the three territories to a local government. I can say in all certainty that this is not true. It is not the case that Her Majesty’s Government have any desire to shed responsibility for these countries. I said recently that, although the number of officers from the United Kingdom would inevitably decrease as more local officers became experienced, it was my hope that the association of the United Kingdom would subsist as long as sentiment and need demanded. I am certain that Her Majesty’s Government would confirm that statement, whether it related to North Borneo alone or to the possible federation of which I am now speaking. Indeed, the federation would be an association not of three countries, but of four, of Sarawak, Brunei, North Borneo and the United Kingdom, and I am sure that the United Kingdom would not set a term to its interest and its association in advance of the wishes of the people of these countries.” The demand for independence was almost completely non-existent in North Borneo and was certainly not openly expressed. Generally, the people of North Borneo were quite happy to remain a colony and would have been horrified by any prospect of being abandoned by Britain. Hence Sir Roland Turnbull’s assurances on this point.

It is clear from these statements and from the Governors’ suggestions for the type of partnership, that the federation was intended to be a colony. The emphasis on the role of the Governor of British Borneo and the lack of attention to the role of his advisers is also a clear indication of this. The federation was, therefore, not proposed as a means for Britain to withdraw from Borneo immediately after the federation was created.

On the other hand, I have no doubt that federation would result in acceleration of the development towards self-government and independence for reasons which I have already given. I have suggested that Britain probably had substantial motives for wishing to grant independence to the British Borneo territories as soon as possible. It seems to me that both Governors realised that the creation of a federation would accelerate political development in British Borneo and would bring closer the time for independence. Sir Roland Turnbull’s statement quoted above was, I think, no more than an assurance that Britain would not abandon British Borneo prematurely and that federation would
not be used as an excuse for Britain to withdraw. I do not think Sir Roland Turnbull's denial that Britain had any desire to shed responsibility for these countries or to transfer this responsibility to a local government can be accepted literally. The British Government's support of Malaysia and the fact that Britain was to hand over responsibility for Sarawak and North Borneo to a local government (Malaysia) by 1963 refutes a literal interpretation of Sir Roland Turnbull's statement unless Britain made a sudden reversal of policy after 1958.

A clue to the apparent change in policy can be found in Sir Roland Turnbull's statement that "the association of the United Kingdom Government with North Borneo would subsist as long as sentiment and need demanded."

In 1958 the British Borneo territories were on the threshold of inevitable major changes internally and externally. The results of educational and developmental programmes and of foreign aid were beginning to become apparent and were to become increasingly apparent in the following years. In the years 1958-1963 the earlier steps towards self-government began to produce appreciable results in the emergence of more confident local leaders and relatively strong political parties. The official encouragement of development towards self-government through policies and through propaganda increased noticeably in North Borneo and Sarawak. Borneo became increasingly involved in the developments of South East Asia and it became increasingly apparent to the local political leaders that Borneo would not remain in blissful isolation from the events around it for very much longer. The effect of all of these post 1958 trends was the rapid growth in political awareness in all three territories, including Brunei, where this development received less encouragement. In 1958 sentiment by and large demanded the continuation of Britain's partnership with the Borneo territories. By 1963 sentiment no longer demanded this so strongly.

The need for the continuation of Britain's colonial association with Sarawak and North Borneo was removed by the creation of Malaysia. The central government of Malaysia had the experience and resources of Malaya to draw on. Malaya has successfully operated as an independent country since 1957. It had much greater economic, political and human resources than the Federation of British Borneo would have had by 1963. As Sir Roland Turnbull said: "I am fond of saying that economically I see this country the Malaya of fifty
years ago. But in other respects this comment was also largely true. Sarawak and Brunei were little further ahead. By 1958, the gap between the Malayan and the Borneo territories’ standards of development had narrowed, but the federation of British Borneo could not have bridged the remaining economic, social and political gap quickly enough to enable the federation to achieve independence by 1963. The federation of British Borneo could not have reached Malaya’s level of political experience and economic and educational resources and would therefore not have been ready to stand on its own without Britain’s guidance and assistance by 1963.

Developments since 1958 have removed the sentiment’s demand for Britain’s continued colonial relationship with Sarawak and North Borneo and Malaysia has removed the need for the perpetuation of this association. The granting of independence to Sarawak and North Borneo through Malaysia has, therefore, not contradicted Sir Roland Turnbull’s assurance.

(e) The Proposed Federation as a Scheme to perpetuate Colonialism in British Borneo.

Was the proposal for federation an attempt to prolong Britain’s colonial influence in British Borneo?

I have already argued that the proposal for the federation was not a move to grant immediate independence to British Borneo but that it was a move to accelerate British Borneo’s development towards independence. There can be no doubt that it was not a scheme to prolong Britain’s colonial relationship with British Borneo. There was no widespread internal demand for independence that Britain would be forced to meet if the federation was not created.

It is true that political consciousness has developed considerably since 1958 and no doubt the two Governors and the British Government realised that this would occur, but there is no evidence to indicate that Britain was anxious to avert the growth of political consciousness. Indeed, the policy of Britain and of the colonial governments in Sarawak and North Borneo has encouraged this development. The method used to launch the proposal for a federation was itself a contribution to the growth of political consciousness. The policies of the British, Sarawak and North Borneo Governments during the discussion of the Malaysia proposals also contributed to the development of political consciousness.

(1) Text of the Speech made by His Excellency the Governor, Sir Roland Turnbull, K.C.M.G. at Jesselton Hotel on 25th February, 1956, on the occasion of the Chinese Dinner given in his honour by the Jesselton Chinese Chamber of Commerce, the North Borneo Chamber of Commerce (West Coast Branch) and Representatives of the various Communities of Jesselton. Printed by the Government Printing Dept., Jesselton, North Borneo. Page 9.
Only in the case of Brunei would the federation have led initially to an expansion of Britain's colonial power, in that the federal government, a colonial government, would control certain aspects of Brunei's affairs. Brunei's affairs were, however, already subject to Britain's influence through the treaty obligations of the Sultan to accept the advice of the British Resident.

In the long run, when the federation became independent, as, I believe, it undoubtedly would, Brunei would cease to be a protectorate and would, therefore, cease to be influenced by Britain.

There is one sense in which the federation proposal could be regarded as an attempt by Britain to maintain her influence, in British Borneo. If the federation developed successfully to the stage of independence, it would most likely remain in the British Commonwealth and would maintain friendly relations with Britain. No doubt Britain's advice when given would be considered sympathetically but this is hardly a perpetuation of colonialism if the term is to mean a strong domination by one country over others.

(f) Conclusion.

The proposal for the creation of a federation of Sarawak, North Borneo and Brunei was, then, an attempt to provide the British Borneo territories with a framework which would encourage their development more rapidly towards stable independence and which would provide British Borneo with the strength and resources to exist as an independent member of the British Commonwealth. It was neither an attempt to abandon British Borneo prematurely, nor an attempt to perpetuate Britain's colonial role in the territories.
6. POSSIBLE CONNECTION WITH THE MALAYSIA PROPOSAL

In the light of events since the 1958 proposal for closer association between the British Borneo territories, it could well be asked whether the proposal was intended to prepare for the later proposal of Malaysia. In Part One I mentioned how, particularly since the second World War, British policy in the British Borneo territories had fostered the development of links both between the three territories and between British Borneo and Malaya and Singapore. Various observers prior to the Malaysia proposal commented on the fact that the British Borneo territories appeared to be developing towards integration either as an independent unit of British Borneo or as part of a Malaysian unit. (1)

Tunku Abdul Rahman's suggestion in May 1961 (2) that Singapore, Malaya and the British Borneo territories should form a Federation of Malaysia was not a new suggestion. A Malaysian federation had been suggested by many people, including Malcolm McDonald who, as early as 1954, when U.K. Commissioner-General for South-East Asia, envisaged such a development. (3) In 1960, Sir Roland Turnbull, the retiring Governor of North Borneo who, with the Governor of Sarawak, had initiated public discussion of the proposal for a British Borneo federation, forecast a future merger of Singapore, Malaya and British Borneo. (4) Tunku Abdul Rahman's suggestion may well have been the result of careful persuasion on the part of the British Government.

If Britain had intended in 1958 to foster the development of Malaysia, the proposal for a federation of the British Borneo territories was a wise move. Had the federation been successfully launched and had it fostered a sense of unity between the three territories and between the diverse communities within the territories, the entry of North Borneo and Sarawak and probably of Brunei into the Malaysia would most likely have been accomplished with less opposition from within British Borneo and from Indonesia. As it happened, the federation was not launched, but the initiation of public discussion undoubtedly contributed to an increased political consciousness. The issue of closer association was the first major political issue on a national scale that the people of British Borneo had been asked to consider. It was also the first time that the question of association with political units beyond the boundaries of each of the territories had been raised publicly. At the very least, the proposal for a closer association of the British Borneo territories softened the blow of the later Malaysian proposal.

(1) e.g., B.C.9 page 119  
(2) F.M. page 61  
(3) S.T. page 8 12/10/1960  
(4) B.B. page 8 6/2/1960
By the time the Malaysian proposal was made in May 1961, the people of British Borneo had already been made aware of the need for each of the British Borneo territories to align itself with other territories. Had the Malaysia proposal been made without the earlier discussion of closer association of the British Borneo territories, it is very likely that public opinion would have been unprepared to consider the Malaysia proposal and that Bornean opposition to Malaysia would have been more widespread than it was.

Although the 1958 proposal for the closer association of the British Borneo territories in fact paved the way for the later Malaysia proposal, I do not think that the 1958 proposal was merely a Machiavellian manoeuvre. I think the 1958 proposal was made for its own sake, although the British Government was no doubt aware of the possibility of a British Borneo federation's later merging with Malaya and Singapore.

When in 1961 Tunku Abdul Rahman suggested the merger of Singapore, Malaya and the British Borneo territories, his suggestion solved two major problems. The first was the problem of Singapore. Merger between Singapore and Malaya was the only way for Singapore to achieve independence and political stability. Such a merger would upset the racial balance of the Federation of Malaya, as Singapore's overwhelmingly Chinese population, together with Malaya's large Chinese minority, would threaten to outnumber the Malays in the merged nation. The inclusion of the British Borneo territories in the merger solved this problem, as the non-Chinese elements in British Borneo would be sufficient to avoid a Chinese majority in the new nation, at least in the short-run. The second problem which the Tunku's proposal solved was the British quandary of how to provide the British Borneo territories with the economic and political foundations to survive as independent countries. The proposal for a British Borneo federation had not produced sufficient local support. Brunei appeared to prefer merger with the Federation of Malaya. The Malaysia proposal promised to provide a solution, if it was accepted by the people of British Borneo.

There was then, to my mind, no preconceived connection between the proposal for a federation of British Borneo and the Malaysia proposal. Both proposals emerged as logical developments from the political and economic factors operating at the time of the proposals.
D. CONCERN FOR THE SECURITY AND DEFENCE OF BRITISH BORNEO

One of the reasons for the closer association proposals was the desire to create a larger unit which would present a greater deterrent to subversion and aggression. This is not to say that Britain thought that a federation of British Borneo would be capable of defending itself without help, but the larger unit would be less easily subverted or overrun.

The major threats to British Borneo came firstly from Communist propaganda, chiefly from China, secondly from the Philippines who, from time to time, claimed part of North Borneo, (1) and thirdly from Indonesia which was strongly anti-colonialist but which, until recently, was preoccupied with acquiring West New Guinea. (2) On the threat of Indonesia, as early as 1956, K. G. Tregonning referred to Indonesia's "yearnings for expansion", and added: "in Indonesia ... the claim for all Borneo is made only less frequently than that for New Guinea." (3)

Although, with the exception of Communist subversion in Sarawak, British Borneo did not face any overt threats in 1958, the possibility of future trouble was realised and the creation of a federation was seen as a step towards increased security. To quote from Sir Anthony Abell's speech:-

"I referred earlier to the fact that we are at present three small and, perhaps, vulnerable countries; you will have noticed that the world today does not show much consideration for small and weak nations, particularly when they happen to be rich, as Sarawak is, in promise and natural resources.

I do not think we can safely say that here in Sarawak we are in any way immune from the dangers which threaten such small territories and although we know we can always rely upon protection from Her Majesty's Government it is, I think, very important that we should among ourselves take what steps we can to strengthen the security of the Borneo territories.

Every step towards closer association, every move which enables the three territories to turn a united front to the outside world, will greatly strengthen our own security and the continuation here of the way of life to which we have become accustomed."

(1) C.S.S. page 123
(2) Ibid
(3) K.C.T.H.B. page 121
2

THE DISCUSSION OF THE PROPOSAL

A. DIFFICULTY IN ASSESSING THE PUBLIC REACTION.

Apart from the resolutions passed in the legislative councils of Sarawak and North Borneo, and apart from the resolutions of various organisations and bodies, there was no clear expression of the public's views on the proposal. The discussions in the Sarawak and North Borneo legislatures could be regarded as the most representative of public opinion, but, it should be remembered that neither territory possessed directly elected legislatures, nor were there organised political parties to channel and express opinions. A North Borneo correspondent of the "New Commonwealth", in discussing the closer association debate in the North Borneo Legislative Council, said that the members vied with each other to list the advantages of federation, but he pointed out that even the unofficial members were appointed and therefore said what they were expected to say. He claimed that few native chiefs could afford to speak their minds as they had been deprived of real power and were mostly glad to receive their $100 per month. In exchange for this, he claimed, they were prepared to say "Yes" at the right time.\(^1\)

This seems to me to be an exaggeration. The same criticism could not be made of the Sarawak Council Negri where the unofficial members were indirectly elected by electoral colleges. Nevertheless, the article is a reminder that one should not mistake resolutions of colonial legislatures for expressions of the general public's views.

As all three territories lacked organised means for public opinion to be expressed, it is extremely difficult to generalise about the public reaction with any accuracy. Various bodies, official and private, held discussions, some passing resolutions, others being unable to reach agreement. Newspapers\(^2\) carried editorials, letters from readers and reports of interviews or speeches given by various leading figures. What made the picture particularly complicated was the fact that many individuals claimed to speak for communities without really being qualified to do so. It should also be remembered that, for most people, the proposal was incomprehensible.

It seems to me, from reading the newspapers and from talking to people after January of 1959, that there was neither widespread support nor widespread opposition. This perhaps explains why the legislative councils of Sarawak and North Borneo at first declared that most people supported the proposal, and then later hesitated to take any further steps.

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\(^1\) Reported in B B. 27/8/1958

\(^2\) Most of the references to newspaper reports of the public discussions come from the Jesselton Information Office's press file. In this file, only dates are mentioned, not page numbers. In the case of Chinese papers, translations of the reports are given. Back copies of newspapers were unobtainable in Jesselton. For this reason I have had to be content with references to the name of the paper and the date.
because of doubt about the public's opinion. This rather unfortunate dithering will be discussed later.

B. 1958.

The two Governors' speeches were reported in the press of all three territories and overseas. In some cases, editorial comment was added, mostly favouring the idea of federation, whilst pointing out the obvious obstacles to be overcome. Editorial comment was usually the result of opinions dealt with under the headings below. For this reason I have not given separate attention to editorials which were, generally speaking, of little significance in moulding opinions. Where important editorials have been printed I have mentioned them along with the opinion or action which prompted them.

(a) Reactions of Organisations.

(i) North Borneo.

The "Overseas Chinese Daily News" of 15th February reported that the Keningau District Team, meeting on 12th February under the chairmanship of the Resident, discussed the Governor's proposal but was unable to reach any decision.

On 17th February, the "Overseas Chinese Daily News" and "Api Siang Pau" quoted a statement by the Chairman of the Jesselton Chinese Chamber of Commerce, favouring the proposal for federation. His arguments largely reiterated the Governor's arguments. He suggested that the federation should be called "The Federated States of British Borneo" or the "British Borneo Federation". He also suggested that, once the federation was created, personal income tax should be abolished and company tax reduced, and that inter-territorial migration and trade should be free. He urged the Chinese community to co-operate with the natives to avoid racial discord and advocated an extension of Sir Roland's term as Governor. These views were unanimously supported by a meeting of the Chinese Chamber of Commerce at which over 60 people were present. (1) The "Sarawak Tribune" of 25th February hailed the statement as "the first responsible reaction".

In the minutes of the combined meeting on 10/2/58 of the Kudat District Team and the Township Authority, the Chinese members were reported as expressing fears about their future in the federation, whilst

(1) H.B.N.S.T. 28/2/58
the Dusun community was reported as saying that whatever the government decided would be supported by them. The general local reaction was described as "apathetic".

The meetings that expressed support for the principle of federation, in some cases unanimously, included the Semporna Township Authority, (1) the Papar Local Authority, (2) the Tenom District Team, (3) the Ranau District Team, (4) the Labuan Free Port Association, (5) the Chaoshow Club in Sandakan, (6) the Sandakan Town Board, (7) the Lahad Datu Chinese Chamber of Commerce, (8) the Tawau Chinese Chamber of Commerce and Chinese community, (9) the Overseas Chinese Association of Beaufort, (10) the representatives of local communities in Keningau (after three meetings), (11) the Jesselton Recreation Club, (12) and a mass meeting of Jesselton area Malays at Kampung Sembulan. (13)

It is worth mentioning some of the views expressed at the above meetings; At the Papar Local Authority meeting, fears were expressed that the federation could result in the British withdrawing their protection and would result in interference with local custom, (14) but those present were quite happy when the President assured them that these fears were groundless. At the Tenom District Team meeting, some people feared that federation would result in the spread of subversion into North Borneo from Sarawak. (15) The Labuan Free Port Association suggested Labuan as the capital. (16) The Chaoshow Club in Sandakan expressed the hope that federation would not result in increased taxation. (17) The Overseas Chinese Association of Beaufort agreed that Britain should be asked to extend the term of the Governor, Sir Roland Turnbull, who was due to leave the colony soon. (18) The Keningau meeting called on the government to work out detailed constitutional proposals as soon as possible. (19)

Various press reports of discussions at the Jesselton Rotary Club caused a series of denials and criticisms. The "Straits Times" of 22/2/58 reported that the Club thought federation was inevitable but premature at that stage. The "North Borneo News and Sabah Times" of 1/3/58 reported that Rotary was in favour of federation in principle but that the meeting expressed a note of caution. The "Borneo Bulletin" of 1/3/58 repeated the report in the "Straits Times" and the "Sunday Times" (Singapore) of

(1) Minutes of the Semporna Township Authority meeting of 11/2/58.
(2) Minutes of the Papar Local Authority meeting of 17/2/58.
(3) O.C.D.N. of 26/2/58.
(4) Minutes of the Ranau District Team meeting of 25/2/58.
(5) "Sarawak Vanguard" of 26/2/58.
(6) O.C.D.N. 28/2/58
(7) H.B.N.S.T. 4/3/58
(8) B.T. 4/3/58
(10) O.C.D.N. 6/3/58
(11) O.C.D.N. 26/3/58
(12) H.B.N.S.T. 20/3
(13) H.B.N.S.T. 25/3
(14) Minutes of Papar Local Authority Meeting 17/2/58
(15) O.C.D.N. 26/2/58
(16) "Sarawak Vanguard" 26/2/58
(17) O.C.D.N. 28/2/58
(18) O.C.D.N. 8/3/58
(19) O.C.D.N. 26/3/58
3/3/58, quoted Phillip Lee, a prominent Jesselton Rotarian, as saying that the reports that Rotary opposed federation were misleading, and that the most recent vote indicated that the Club supported the proposal.

The first sign of strong opposition came from Kudat. A meeting of Chinese leaders in Kudat was reported as having declared unanimously that they did not want federation. The Chinese feared that they would be made second class citizens, that the British Government intended to use the federation as a means to help Malays to top jobs, and that the federation would result in discrimination against the Chinese along the lines of discrimination in Indonesia, the Philippines and Malaya. The Chinese leaders believed that federation should not be attempted until the level of native education had been raised to that of the Chinese. (1)

The North Borneo United Chinese Chambers of Commerce, in calling on all Chinese Chambers to establish sub-committees to work out proposals for federation, declared that migration between the territories should be free, that individual income tax should be abolished and that company tax should be reduced. The Chamber also appealed to Chinese to promote racial harmony. (2)

(ii) Sarawak.

One of the first Sarawak bodies to give an opinion on the proposal for closer association was the Kuching Municipal Council which, after lengthy discussion, passed a resolution favouring the proposal in principle. The resolution was not unanimously supported and a rider was added to the resolution to the effect that the Council would discuss the proposal again when more detailed proposals were available. (3) The views expressed at the meeting provided an interesting range of opinion. Henry Ong Lee Hui said that federation should have occurred long ago and that there was not sufficient travel between the territories by government officials and leaders. There were the usual statements about unity being strength, about greater security and a reduction in the cost of administration through closer association. Some thought that self-government should be achieved before federation. Others thought that federation would accelerate self-government. Mrs. Kong Yu Suing observed that the question was being discussed only by the "upper class people", and expressed the hope that senior school pupils and ordinary citizens would make their views known, and that councillors would find out the view of the man in the street, "like in an election campaign". Haji Su'ut, a Malay, said that the Brunei People's Party had suggested federation before, but that the government had taken no notice.

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1. Reported in N.B.N.S.T. of 26/2/58; O.C.D.N. of 26/2/58.
2. O.C.D.N. 24/4/58
3. The speeches at the meeting were reported in S. Trib 28/2/58; N.B.N.S.T. 20/3/58.
He refused to comment until more details were put forward. Inche Davi Abdulrahman opposed the idea of federation, arguing that Sarawak had just obtained a new constitution and that it would be better to wait until the constitution had been in operation for a while before making any more changes. He feared that the closer association proposal would lead to a repetition of the controversy over cession, a wound that had been healed but that could be re-opened and retard progress.

The "Sarawak Tribune"(1) in commenting on the discussion in the Council, said that the question of closer association had been placed on the agenda which was circulated before the meeting, but the paper doubted whether many of the members had had time to discuss the question with their constituents before the meeting. On the other hand, the paper consoled its readers with the thought that, as the Councillors had been "voted into office because of the confidence which the majority of the electorate has in the individuals, it is not illegal to assume that the views expressed by the Councillors would be the views representing the majority of the electorate".

Other bodies that expressed support for the principle of federation included the Limbang District Council(2), the Lawas District Council(3) and all except one union at a meeting of trade unions. The unions supporting the federation proposal were the Kuching Wharf Labourers' Union, the Printing Workers' Union, the Kuching Coffeeshop Employees' Union, the Goldsmith Employees' Union, the Bus Workers' Union, the Kuching Building Workers' Union and the Kuching Workers and Employees' Union. Only the Seamen's Union was doubtful about supporting federation and preferred not to commit itself.

The Kalaka District Council resolved that a decision should be deferred until detailed draft proposals were available for study.(5)

An important expression of opposition to the Governor's proposal came from a meeting of women members of the Sarawak Dayak National Union. In a lengthy discussion after an address by the Crown Counsel, members expressed the view that the proposal was premature when Sarawak's new constitution was only one year old. Although they would see some benefits from closer association, they felt that the Dayaks were more backward than the other races and that federation would be better introduced in ten or fifteen years' time when the Dayaks were more advanced. The meeting eventually resolved to express disfavour towards the Governor's proposal.(6)

(iii) Brunei.

The "Borneo Bulletin", a Brunei newspaper with wide circulation.

(1) S. Trib. 28/2/58
(2) "Sarawak Vanguard" 24/3/58 and B.B. 29/3/58.
(3) S. Trib. 25/4/58
(4) W.B.N.S.T. 28/3/58
(5) S. Trib. 25/4/58
(6) Reported in W.B.N.S.T. 9/5/58.
throughout British Borneo, reported the two Governors' speeches. (1) Organised reaction to the proposal for closer association was, however, almost non-existent. Brunei lacked government bodies such as the local authorities in Sarawak and North Borneo, and it was therefore difficult for organised opinion to be expressed. More important still, as the Brunei Government maintained a stony silence, almost all organisations in Brunei followed this example. There were two exceptions.

The most important exception was the Brunei People's Party, whose leader, A.M. Azahari, was quick to voice his party's approval of the proposal. (2) The party had advocated closer association of the three territories before the Governors' proposals had been made. Whilst stating that his party supported the principle of closer association, Azahari said that he could not comment further until more details were known. His party supported the idea of a federation of the three territories but the terms would have to be right.

The other Brunei organisation to voice an opinion, also supporting the proposal, was the Brunei Chamber of Commerce. (3) The Chamber, with branches in Brunei Town and Kuala Belait, was open to members of all races. The Chairman announced that the annual general meeting of the Chamber had discussed the proposal and supported the idea of closer association.

(b) **Surveys, Interviews and Statements.**

(1) **North Borneo.**

The "Api Siang Paw", Radio Sabah and the "North Borneo News and Sabah Times" conducted public opinion polls. The only result I could discover was that announced by the "Api Siang Paw", which claimed that the forms sent in by its readers showed 85.73% (sic) in favour and 16.66% (sic) against federation. (4) The "North Borneo News and Sabah Times" revealed that a survey of Chinese, Indian and native opinion showed that by and large the Chinese and Indian communities welcomed the proposal, whilst the natives, who feared Chinese domination, favoured federation if their position in the federation was safeguarded. (5)

A "North Borneo News and Sabah Times" correspondent conducted a survey of opinion in Sandakan and Tawau. He reported that most of the leaders in the two towns were in favour of federation. He pointed out that many native communities were unsure of what the proposal meant, but generally agreed that the proposal was sound in principle. He also pointed out that in Tawau the business community showed an element of "tidadapathy" (lit. never-mindfulness) but that generally people there seemed to support the proposal. (6)

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(1) B.B. 6/2/58
(2) Reported in B.B. of 15/2/58 and in N.B.N.S.T. 28/2/58
(3) Reported in N.B.N.S.T. 27/5/58
(4) A.S.P. 27/2/58
(5) N.B.N.S.T. 17/2/58
(6) N.B.N.S.T. 28/2/58
An important interview was given by the Governor of North Borneo straight after his broadcast. (1) In this interview, the Governor stressed that the Sultan of Brunei had been kept fully informed of the proposal to initiate public discussion in Sarawak and North Borneo, and stated that the subject of closer association had been discussed "many times" with the Sultan of Brunei. The Sultan had given his consent to the launching of this public discussion. The Governor also stated that Residents and District Officers would arrange meetings of District and Residency Teams and Local Authorities to explain the proposal and to encourage discussion, and that it was hoped that other private groups and clubs would also arrange meetings. Senior administrative officials had already been briefed on the proposal. The Governor said that after the first meetings to explain the proposal, further meetings would occur to express the public's considered opinion and a debate would then be arranged in the Legislative Council. If the people of the three territories appeared to favour the principle of closer association, a commission representing the three territories would be established to work out a scheme for the implementation of the proposal and the detailed scheme would then be discussed by the people and the governments of the three territories. He stressed that, before any commission could be established to work out a detailed plan, "the proposals would have to have the substantial backing of people of responsibility and thoughtfulness in the country".

Phillip Lee, probably the most important unofficial member of the Legislative Council, gave an important address at a dinner in his honour prior to his departure on an overseas visit. In this address he expressed full support for the federation proposal and stated that he considered federation of the three territories was inevitable. (2)

The "Borneo Times" quoted an unnamed influential leader of the Kadazans (natives near Jesselton) as saying that the Dusuns and Kadazans could not understand the Governor's proposal and that they preferred the status quo until their educational level had been raised to that of the Chinese. (3)

(ii) Sarawak.

The "Sarawak Tribune" on 11/2/58 published interviews with various citizens. Most of the interviews supported the Governor's proposals. The Chinese were especially happy about the economic benefits that would come from closer association. Native leaders were more cautious. A typical reaction was that of Temonggong Jugah (now the chief of state in Sarawak) who was reported as having said that the subject of the Governor's speech would need to be carefully discussed.

(1) Reported in B.B. 15/2/58
(2) Reported in B.B.N.S.T. 27/2/58
(3) Borneo Times, 21/2/58
The "Borneo Bulletin" on 1/3/58 reported that Chinese traders in Sarawak were generally in favour of federation because of the larger trading area that would result.

The "North Borneo News and Sabah Times" on 3/3/58 published a number of interviews with community leaders in Kuching, Skbu and Miri. There was a general note of caution in the views expressed, many preferring to take more time to think about the proposal and others wanting more specific proposals before attempting to comment. In general, the people interviewed thought the proposal was worth more detailed consideration. Those who were enthusiastic for federation usually gave as their reason the economic and security arguments used by the Governor. The Secretary of the Kuching Workers and Employees' Union (the largest in Sarawak), whilst indicating that he thought federation of the three territories was a good idea, said that he thought it was a pity that the Governor did not mention more detailed proposals as this would have been a help to the people in assessing the merits or otherwise of the proposal.

In a Hari Raya Puasa broadcast(1), the Governor of Sarawak assured the Malays that they had no reason to be suspicious of the closer association proposals. He attacked the notion that the Chinese favoured the proposal because it would bring advantages to Chinese interests to the exclusion of the interests of other races. He stressed that Sarawak needed to maintain its racial harmony which the closer association discussions were testing. He pointed out that some felt that Sarawak was making political advances too quickly, but assured the people that the government had no desire to press for an early decision on the proposal for closer association - it might be a year or two before the people made up their minds. He urged the people not to make closer association a racial issue. He said that the advantages from federation would be shared by all races and that the Malays would be able to progress under federation. He warned the people against complacency in the maintenance of racial harmony and urged the people not to allow racial tensions to develop.

In an editorial of 23/4/58 the "Sarawak Tribune" referred to the Governor of Sarawak's Hari Raya Puasa message which was ostensibly directed to the Malay community but which, the paper maintained, was "applicable to practically every citizen of the country who is still doubtful and uncomprehending of Federation and its implications". The paper pointed out that the public reaction to the proposal was not complete and that there were elements in Sarawak who were suspicious and confused. The paper described the Governor's speech as "an attempt to enlighten where there is doubt, to clarify where there is misconception and to assure where there is suspicion and mistrust". The Governor emphasized that a federation would be created only if the proposal had the wholehearted support of all sections of the community and that no-one would be asked to make a hasty decision. The Tribune joined with the Governor in a plea for the maintenance of friendly relations between the races.

(1) Reported in "Sarawak by the Week", No.17/58, April 20-26.
(iii) Brunei.

The "Borneo Bulletin" on 15/2/58 reported that it had interviewed a number of people in Brunei, but that only one, A.M. Azahari, was willing to be quoted. The paper reported that almost all people interviewed were in favour of the proposal for closer association, "but some strange factor, force or fear made them reluctant to allow their identities to be revealed." The paper also stated that its "informants close to the Government revealed that the State Council almost to a man was opposed to any form of federation with the other territories."

The next edition of the same paper (22/2/58) reported that representatives of most races had been interviewed and that they had been asked not to be named. Most of the people interviewed spoke in favour of the proposal. The paper pointed out that most of the Chinese interviewed were not so interested in the political stability that would result from federation, but were most interested in the freedom of movement between the three territories that would result.

The "North Borneo News and Sabah Times" of 28/2/58 reported a Brunei Malay language paper as stating that "the majority of the members of the Brunei Executive Council (i.e., the "State Council") were not in favour of the proposals of federation". The same paper on 6/3/58 echoed the "Borneo Bulletin's" findings of 22/5/58.

On 1/3/58 the "Borneo Bulletin" reported that A.M. Azahari had announced that he would do his share in sounding out the opinions of the people of all three territories. He stated that he and his associates planned a meeting of leaders from all three territories to discuss the Governors' proposals and stressed that he would do this not as leader of the People's Party but as a private citizen. He said that discussion by the general public was necessary, but, unless there were discussions on an inter-territorial basis, the discussion of the Governors' proposals would not have the desired effect. He added that he would probably invite representatives from the Federation of Malaya to address leaders on the federation proposal.

This announcement was followed by a report in the "Borneo Bulletin" on 5/4/58 that Azahari would visit Jesselton to discuss the federation proposal with Donald Stephens and other North Borneo leaders.

(iv) Overseas.

The "North Borneo News and Sabah Times" on 3/3/58 referred to a Malay language newspaper report which stated that Tun Kh. Abdul Rahman, the Prime Minister of the Federation of Malaya, had said that his government looked with favour upon the idea of forming a federation of Malaya, Singapore and the British Borneo territories, but that the British Borneo territories had so far not put forward such a proposal.

On 12/3/58 the "North Borneo News and Sabah Times" printed a letter signed "ex-Penang Resident" which supported the idea of a larger federation
but suggested that British Borneo should first put its own house in order through establishing a federation of British Borneo. In the same issue "Roderick" who regularly wrote a semi-editorial in this newspaper and who was commonly thought to be Donald Stephens, the proprietor of the newspaper, commented that it would be difficult to say whether federation with Malaya and Singapore would be a good thing, and added that not only British Borneo should put its house in order before considering such a federation. Malaya and Singapore should do likewise. Roderick described Singapore as "a noisy and somewhat cumbersome tin can tied to the tail end of the Malayan cat".

(c) **Letters to the Newspapers.**

It is impossible to summarise the ideas of letters to the editors of British Borneo newspapers. All shades of opinion were represented, ranging from keen adherents of federation advocating immediate action, through those who supported federation with reservations or as a long term objective, to those who completely opposed the idea of closer association. Many pointed to the obvious danger of communalism, to the danger of discrimination against the Chinese and to the danger of Chinese or Malay domination of the federation. Some pointed out that the natives were unable to understand the proposal and that it was impossible to ask the people for their views. Some letters showed that their writers were well able to discuss the proposal in an informed and intelligent way. Some showed very clearly that the writers did not know what it was all about, even when they thought they did. Some letters showed evidence of racial intolerance, others called for tolerance and understanding. Those letters supporting the Governors' proposals generally repeated the Governors' arguments, especially the arguments pointing out the economic and security advantages of federation. In almost all cases, as was usual in British Borneo, the letters did not bear the names of the writers. Names de plume such as "Son of the Soil", "Orang Kampilang", "New Native" etc. were usually used.

I think that one letter is worthy of special mention, partly because it reflected one of the major problems of the discussion, and partly because it produced considerable editorial comment and was referred to by numerous other correspondents to the newspapers. On 26/2/58 the "North Borneo News and Sabah Times" published a letter from a person who called himself "Ikan Tenggiri", which read:

"The coffee shops are humming with the buzzing of Federation. What does it all mean? There is a lot of speculation, a lot of uncertainty, therefore a lot of doubt and a lot of suspicion. Also a lot of misgivings. The ordinary man-in-the-street does not want learned sentences with big learned words. He wants concrete examples. How would Federation affect his daily life? ... his children, his income, his freedom and his peace? He wants the picture of Federation put before him in
understandable, simple and clear sentences, so that he knows exactly what it is all about. We, the Coffee Shop Debaters, consider that this Government takes a lot for granted by just throwing the general notion of federation before the public, without going into simple and understandable details. District Council Meetings and Township Authority Meetings, etc. are convened, but the Chairmen hardly know how to classify things." He went on to say that members were vague on the proposal and asked few questions and those that were asked were given vague answers. "In a few weeks time or so, Residents and District Officers are supposed to report to Headquarters the reactions, opinions and decisions of the people. What people?" He pointed out that many villages had not been consulted, that many villages were too busy harvesting to consider federation, that Orang Tusas (village headmen) were not able to explain the proposal and that members of the councils had no idea of their own views or of those of the people. He suggested that the government should put forward easily understood proposals, call meetings and explain details to leaders who could then discuss the ideas with the people. He declared that there was "too much hurry". He asked a number of questions, for example: As North Borneo is a British colony, Britain must protect North Borneo, why therefore why federate for security? If immigration is free will not undesirable elements enter from Sarawak and Brunei? How much money will federation in fact save through administrative economies? Would the federation result in Malay domination and racial tension? He maintained that until the government gave the answers to these and other questions, people could not consider the proposal.

On 27/2/58 the "North Borneo News and Sabah Times" published an editorial replying to this letter. The editorial pointed out that Ikan Tenggiri was asking for a blue-print and that the Governor had made it clear that the people had to declare whether they supported the proposal for federation in principle before any blueprint could be prepared. The time for discussing detailed plans would be after an inter-territorial committee had prepared a detailed proposal. The editorial added that, if a blue-print was prepared before public discussion on the principle of federation, the consultation of public opinion would be a "mockery".

Ikan Tenggiri's letter apparently expressed a fairly widespread feeling, as the Governor of North Borneo was quoted on 20th March as saying: "I could sit down now and write out a constitution that I think would work, but that would be quite useless". He went on to say that, once agreement to the principle of the proposal was established, representatives of the three territories should meet to work out the details. If the people started arguing about the details before agreeing to the principle of federation, agreement would probably never be reached. He assured the people that federation would not affect their daily lives.(1)

(1) N.B.N.S.T. 20/2/58.
A letter published in the "Sarawak Tribune"(1) pointed out that most educated people in Sarawak, and therefore those most qualified to comment on the proposal, were Government servants and were not allowed to air their views. The writer suggested that General Orders and "C.S.O. Circular No. 9" should be suspended so that unfettered discussion could occur.

(d) **Summary of Opinions.**

(1) **British Borneo:**

The "Borneo Bulletin" on 1st March, commenting on opinion in British Borneo as a whole, said that most people supported the proposal because federation would lead to greater security, cheaper administration and better economic prospects. Those that favoured early independence saw the proposal as a means to accelerate this. Some Chinese who felt that they were better off under British rule, preferred a continuation of the present situation to the unknown prospects of the federation. The Bulletin suggested that a useful first step would be an economic confederation, with complete integration occurring later when the educational standards of the territories had risen and when, as a result of better education, the dangers of communalism had been reduced.

(ii) **North Borneo:**

On 10th February, the "Borneo Times", a Chinese daily, summarised people's views at that stage as falling into three categories: (1), those completely opposed to the proposal; (2) those supporting federation as a long term objective after careful consideration; (3) those favouring immediate action. The paper claimed that the majority of the people favoured the second opinion above.

The 1958 North Borneo Annual Report summarised the 1958 situation as follows:

"The subject of closer association between the three territories of North Borneo, Brunei and Sarawak, which has been under consideration for many years, was thrown open for public discussion in North Borneo and Sarawak by the Governors of the two territories in simultaneous broadcasts early in February 1958. Meetings of Town Boards, Local Authorities, Residency and District Teams were convened for the purpose of explaining the matter, and, after public opinion had had time to form, further meetings were arranged at which the opportunity was given for full and frank discussion. It was made clear that only the principle of Closer Association was under consideration, and that the Government had deliberately refrained from preparing any detailed blueprint, it being the intention that this should be dependent on whether or not public reactions were sufficiently favourable to the

(1) Trib. 24/2/58
idea itself to warrant further examination. As a corollary to this, it was also made clear that there was no question of the peoples of North Borneo being asked, at the present stage, to commit themselves to the acceptance of Closer Association, but that two straightforward questions were being asked, namely, (1) Is the idea of Closer Association so unacceptable that it should be rejected out of hand? and (2) Or does it offer sufficient opportunity for good that it should be examined in detail? Government's assessment of the public reactions to the proposal was that, by and large, the great majority of all races and classes in the community gave, through their spokesman and organisations, a "No" answer to the first question, and a "Yes" answer to the second. Naturally, as was only to be expected, there were many reservations and hesitations on points of detail; and it is significant in these days when "Colonialism" is such a popular target for attack in some quarters, that a genuine fear was expressed in one way or another throughout the territory, lest, despite assurances that had been given, Closer Association should result in any weakening of the ties with Her Majesty's Government, and a genuine desire that Her Majesty's Government should remain indefinitely as a fourth partner, in any form of Closer Association, or Federation, that might be devised, to see 'fair play'.

(iii) Sarawak.

In an editorial of 23/4/58, the "Sarawak Tribune" pointed out that support for the federation proposal was by no means unanimous and that there were fears and doubts about the wisdom of pursuing the question.

When the Council Negri in Kuching debated the matter in May, some unofficial members showed fear and suspicion of federation and wanted an assurance that Britain would be associated in the partnership, but all agreed that the proposal for Closer Association was good in principle. Temenggong Jugah probably reflected a wide area of native opinion when he said that the proposal must be good, otherwise the Governor would not have introduced it as he was certain that the Governor would do Sarawak nothing but good.

It was not until the September meeting of the Council Negri that public support for the principle of Closer Association appeared sufficiently widespread to justify the appointment of a committee to work with the North Borneo committee in drawing up more detailed plans for discussion.

(iv.) Brunei.

The position in Brunei was not clear. The Government had failed to make a clear statement. The only organisations to voice an opinion on the federation proposal were the People's Party and the Chamber of Commerce. Interviews with unidentified people indicated support for the principle of

(2) The debate in Council Negri was reported in N.B.F.S.T. 13/5/58.
(3) A.R.S. 1958 page 1.
federation and the papers hinted that the State Council was not in favour of the proposal. Brunei remained largely a question mark.

(e) **Action taken by the Governments.**

(i) **British Borneo:**

In March, the later ill-fated Profumo, then Under-Secretary of State for the Colonies, in reply to a question on what further action was contemplated about federation in British Borneo, said that no further action was contemplated until local opinion had had time to express itself.\(^{(4)}\)

Meanwhile, in March the Ninth Inter-Territorial Conference was held in Brunei at the invitation of the Sultan. As was usual practice, the U.K. Commissioner-General for South-East Asia chaired the conference, which was attended by the Sultan of Brunei, the Governors of North Borneo and Sarawak and official and unofficial representatives. The Conference discussed "many items of common interest to the three territories".\(^{(2)}\) This Conference had met at regular intervals since its inception in 1953 to promote co-operation between the three territories. Its creation preceded the proposal for closer association and its continued existence, after the proposal, provided opportunities for inter-territorial discussion and co-operation whilst the proposal for a more permanent association was being considered.

Several newspapers commented on this Conference. The "North Borneo News and Sabah Times" on 31/3/58 and 1/4/58 mentioned that closer association must have been discussed, and asked what were the results of the discussions. The "Borneo Bulletin" on 5/4/58 referred to a broadcast over Radio Brunei by the U.K. Commissioner-General for South-East Asia. The Commissioner-General was quoted as saying that the inter-territorial conferences, although only concerned with administrative co-operation, pointed the way to a closer political association. He said that he believed a federation of the three territories would result in improved administration throughout British Borneo. The "North Borneo News and Sabah Times" of 7th April quoted a Brunei Government press release as saying that the Conference reviewed developments in the three territories since its last meeting in September 1957 and considered future developments in fields of common interest, notably education, civil aviation, agriculture and internal security.

(ii) **North Borneo:**

On 10th April, less than three months after the Governor's broadcast, the subject of Closer Association was debated in the Legislative Council and the following resolution was carried unanimously: "Whereas in the opinion of this Council, the peoples of North Borneo welcome in principle the proposal for the closer constitutional association of the three territories of North Borneo, Brunei and Sarawak: Be it resolved that the Council do recommend that the agreement of the Governments of Brunei and Sarawak be sought for the joint examination of the proposal by a body of persons.

\(^{(4)}\) *N.B.N.S.T. 14/5/58*

\(^{(2)}\) *A.R.N.B. 1958 page 2.*
drawn from all three territories, with a view to the preparation of detailed proposals, including any necessary safeguards for the individual territories such as thereafter might be considered by the three Governments severally. *(1)*

In addressing the Legislative Council on this occasion, the Chief Secretary stressed that the people had been asked to indicate whether they accepted the principle of Closer Association. He defended the Government's failure to put forward a blueprint at that stage: "To have prepared a blueprint in advance of consultation would have made that consultation a mockery. The fact that no blueprint existed was a clear indication of the honesty and sincere intentions of Her Majesty's Government not to impose anything on the people of this country." He added that the Government now assumed that the people wanted further examination of the proposal. Details of the proposed closer association, for example, whether the central authority should be merely executive or should have its own legislature, would be worked out by an inter-governmental committee. *(2)*

The Governor, speaking in the Legislative Council, said that many questions had been asked about the form of the proposed closer association and that these questions would be answered but it was not appropriate at that time to answer them. Detailed questions should be discussed after the inter-governmental committee had worked out firm proposals. *(3)*

The "Sarawak Tribune" *(4)*, in commenting on the North Borneo resolution, pointed out that federation was by no means a fait accompli. It referred to the fact that Sarawak was still discussing the federation proposal and that the Brunei Government had given no indication of its reaction.

In December the North Borneo Committee was appointed to collaborate with the Sarawak Committee in working out proposals for the closer association. *(5)* The North Borneo Committee consisted of three official and three unofficial members of the Legislative Council. Although, by December, both Sarawak and North Borneo had established committees to examine the proposal further, nothing in fact happened. As the 1959 North Borneo Annual Report explained, "it was later felt that as all three governments themselves were not yet unanimous in their attitudes, the time was not opportune for the two committees to start work." *(6)*

(iii) Sarawak.

When the May session of the Council Negri debated the proposal for closer association, although the members generally accepted the proposal as sound in principle, there were many unofficials who voiced doubts and suspicions. *(7)* Nothing was really agreed in this discussion.

A correspondent writing to the "North Borneo News and Sabah Times" *(8)*

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*(1)* Quoted on page 2 of A.R.N.B. 1958
*(2)* Reported in S.T. 11/4/58
*(3)* Reported in N.B.N.S.T. 12/4/58
*(4)* S. Trib. 14/4/58
*(6)* A.R.N.B. 1959 page 4
*(7)* The debate was reported in N.B.N.S.T. 13/5/58
*(8)* N.B.N.S.T. 23/5/58
protested that nothing substantial had materialised from discussions in Sarawak, even though the North Borneo Legislative Council had accepted the proposal in principle and had appointed a committee to discuss more detailed plans with similar committees from Sarawak and Brunei. The writer of the letter made a plea to the governments to bring representatives of the three territories together so that they could discuss their suspicions and work out safeguards. He pointed out that if such discussions did not produce satisfactory results the territories could always call a halt to the discussions and to the implementation of the proposal. He then made what later proved to be a prophetic statement: "If anything is to come of the talks by the Governors and the discussions which followed them, we must talk and soon. Allowing the question to remain unanswered too long can mean that there will be no answer at all."

The September meeting of the Sarawak Council Negri at last declared its support for the principle of closer association. It passed a resolution similar to that passed by the North Borneo Legislative Council, approving the creation of a committee of unofficial members to examine the implications of closer association and to report back to the Council on the more detailed information which should be presented to the people of the territories.\(^1\)

It was hoped that committees from Sarawak and North Borneo would undertake conducted tours of the two territories in 1959 to study the territories and thus to present more informed reports and recommendations.\(^2\)

The "North Borneo News and Sabah Times"\(^3\) was relieved. In an editorial it said that at last Sarawak was beginning to move, since the unofficial members had supported the Attorney-General's motion endorsing the principle of closer association and creating a committee to discuss plans with North Borneo and Sarawak. The Editorial urged the Brunei Government to appoint a similar committee and stated that Sarawak and North Borneo should pursue the question of closer association with or without Brunei. Brunei's participation would be of great value but it would not be impossible to go ahead without Brunei.

(iv) Brunei:

The Brunei Government remained silent. As has already been mentioned, newspaper reports claimed that the majority of the State Council was opposed to federation.

The "Borneo Bulletin" on 1/3/58 claimed that the Brunei Government was afraid of losing its privileged position of a wealthy, autonomous state enjoying the one way flow of brains and technical skill to help in the implementation of the Government's development plans.

The "Sarawak Tribune" in an editorial comment on 14/4/58 noted that, "with the exception of a scanty reference to it by the People's Party, Brunei has not as yet publicly reacted to the issue". The editorial added that there appeared to be a "cloud of suspicion and mistrust over the State, and adher-

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(1) A.R.S. 1958 page 1.
(2) Ibid.
(3) N.B.N.S.T. 18/9/58
ents of Closer Association both here and in North Borneo would do well to work towards dissolving it".

On 19th April the "Brunei Bulletin" pointed out that the decision of the North Borneo Legislative Council to appoint a committee to work out plans with representatives of Brunei and Sarawak raised the question of what federation would mean for Brunei. The paper pointed out that Brunei would not lose its sovereignty or wealth if a federation was created. It referred to comments made by some unofficial members in the North Borneo Legislative Council about the unwillingness in some circles in Brunei to participate in a closer association of the three territories. The Bulletin also referred to Donald Stephens's proposal that Sarawak and North Borneo should begin federation discussions without Brunei if necessary, and declared that Brunei must accept the challenge and send official and unofficial representatives to a joint discussion. It pointed out that the Brunei People's Party had declared its support for closer association and added that the Government should organise a comprehensive survey of public opinion in the State so that Brunei's representatives at inter-territorial federation talks would have a mandate. If Brunei later decided not to join a federation it would not be committed.

The Sultan of Brunei's (Hari Raya Puasa) broadcast(1), coming as it did soon after the Ninth Inter-Territorial Conference, killed any idea that this Conference had persuaded Brunei to consider joining a federation. Whilst not clearly stating that Brunei opposed federation, the broadcast gave some indication of the attitude of the Sultan and his Government. The Sultan said that the inter-territorial conferences in which Brunei participated, did not mean that the three territories would become a federation, nor did these conferences contemplate forming a federation. This was more or less a contradiction of the U.K. Commissioner-General's broadcast at the end of the talks. The Sultan pointed out that Brunei was not bound by any treaty to take part in these meetings but did so by mutual agreement. Individual territories were not bound by resolutions of these conferences. The Sultan pointed out that Brunei had never been a British Colony and was only bound by a treaty agreement with Britain whereby Britain undertook to protect Brunei. He asked his people to remember that Brunei was not a colony and "to preserve the country's position with patience and determination so that the State will progress even further".

On 13th May the "North Borneo News and Sabah Times" referred to the discussions in the North Borneo and Sarawak legislatures and said that the Brunei Government's views were now awaited. The paper added: "So far no-one seems to have made any move to have the matter discussed in the State Council but we no doubt can expect the matter to be raised when the Council next meets".

By 21/5/58 the "North Borneo News and Sabah Times" showed signs of irritation at the Brunei Government's silence on the federation proposal. Rederick, in his regular column, said that the State Council held secret sessions, to which the press was not admitted, and only told the public what

(1) Reported in D.B. 26/4/58
the government wanted known. He said that it was possible that the
State Council had discussed the question of closer association but pre-
ferred to keep secret what was said.

On 18th October the "Borneo Bulletin" made another effort to spur
the Brunei Government into action. The paper stated that it was hoped
that the North Borneo and Sarawak committees would work with a Brunei
committee to thrash out the problems involved in forming a federation.

In October of 1958 a bombshell was let loose. On 20th October
the "Straits Times" published a report of an interview given to William
Fish by the Sultan of Brunei. The Sultan was quoted as saying that his
Government was ready to assist the Federation of Malaya in any way possi-
able as if help was sought. The Sultan referred to the strong religious
and racial bonds between Brunei and Malaya, strengthened by intermarriage
between the royal families. He said that most educated Bruneis would
like to see a closer association between Brunei and Malaya now that Malaya
was independent, and many favoured joining the Federation of Malaya, whilst
opposing federation with the colonial territories of Sarawak and North
Borneo. They believed that a federation of British Borneo would delay
the achievement of independence because Brunei's assets would be tapped
to subsidise her less wealthy neighbours. The Sultan was careful to add
that, officially, he knew nothing about Brunei's federating with any
other territory and therefore could not comment on the possibilities of
a federation. The Sultan also said that he hoped that Malaya would be
able to help fill responsible posts in Brunei. Malays would be very
helpful in Brunei because they spoke Malay, knew the village people
and could therefore win the people's confidence.

The "North Borneo News and Sabah Times" of 22/10/58 referred to the
"Straits Times" interview. The paper quoted much of the "Straits Times"
report and said that the interview made it clear that Brunei's ties
were with Malaya, not with North Borneo and Sarawak. The "Api Siang
Pau" on 22nd October carried a similar report of the "Straits Times"
interview. Letters to the editors began to appear, especially in the
"North Borneo and Sabah Times", expressing various reactions. A typical
letter was that published on 23rd October (1) stating that the writer was
glad that Brunei had made it clear that the Government was no longer in-
terested in a British Borneo federation. It was now up to Sarawak and
North Borneo to go ahead.

The "Borneo Bulletin" was obviously embarrassed by the Sultan's
statement and by the reaction in North Borneo and Sarawak. The November
1st issue referred to the "Sarawak Tribune's" argument that, although
there were ties between Malaya and Brunei, there were also ties between
Brunei and Sarawak and North Borneo. The "Brunei Bulletin" supported
the appeal of the "Sarawak Tribune" for the appointment of unofficial
committees to discuss the proposal further. The same edition of the
"Brunei Bulletin" also referred to an article in the "Sarawak Times":
"The newspaper said that if Brunei really felt that Sarawak and North

(1) N.B.N.S.T.
Borneo would like to tap her oil assets through federation, then there was no further usefulness to be secured in talking about a closer association as this could only result in more fear and suspicion. The "Brunei Bulletin" quoted the "Sarawak Times" as stating that Brunei showed "narrow minded communalism" in favouring union with Malaya.

The Sultan of Selangor was reported as saying that he thought merger with Brunei a good idea. (1)

Brunei's announcement that she would lend Malaya a further $100 million in addition to the $40 million already loaned to Malaya (2) produced more hostile letters to the papers.

The storm aroused by the "Straits Times" interview resulted in a letter from the Brunei Information Officer to the "Straits Times". (3) The Information Officer pointed out that the Sultan's reference to ties with Malaya was not intended to imply unfriendliness towards Sarawak and North Borneo nor did the statement have anything to do with a proposal for federation. The Information Officer pointed out that there were strong ties between Brunei and Sarawak and North Borneo as all these territories were once part of the Brunei empire. This letter was, of course, too late. The damage was done.

It was unfortunate that the Brunei Information Officer, in attempting to show the links between Sarawak and North Borneo and Brunei, should have referred to Brunei's neighbours as having been part of the former Brunei empire. This statement was taken to indicate Brunei's territorial ambitions (4) and caused a further controversy in the Borneo press.

(f) The Position at the End of 1958.

Although the legislatures of Sarawak and North Borneo had approved the principle of closer association, and had appointed committees to work together in drawing up draft proposals for further discussion, nothing more had in fact been done about pursuing the question of closer association further.

One of the reasons for delay had been the silence of the Brunei Government, followed by the unfortunate controversy towards the end of the year as a result of the Sultan's interview with the "Straits Times".

Although some people maintained that the Sultan had not completely rejected the proposal for a British Borneo federation, it was clear by the end of 1958 that, if any closer association was to emerge in British Borneo, it would be between Sarawak and North Borneo.

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(1) S.T. 7/11/58.
(3) Reported in N.B.N.S.T. of 15/11/58, and B.B. 15/11/58.
(4) e.g., N.B.N.S.T. 18/11/58.
B. 1959

(a) Opinions expressed on Federation.

Discussion on

By 1959, the question of closer association had more or less petered itself out. There was little mention of it in the press, except when some incident or statement revived the issue.

The question of federation was raised again briefly in September (1) when a four-man delegation of the United Kingdom Branch of the Commonwealth Parliamentary Association, during a visit to Kuching, was asked at a radio conference, what they thought were the advantages and disadvantages of the proposed federation of the British Borneo territories, and whether they thought Brunei's apparent refusal to consider joining affected the issue. The delegation spoke of the advantages of federation and warned against forcing Brunei to become an unwilling partner.

(b) Action taken by the Governments.

During 1959 two Inter-Territorial Conferences were held under the chairmanship of the U.K. Commissioner-General for South-East Asia - the Tenth Conference in Kuching in January, and the Eleventh in Jesselton in October. The Conferences were attended by the Governors of Sarawak and North Borneo, together with official and unofficial representatives. The newly appointed High Commissioner for Brunei attended the Jesselton Conference. The Conferences discussed "many items of common interest to the three territories". (2)

These two conferences gave evidence of continued co-operation between the three territories, but the work on the implementation of proposals for closer association of the territories lost momentum. The committees appointed by the legislatures of North Borneo and Sarawak to conduct further enquiries into the implications of closer association did not start their work. It was felt that "the time was not opportune for the committees to start work", because "all three Governments themselves were not yet unanimous in their attitudes." (3) Defeat was more or less admitted by the Governor of North Borneo in his Communication from the Chair at the Budget meeting of the Legislative Council in December.

"One of the purposes we have conscientiously failed to bring about is the political association of this country with Brunei and Sarawak. Since such purposes cannot be achieved without the ready consent of a substantial majority of the people in each of the countries involved, there is virtually nothing we can do about it at the present time other than to express our continuing goodwill and our desire for such an association. I have not wavered in my belief that in the long-term some such association would be highly advantageous for all three countries and I was more than gratified by the manner in which the conception was welcomed in

(1) Reported on page 1 of M.B.N.S.T. of 4/9/59.
(3) Ibid.
this country. But I would not harbour too many regrets over its initial failure. Firstly, such things depend on the climate of opinion, and opinions alter. Secondly, we here have so much to do that it would be idle to waste time on regrets. For the present, let us concern ourselves with the betterment of our own affairs, in the by no means unjustified hope that the years will make us a partner who is not only welcomed, but sought.⁹

(1) Quoted on page 4 of A.R.N.B. 1959.
(a) **Views expressed on Federation.**

In January 1960 the four man delegation from the United Kingdom branch of the Commonwealth Parliamentary Association released its report on its visit to the British Borneo territories. On the question of Brunei's participation in a federation, the report said that Brunei had amassed tremendous wealth whilst its two neighbours were much poorer. "In view of this discrepancy and of the fact that both Sarawak and North Borneo territory has over the years increased somewhat at the expense of Brunei, the Bruneins are not particularly anxious to be inveigled at present into a closer association which they feel might involve a sharing of their new-found prosperity and a reduction in their status which they can well afford to maintain." 

In February, the retiring Governor of North Borneo, Sir Roland Turnbull, in an interview with the "Straits Times", forecast a future merger of Singapore, Malaya and British Borneo. 

In the same month, the Brunei People's Party held a rally to inaugurate the third congress of the Party. The rally was told by A.M. Azahari and political leaders from Malaya, Sarawak and Singapore, that the people of British Borneo must unite to achieve political advancement. The rally was attended by representatives of the Brunei People's Party, the People's Party of Malaya, the Socialist Front, the Pan-Malayan Islamic Party, the People's Party (Singapore) and the Sarawak United People's Party. Azahari called for the formation of a united political front, a permanent body that would represent the Sarawak United People's Party, the Brunei People's Party and the political leaders of North Borneo. This body would work for the unification of the three territories.

On 11th March, the U.K. Deputy Commissioner-General for South-East Asia, on a familiarisation tour of British Borneo, was quoted as saying that he did not see any immediate signs of a merger between the three British Borneo territories at the moment, as agreement on the point had not yet been reached by the various peoples of the territories. He agreed that federation would bring advantages to the territories and cited, as examples of the advantages to be gained, the existing joint departments.

In March, A.M. Azahari was quoted as saying that he planned a visit to Sarawak to discuss the formation of a National Congress representative of political leaders in Sarawak, Brunei and North Borneo. He was quoted as saying, "The British want to federate the three territories for their own benefit, but we want a merger of the three territories for our own benefit". He said that he wanted federation immediately but thought it would depend on the mass of the people who, once convinced of the benefits to be derived from federation, would support it. By June, Azahari had succeeded in forming a committee of the Sarawak United People's Party and

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(1) S.T. page 2, 8/1/60
(2) B.B. page 6, 6/2/60
(3) B.B. page 1, 20/2/60
(4) H.B.N.S.T. page 1, 11/3/60
(5) N.B.N.S.T. page 1, 19/3/60
the Brunei People's Party. The committee was to be known as "the joint consultative preparatory committee for pan-Bornean congress". (1)

Also in June, Tunku Abdul Rahman, Prime Minister of Malaya, told Brunei students during his visit to England, that it would not be long before Brunei joined the Federation of Malaya. He said that if the Colonial Office agreed, he would hold discussions with the Sultan. Political sources in Brunei were quoted as saying that it was believed that the Tunku and the Sultan had had preliminary talks on this question. (2) A week later the Sultan denied that any talks on the possibility of Brunei's joining the Federation had occurred. The Sultan claimed that he had not heard anything from the Tunku about the possibility of Brunei's joining the Federation of Malaya. (3)

The leader of the Brunei People's Party, A.H. Azahari, in commenting on the Tunku's proposal, called on the Tunku to help the British Borneo territories to achieve an independent federation. He said that his party envisaged first an independent federation of British Borneo and an eventual link-up with Malaya and other friendly neighbouring territories. (4)

Later in July, during the Brunei visit of the Malayan Yang di-Pertuan Agong, Brunei's Second Minister, in a speech at a State banquet, said that the Brunei Government desired that the ties with Malaya should become permanent. He expressed Brunei's gratitude to Malaya for supplying a number of officials who were working in the State as experts in a number of fields. (5) Officials in Brunei Town were quoted as saying that the Sultan and the Yang di-Pertuan Agong were in complete agreement on the need for a closer association between Malaya and Brunei and that steps were likely to be taken, after Brunei's new constitution was promulgated, to associate Brunei with the Federation of Malaya. (6) On 24th July, whilst in Malaya to attend the opening of his new residence in Kuala Lumpur, the Sultan of Brunei again refuted reports about a possible Brunei-Malaya merger. (7)

Lord Selkirk, the U.K. Commissioner-General for South-East Asia, gave a press conference in September during a visit to Sarawak. He suggested that Sarawak and North Borneo should merge into a federation, which would be a prime move towards self-government. (8) In the same month, Lee Kuan Yew, Prime Minister of Singapore, interviewed during a visit to North Borneo, said that he had read about the proposal for closer association between the British Borneo territories, had read the speeches of the former Governors of North Borneo and Sarawak and had met Azahari, the leader of the Brunei People's Party which supported the proposal. Asked whether there were ways in which Singapore and the Borneo territories could have closer relations, he said that there had been more interchange of ideas, more contact and more trade between the Borneo territories and Singapore.

(1) S.T. page 9, 18/6/60
(2) B.B. page 1, 25/6/60
(3) B.B. page 1, 2/7/60
(4) B.B. page 1, 9/7/60
(5) B.B. page 1, 11/7/60
(6) Ibid
(7) "Sunday Times" page 1, 24/7/60
(8) "Straits Times", 19/9/60
than with Hong Kong, and that the question of an even closer relationship would have to be left to the people and the Colonial Office to decide. (1)

The Earl of Perth, Britain's Minister of State for the Colonies, when passing through Singapore on his way to Kuching to attend the Twelfth Inter-Territorial Conference of the British Borneo territories, called on Singapore and Malaya to help the newly emerging Borneo territories to face political changes. He declared that a merger between Sarawak and North Borneo would have many economic advantages but added that the decision to merge into a federation was up to the peoples of Sarawak and North Borneo. (2)

(b) Action taken by the Governments.

In October the Twelfth Meeting of the Inter-Territorial Conference was held in Kuching under the chairmanship of the U.K. Commissioner-General for South-East Asia. In addition to the usual delegates (the Governors of North and Borneo and Sarawak, their staffs and unofficial representatives and the High Commissioner for Brunei) the conference was attended by the Earl of Perth, British Minister of State for Colonial Affairs and by the Assistant Under-Secretary of State in the Colonial Office. (3) The conference issued an official communique at the conclusion of its meeting. (4) The communique said that the object of the conference was to discuss a number of matters of common interest to the Borneo territories and to review progress made towards a co-ordination of effort between the Sarawak and North Borneo government departments. The conference welcomed the practical steps taken since the last meeting towards inter-territorial co-operation in many fields, including education, medical and health services, agricultural training and technical advice, shipping and broadcasting. The conference also considered Borneo's air services, the improvement of training facilities with government services, and the possibility of establishing a centre in London for students from Sarawak and North Borneo.

Perhaps the most significant decisions were the following. "It was agreed that regular meetings of Chief Secretaries should take place meetings of the /Inter-Territorial Conference should Agreement was reached on a joint investigation by Sarawak and North Borneo into the desirability of establishing a Customs Union or free trade area for their mutual economic advantage. The Conference considered that mutual understanding would be encouraged and a knowledge of each other's problems greatly improved by exchanges of visits between unofficial members of legislatures and local authorities and representatives of other bodies." (5)

This inter-territorial conference was significant in two ways. The communique on the results of its deliberations, considered along with the U.K. Commissioner-General's statement of September and the October statement of the U.K. Minister of State for Colonial Affairs, indicated a revival of

(1) N.B.W.S.T. page 1, 26/9/60
(2) B.B. 22/10/60
(3) A.R.N. 1960 page 15
(4) Reported in N.B.W.S.T. page 1, 21/10/60 and B.B. 22/10/60. A brief and incomplete summary of the conference's views on inter-territorial co-operation is also given on page 15 of A.R.S. 1960.
(5) Ibid
interest in federation on the part of the British Government and, apparently, on the part of the Sarawak and North Borneo Governments. The second way in which the conference was significant was its emphasis on co-operation between North Borneo and Sarawak. The conference communiqué and the two press statements referred to above spoke of co-operation and federation respectively between the two British colonies but did not stress Brunei’s inclusion. It was clear that the pursuit of closer association was now confined to Sarawak and North Borneo and that the regular Inter-Territorial Conferences were now more concerned with fostering co-operation between Sarawak and North Borneo, although Brunei was still represented at the conferences.

In December of 1960, Donald Stephens of North Borneo was quoted as saying that a federation of Sarawak and North Borneo should now be pursued with vigour. Nothing had happened and the issue had been allowed to cool off. Although he felt it was a little late to revive the issue, he said there had been plenty of time for people to think about it and maybe this time a definite decision could be reached. (1)

By 1961, it was thus clear that Brunei was not interested in co-operating in the closer association venture and it is significant that the Inter-Territorial Conference was predominantly concerned with promoting closer association between Sarawak and North Borneo and not between the three territories.

(1) N.B.N.S.T. 8/12/60
D. 1961

(a) Developments before the Malaysia Question arose.

Early in 1961 it looked as if federation between Sarawak and North Borneo might become a reality. As a result of the agreement reached at the 1950 Inter-Territorial Conference, there were frequent exchanges of visits between Sarawak and North Borneo by both government officials and representatives of the people. (1) Other encouraging signs during 1961 were the two regular meetings of the Inter-Territorial Conference, one in Jesselton and one in Kuching. (2) Although these meetings did not issue any statements on the question of federation, they continued to foster inter-territorial co-operation. The conclusion of a free trade area agreement between Sarawak and North Borneo, to take effect from 1st January 1962, (3) could have been the first formal step towards federation if the Malaysia issue had not arisen.

The exchange of visits produced renewed pleas for federation between Sarawak and North Borneo. For example, at a dinner in Jesselton honouring seven visiting Sarawak Councillors, North Borneo and Sarawak leaders spoke of the advantages of closer association between the two territories. It was claimed that the people of the territories were now in favour of federation and it was suggested that representatives of the two governments should start working out federation plans. (4)

The "Borneo Bulletin" (5) described the exchange visits between leaders of Sarawak and North Borneo as the first step towards merger of the two territories. The paper said that Brunei's refusal to consider federation had led to a collapse of interest in Sarawak and North Borneo, but this interest had now been revived especially by unofficial members of the legislatures. There was powerful unofficial support for federation in Brunei. The paper expressed the hope that the future leaders of the country would be prepared to negotiate with Sarawak and North Borneo.

In March, a Sarawak Council Negri member asked whether the government intended to hold a referendum on the issue of federation with North Borneo. The Chief Secretary in reply said that further exchange visits of representatives of the two countries were planned and that it was hoped that from these visits would emerge an informed and authoritative public opinion on the question of federation and that the leaders would be able to speak on this question with authority. The Chief Secretary added, "It is not at this stage possible to be more explicit on the steps to be taken hereafter. Meantime the governments of the two territories continue to

(1) A.R.S. 1961 page 2
(2) Ibid
(3) Ibid
(4) N.B.N.S.T. 6/2/61
(5) B.B. 14/1/61
seek all practical ways of co-operating to their mutual advantage." (1)

The Sarawak leaders who visited North Borneo returned to Sarawak with the impression that the people of North Borneo generally favoured federation. (2) Some of the North Borneo leaders who visited Sarawak, however, said on their return to North Borneo, that, although the Sarawak leaders favoured federation, many of the people of Sarawak were uncertain and lacked enthusiasm for the idea. (3)

(1) N.B.N.S.T. page 1, 30/3/61
(2) N.B.N.S.T. page 1, 1/4/61
(3) N.B.N.S.T. page 1, 25/4/61; B B. page 1, 29/4/61
(b) **Developments after the Malaysia Question arose.**

In May, 1961, when it looked as if discussions on federation between Sarawak and North Borneo would produce results, Tunku Abdul Rahman, the Prime Minister of Malaya, made his now historic speech in Singapore, proposing the formation of Malaysia. The political discussion that occurred thereafter was concerned with the Malaysia proposal. The proposal for a federation of Sarawak and North Borneo was abandoned by the Sarawak, North Borneo and British Governments, which gave their support to the Malaysia proposal. The proposal for a British Borneo federation was more or less forgotten by the public as most people turned their attention to supporting or opposing Malaysia. Some, in opposing Malaysia, supported a British Borneo federation as an alternative, but, apart from the Brunei People's Party, which still firmly advocated the establishment of a federation of Brunei, Sarawak and North Borneo, and apart from some of the supporters of the Brunei People's Party in other territories, the advocates of a Borneo federation became increasingly silent. As the 1962 Sarawak Annual Report stated: "Thoughts have now turned to the much larger concept of Malaysia which has overtaken the more limited one affecting the two British Borneo territories only."(1)

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THE DESIRABILITY AND FEASIBILITY OF A BRITISH BORNEO FEDERATION

A. THE CASE FOR A FEDERATION OF BRITISH BORNEO.

In the public discussion that occurred in British Borneo as a result of the two Governors' speeches, the arguments used to support the principle of a British Borneo federation were mostly based on the arguments suggested by the Governors in their speeches. I cannot attempt here to summarise all the arguments, some valid, some invalid, put forward by the supporters of the federation proposal and shall content myself chiefly with summarising and commenting on the Governors' arguments, as these tended to set the pattern for the public discussion.

(a) The Governors' Arguments and their Validity.

(1) Arguments favouring some Form of Union:

Sir Roland Turnbull and Sir Anthony Abell submitted three basic reasons to justify their support for some form of closer association between Sarawak, North Borneo and Brunei. These were: the greater strength and security of a union; the administrative advantages of shared facilities and services; and the economic advantages of union.

- Strength and Security.

Sir Anthony Abell described the British Borneo territories as "three separate small units" and later in his speech as "three small and, perhaps, vulnerable countries," whereas, if they "entered into some kind of partnership", they "would form one much larger, more powerful and more influential unit". He pointed out that small or weak countries, particularly those "rich in promise and natural resources" are not shown much respect in the modern world, and warned that Sarawak, although being able to rely on Britain for protection, was not "immune from the dangers that threaten such small territories". He maintained that the three British Borneo territories should take what steps they could to strengthen their security and added: "Every step towards closer association, every move which enables the three territories to turn a united front to the outside world, will greatly strengthen our own security and the continuation here of the way of life to which we have become accustomed".

Sir Roland Turnbull made a similar point: "The free association of peoples everywhere results in an accretion of strength far beyond the sum total of their individual capacity. It is not the case where nations are concerned that 1 + 1 + 1 will make 3; together they make a unit that is much more powerful, more effective, more efficient and more capable of making life better for its members than the sum total of their individual strengths would ever suggest." He pointed out that, alone, the countries or states that formed the United Kingdom of Great Britain, the U.S.A., Australia or Malaya were relatively unimportant but, united in a larger political entity, they formed nations of some significance in the world.
He also predicted that the relatively unimportant countries of Southern Rhodesia, Northern Rhodesia and Nyasaland, recently joined together in a federation, might "point the way for the whole of an as yet uncertain Africa".

Assessing the potentialities of Sarawak, North Borneo and Brunei, Sir Roland Turnbull said that North Borneo offered "a country of great economic potential, which is growing rapidly, with a record of political stability". Brunei, whilst possessing few resources other than oil, offered "the wealth it draws from oil and the personality of its present ruler". Sarawak was richer and more populous than North Borneo, although it possibly would not remain so for very much longer. On the debit side from North Borneo's point of view, Sarawak had been "touched by communism" and Brunei was "politically a little yeasty". Sir Roland Turnbull summed up the contrast between each of the territories alone and the combination of the territories as follows: "But it must be admitted that of the three territories, Sarawak with 50,000 square miles and between 600,000 and 700,000 people, North Borneo with 30,000 square miles and less than 400,000 people, and Brunei with 2,500 odd square miles and some 60,000 people, none is a very considerable country; but with more than 80,000 square miles (much larger than the Federation of Malaya) and well over a million people we might build a country of some importance in South-East Asia."

This argument is obvious and, I think, valid. It should be noted, however, that, although a union of the British Borneo territories would have greater strength and security than any of the three territories separately, the difference between separation and union would not simply be the difference between weakness and strength. Although the geographical area comprising a British Borneo federation would be greater than that of the Federation of Malaya, a combined population of "well over a million" would be very small in South-East Asia. Nevertheless, the individual populations of each of the territories separately amounted to almost nothing in South-East Asian terms. A union would at least produce a combined population that was an improvement on the individual figures. In the same way, the three territories were underdeveloped and, although their united area would be larger than that of the Federation of Malaya, their resources would in the short-run not be comparable to those of Malaya. On the other hand, a union would provide British Borneo with much greater potential resources than those of the three separate territories. Developed on a co-operative basis, British Borneo could in due course become a nation of great resources.

It is clear that, although a federation of the three British Borneo territories would be stronger and have greater security than the three territories separately, the federation would need military and other aid from Britain and other Commonwealth countries for some time. Even the Federation of Malaysia, merging Sarawak and Brunei with the much larger and more developed countries of Singapore and Malaya, still relies heavily on British aid, especially for defence, despite its combined population of 10 million. Nevertheless, the defence of British Borneo and the provision of aid for development would in the long run achieve better results in a union than in three separate territories.
The administrative Advantages of shared Facilities.

Sir Roland Turnbull pointed out that the individual administrative resources of the three territories, when combined, "could be deployed to the much greater advantage of all". Sir Anthony Abell suggested that, once the federation was well established, it would possibly be found both economical and advantageous to share government services in a wide range of activities and claimed that "The Government of the three territories should in due course be able to offer to the people greater facilities more cheaply and with greater efficiency".

This argument is again obvious and valid, especially when applied to government activities requiring highly specialised services. Many people commenting on these advantages pointed out that federation would produce economies through preventing duplication of functions and functionaries. (1)

The regular Inter-Territorial Conferences aimed at producing more efficient and more economical administration and achieved a considerable measure of success in the various joint departments that were shared by the three British Borneo territories.

Valid as this argument is, it can be misused, as it was by some people during the public discussion of the federation proposal, to draw a conclusion that is not necessarily true. The two Governors merely asserted that federation would produce economy in certain services, but many advocates of federation took this argument to mean that federation would produce an overall economy in the costs of government, or, put another way, that federation would permit an expansion of government services without a proportionate increase in costs. As I mentioned in discussing the reactions of the public to the federation proposal, a number of Chinese organisations, probably following the lead of the Jesselton Chinese Chamber of Commerce, seemed to think that federation would enable personal income tax to be abolished and company tax to be reduced.

The argument of administrative economy through shared services would probably be more valid if it were used to advocate an amalgamation of the three territories under one government, as a centralised government, spreading the costs of its operations over the whole of British Borneo, would probably be able to operate more efficiently and with less cost, provided that the transport and communication problems could be solved. But amalgamation of the three territories was, as Sir Roland Turnbull pointed out, impractical, at least as a first step. If the three British Borneo territories desired the advantages of a union, the only practical choice was the adoption of a federal system of government.

As K.C. Wheare (2) points out, "Federalism is expensive", as it involves maintaining a number of governments. Countries wishing to federate need to possess the resources to support an independent general government and independent regional governments. On economic grounds, as well as others,

(1) E.g., one of the delegation from the U.K. Branch of the Commonwealth Parliamentary Association quoted in N.B.W.S.T. page 1, 4/9/60.

(2) W.F.G. pages 53/54.
South African leaders rejected a federal union. K.C. Wheare also points out: "It has been alleged * in the case of Australia, * * * that federal government has not been appropriate there because it imposes an undue financial burden on the people - the provision of a full paraphenalia of government in six states as well as for the Commonwealth as a whole." It is not necessarily true, then, that a federation of British Borneo would cost less to run than three separate territories. The saving through shared services would have to be weighed against the cost of maintaining an extra government. It would, I think, be true to say that any extra overall cost would be well justified by the advantages of a federation, but I think the argument of greater economy to support the idea of federation, whilst true in the case of certain services, is of doubtful validity when applied to the overall costs of government.

- Economic Advantages.

Sir Anthony Abell was quite definite on the economic advantages of federation: "I have no doubt that closer association in partnership will have great economic advantages to us. In time it is certain that the larger markets and the removal of trade barriers will lead to greater opportunities and to better trading conditions and therefore to a higher standard of living."

Sir Roland Turnbull made the same point in another way: "Economically small countries suffer from their excessive dependence on foreign trade. The economic success of federation would depend largely on the extent to which we are prepared to abandon internal trade barriers and to pool our productive resources."

These arguments are sound, but need qualification. The advantages of free trade would be considerable, provided that inter-territorial transport was developed as it undoubtedly would be under a federal government. Although basically similar, the three economies could to some extent complement each other. North Borneo was probably the best suited to food production and, along with Sarawak, could, with improved agricultural methods, help to meet the food and raw material needs of Brunei's urban population. Brunei's oil offered obvious advantages to both Sarawak and North Borneo. A free trade area would open a larger market for local primary and secondary products and would thus encourage the development of new industries and reduce, to some extent, the dependence of the three territories on overseas markets for the sale of their products and for the source of their consumer goods. It should nevertheless be remembered that British Borneo would have a small population for some time and that the domestic markets would be limited, especially while inter-territorial transport was underdeveloped. Whilst a free trade area would reduce the three territories' dependence on foreign trade both for imports and exports, the three territories and British Borneo as a whole would be likely to rely heavily on foreign trade for many years to come, if not indefinitely.
The economic arguments do not necessarily support a political union of the three territories. A Customs Union or economic confederation as suggested by the "Borneo Bulletin" would provide most of the economic advantages of federation. On the other hand, a political union would provide a more permanent bond and would enable economic planning and development for the three territories to be integrated with obvious beneficial results.


Both Governors argued that, although union presented substantial advantages for all three territories, and although they shared a number of common interests in those fields which were suggested as suitable for the federal government's responsibility, the identity and traditional characteristics of the three territories should be preserved. The Governors maintained that the type of closer association suggested, a form of federal union, would enable the three territories to pursue jointly their common interests and to enjoy the advantages of union, without sacrificing their identities and special local interests.

It is certainly true that, if a compromise is desired between union and individuality, a federal system is the most appropriate form of government to adopt. Whether the traditions, characteristics and special local interests of each of the three territories would be sufficiently preserved in a federation, would depend on the terms of the constitution. I think the Governors, quite naturally, played down the modifications that would occur to local characteristics and to the freedom to pursue special local interests. In so far as the new federal government succeeded in moulding a nation and in developing the country as a whole, regional variety would be diminished and, in some cases, for example, the aristocratic system of government in Brunei; and the differences in education and immigration policies, special local policies would probably have to be gradually modified in the direction of national uniformity. By the time these changes occurred, they would probably be supported by the people, but, if contemplated in 1958, they would undoubtedly have been opposed.

The question for the people of British Borneo to decide was whether there were sufficient areas of common interest and sufficient advantages to be gained from a union to justify creating a federation. Sir Roland Turnbull said that some people, after considering the proposal, might decide that the local, separate interests of the three territories were more important than their common interests. Such a view had rendered a federation of the Scandinavian countries of Norway, Denmark and Sweden, and of Malaya and Singapore, unacceptable. He strongly believed, however, that the common interests and the advantages to be gained from a federal union justified such a step in the case of the British Borneo territories.

I think he was right in that federation would bring greater security and increased economic development to the territories and in that there were sufficient areas of common interest to provide a common government with a sphere of responsibility. Most of the fields suggested by the Governors as
being suitable for immediate federal government control were either controlled by the British Government (defence, security and external affairs) or were already administered by joint departments which, although depending on the three territorial governments for their authority, were able to implement more or less standard policies. The fields in which different policies were implemented separately by the territorial governments would mostly remain in state hands at least for some time.

It should also be noted that, whilst each of the territories was in some respects developing along its own lines, the most noticeable feature of the British Borneo territories was the segmented nature of the societies that made up Sarawak, Brunei and North Borneo. British Borneo did not consist of three countries so much as of a number of different racial, cultural and religious communities. The dominant characteristics of Sarawak, Brunei and North Borneo were in fact different characteristics of different communities which were not grouped in markedly different ways from territory to territory. The same cultural, religious and racial elements (broadly speaking, Chinese, non-Muslim native, and Muslim Malay) were present in all three territories. Sooner or later the various cultures and communities had to be integrated to form a nation if the territories were to advance. In the process of becoming integrated, the communities would naturally lose some of their distinguishing characteristics, but this process would be inevitable with or without federation. As the three territories broadly consisted of the same community elements, these communities might just as well be moulded into a British Borneo nation as into three separate nations. The characteristics of the British Borneo territories would change anyway. They might as well be changed in a co-ordinated way.

The above reasoning does need slight qualification. Firstly, it is true that the three territories were at different stages of political development and showed different degrees of political consciousness. Nevertheless, viewed in the context of South-East Asia, these differences between each of the three territories were slight when compared with the differences between one or all of these territories and other South-East Asian nations. Secondly, although Brunei possessed the same racial elements as the other two territories, in Brunei the Muslim Malays dominated politically and socially. Thirdly, although, like its neighbours, Brunei was underdeveloped, unlike its neighbours it possessed vast wealth from its oil. Fourthly, the Sultan of Brunei was in theory a sovereign ruler heading a protectorate.

The different stages of political development and political consciousness were not particularly significant as all three territories were fairly certain to advance towards democratic self-government and political awakening. North Borneo could not be protected indefinitely against political controversy and Brunei could not remain an aristocracy for ever. The other qualifications mentioned above were likely to present greater problems. Federation would probably necessitate some sacrifice of Muslim Malay dominance in Brunei and would also probably necessitate Brunei's sharing some of its surplus wealth with its neighbours, at least through its contributions to federal government programmes. Brunei's entering a federation would also involve the Sultan's loss of nominal sovereignty at least in those matters surrendered to the federal government. On the other hand, his sovereign power was in fact
limited by his treaty obligation to accept the advice of the British Resident on all matters other than the Mohammedan religion.

The three British Borneo territories shared many common interests. It was argued, however, that Brunei shared stronger common interests with Malaya than with its Borneo neighbours. (1) In some respects this was true: as a Muslim Sultanate, protected by Britain, Brunei was more similar to most of the states of the Federation of Malaya than it was to the two British Borneo colonies; the more developed Malay states were not so poor in comparison to Brunei as were Sarawak and Brunei; Malay culture and Islam dominated in Brunei and in the Malay states, whereas in Sarawak and North Borneo they did not. On the other hand, Brunei, like its two neighbours, was underdeveloped and the three territories shared many common problems because of their underdeveloped nature and because of their geographical proximity. They also shared many common policies as a result of the joint departments which they shared.

It is reasonable to say, therefore that a federation of British Borneo would not involve an undue sacrifice of territorial characteristics and policies, although Brunei was likely to be required to make the biggest sacrifice.

(b) **Federation as a Formula for ultimate Independence:**

Two arguments not put forward by the two Governors and generally neglected in the public discussion of the proposal in British Borneo, are important enough to justify special mention. These arguments are concerned with the effect of federation on the political advancement of the territories.

In discussing the significance of the official proposal for closer association, I mentioned that the proposed federation of the British Borneo territories was connected with Britain's policy of leading dependencies towards self-government and independence. Neither Governor mentioned that a federation would accelerate or contribute towards the achievement of independence in British Borneo, although Sir Anthony Abell gave an assurance that it would not retard this process. Both Governors mentioned that Britain would continue to be a partner in the advancement of the territories.

It seems to me that one of the most important arguments in favour of the proposal was that it would provide an economic and political unit that could achieve eventual independence, whereas, as three separate entities, the British Borneo territories were unlikely to be able to survive other than as colonies or protectorates. With federation, eventual independence would be possible; without federation, independence would be unattainable. It also seems very probable that the economic, social and political development that would occur as a result of federation would accelerate the development towards self-government and independence.

Neither Governor used these arguments because self-government and independence were not widely sought in Sarawak and North Borneo, at least at that stage. Indeed, as I mentioned when discussing the public's reaction to the proposal, many people hesitated to support the principle of federation because they feared that it would bring premature self-government and independence, despite the Governors' assurances to the contrary. Both native and Chinese

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(1) S.T. 20/10/58.
spokesmen referred to the educational and economic backwardness of the native communities compared to the Chinese. Some Chinese feared that self-government and independence would give political power to a poorly educated and economically backward native majority which would demand discrimination against the Chinese. Many native communities relied on the British to help them to advance and feared Chinese domination in an independent federation. Other natives feared Muslim Malay domination. Many local people of various races favoured a continuation of colonial rule in North Borneo and Sarawak until the native communities had advanced sufficiently to take their place as equals alongside the Chinese. They feared that any change in the status quo would produce racial tension and would destroy the existing peaceful nature of Sarawak and North Borneo, as the races struggled for supremacy. Some Chinese in Brunei shared these fears, but the Brunei Government appeared to want independence and felt that a British Borneo federation would delay independence for Brunei. This was the impression given in the Sultan of Brunei's interview reported in the "Streits Times". (1)

It is not surprising, therefore, that the Governor did not suggest that independence was one of the advantages to be gained from a federation of British Borneo. Such a suggestion would probably have resulted in a clear rejection of the proposal, at least in North Borneo. There can be no doubt, however, that, from the point of view of British colonial policy, the major justification for the proposal was that it provided an economic and political foundation for the eventual emergence of a stable, independent country in British Borneo. It was this aspect of British Borneo's development that was in part responsible for the British encouragement of links both between the three territories and between British Borneo and Malaya-Singapore. There was an obvious need to link the British Borneo territories, either together or as a separate unit or with Malaya and Singapore. This was a point that had often been made both before the official proposal and after it. (2) The proposal for a federation of British Borneo appeared to answer the question: "What is the future for the British Borneo territories?"

Until 1958, this question did not appear to require an urgent answer, especially in the eyes of people, ex-patriate or local, in the British Borneo territories. There was no significant demand for self-government or independence. Indeed, in Sarawak and North Borneo, a number of local people feared rapid political advancement. The three territories were enjoying economic development and improvements in social services. The atmosphere was generally peaceful and contented. Britain, however, was under increasing pressure in the United Nations to divest herself of her colonial trappings. Indonesia showed signs of being likely to attempt to disrupt Britain's colonial rule in British Borneo. It was probable that the political situation in British Borneo would change rapidly as a result of internal and external political forces. Sooner or later the demand for self-government and then independence would arise amongst the people of these territories. There was already a sign of this demand in Brunei. The official proposal for a British

(1) S.T. 20/10/58
Borneo Federation was thus a timely attempt to provide a political unit in which later demands for advancement could be met without jeopardising the survival of the British Borneo territories.

Sir Hilary Blood, a former Governor of Barbados, Gambia and Mauritius, in a booklet published by the Conservative Commonwealth Council, advocated federation for territories too small to become full sovereign states. Although he suggested as an alternative, the integration of smaller territories with the United Kingdom or other Commonwealth countries, he had reservations about such a solution. He pointed next to the Federation of the West Indies as an example of experimentation in forming federations in colonial territories and suggested an extended Malayan Federation to include Singapore, Brunei, North Borneo and Sarawak. (1) The "London Times Weekly Review"(2) in commenting on the Governors' speeches, pointed out that "there has often been talk of a federation comprising Malaya, Singapore and British Borneo. It has lacked a tidy solution of British responsibility in the area". As the article pointed out, however, Malaya had its own problems and Singapore was unstable. A Federation of British Borneo seemed a more workable first step. If this federation was later incorporated into a federation with Malaya and Singapore, an even more secure political unit would result.

An official proposal in 1958 for a federation embracing Malaysia would have been more unacceptable to British Borneo opinion than was the proposal for a British Borneo federation. If Malaysia at that stage was not practicable and if some attempt had to be made to mould the British Borneo territories into a larger, more powerful unit, the creation of a federation of British Borneo was the obvious policy to pursue.

There were, then, substantial arguments that favoured the creation of a British Borneo federation. It was undoubtedly a desirable objective, but was it feasible?

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(2) 13/2/1958.
B. THE FEASIBILITY OF A BRITISH BORNEO FEDERATION.

In Part Two of this thesis I discussed some of the circumstances in which federal government is appropriate. I accepted K.G. Wheare's proposition that federal government is appropriate when several political units have a desire to be united under one government for certain purposes and to retain independent regional governments for other purposes. Successful federal government also requires that the federating units should have the capacity to work a federal system of government. Were the circumstances that existed in British Borneo such that a federation of British Borneo was appropriate?

It seems to have been established that most people in North Borneo and a smaller majority in Sarawak favoured federation in principle. The position in Brunei was more uncertain. There was undoubtedly wide support there for federation but the Sultan and his advisers seemed to be opposed to the idea. This rendered an immediate federation of all three territories impossible, but a federation of Sarawak and North Borneo seemed more likely.

Although the federation did not in fact occur, it is worth considering the circumstances in British Borneo at the time of the federation proposal to see whether the proposal was feasible. I think such a consideration shows that it was, even though the attempt to create a federation failed.

(a) Circumstances that could have produced a Desire for Union.

(i) Defence and Security.

I have already mentioned that each of the three British Borneo territories was too small in terms of size, resources and population to be secure as an independent territory. Even as colonies and a protectorate, their small size rendered them vulnerable to attack or subversion. As three small, separate territories, they provided a temptation to trouble-makers. Sarawak was already having trouble with Communist infiltration. The Philippines from time to time spoke of their claim to part of North Borneo. Indonesia, already owning most of the island of Borneo, and being dedicated to oppose European colonialism, was likely to be a source of trouble once West New Guinea was acquired.

A British Borneo federation, whilst still small in terms of population and resources, would nevertheless possess better combined facilities to maintain defence and security services, with British assistance. While the British bore the major responsibility for the defence and security of the three territories there was, in fact, considerable co-operation between the territorial governments and police forces, but a federal government would provide complete co-ordination and greater efficiency in defence and security matters. Once direct British control over these matters was withdrawn when independence was achieved by the three territories, a centralised administration to control defence and security would be
vital to ensure co-ordination.

The need for security has been an important force in producing federation, for example, in the case of Canada, and the need for a union to preserve the British Borneo territories against aggression was an obvious one in a turbulent South-East Asia.

Although this was one of the major arguments used by the two Governors to support their proposal for closer association, and although many other people echoed this argument, it did not register with the majority of the people. Although outside observers could see the dangers of Communist subversion, of Filipino aggression or Indonesian aggression, these were not generally realised by most of the people who, it should be remembered, were poorly educated and who tended to lead isolated lives with restricted horizons.

Communist subversion was more or less restricted to Sarawak. For those in Brunei and North Borneo to whom this was a comprehensible danger, the existence of Communist subversion in Sarawak was often regarded as an argument for refraining from joining a closer association with Sarawak, lest the closer association should result in the spread of subversion from Sarawak to its neighbours.

None of the local leaders and very few of the ex-patriates, took the Philippine's claim seriously. Few leaders were worried about Indonesia. Until 1958 and indeed until much later, Indonesia had done nothing overt in relation to British Borneo to cause anxiety. To the general public, the threat of external aggression from Indonesia or from anywhere else was of no significance. Life in British Borneo was peaceful and increasingly prosperous. The only Indonesians the people saw were immigrant labourers who, admittedly, sometimes ran amok, but who were generally friendly and seemed happy to be able to work in British Borneo. It was difficult to imagine any serious external threat to British Borneo's peace. Even I must confess that, until late 1961, the threat of external aggression seemed remote to me. British Borneo, especially North Borneo, was remarkably sheltered from the political storms of the outside world. Fear of Indonesia was not sufficiently real to cause people, leaders or villagers to want to take urgent steps to change the status quo in 1958.

Those to whom defence was a problem worthy of consideration, frequently took the attitude that, in the event of serious aggression, the real burden of defence in British Borneo would have to be borne by Britain and other Commonwealth countries. North Borneo and Sarawak as colonies and Brunei as a protectorate could rely on Britain to protect them, without the need of federation. Why, then, federate?

(ii) The administrative Advantages of shared Services.

I have already mentioned that some people, particularly Chinese businessmen, were pleased with the prospect of greater efficiency and reduced costs of government through shared services. Many mistook the argument of economy in certain activities through joint services as indicating that the overall costs of government would be reduced through federation, an argument which, as I have pointed out, was of doubtful validity. This view was even held by important leaders. For example,
Datu Mustapha, a prominent unofficial member of the North Borneo Legislative Council and, since independence, the Head of State of Sabah (North Borneo) said in a broadcast on 31/3/1958 over Radio Sabah that federation "will facilitate government administration and possibly it will minimise the budget expenditure of the Government". He added that "after Federation the country will be able to finance itself for important matters in the future". As far as I could discover, little was done to correct this possibly fallacious argument. Had federation occurred and had it proved more expensive than anticipated, it would have been extremely likely that opposition to federation would have spread rapidly, especially through the Chinese business community.

Although the valid argument of administrative efficiency and economy in certain government services and the probably invalid argument of an overall reduction in government costs through federation commended themselves to Chinese businessmen and to many local leaders, to the mass of the people, these arguments meant little. They paid little or no tax and, as far as they could see, the governments were providing adequate and rapidly expanding services. To people who operated their farms or worked their trades in much the same way as their ancestors had done for many generations, arguments of administrative efficiency and economy were of little significance.

(iii) The Hope of Economic Advantages.

Federation would undoubtedly produce great economic advantages if, as was more or less assumed, a free trade area was created within the federation. Domestic markets would be greatly increased and diversification of the economy would be encouraged through the larger potential markets available to primary and secondary producers. A co-ordinated, federation-wide development plan, pooling the resources of the three territories, would undoubtedly accelerate the rate of progress and the federation would almost certainly have greater success in attracting foreign investment than any one of the three territories alone.

These arguments commended themselves to most Chinese businessmen in all three territories. The Chinese businessmen were quick to see an opportunity to make more money. This was, however, an argument that appealed more or less solely to the business community. It was not sufficient in the case of some Chinese, such as the Chinese community of Kudat, to outweigh their fears for their political future in the federation. They preferred the more limited profits to be gained from trading in a British colony to the more dramatic profits to be gained in a larger nation in which they feared they would be left to the mercy of the Muslim Malays or the illiterate natives.

The obvious economic advantages of federation had little appeal to the natives. In Brunei, a number of Malays were generally aware of the fact that they enjoyed a higher standard of living than their brothers in the neighbouring territories. To many Brunei Malays, federation was likely to result in their being forced to share their new prosperity with their
neighbours. There was a risk that the economic advantages of federation would not compensate for the reduction in their oil-gotten wealth, reduced through being shared with Sarawak and North Borneo. In North Borneo and Sarawak, the realm of economics and trade was generally beyond the ken of the native. To many of those that understood the economic arguments in favour of federation, the increased prosperity that would result from federation was more likely to widen the gap between the shrewd Chinese traders and themselves. The widespread support of the principle of federation by the Chinese communities and the Chinese Chambers of Commerce provided further evidence to support the idea that the Chinese stood to gain most from federation. This native reaction was so pronounced in Sarawak that the Governor, in his Hari Raya Puasa message, felt obliged to refute the argument that federation was exclusively or predominantly in the interests of the Chinese. He stressed that federation would result in increased prosperity for all and in further advancement for the Malays and natives. (1)

The argument of economic advantages from federation, then, was of doubtful value in encouraging public support for the proposal.

(iv) The Desire for Independence.

I mentioned earlier that the only chance for the British Borneo territories to achieve economic and political foundations to support them as independent countries was through union. Had independence been a popular goal, there is no doubt that it would have produced widespread public support for federation. But, as I have already mentioned, independence was not generally sought in Sarawak or North Borneo and those who sought it in Brunei, with the exception of the People's Party, tended to view federation with Sarawak and North Borneo as a hindrance, as this would involve federating with colonies.

To most people and, indeed, to most of the local leaders, the problem of what would eventually happen to British Borneo was too remote to comprehend. British Borneo was generally peaceful and happy and reasonably prosperous. Politics was something that few local people, leaders included, really understood. Self-government and independence threatened to produce racial tension between the various communities of various levels of education, whom the paternal British administrators kept in check and whose needs they generally met. God or Allah or the Spirits were in Heaven or on top of Mount Kinabalu, the Governor or Sultan was in his Government House or Palace, the harvests came in, and if they didn't, the Government found rice, and all was generally well with the world. Why change this happy state of affairs? Perhaps, unfortunately, this happy state of affairs would not last, whether federation occurred or not, but most people did not seem to realize this and were reluctant to support any development that could destroy the peace and prosperity of their country.

(v) Freedom of Movement.

To the Chinese of Brunei, one of the most attractive aspects of federation was the probability of freedom of movement between the three territories. This was popular because freedom of movement would enable them to establish more business contacts, and it seems, because many Brunei Chinese were anxious to take up residence in the more stable and less aggressively Muslim Malay neighbouring territories. To others, however, in Brunei and in North Borneo, freedom of movement threatened to bring subversive elements from Sarawak. The Brunei Malays of Brunei seemed particularly keen to discourage immigration of non-Muslims and non-Malays from the neighbouring territories, as such immigration, as well as providing more people to share Brunei's wealth, could threaten to reduce the dominance of the Muslim Malay community in Brunei. Whilst popular with Brunei Chinese, then, this argument did not contribute to popular support of federation in most communities.

(vi) Some political Association prior to Federation.

Prior to the appearance of the British on the Borneo scene, the three British Borneo territories had been associated with each other and with the rest of Borneo, as parts of the Brunei empire. This association, however, was not conducive to a sense of unity. Although the Brunei Malays of North Borneo and Sarawak still tended to look with respect and admiration on Brunei and its Sultan, the other racial groups, particularly the non-Muslim natives, remembered tales of corruption and suppression under the Brunei masters and tended, if they had any views on the question at all, to regard the earlier link with Brunei as something from which they were well freed. In Brunei, the memories of past grandeur and the realisation that Brunei's territory had been gradually reduced by the activities of the British Government and by the authorities in North Borneo and Sarawak, tended if anything to foster hostility and suspicion towards both the British and the governments of Sarawak and North Borneo. Brunei resentment at Brunei's loss of territory was mentioned as one of the reasons for Brunei's unwillingness to federate with North Borneo and Sarawak by the delegation of the U.K. Branch of the Commonwealth Parliamentary Association which visited British Borneo to examine the prospects of creating a federation. (1)

After the British gained control in British Borneo the three territories at first tended to become separated. This trend was noticeably reversed after the second world war when the links between the three territories and between British Borneo and Malaya–Singapore were strengthened. Probably the most significant developments were the creation of the Inter-Territorial Conference which met at regular intervals to promote co-operation and consultation between the three territories and the

(1) Reported in "Straits Times" on 8/1/1960.
development of successful joint departments shared by the three territories. Before 1958, the British Borneo territories had in fact taken significant steps towards creating an administrative federation.

The administrative co-operation between the territories was, however, of little significance outside of government circles. British Borneo, like the three territories, was a historical accident, the product of interference by an outside power, not the product of internal forces. The boundaries of British Borneo with Indonesian Borneo were arbitrary and often cut across community links, especially among native societies. Although the three territories shared a basically common pattern of political development moulded by British influence and separated by this influence from the pattern of political development in Indonesian Borneo, there was no common sense of loyalty to or identity with a British Borneo entity, other than a vague sense of loyalty to the Queen and to the British Commonwealth. Such links as existed were imposed by the British and were not the result of indigenous sentiment.

There were also important links between Brunei and Sarawak. The Governor of Sarawak was the High Commissioner to Brunei to whom the British Resident in Brunei was responsible. Brunei also received considerable help in terms of senior staff from the Sarawak administration. These links, however, tended to cause resentment in Brunei as they symbolised Brunei's subjection to outside rule and her dependence on Europeans, despite her great wealth.

The three territories, then, did have some degree of political association with each other prior to the federation proposal, but whilst this was of significance to most leaders and to public servants, and whilst British attempts to integrate the three territories were reasonably successful at the administrative level, this association had failed to produce any sense of political cohesion on a British Borneo scale.

(vii) Leadership advocating Union.

In 1958 the three British Borneo territories were politically backward. Brunei alone possessed a political party and even this party was not particularly well organised, although it did claim wide support, probably correctly. None of the territories possessed directly elected central government bodies. Brunei, although possessing a political party, had virtually no elected bodies at any level and the Brunei People's Party was more or less forced to wander in the political wilderness, grumbling about the mysterious decisions made by the State Council in its secret sessions.

In all three territories, particularly in North Borneo and Sarawak, there were vocal and respected leaders of various communities. In Sarawak and North Borneo the development of local leaders had been carefully fostered by the British at all levels of government. These leaders, however, lacked strong organisations to channel views to them and to mould support for their policies. Most of the leaders were comparatively inexperienced in political matters and, quite obviously
from their speeches, had difficulty in grasping fully the implications of the federation proposals. There were, of course, a few marked exceptions to this statement, for example Phillip Lee of North Borneo.

Perhaps most important of all, the people of the three territories were generally at most at the dawn of political consciousness. Most people were illiterate or poorly educated. Mass media were of limited effectiveness in conveying views. Vague political concepts like the principle of federation were beyond their comprehension. Their lives generally revolved around the village or town. There was little or no sense of loyalty beyond the family, village or dialect group. The public lacked the knowledge to participate in public discussion of political issues, and there was virtually no means of expressing organised public opinion. There were organisations and bodies that to varying extents represented community groups, but the pattern of social and political activity in British Borneo was not generally such that the people would want to express an opinion on a political issue and those that did want to express an opinion found it difficult to do so with any effective results.

Only in Brunei was there any organised expression of opinion, and this came through the People's Party. To what extent the views of Azahari really reflected the views of his followers is uncertain. It is more likely that his followers accepted Azahari's views passively. In any case, the People's Party was not able to do anything to implement its views on federation, because it was obstructed by the Brunei Government.

In the three territories, there were, then, a number of leaders who spoke in favour of the federation proposals. Indeed, with the exception of Brunei, most of the leaders supported the federation proposal in principle by the end of 1958, at least sufficiently to justify further examination by a committee of the three territories. To what extent the views expressed by the leaders and organisations reflected the views of the people on whose behalf they claimed to speak, is open to question, but in general, there was wide support for the further consideration of the proposal. Although some individuals and organisations expressed reservations about accepting a federal union, and although a few declared themselves opposed to the principle of federation and to the further consideration of more detailed plans, there was very little widespread and no really organised opposition to the proposal, apart from the apparent but never clearly expressed opposition of the Sultan of Brunei and his Malay advisers on the State Council. The prospects for federation, in the light of the views of the local leaders, seemed good.

(viii) Conclusion.

From the above, it can be seen that there were circumstances in British Borneo that could have produced a substantial desire for some form of union and to some extent did so. Unfortunately, many of these circumstances and arguments favouring union were not fully understood or appreciated by the people or by some of their leaders. The circumstances favouring union nevertheless existed to a sufficient extent to justify
the conclusion that some form of union was feasible.

(b) Circumstances that worked against a Desire for Union.

The establishment of a federal union is the result of the balancing of two sets of circumstances: those favouring union and those favouring continued separation. The existence of differences between the prospective federal partners does not render federation impractical. Federation is impractical if, on the one hand, the differences between the territories are so great that any form of permanent union is undesirable or impossible or if, on the other hand, there are not sufficient differences between the territories to justify the continuation of separate regional governments.

The differences between the three British Borneo territories clearly rendered complete amalgamation of the territories impossible, at least as an immediate or short term objective, although, if federation produced increasing uniformity, the ultimate development of a unitary state of Brunei Borneo would be possible.

The differences between the British Borneo territories did not, however, render federation impractical, but rather, when considered alongside the similarities and common interests, indicated that a federal union was both desirable and feasible. This was apparently not the conclusion reached by the Sultan of Brunei, whose unwillingness to cooperate with the Sarawak and North Borneo Governments was one of the major causes of the failure of the attempts to create a federation of British Borneo.

(i) Existence as separate States:

In Part One of this thesis, I discussed the development of the territories of British Borneo. It is clear from this account that, in a sense, the three territories, under British control, were basically three separate states, each with its own history. Sarawak had, until the second world war, been a white rajahdom enjoying British protection. North Borneo had been a British protectorate ruled by a chartered company. Brunei had been a British protectorate ruled by a local Muslim Sultan who came from a long line of sultans with a reasonably glorious history. After the second world war, a foundation for future amalgamation of Sarawak and North Borneo was laid when these two territories became colonies. This development, however, tended to widen the gap between Sarawak and North Borneo on the one hand, and Brunei on the other. Brunei remained a sovereign state and was conscious of this fact and of the colonial status of its two neighbours. The difference in status between Brunei and its colonial neighbours can be exaggerated as, in fact, Britain was able to exercise considerable influence in Brunei's affairs, but, nevertheless, Brunei was a sultanate with its own sovereign head of state, and Sarawak and North Borneo were colonies headed by British appointed governors. This difference was of importance in the eyes of Brunei's ruling elite and was referred to by both Governors in their federation speeches, and by the Sultan of Brunei in his 1958 Hari Raya Puasa message(1) and in his interview with the "Straits Times". (2)
Whilst the separate existence of the three territories should be borne in mind it should not be forgotten that, especially since the second world war, administratively and economically they had tended to become integrated. It should also be remembered that they were all, to varying extents, segmented societies without a strong sense of individual nationality, although this was less true of Brunei.

(ii) Wealth:
All three territories were underdeveloped, but Brunei, unlike its neighbours, possessed vast wealth which it was unwilling to share with Sarawak and North Borneo. Brunei had the wealth to finance its own development and to support its notions of grandeur. Brunei's wealth was a major obstacle to its federation with Sarawak and North Borneo. This was clearly recognised in many comments on the prospects of closer association, (1) and was mentioned by the U.K. Branch of the Commonwealth Parliamentary Association delegation's report on the prospects of a British Borneo federation. (2) The Sultan of Brunei's interview with the "Straits Times" (3) tended to reinforce this impression. It was chiefly concern for the retention of Brunei's oil wealth that later caused Brunei, after much dithering, to decide against joining the Federation of Malaysia.

While ever Brunei remained considerably richer than its two neighbours, federation would be difficult to achieve. There was, however, hope for federation at some future date as Sarawak and North Borneo were developing rapidly and were becoming richer as their economies developed. Brunei's wealth was almost solely dependent on oil. Indeed, apart from its oil industry, Brunei possessed few resources. Oil production was steadily declining and the chances were that, some time in the future, Brunei would be likely to welcome federation with its two neighbours.

The wealth factor, whilst working against a federation of the three territories, did not work against a federation of Sarawak and North Borneo, as the difference in wealth between these two territories was not so great.

(iii) Different racial and cultural Composition of the three Territories:
All three territories possessed the same basic racial elements, broadly, Chinese, non-Muslim native and Muslim Malay. There were minor differences between the three territories, but, by and large, Sarawak and North Borneo were very similar in the racial and cultural composition of their societies. Christian, Pagan and Muslim elements existed side by side. Malay was more or less a lingua franca, although Chinese dialects and native dialects were important and English was gaining wider acceptance.

(1) E.g., B.C. 9 page 150.
(2) S.T. 8/1/1960
(3) S.T. 20/10/1958
The peoples of North Borneo and Sarawak lived predominantly rural lives, concerned with peasant farming or fishing, whilst the people of the towns, mostly Chinese, worked at trades or commercial pursuits.

The same statements could be made of Brunei, but there were some important differences. Firstly, the Muslim Malays constituted a larger element of the population. Secondly, there was a large urban population and a large wage earning population. Thirdly, and perhaps most important of all, the Malays enjoyed a privileged status both socially and politically. Brunei was an Islamic state, ruled by a Malay sultan and a Malay aristocracy. Malay was a well established language as the language of the Sultan’s court.

Any form of union, in the eyes of the Malay rulers and many of the ordinary Malays of Brunei, would result in their being a minority in the federation and would threaten to undermine their privileged position. In the eyes of non-Malays in Sarawak and North Borneo, closer association with Brunei threatened Muslim Malay domination through an alignment of the Brunei Malays of the three territories, and through Brunei’s wealth.

As with the previous factors working towards continued separation of the three territories, the racial and cultural composition of Sarawak and North Borneo was not sufficiently different to present an obstacle to the federation of these two territories, but the stronger racial and cultural position of the Muslim Malays in Brunei did present a serious obstacle to Brunei’s closer association with North Borneo and Sarawak. On the other hand, Brunei, like its two neighbours, had Chinese and non-Muslim native elements in its population. The difference between the racial composition of Brunei and North Borneo-Sarawak was one of degree. The cultural differences arising from this difference were by no means insoluble. Canada, for example, was able to unite predominantly French Catholic societies with predominantly English Protestant societies.

(iv) Different political Atmospheres and Traditions:

The separate existence and histories of the three territories and the difference in the racial composition of Brunei and Sarawak-North Borneo produced some important differences in political atmosphere and traditions between the three territories.

Sarawak and Brunei showed signs of greater political consciousness than North Borneo. As a result, Sarawak, with its Communist elements, and Brunei, with its People’s Party demanding reform, were, in North Borneo’s eyes, more unstable. Union with these territories, even if only a federal union, was likely to threaten North Borneo’s peaceful development towards self-government. Nevertheless, although this was not realised by the people of North Borneo, or by their leaders, one of the major reasons for North Borneo’s political peace and stability was that it was backward in its development towards democratic self-government. Once political consciousness and political activity in North Borneo reached a higher stage of development, it was almost certain that the peace of the North Borneo scene would be to some extent disturbed, with or without
federation. The most likely effect of union with Sarawak and Brunei would be an earlier rise of political consciousness in North Borneo. Many local people in North Borneo hoped to put off that evil day until educational standards had been raised and until the native and Chinese communities were more equal. Although this desire was understandable, I cannot help feeling that it was an attitude resembling that of the ostrich. It should also be mentioned that, although Sarawak and Brunei had some political tensions, by comparison with most other South-East Asian countries, they were both remarkably peaceful and stable. The difference in political consciousness between North Borneo on the one hand and Brunei and Sarawak on the other was not as great as many people believed and was likely to narrow in the not too distant future.

Probably of greater significance was the fact that Brunei was a protected sultanate and North Borneo and Sarawak were colonies. As I have already mentioned, this fact was, in the eyes of Brunei's rulers, an obstacle to federation with Sarawak and North Borneo. It appeared that the Sultan would have to sacrifice some of his sovereignty to a colonial federation. In fact, had federal powers been carefully limited, and had the financial provisions ensured the autonomy of the territorial governments, the Sultan need not have feared a significant loss of power.

K.G. Tregonning suggested that special concessions should be made to Brunei, so that the Sultan and his advisers would not feel that they were being asked to surrender too much.\(^{(1)}\) He suggested that there should be a federal upper house with equal representation for the three territories. This would be likely to be acceptable to all three territories, but alone, it would not satisfy Brunei. He also suggested that the resentment over Brunei's loss of territory should be reduced by a rationalisation of Brunei's boundaries and, in particular, by the surrender to Brunei of all the territory bordering Brunei Bay. This suggestion would no doubt be welcomed by the Sultan but would almost certainly be opposed by the Sarawak and North Borneo governments, although the people living in the area would probably favour such a suggestion, at least in the areas that were chiefly populated by Brunei Malays.

Probably Mr. Tregonning's most important suggestion and the one most likely to win the Sultan's support for federation, was that the Sultan should be made the Yang di-Pertuan Agong of the federation. This would undoubtedly be rejected by both the British Government and by the governments and non-Malay people of Sarawak and North Borneo. The federation was in the early stages to be a colony and would require a very able administrator as governor to guide its development. The Sultan of Brunei would be most unlikely to be able to do this job effectively, and, in any case, his appointment as Yang di-Pertuan Agong would most likely result in Britain's loss of control over the federation unless his powers were severely limited. If his powers were severely limited, he would be

\(^{(1)}\) N.B.N.S.T. 21/3/1958
unlikely to view the offer with favour. It would be possible, however, from the British Government's point of view, to offer the Sultan the position of Yang di-Pertuan Agong as soon as the federation became independent, except that the Sultan's position as Yang di-Pertuan Agong, together with Brunei's wealth, would probably result in Brunei's domination of the federation and consequent Muslim Malay domination.

The people of North Borneo and Sarawak, other than Muslim Malays, would almost certainly oppose such a move, partly because of fear of Brunei and Muslim domination and partly because such a proposal would resurrect memories of corruption and suppression in the days of the Brunei empire.

There appeared to be no way around the Brunei Government's reluctance to consider surrendering sovereignty over some matters to a federal government. This problem was made more difficult by the fact that Brunei was negotiating a new constitution which would convert the Sultan's nominal sovereignty into real sovereignty through granting internal self-government. This problem, however, need not have interfered with a proposal to federate Sarawak and North Borneo. Had detailed proposals been made and had these proposals shown the Sultan that he would not be required to surrender a great deal of his sovereignty, he might have given his support to the idea of federation.

There was one other important difference between the political traditions of Brunei and Sarawak-North Borneo. Sarawak and North Borneo had developed towards democratic self-government and towards elected government. Although North Borneo was well behind Sarawak as far as elections were concerned, unofficial members of government bodies at various levels were gaining increasing responsibility. Perhaps most important of all, community leaders in Sarawak and North Borneo were being trained, particularly through local government bodies, to cooperate with people of various races in formulating policies for the mutual advantage of all races.

In Brunei, elected government was virtually non-existent at all levels. Power was virtually monopolised by hereditary Malay aristocrats, who appeared unwilling to surrender their power, and who appeared unwilling to favour any development of policies that did not favour the Muslim Malays. There was mounting pressure in Brunei for a change in this situation and there were indications that the new constitution for Brunei, to be introduced in 1959, would introduce more democratic elements into the government. The problem was, however, that the major pressure for reform came from the People's Party, the only political party in Brunei. This Party, whilst claiming to be multi-racial was, in fact, largely dominated by Muslim Malays and was extremely radical. It seemed that Brunei's political future was not particularly promising. Although it was almost certain that the Sultan and his aristocratic advisers would have to surrender much of their power, it looked as if a radical political party with strong Muslim Malay nationalist tendencies was likely to assume control. This prospect for non-Malays and for conservative elements in Brunei and in North Borneo and Sarawak was not attractive.

Union between Brunei, North Borneo and Sarawak was thus not
favoured by the existing rulers of Brunei and was viewed with misgivings by non-Malays outside Brunei.

(v) Leadership opposing Union:
Throughout British Borneo, there was no important leader, official or unofficial, who voiced strong opposition to the principle of closer association. The Sultan of Brunei and his advisers who together controlled the Brunei Government and who determined Brunei's official attitudes, appeared, however, to oppose federation and did nothing to foster its acceptance. The silence of the Brunei Government and its implied rejection of the federation proposal, were extremely influential in sabotaging the negotiations for establishing a federation, even though it appeared that the official attitude of the Brunei Government did not represent the views of the people.

As I have already suggested, specific proposals earlier in the public discussion may have reduced the fears of the Brunei Government sufficiently to permit it to negotiate with the Sarawak and North Borneo governments. The fact is, however, that Brunei appeared to reject the proposal, and, as a result, nothing of significance ever came of the proposal for closer association.

(vi) Conclusion:
It is clear that there were important differences between the three territories that rendered amalgamation impossible and that made the formulation of suitable federation proposals difficult. It seems to me, however, that these differences could have been accommodated within a federal framework. Even if it had proved impossible to federate Brunei with its neighbours and, I believe, this would have been possible if the Sultan's attitude could have been changed, there was no serious obstacle to the federation of Sarawak and North Borneo.

(c) The Chances of Survival of a Federation of British Borneo.

The survival of a federal system of government depends on the continuation of the circumstances that favour both union and separation. I have already suggested that the differences between the territories would render complete amalgamation unlikely for some considerable time at least. The more important question is therefore whether a federation of British Borneo would be likely to remain united.

(i) Capacity to co-operate.
- Existing Co-operation.

The most important evidence to suggest that a federation would survive was the success of the Inter-Territorial Conferences in obtaining inter-territorial co-operation. Several joint departments had operated successfully implementing reasonably standard policies. The powers suggested for initial federal government control were chiefly those in which centralisation had already occurred. It was proposed that the existing joint departments should become federal departments. In addition to these activities, defence, security and external affairs were also suggested as suitable for federal control. These matters were controlled
by the British Government and their surrender to a federal government did not represent any loss of power on the part of the state governments. They were fields in which uniformity of policy already existed and in which it was clearly in the interests of all territories to pursue common objectives.

If necessary, federal powers need not have been extended beyond these activities until such an extension was thought desirable.

- Effect of Economic Development.

The Economic advantages of federation would most likely bring greater prosperity to all three territories, with resulting increases in the standard of living. Increased trade, improved communications and improved social welfare services rendered possible by increased prosperity, would all tend to integrate the segmented racial and cultural groups of the three territories. These factors, combined with a rise in the standard of living, would all contribute to the growth in confidence in and loyalty to the federal government and would, as a result, increase the chances of the federation's survival.

(ii) Likely Problems for the Federation:
- Increase in Federal Powers.

Both Governors in their speeches suggested that the federal government's power was likely to increase. This seems almost certain, in the light of the experience in other federations. Provided that this expansion was not rushed, the states would be unlikely to oppose this development. The most likely source of dissent would be Brunei which was likely to oppose an extension of the federal government's activities on the grounds that this extension interfered with the Sultan's sovereignty, even though the extension was in the interests of the three territories and even if it was supported by the other two state governments.

- Financial Problems.

Finance was likely to produce problems. Brunei would most likely be unwilling to contribute more than the other territories towards the cost of running the federation, yet it was clearly in a position to contribute most. Sarawak and North Borneo were likely to rely heavily on federal or foreign aid to finance their development. Both territories, despite their poverty, were in many ways more developed than Brunei. The provision of aid to North Borneo and Sarawak, especially if it was in part derived from Brunei's financial contributions, would be likely to cause resentment in Brunei, especially if its two neighbours developed more rapidly than it was able to do.

It would seem that the best immediate solution would be for the federal government's financial powers to be limited, and for most responsibility for development schemes to be borne by the state governments. Financial aid would have to come from overseas, predominantly from Britain as it then did. The disadvantages of such a system would be that the
federation would not enjoy the full benefits of co-ordinated planning for development, unless this could be accomplished through inter-state and state-federal co-operation agencies. This probable problem for British Borneo was in many ways similar to that which faced the Federation of the West Indies, where the federal government lacked sufficient financial resources to operate effectively and to channel aid to the more backward areas. On the other hand, the problem in British Borneo was not as serious, as all three territories had reasonably sound economies and were developing rapidly.

I think it unlikely that the federation of British Borneo would begin to function effectively until greater confidence in the federal government was established, until some sense of nationality was fostered and probably until the gap in wealth between Brunei and its neighbours was reduced. As the reduction of this gap by redistribution of Brunei's wealth was unlikely to be acceptable, this process was likely to take some time and to rely heavily on foreign aid. There was no reason why such aid should not continue. If federation did not occur, Britain's commitments for aid were unlikely to be reduced, and aid to the united territories was likely to be a better long range investment.

- Leadership Problems.

British Borneo's scarcest commodity was educated leaders. Political leaders, administrators and technicians were hard to find, and a federal system of government makes heavy demands on such leadership resources. It is clear that the federation would rely on ex-patriates for a considerable time, not only in technical fields but in the field of administration. This was unlikely to present a problem while ex-patriates were welcome. The chances were, however, that the desire for independence and self-reliance would grow and that federation would increase the rate of this growth. There were already signs of resentment in Brunei against the presence of British administrators and technicians.

The federation would test Britain's ability to foster the development of local leaders. If sufficient leaders of sufficient calibre were not produced before the demands for independence forced Britain to relinquish control, the federation would most likely topple, either because it would be viewed as an attempt to prolong British colonialism or because it would be handed over to political leaders and administrators who would be incapable of co-operating in running a federal system of government.

- Racial Problems.

Closely connected with the problem of leadership was the problem of racialism. All three territories were populated by different racial groups. Perhaps more significant was the gap in education and living standards between the native majority and the Chinese minority. Although British Borneo's race relations were remarkably good, the potentialities for serious clashes were there. In the discussion of the proposal for
federation, there was considerable evidence of racial tension and suspicion, so great in Sarawak, that the Governor felt obliged to appeal strongly for the preservation of good relations in the discussion.

Federation was likely to draw attention to racial problems, chiefly because of the privileged position of the Malays in Brunei. A struggle for racial supremacy was very likely unless Britain could foster the development of multi-racial political parties before independence had to be considered. The development of racial political parties would almost certainly lead to the collapse of the federation. The predominance of a Muslim Malay party in the federal government could cause moves for secession in Sarawak and North Borneo. The predominance of a non-Muslim Malay party in the federal government could lead to Brunei's secession, especially if the party was opposed to Muslim Malays.

It was possible, however, that, through the increased mingling and inter-dependence of the various communities as a result of economic development, the races could be integrated. Whether the races would become successfully integrated would depend very largely on the extent to which the natives could be encouraged to advance economically, educationally and socially.

Provided that the demand for independence did not arise too early in the life of the federation, there was a good chance that some integration of the races could be achieved and that some sense of common nationality could be fostered to counteract the narrow communal interests. It was also highly probable that inter-racial political parties could be fostered. In Malaya, where race relations at the time of federation were generally not as good as race relations in British Borneo, multi-racial parties emerged. As all three territories possessed the same racial elements, multi-racial political parties at the federal level could have wide electoral appeal.

(iii) Conclusion:

The federation would not have an easy future, but its problems would be similar to those of the Federation of Malaya and would probably not be as serious. The economic advantages of federation, the established co-operative ventures and the comparative political stability of the three territories would all contribute to the success of a federation. Provided that Britain was not forced to relinquish control prematurely it would have a very good chance of survival.
G. CONCLUSION.

A federation of British Borneo was both desirable and feasible. There were problems, particularly concerning Brunei’s inclusion in the federation, but I feel that a satisfactory solution to these problems could have been found if the three territories had been given more detailed proposals to consider, or if representatives of the three governments had met to discuss their problems and to work out suitable terms for a federal agreement.

Because of the differences between the three territories, it would seem that what Sir Roland Turnbull called “a loose federation” would have been the best starting point.

A proposal for limited federal financial and legislative powers would probably have been more acceptable to all three territories, especially to Brunei, than a proposal for wide federal powers. A loose federation would have its disadvantages, but it would be a considerable improvement on three separate units.

In a sense, the proposal for a federation of British Borneo did not involve a very major change in the existing situation. Although it was not generally realised, the three territories were in fact linked in a form of confederation through the Inter-Territorial Conference. One could almost say that, administratively, a federation of British Borneo already existed in the common judiciary and other joint departments. The creation of a federation would simply strengthen the existing links by creating a permanent political union.

If the federal government’s powers were limited to those activities which were then the responsibility of the British Government or of the joint departments, the state governments would in practice lose virtually none of their existing powers. It is true that the joint departments looked to each of the territorial governments for their authority and that in this sense the territorial governments controlled the activities of these departments, but in practice the joint departments implemented more or less standard policies without opposition from the territorial governments. There can be little doubt that a federal government controlling the joint departments would not interfere with the character or policies of the territories. It is true that, by joining a federation, the territories would be entering a permanent relationship and would be surrendering permanently some of the theoretical powers they then held, but, as they would be represented in the federal government and as the fields for which the federal government would be responsible would be those in which the territories shared common interests and reasonably standardised policies, I cannot see that such a step could damage state interests or would be a significant sacrifice of sovereignty, except, perhaps, for the Sultan of Brunei, whose theoretically absolute powers were due to be modified anyway after the new
constitution was introduced.

Naturally, there would be the risk that, once a federal government was created, it would grow in power at the expense of the territorial governments, but the framers of the constitution could provide important safeguards for state or special interests and could so limit the federal government that it would be unable to encroach on state sovereignty unless the states agreed to this.

Despite the feasibility and advantages of federation, it failed to materialise, partly because of Brunei's apparent reluctance to enter the federation. I think this reluctance could, perhaps, have been overcome, but even if it had not, there was no important reason why a federation of Sarawak and North Borneo could not have been created.

The fact that the proposed federation did not materialise does not mean that this failure was due to the impracticability of the idea. A federation of British Borneo was feasible and desirable, but failed to materialise for reasons not connected with the feasibility of a British Borneo federation.
Part Four

DEVELOPMENTS IN BRITISH BORNEO AFTER 1956
ADVANCEMENT OF THE BRITISH BORNEO
TERRITORIES AFTER 1958

The pattern of development in the three territories continued
to follow the lines of development of the previous years. North Borneo
and Sarawak became more prosperous, whilst Brunei, though still very
wealthy, continued to experience a steady decline in state revenues, as
the 1960 Brunei Annual Report explained "due no doubt to the fall off in
the production of oil and partly to the trade recession as a result of
there being no new development plan being introduced by Government". (1)
Social services continued to be improved and expanded. Although the
social and economic development of the three territories between 1958
and 1963 were considerable, it was in the field of politics that the
most dramatic advances occurred.

(1) A.R.B. 1960 page 1.
A. POLITICAL DEVELOPMENTS IN BRUNEI. (1)

(a) The 1959 Brunei Agreement.

After constitutional talks in London between the Brunei and British Governments a new treaty between the Queen and the Sultan was signed. (2) This treaty was of immense significance as it represented an important step towards independence. Under the treaty, the position of British Resident was abolished and the close link between Sarawak and Brunei was destroyed as the Governor of Sarawak was no longer to be the High Commissioner for Brunei. The Sultan agreed to receive a High Commissioner, appointed by the Queen after consultation with the Sultan, "to advise on all matters connected with the government of the State other than matters relating to the Muslim religion and the customs of the Malays as practised in the State." (3) The Sultan agreed to accept the advice of the High Commissioner and agreed that Britain should have complete control of the external affairs and defence of the State, in exchange for continued British protection. (4) The treaty also guaranteed impartiality of treatment for all persons of whatever race in the same grade in the service of the State and stressed the obligation of the Brunei Government "to provide for and to encourage the education and training of the local inhabitants of the State so as to fit them to take full share in the economic progress, social welfare and government of the State." (5)

In practice, under the new agreement, the British Government remained responsible for defence and external affairs whilst the State was given internal self-government. (6) Brunei was thus brought ahead of its two neighbours in terms of development towards independence.

(b) The 1959 Brunei Constitution.

The other significant development as a result of the talks between the Brunei and British Governments was the new constitution promulgated by the Sultan with the advice and consent of his traditional advisers. (7) The constitution followed to a large extent the 1948 constitutions of the Malay states. (8)

Under the constitution, supreme executive authority in the state was vested in the Sultan who appointed a Mentri Besar (Chief Minister) as the Chief Executive Officer responsible to the Sultan for the exercise of his authority. (9)

(1) I have found it particularly difficult to form a clear, detailed picture of the developments in Brunei as, at the time of writing, the latest available Annual Report for Brunei is 1960 and even in those reports that are available, very little detail is given about political developments. This account is therefore based on what information is contained in the Annual Reports and on items mentioned in the press.

(2) A.R.B. 1959 page 1. (3) B.C.9 page 123
(8) B.C.9 page 120 (9) A.R.B. 1959 p.1
The Mentri Besar thus assumed the powers of the former British Resident. (1) In general, the Sultan was empowered to act without consultation with the Executive Council but not necessarily in accordance with the advice of that Council nor necessarily in that Council assembled. (2) The Sultan was required to consult the Executive Council in the exercise of his powers and in the performance of his duties, except on urgent or trivial matters or in cases where the State would sustain "material prejudice" if a reference to the Council were made. (3) Either the Sultan or the Mentri Besar could submit questions to the Council. The Sultan could act in opposition to the advice of the Council, but, if he did so, he was required to record fully in writing the reasons for his decisions. (4) Under the new constitution, the Sultan was thus in a similar relationship to his Executive Council as was the governor in each of the neighbouring territories, although, unlike the governors, he did not have to submit his reasons to the British Government for acting contrary to the Executive Council's advice. (5) The Sultan, although still powerful, was no longer an autocrat limited only by the advice of the British Resident.

The new constitution replaced the previous State Council with two separate councils, the Executive Council and the Legislative Council.

The Executive Council consisted of eight ex-officio members (two Wazirs, the Mentri Besar, the State Secretary, the Attorney-General, the State Financial Officer, the Religious Adviser and the High Commissioner) and seven members appointed by the Sultan, six from among the elected members of the Legislative Council and one from among the nominated members of the Legislative Council. (5)

The Legislative Council consisted of eight ex-officio members (the same as the ex-officio members of the Executive Council, except that the High Commissioner was replaced by "the holder of an office from time to time designated by the Sultan"), six official members appointed by the Sultan from the civil service, three nominated members appointed by the Sultan, of whom two were appointed to represent "important interests which, in the opinion of the Sultan, are not adequately represented by the elected members", and 16 other members appointed by the Sultan but to be elected by October 1961. (7) When elections occurred, only Bruneians of 21 years of age or more would be eligible to be elected. (8) The Legislative Council was presided over by the Mentri Besar as Speaker unless the Sultan decided to appoint some other person as Speaker. (9)

In addition to the Executive and Legislative Councils there was also a Privy Council to advise the Sultan on his prerogative of mercy and to exercise other advisory functions relating to such subjects as dignities,

(1) "Brunei Today", page 5. Government Information Services, Brunei.
(2) B.C. 9 page 120
(3) Ibid
(4) B.C. 9 page 121
(5) B.C. 9 pages 120-121
(6) B.C. 9 page 120
(7) B.C. 9 page 121
(8) Ibid
(9) Ibid
titles and honours. (1) The Privy Council was presided over by the Sultan and included in its membership the High Commissioner. (2)

Other important provisions of the constitution included provision for the establishment of a Public Service Commission, (3) provision for a proclamation of a state of emergency, (4) the establishment of an Interpretation Tribunal to interpret the constitution, (5) provision for constitutional amendment by proclamation of the Sultan with the approval of the Legislative Council and after consultation with the Privy Council (6) and the establishment of Islam as the State religion with the Sultan as the head of the religion. (7)

The new constitution represented a considerable political advance in that the Sultan no longer had autocratic powers and in that the constitution provided for a large minority of Legislative Council members who, by October 1961, were to be elected. The Brunei People's Party was not satisfied, however, by these advances. The People's Party advocated a constitutional monarchy with more democratic provisions favouring elected government.

(c) Other Political Developments.

The Brunei Government was slow in developing more democratic procedures. Some of the provisions of the new constitution, for example, the establishment of a Public Service Commission, (8) were not implemented even as late as the end of 1960.

No immediate change was made in the field of local government, except that the district officers were no longer responsible to a British Resident. Brunei Town, Tutong and Kuala Belait continued to have municipal boards, presided over by the district officers. (9) At the end of 1960 the Legal Department began working on the preparation of Orders to be made under Section 80 of the Constitution, providing for the establishment of an Election Commission, the establishment of new elected district councils and for the election of elected members of district councils to the Legislative Council. (10) The introduction of the Constitution (District Councils Order to supersede the 1959 Constitution (District Councils) Order was delayed awaiting the passage of a draft Nationality Bill as the latter would affect the matter of qualifications for membership of district councils. (11) It was also later announced that the municipal councils would be created. (12)

Although the new constitution provided that 16 members of the State's Legislative Council were to be elected by October 1961, the Brunei Government appeared to be moving slowly towards providing for elections.

(1) B.G. 9 page 121
(2) Ibid
(3) Ibid
(4) B.G. 9 page 122
(5) Ibid
(6) Ibid
(7) Ibid
(8) A.R.B. 1960 page 87
(9) A.R.B. 1960 page 179
(10) A.R.B. 1960 page 88
(11) Ibid
The first step was to have district councils nominate their representatives. Azahari, leading the People's Party, demanded that elections should be held and reminded the Brunei Government of its constitutional obligations to hold elections. It was not until 1962, however, that the first district council elections were held, on the basis of adult suffrage. After the district council elections, the 16 elected members out of the 55 Legislative Council members were elected by and from among the membership of the four district councils. The elections at both the district council and legislative council levels gave an overwhelming victory to the People's Party which won all of the elected seats but which was outnumbered in the Legislative Council by the Sultan's nominees. The People's Party claimed that this result showed clear public support for its policies, including opposition to Malaysia. The People's Party Legislative Councillors were sworn in and declared their intention of co-operating with the Brunei Government to assist in the country's development towards a more liberal constitution. Unfortunately, this did not happen.

(d) The Brunei Rebellion.

The Brunei People's Party grew increasingly frustrated by the Brunei Government's failure to encourage more rapid development towards democratic government, by the Sultan's continued failure to do anything towards establishing a federation of British Borneo, as advocated by the People's Party, and by the Sultan's apparent desire for Brunei to join the proposed federation of Malaysia, despite the People's Party's objections to such a merger prior to a British Borneo merger.

This frustration caused some of the leaders of the People's Party to form a secret military wing of the People's Party called the Tentara Nasional Kalimantan Utara (North Kalimantan National Army) or T.N.K.U. as it became known, dedicated to the use of violence to obtain the objectives of the People's Party. In December, 1962, this organisation, led by Azahari, launched the Brunei Rebellion with the intention of creating a new state of Brunei, Sarawak and North Borneo. Azahari and his party gave the impression that they were still loyal to the Sultan. The Sultan clearly did not support Azahari's cause, for he called on the British for assistance which resulted in British troops being sent to Brunei to help put down the rebellion. The Sultan also temporarily dissolved the Legislative Council and established an Emergency Council to carry on the government of the country.

The Sultan announced "that the insurrection had not altered the determination of his government to move forward by constitutional methods to that form of independence which would give the greatest political and

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(2) E.g., B.B. 24/6/61; S.T. 7/7/61.
(3) P.M. page 28; B.T. 11/6/62.
(4) "The Economist" 15/12/62, page 1092
(5) P.M. page 66
(6) Ibid
(7) "The Economist" 15/12/62, p. 1093
(8) Ibid
(9) Ibid P.M. page 66
(10) Ibid
economic opportunity to the people of Brunei, and that representative institutions would be restored as soon as possible.”(1)

The rebellion did not deter the Brunei Government from continuing discussions on the terms for Brunei’s entry into Malaysia. (2) In Sarawak and North Borneo, the Brunei Rebellion tended to increase support for the Malaysia proposal. Leaders of all political parties condemned the revolt and rejected Azahari’s claim to speak for the peoples of Sarawak and North Borneo. (3) The condemnation of the rebellion was not confined to the pro-Malaysian political parties of these territories. Even the Sarawak United People’s Party, which did not favour the creation of Malaysia, joined in this condemnation. The effect of this revolt was summed up as follows:- “Far from gaining support in Sarawak and North Borneo for his movement, Azahari’s revolt, and the moral support for it expressed in some foreign countries (chiefly Indonesia) had only stimulated further support for the Malaysian plan in the territories and indeed had led to a greater awareness among the people of all the five territories involved of their common dangers and their common interests.”(4)

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(1) F.W. page 66
(2) Ibid
(3) Ibid
(4) Ibid. This line of reasoning is also supported by "The Economist" 2/9/1963 page 997.
B. POLITICAL DEVELOPMENTS IN SARAWAK.

(a) Local Government.

Sarawak's system of local government continued to develop well after 1958. In 1959 the constitutions of all rural district councils were revised to conform largely with a standard model and in the same year the first country-wide local government elections were held. (1) Also in 1959 the Council Negri defined the ultimate responsibility of local authorities in the field of primary education and introduced a system of matching rate grants to encourage the extension of the rating principle. The government also introduced a generous central government capital grant and loan assistance. (2)

The 1962 Sarawak Annual Report sums up the progress in the field of local government as follows:

"Progress has been uniformly satisfactory and this has been accompanied by the steady decrease in ex-officio representation, a process which is now complete. The enhanced status of District Councils has been accompanied by a strengthening of their staffing position, resulting in a greatly diminished need to second Central Government officers to these bodies, although the technical advice of such officers is always available to Councils on request. Elected Councillors and their administrative staff have taken readily to United Kingdom practice and principles in the field of Local Government; as well as forming an integral part component of the current programme of rural development - being responsible for, in addition to the provision of orthodox Local Government services, the fields of primary education and preventative medicine - Councils constitute an important vehicle in the spreading of the democratic process.

The remarkable results achieved within such a comparatively short period can be attributed, in part, to the responsible manner in which elected Councillors have responded to the very considerable degree of independence of action given to District Councils. Central government control is confined to the field of major policy principles, and the approval of annual revenue and expenditure estimates, by-laws and senior staff appointments. The financial and administrative stability of these bodies gives cause for future optimism, although much work remains to be done on such fundamental problems as independent valuation for rateable purposes, an equilisation formula related to the wide variation in needs and resources between different councils and the training of senior technical staff." (3)

(1) A.R.S. 1959 page 3
(2) A.R.S. 1959 page 198
(3) A.R.S. 1962 page 327
(b) Elections.

During 1959, the first country-wide elections were held by ballot box to choose new District Councils and, via the Divisional Electoral Colleges, new elected members of Council Negri. (1) All council areas were divided into wards, which, as far as possible, avoided creating electorates on a racial basis. (2) The public response was encouraging, the average poll being about 75% of the electorate. (3) By 1st January, 1960, when all the newly elected councils took office, (4) Sarawak had achieved elected local government.

When the newly constituted Council Negri met in March 1960, one of its first jobs was for the elected members to choose five representatives to sit on the Supreme Council. (4) As from March 1960 Sarawak had executive and legislative councils with elected majorities, even though the elected members were only indirectly elected.

In the October/November 1961 session of the Council Negri, proposals for further constitutional advance were adopted. These proposals retained the existing system of indirect election to the legislature and the existing number of seats with some redistribution, but proposed that the next elections planned for 1962 should be conducted on the basis of adult suffrage instead of on the existing limited franchise. Provision was also made for a reduction in the number of nominated members and for the introduction of a member system during the life of the next legislature, with a view to preparing for a full ministerial system. (5) It was also proposed to abolish the position of President of Council Negri, a position then held by the Chief Secretary, and to create the new post of Speaker. (6)

During 1962 no elections were held. It was planned to hold the new elections on a basis of full adult suffrage in 1963. (7) Some modifications were made to the 1962 proposals for constitutional advance. It was decided to introduce a ministerial system of government in 1963 and to reduce the number of nominated members ofCouncil Negri still further from a maximum of 15 to a maximum of three, with a corresponding increase in the number of elected members to a total of 26. (8)

On 10th March 1963, the Council Negri unanimously adopted a motion for amendment of the constitution to provide for:

"(a) A Supreme Council consisting of a Chief Minister, ex-officio members and five members of the Council Negri to be appointed by the Governor on the advice of the Chief Minister."

(1) A.R.S. 1959 page 3
(2) A.R.S. 1962 page 327
(3) A.R.S. 1961 page 208
(4) Ibid
(5) A.R.S. 1961 page 2
(6) A.R.S. 1961 page 210
(7) A.R.S. 1962 page 3
(8) A.R.S. 1962 page 324
(b) A Council Negri consisting of a Speaker, three ex-officio members, 36 elected members, one standing member and not more than three nominated members.\(^{(1)}\)

On 1st June these changes were to be set in motion with the dissolution of the existing Council Negri, followed by general elections on the basis of universal adult suffrage, culminating in mid-August in a new Council Negri constituted on the above basis.\(^{(2)}\) The elections in fact occurred at the end of June 1963, resulting in a clear win for the parties supporting Malaysia.\(^{(3)}\) Before the creation of Malaysia, Sarawak thus had an almost completely elected legislature and a ministerial system.

(c) Political Parties.

In the middle of 1959 Sarawak’s first political party, the Sarawak United People’s Party was formed.\(^{(4)}\) Although the party did not campaign as a party in the local government elections, it gained a majority in the Kuching Municipal Council and had members elected in other councils.\(^{(5)}\) The formation of the Sarawak United People’s Party was followed by the emergence of a second party, the Party Negara.\(^{(6)}\) During 1959 and 1960 both parties campaigned actively for members.\(^{(7)}\)

In 1961 the Sarawak National Party was formed and was followed in 1962 by the formation of two more political parties, the Sarawak Conservative Party, mainly consisting of Ibans \(^{8}\) from the Rejang River and led by Temenggong Jugah, and the Sarawak Chinese Association. The Sarawak Conservative Party, the Sarawak Chinese Association and the Sarawak National Party formed a united front and then an alliance. Although this multi-racial alliance was an encouraging sign the effectiveness of the Alliance was hindered by a great deal of bickering between the political leaders.\(^{(9)}\)

(d) Advancement of Borneans in the Public Service.

In December 1959 the Select Committee of the Council Negri on the Borneanisation of the Sarawak Civil Service presented a report to the Council emphasising the importance of the government’s training and scholarship programme under which every effort was being made to encourage local people to prepare for senior posts in the Civil Service.\(^{(10)}\) It was also significant that in 1959 the former Native Officers Service was renamed the Sarawak Administrative Service and was opened to members of all races, including Chinese.\(^{(11)}\) This was an important step towards encouraging the Chinese to take a more active part in government.

\(^{(1)}\) F.M. page 72  
\(^{(2)}\) Ibid  
\(^{(4)}\) A.R.S. 1959 page 4  
\(^{(5)}\) Ibid  
\(^{(6)}\) Ibid  
\(^{(8)}\) A.R.S. 1962 page 9  
\(^{(9)}\) Ibid  
\(^{(10)}\) A.R.S. 1959 page 6  
In November 1961 a Public Service Commission was established to advise the Governor on appointments and promotions in the public service. The Commission had a majority of unofficial members.

During 1962 Borneoisation continued to make steady progress under the Public Service Commission which became fully operative under the temporary chairmanship of an "experienced officer with experience of such Commissions elsewhere".

(e) Communist Subversion.

The threat of Communist subversion remained constantly present in Sarawak. In 1959 two Chinese-born teachers were deported and the government stated firmly that it would not tolerate subversive activity in the schools, in the trade unions or anywhere else. In a Sessional Paper published in July 1960, the government warned the people of "the existence of a secret organization working underground for the establishment of a Communist state". In 1961, the Communist subversive activities still remained underground but, to provide itself with additional reserve powers to handle the Communist threat, the government passed a Restricted Residence Ordinance in November 1961.

In 1962 the Communist problem became worse. The 1962 Annual Report described the situation as follows:

"The problem of purely Chinese communist subversion became more and more serious during the year and firm action had to be taken against a number of leaders of the Clandestine Communist Organisation. Several undesirables born in China were deported during the year and several persons who had been born in Sarawak and on whom restriction orders had been served confining them to small country towns in Sarawak, elected to return to China of their own free will. Energetic police action was maintained and resulted in the capture of a very large volume of Communist documents. A great deal more was learnt about the nature and workings of the movement.

Much of the indoctrination has been taking place through three papers in Kuching, Sibu and Miri which continually published pro-Communist articles and Communist study material and indulged in a campaign of hatred against the British and Malayan Governments and those who agreed with the national education policy of Sarawak. They also laid stress on the glorification of all things Chinese and Communist.

A final warning was given to the press on 8th June, but had only a temporary effect. Sedition proceedings had to be taken against several publications and at the end of the year the three main offenders were closed down. The Communist movement in Sarawak, which

(1) A.R.S. 1961 page 2
(2) A.R.S. 1962 page 4
(3) A.R.S. 1959 page 4
(4) A.R.S. 1960 page 5
(5) A.R.S. 1961 page 4
is entirely confined to a small section of the Chinese community, has undoubtedly done that vast majority of loyal Sarawakian Chinese a great disservice." (1)

Rebellion.

On 8th December 1962, Sarawak experienced "an outbreak of violence unparalleled in the history of peace-time Sarawak". (2) At the same time as the rebellion in Brunei broke out, disturbances occurred in the Limbang and Sibuti districts of Sarawak. The rebels were mainly Kedayans and Brunei Malays who were supporters of the Brunei rebel cause. In Limbang, rebel forces captured the town and police station, taking all government staff as prisoners. The rebels held Limbang until 12th December, when it was captured by the Royal Marines. Security forces and government staff succeeded in restoring all services and, by the end of 1962, the area was nearly back to normal, although the revolt left a scar on the area. In Sibuti, the disturbances were not so severe. Rebel forces captured the fort and government staff and held out for several days, but, although there was a great deal of tension and anxiety in the area, they did not succeed in carrying out their plan of capturing Miri and other areas in the Fourth Division.

(1) A.R.S. 1962 page 3
(2) A.R.S. 1962 page 8
6. POLITICAL DEVELOPMENTS IN NORTH BORNEO.

(a) Local Government.

North Borneo, although behind Sarawak in the development of local government, continued to establish more district councils and village councils. There was considerable variety in their constitutions and activities in accordance with the government's policy of experimenting to find a system of local government most suited to the needs of the various communities. In 1959 the North Borneo Annual Report was able to claim: "There are now few administrative districts, and these mostly in the remote interior, in which some form of local government has not yet been inaugurated."(1) By 1960 only two districts lacked some form of local government.(2)

In 1959, an important step was taken towards increased responsibility for unofficial members of town boards when the constitutions of the Jesselton and Sandakan Town Boards were changed to provide that the Chairman should be the only official member.(3) This development proved so successful that in 1960 a similar change was made in the constitutions of the Tawau and Labuan Town Boards. (4) The unofficial members were still not elected, however, but were appointed by the Governor.(5)

Elected government was first introduced at the local government level. By the end of 1962, after the country had experienced its first local government elections, 14 out of the existing 18 local authorities had elected majorities mostly consisting of Sabah Alliance Party members.(6)

(b) Development towards elected Government.

North Borneo, although well behind Sarawak in this development, continued to encourage increased responsibility for unofficial members on various committees and boards of the central government.

In 1960 a new constitution was introduced providing for an increase of one unofficial member in the Executive Council, thereby establishing for the first time an equal number of official and unofficial members in this Council. The new constitution also provided for an unofficial majority in the Legislative Council by decreasing the combined number of ex-officio and official members from 12 to seven and by increasing the number of nominated or unofficial members from 10 to 12. 10 out of the 12 unofficial members were appointed by the Governor from a substantially enlarged panel of names put forward by a number of representative bodies supplemented for the first time by names suggested by Residency Teams and the four Town Boards.(7) Later, names recommended by District Councils were also added to the panel.(8)

(1) A.R.W.B. 1959 page 190
(2) A.R.W.B. 1960 page 194
(3) A.R.W.B. 1959 page 13
(4) A.R.W.B. 1960 page 14
(5) A.R.W.B. 1960 page 195
(6) A.R.W.B. 1962 page 9
(7) A.R.W.B. 1960 page 14
(8) F.M. page 28.
In 1961 the emergence of political parties indicated that the time was approaching to institute elections. Preparations were begun before the end of 1961 for local government elections to be held in at least some of the town boards and district councils before the end of 1962.\(^1\) In December, the Governor announced to the Legislative Council that the constitution would be amended to provide for an increase of six unofficial members in the Legislative Council so that more local people could gain experience in politics. The new members would be appointed from the panel of names referred to earlier.\(^2\) Two additional members, one official and one unofficial, would also be added to the Executive Council.\(^3\) The Governor's reserved legislative power would not be affected by the change.\(^4\) These changes were implemented in 1962.\(^5\) By 1962 the composition of the Legislative Council was 18 unofficial, four ex-officio and three official members.\(^5a\)

In June of 1962 the Local Government Elections Bill was passed by the Legislative Council, making all the necessary legislative provision for election of members to local authorities based upon universal adult suffrage subject to a short residence qualification. In July the Secretary for Local Government was appointed Controller of Elections with responsibility for the organisation and conduct of the elections. The Government's plans were summarised by the Annual Report as follows:— "It was decided that in the first instance elections should be held in the four Town Boards and in 11 of the existing 14 District Councils to provide a majority of elected members in all these Local Authorities. Elections for the remaining three District Councils, which were all of recent formation, would take place as soon as possible thereafter. Wards were delineated, each to elect a single member; District Officers were appointed Registering Officers for their districts and arrangements were made for the voluntary registration of voters and preparation of electoral rolls in these areas."\(^6\) Within six weeks the registration was completed and it was estimated that about 90% of those eligible to vote had registered.\(^7\)

Nomination Day was planned for 29th October with the polling to occur on 19th November 1962. The main political parties were, however, still negotiating for the formation of the Alliance Party and at the request of their leaders, the elections were postponed for four weeks.\(^8\) Through the press, radio and pamphlets an extensive campaign was conducted to explain the purposes of the elections and the methods of voting.\(^9\) To assist illiterate voters, both the notices of contested elections and the ballot papers contained both the name and the registered election symbol of each party.\(^10\) On 16th December polling began in all districts in which nominations had been received, except in the Sipitang area, where unrest connected with the Brunei Rebellion caused

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\(^{(1)}\) A.R.N.B. 1961 page 3  
\(^{(2)}\) Ibid  
\(^{(3)}\) Ibid  
\(^{(4)}\) Ibid  
\(^{(5)}\) A.R.N.B. 1962 page 236  
\(^{(5a)}\) F.M. page 28  
\(^{(6)}\) A.R.N.B. 1962 page 9  
\(^{(7)}\) Ibid  
\(^{(8)}\) Ibid  
\(^{(9)}\) Ibid  
\(^{(10)}\) Ibid
the elections to be postponed, and except in one ward in the Kudat area where there was an irregularity in the nomination papers of the one candidate. (1) 202 candidates stood for election in 118 wards, in 53 of which unopposed candidates were declared elected. (2) The elections were carried out smoothly with a poll of 80–90% in most wards. (3)

By the end of 1962, there were thus elected majorities in 14 of the existing 18 local authorities and approximately 75% of the population had had its first experience of voting. (4) Elections in a further three districts were planned for 1963. (5) The elections returned a large number of Sabah Alliance Party candidates unopposed and in the contested elections the Party won a sweeping victory of 85%. (6) This was not surprising, as there was no organised opposition party, but nevertheless, the election results were taken to indicate overwhelming support in North Borneo for Malaysia, which the Alliance Party fully supported. (7)

In 1963, in preparation for Malaysia, further constitutional advances were made. As soon as the remaining local authority elections had been held in April, arrangements were made for the elected local authorities to become electoral colleges for the election of the members of the Legislative Council. (8) The system of indirect election replaced that of nomination by the Governor from the panel of names and thus established a Legislative Council that could claim to represent the people, even if only by indirect election.

In March 1963, progress towards the establishment of a ministerial system was begun when six unofficial members of the Council were given departmental responsibilities. (9) By Malaysia Day, North Borneo thus had a Legislative Council with an elected majority and a functioning ministerial system.

(c) Political Parties.

Political parties were slow to emerge in North Borneo. In March 1959, Sir Roland Turnbull said in Singapore: "Our people are so busy that they just don't have the time to dabble in politics." (10) The first political party did not appear until 1961. The 1961 North Borneo Annual Report commented on this late arrival of political parties as follows:

"1961 marked the end of North Borneo's long insulation from party politics. For the first few months of the year there were no indications of impending change in the pattern of quiet and orderly progress in economic and educational advancement that had been followed since the end of the war. Although there had been talk for some time past of the formation of political parties and it was widely acknowledged that sooner or later these were bound to come,

(1) A.R.N.B. 1962 page 9
(2) Ibid
(3) Ibid
(4) A.R.N.B. 1962 page 9
(5) A.R.N.B. 1962 page 239
(6) Op cit.
(7) A.R.N.B. 1962 page 10
(8) F.K. page 72
(9) Ibid
(10) S.T. 14/3/1959
there was an understandable reluctance to take the plunge through realisation that they carried with them the danger of communal dissension and a breakdown in harmony between the many different races, in which the country has always taken a justifiable pride."(1)

Political parties were formed as a result of the widespread political consciousness aroused by the Prime Minister of Malaya's proposal of May 1961 for the formation of a federation of Malaysia. The North Borneo Annual Report describes the formation of the parties as follows:

"The lead, in the absence of elections, tended to come from nominated unofficial members of the Executive and Legislative Council and other persons of standing in the community. At first they had many difficulties to contend with, such as lack of political experience, shortage of suitable organisers and the reluctance of many people to embark on the stormy seas of politics. In the early months of political organisation, it was not surprising that there should have been frequent shifts in allegiance and alignment. But by the end of the year a clearer pattern had emerged, with five main political parties, the United National Kadazan Organisation (the first in the field), the United Sabah National Organisation, the United National Pasok Mcentre organisation, the United Party and the Democratic Party. These parties differ mainly in the composition of their membership and in their attitude towards Malaysia."(2)

Each of these parties appealed predominantly to one particular racial group. (3) In addition, North Borneo Chinese Associations sprang up in nearly every town. They professed to be non-political but in fact exercised considerable influence over Chinese communities through the clan organisations.(4)

During 1962 the political parties were active in strengthening their positions and in winning support from a wider representation in the country. (5) A complicated series of changes also occurred. The three parties that had opposed Malaysia decided to drop their opposition(6) and a series of mergers between the parties occurred, resulting in October in all of the original parties' becoming members of the Sabah Alliance Party. (7) In October a new party, the Sabah Indian Congress, was formed and was admitted to the Sabah Alliance Party. (8) The Sabah Alliance thus emerged as a multi-racial party, embracing all political parties in North Borneo. During September the Alliance Party and its constituent parties began to show an interest in electoral procedure. Party officials were sent to Malaya to study the conduct of elections.(9)

The political parties did not have the chance of contesting elections on party lines as, by the time the first local government elections were held, all parties had joined the Alliance.

(1) A.R.N.B. 1961 page 1.
(2) Ibid
(4) A.R.N.B. 1962 page 2
(5) A.R.N.B. 1962 page 7
(6) Ibid
(7) These developments are mentioned in some detail on pages 7-8 A.R.N.B. 1962
(8) A.R.N.B. 1962 page 8
(9) Ibid
(d) Advancement of Borneans in the Public Service

The Government of North Borneo was anxious to encourage local people to assume greater responsibility in the public service.

In 1960 a Standing Advisory Committee on Training, appointed in 1959, submitted to the Legislative Council a report on its review of the colony's training programme and its recommendations. The recommendations, accepted by the government, involved an ambitious scheme of both overseas and local training designed to fit local people for higher posts in the public service, as well as in commerce and the professions. The government placed increasing emphasis on the importance of such training.

In addition to providing training for future responsibility, the government encouraged promising local people to rise in the civil service. The first local-born Administrative Officer was appointed in 1957. The second was promoted to this rank in 1960. By the end of 1961 there were 10 local-born Administrative Officers and by 1962, 11.

(e) Defence and Security

The east coast of North Borneo and, to a lesser extent, the north-west coast, had long been plagued by piracy which steadily increased until 1961. Although in 1962 the number of reported piracies at sea declined from 97 in 1961 to 39 in 1962, there was an increase in armed raids on isolated villages (25 in 1962 as compared to two in 1961). Evidence indicated that most of these raids were by Filippino gangs. These raids had a damaging effect on morale on the east coast of North Borneo, where several outlying villages were evacuated by their inhabitants. The raids also kindled a country-wide resentment. The government increased its anti-piracy measures with the assistance of British troops. A plan was devised to increase police personnel on the east coast and to provide more police launches and better communications and it was hoped to have the plan in full operation by April 1963.

During 1962 increasing publicity was given in the Philippines and in other countries to the long standing claim made by the Philippines Government to part of North Borneo. This claim found no support from the people of any race in North Borneo or from any North Borneo political party. The Philippines' claim was one of the factors that caused increased support in North Borneo for the Malaysia proposal.

In 1962 there were other signs of North Borneo's security being threatened. In November, the existence of a secret military organisation, the T.N.K.U., was discovered in the Lawas area of Sarawak. This organisation was known to

(3) A.R.N.B. 1961 page 201
(4) A.R.N.B. 1960 page 193
(5) A.R.N.B. 1961 page 201
(6) A.R.N.B. 1962 page 237
(7) A.R.N.B. 1962 page 22
(8) Ibid
(9) Ibid
(10) Ibid
(11) Ibid
(12) Ibid
(13) A.R.N.B. 1962 page 23
(14) A.R.N.B. 1962 page 10
have affiliations with Indonesia. Two sections of the Police Mobile Force were sent to the Sipitong area of North Borneo as a precaution against disturbances. On 8th December, when the Brunei Rebellion began, there were disturbances, backed by the T.N.K.U., in the Sipitang area and in other areas of North Borneo bordering on Brunei Bay.\(^1\) The disturbances were soon put down by the Police Mobile Force units already in the area and by reinforcements from Jesselton, partly because the rebel reinforcements expected from Brunei did not arrive.\(^2\) Following the arrest of the rebels and of other people suspected of sympathizing with the rebels, interrogations revealed that the rebels, all Brunei Malays or Kedayans, were members of a North Borneo branch of the T.N.K.U. and that the leadership and direction of the rebellion came from the People's Party in Brunei.\(^3\)

As soon as word of the Brunei Rebellion reached North Borneo, one platoon of the North Borneo Police Mobile Force was sent to Brunei to assist the Brunei Government.\(^4\) One of the members of the North Borneo Police Mobile Force, a popular North Borneo athlete, was killed in battle. News of his death quickly travelled along the "jungle telegraph" and caused considerable ill feeling towards the rebels and towards Indonesian which appeared to back the rebellion.

The North Borneo Legislative Council unanimously passed a motion introduced by the unofficial members, condemning the Brunei Rebellion and the claim of the rebel leader, Asahari, to represent the people of North Borneo.\(^5\)

The increase in pirate raids, the Philippine Government's increasingly publicised claim to part of North Borneo and the Brunei Rebellion, apparently with Indonesian support, caused a widespread realisation of North Borneo's vulnerability, without any appreciable sign of decreasing loyalty to the Government, except in the case of the rebels in the Brunei Bay area of North Borneo. The defence and security advantages of Malaysia became increasingly attractive and were stressed by the Governor in his New Year Broadcast of 1st January, 1963.\(^6\) It seems to me that there can be little doubt that these events caused many of those who had previously hesitated to support Malaysia to welcome the proposal.

\(^{(1)}\) A.R.N.B. 1962 page 10  
\(^{(2)}\) A.R.N.B. 1962 page 11  
\(^{(3)}\) A.R.N.B. 1962 pages 11-12  
\(^{(4)}\) A.R.N.B. 1962 page 11  
\(^{(5)}\) A.R.N.B. 1962 page 12  
\(^{(6)}\) A.R.N.B. 1962 page 23
D. SUMMARY OF THE MAJOR TRENDS IN THE POLITICAL DEVELOPMENT OF BRITISH BORNEO AND THEIR EFFECT ON THE FEDERATION OF BRITISH BORNEO PROPOSAL.

(a) The Trends.

In the period between the official proposal for a British Borneo federation and the creation of Malaysia, all three territories made considerable advances in their political evolution. Sarawak and North Borneo saw the rapid development of political consciousness, expressed in the emergence of political parties, and experienced constitutional reforms bringing them closer to democratic self-government and independence with increasing rapidity. Brunei, having remained constitutionally dormant, both in its relationship to Britain and in its aristocratic and autocratic system of government, achieved internal self-government and took a hesitant first step towards introducing a more democratic system of government. Political consciousness also increased in Brunei as the People's Party became more active and more vocal.

These developments were in part the natural outcome of the post-war development of the three territories but the speed with which the changes occurred after 1958, particularly in Sarawak and North Borneo, was largely due to the external forces affecting British Borneo and in particular was due to the effect of the Malaysia proposal. Discussion of the Malaysia proposal was one of the most important causes of the rapid growth of political parties in Sarawak and North Borneo as leaders attempted to rally support for their views on the proposal. Once the North Borneo and Sarawak Governments had accepted the proposal, the rapidly approaching Malaysia Day caused the process of political evolution in Sarawak and North Borneo to be accelerated so that the two colonies would have predominantly elected legislative councils and a system of ministerial government before joining Malaysia.

This political development was not accomplished without effects on the previously comparatively peaceful political atmosphere of the three territories. The development of political consciousness tended to bring out the potential suspicion and tension between the races. The development of political consciousness, in the case of the opponents of Malaysia, spurred on by the speed with which the various governments were moving towards a Malaysian merger, and encouraged by outside moral support, resulted in actual violence, most seriously in Brunei.

By late 1962 the threat to the security of the three British Borneo territories was real and no longer illusory. British Borneo had been projected into the troubled world of South-east Asia before achieving a stable and secure political foundation internally. After the Malaysian proposal in 1961, what happened in British Borneo concerned British Borneo's neighbours and the attitudes of British Borneo's neighbours, particularly the Philippines and Indonesia, affected the pattern of events in British Borneo.
As the territories gained more political experience and as they came closer to attaining self-government and independence, the desire for a continuation of British colonial rule began to decline. There were, of course, those that still opposed change, but there was a growing acceptance of the fact that independence was inevitable and perhaps not such a bad idea after all. The desire for independence was strongest and most violent in Brunei where, along with other factors, it led to the rebellion.

(b) The Effect of these Trends on the Federation of British Borneo Proposal.

These developments in themselves did not render a federation of British Borneo any less feasible or any less desirable than the continued separation of the three territories. The granting of internal self-government to Brunei provided a temporary further obstacle to closer association of the three British Borneo territories, but only while Sarawak and North Borneo lacked internal self-government and while, therefore, the federation would have to be a colony. On the other hand, the limitation in practice of the High Commissioner for Brunei’s powers to control over defence and external affairs, the abolition of the post of British Resident in Brunei and the granting of internal self-government to Brunei removed one of the potential sources of federal government control over Brunei’s affairs. The powers of the Governor of British Borneo as High Commissioner for Brunei (proposed by both Governors in their closer association speeches) could be as limited as those of the new High Commissioner who was appointed in 1959 after the new constitution was introduced. Brunei would be able to insist on this as one of the terms for joining the federation.

The rapid development of Sarawak and North Borneo towards self-government in the post-1958 period reduced the gap between Brunei’s protectorate status and the others’ colonial status and increased the likelihood of a British Borneo federation’s achieving early independence. This prospect would undoubtedly be more acceptable to Brunei. The rapid political development in Sarawak and North Borneo also removed an important source of objection to closer association in these two territories, namely, that closer association would precipitate Sarawak and North Borneo into the storms of political activities and party politics. Once political parties had been created and once elections had been introduced, Sarawak and North Borneo were already involved in politics. Although it could still be feared that closer association would increase the political problems and controversies, it was no longer possible to attempt to retain the old situation of colonial paternalism. It had gone.

The threat of attack or subversion from Indonesia or the Philippines provided proof of the need for the three British Borneo territories to join a larger political unit, although the Sultan of Brunei and his advisers did not regard this need as sufficiently great to warrant the risk of losing some of Brunei’s wealth through federating with the other territories. The presence of a real security threat thus made a federation of some sort even more desirable than when the federation of British Borneo was first proposed. The size of the threat, however, made the larger federation of Malaysia a better proposition from the security point of view than the smaller federation of British Borneo.
If anything, the political developments that occurred after 1958 in the British Borneo territories tended to make a British Borneo federation more desirable and more feasible than before. The major obstacle was still the Sultan of Brunei's unwillingness to co-operate in forming plans for federation, but the Sarawak and North Borneo governments were beginning to make moves towards federating these two territories. Had the proposal for a Malaysia federation arisen later, a federation of at least Sarawak and North Borneo would probably have been created.

(c) **The Effect of the Malaysian Proposal on the Proposal for a British Borneo Federation.**

It is unlikely that the rapid political development that occurred in British Borneo after the Malaysia proposal would have occurred so rapidly had this proposal not been made. In this sense the political development that took place in British Borneo after the Malaysia proposal was, in part, caused by this proposal. The Malaysia proposal became part of the British Borneo scene. These developments not only rendered a federation of British Borneo more desirable and feasible, but they also rendered the larger Malaysia federation more desirable in many ways than a British Borneo federation and more feasible than it would have been had it been proposed in 1958 instead of the proposal for a British Borneo federation. Once the federation of Malaysia had been proposed, further serious consideration of the proposal for a British Borneo federation ceased.
12.

THE SUCCESS OF THE MALAYSIA PROPOSAL AND THE FAILURE OF THE BRITISH BORNEO FEDERATION PROPOSAL.

In just over two years after Tunku Abdul Rahman made his speech advocating the formation of Malaysia, the federation of Malaysia came into existence, whereas, more than three years after the official proposal for a federation of British Borneo had been made, almost nothing substantial had been done towards creating the federation. For this reason, the proposal for a British Borneo federation was overtaken by the Malaysia proposal. The contrast between the events following the Malaysia proposal and federation of British Borneo proposal is marked. It is worth considering whether this was because the federation of Malaysia was more appropriate than the federation of British Borneo. It is also worth considering the difference between the pattern of events that followed each of these proposals, for herein lies the explanation for the failure of the British Borneo federation to materialise.
A. GREATER APPROPRIATENESS OF A FEDERATION OF MALAYSIA?

A federation is appropriate if the circumstances that render separate governments desirable and necessary are outweighed but not completely over-ruled by the circumstances that render union desirable and possible. I do not propose here to discuss in detail the desirability and feasibility of a federation of Malaysia or the prospects of its survival. This is in itself a subject worthy of a whole thesis, but there are a few points that should be made.

(a) The greater Advantages of Malaysia.

The arguments that could be used for a federation of British Borneo could generally be used to support the idea of a merger of British Borneo with Malaysia, for British Borneo was in relation to Malaysia as Sarawak, North Borneo or Brunei were in relation to British Borneo.

The strength and security of Malaysia would obviously be greater than the strength and security of a federation of British Borneo. The advantages of sharing the more developed government services of Malaya and Singapore would also be greater. The economic advantages of bringing together Singapore with its highly developed trading facilities, Malaya with its rapidly developing agricultural and secondary industries and the British Borneo territories with their underdeveloped but considerable resources, would obviously be greater than those of a British Borneo Federation. The size of markets opened up by a Malaysia merger and the increased range of goods and services that could be exchanged would obviously further reduce the dependence of the British Borneo territories on foreign trade, although a Malaysia merger would not remove this dependence. The larger nation would also probably attract a greater degree of foreign capital investment. A union with the more politically experienced and independent Federation of Malaya would obviously accelerate the rate at which the British Borneo territories advanced politically. Indeed, the creation of Malaysia could result in almost immediate independence for British Borneo by making available to the federation of which British Borneo would be a part, the political experience and resources of the Federation of Malaya. Freedom of movement within Malaysia would help to solve British Borneo's shortage of labour, especially of skilled labour, whilst helping to overcome Singapore's problem of overpopulation.

A federation of Malaysia would thus provide greater advantages for the British Borneo territories than a federation of British Borneo, but would such a federation be as feasible as a British Borneo federation?

(b) The Feasibility of a Federation of Malaysia.

As in the case of the federation of British Borneo proposal, there were circumstances that were favourable to a Malaysian federation and circumstances that were unfavourable to such a large federation.
I(1) **Circumstances favourable to a Malaysian Federation.**

- **Greater Advantages.**

The fact that a federation of Malaysia would have greater advantages for the British Borneo territories than a federation of British Borneo, helped to create support for the Malaysia proposal amongst those who understood and appreciated these advantages. To some people, however, two of the advantages of Malaysia, the prospect of earlier independence and the prospect of freedom of movement between the Malaysian States — did not represent advantages but disadvantages.

A federation of Malaysia would bring independence and a secure basis for independence to the British Borneo territories more rapidly than would a federation of British Borneo. This was a most desirable objective from the point of view of the British Government and of an increasing number of people in the British Borneo territories. Although, by the time the Malaysia proposal emerged, the opposition to independence in British Borneo was less marked than it was in 1958, there were still a number of people who, probably wisely, preferred to have longer to prepare for independence. To these people, Malaysia would force independence on the British Borneo territories before they were ready for it. Those who favoured early independence for the British Borneo territories were not unanimous in their support for a federation of Malaysia, whereas they had been unanimous in their support for a federation of British Borneo. Some argued that the British Borneo territories should achieve independence before entering a federation of Malaysia. There was an obvious argument to support this contention. The early creation of a federation of Malaysia would unite the British Borneo territories with politically more advanced countries before the British Borneo territories were ready to take their full place in the new federation and before they were able to handle their own internal affairs effectively. This was not desirable.

Freedom of movement between the Malaysian states was also an argument that could be used either in favour of Malaysia or against it. Freedom of movement would not only help to solve British Borneo’s labour shortage. It would threaten to swamp British Borneo, particularly with Chinese from over-populated Singapore. This could alter British Borneo’s racial composition to the detriment of the non-Chinese. It could also produce unemployment in British Borneo and at least a temporary reduction in the standard of living and opportunities for advancement in employment for Borneans, particularly for natives. These fears in fact triumphed over the arguments in favour of freedom of movement and resulted in Sarawak and North Borneo’s retaining control over immigration in the new nation of Malaysia. **(1)**

There was less danger of any British Borneo territory’s being swamped by immigrant labour in a federation of British Borneo.

- **Previous political Association.**

In the days of the Malacca Empire the British Borneo territories were associated with Malaya through being part of that empire. Following a period

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*(1) M.R.I.G.C. pages 3-4*
of separation from Malaya during the Brunei Empire, the British Borneo territories were once again associated with the Malayan states and with Singapore as parts of the British sphere of influence in South-east Asia, although their relationship to Britain had in some cases been that of a colony and in other cases that of a protectorate.

When discussing the pattern of post-war development in British Borneo I mentioned examples of the trend towards integration of the British Borneo territories with Singapore and Malaya. When the office of U.K. Commissioner-General for South-East Asia was created in 1948, his role in Malaya, Singapore and the British Borneo territories replaced the earlier links between the various heads of the British administrations in these countries. The British Borneo territories also used the training facilities in Malaya and Singapore. All five territories had basically similar legal systems and in many cases the laws of British Borneo were modelled on, if not identical to, those of Singapore and Malaya. Some links also existed between the administrations of Sarawak, North Borneo and Brunei and those of Singapore or Malaya in the temporary or permanent advisory functions performed for the British Borneo territories by officials of the Malayan or Singapore administrations. These links were, however, few.

The loose political association of the British Borneo territories and Singapore-Malaya was reinforced by the strong economic links between these countries. These links were most apparent in Singapore's role as the clearing house for British Borneo's imports and exports and in the common currency used by all of these countries.

The political association of Malaya and Singapore on one hand and the British Borneo territories on the other, however, was not as strong as the association of the three British Borneo territories, which were linked administratively by the regular meetings of the Inter-Territorial Conference and by the joint judiciary and government departments that the three territories shared. To this extent a federation of British Borneo would have been easier to create than a federation of Malaysia.

- Support given by political Leaders.

By the time the Malaysia proposal was made, or soon after it in the case of North Borneo, there were political parties to express public opinion. Except in the case of Brunei, the pro-Malaysia parties were able to take a more positive stand on the Malaysia proposal than the leaders of pre-political party days could do on the British Borneo federation proposal. More important still, the pro-Malaysia parties in North Borneo and Sarawak enjoyed a rapid increase in public support, so much so that in North Borneo, the anti-Malaysia parties eventually dropped their opposition to Malaysia and joined the pro-Malaysia Alliance. When elections were held in Sarawak and North Borneo, the pro-Malaysia parties enjoyed an overwhelming victory, although it could not be claimed from this that their victory was due solely, or, even perhaps, largely to public support for
Malaysia. Elections as we know them in the West, with a public campaign, carefully considered by the electorate and based on opposing policies, were still in their infancy in Sarawak and North Borneo. Besides, it should be remembered that in North Borneo, by the time of the elections, there was no major political party to contest the elections on an anti-Malaysia platform.

Perhaps the most important contrast between the attitude of leaders to the Malaysia proposal and to the British Borneo federation proposal, was the apparent support given by the Sultan of Brunei and his followers to the Malaysia plan until the last minute, by which time Brunei's refusal to join was too late to stop the federation of the other territories occurring. The views of the Sultan of Brunei and his supporters were decisive in terms of whether Brunei entered the federation or not, despite the fact that the Sultan's attitude and that of his supporters was opposed by a large number of the people of Brunei.

(ii) Circumstances unfavourable to a Malaysian Federation.

The circumstances unfavourable to a Malaysian union were similar to those that were unfavourable to a British Borneo federation. The differences between the British Borneo territories and Malaya and Singapore were considerably greater than the differences between the three British Borneo territories. These greater differences and their effect on the future of the British Borneo territories if they joined Malaysia had to be weighed against the greater advantages of Malaysia.

- Differences in the racial and cultural Composition of the potential Malaysian States.

I have already mentioned that the three British Borneo territories shared the same basic racial elements - Chinese, non-Muslim native and Muslim Malay, reasonably balanced in size and living together in comparative harmony. Brunei was to some extent an exception for, although it contained the same racial and cultural elements as Sarawak and North Borneo, the Muslim Malays constituted a considerably larger percentage of the population than they did in the other territories, and, through living in a Muslim State with a Muslim Malay leader, tended to dominate the life of the country politically and culturally.

The largest group in British Borneo as a whole was the non-Muslim native community, divided into many distinct groups. In Singapore, the Chinese population was overwhelmingly dominant both in numbers and in their cultural and political impact on the life of Singapore. The Indian community was also significant but less important than the Chinese in the cultural and political life of Singapore, and the Muslim Malays formed the least important racial, cultural and political group, although, after Singapore became self-governing, a Malay was made the Head of State. In Malaya, the Muslim Malays were the largest group and provided the dominant cultural and political force in the Muslim states that were headed in all but two cases by Malay royalty and that made up the Federation of Malaya. The Federation was in turn headed by a member of the Malayan royal families. The Chinese and Indian communities
were also important numerically, culturally and economically, especially the Chinese. The non-Muslim aborigines of Malaya were of little significance.

Malaya and Singapore, then, presented a very different racial and political picture from that of the British Borneo territories. Although there were Indian communities in British Borneo, these were of little significance numerically or culturally. The Chinese tended to dominate in the economic life of Sarawak, North Borneo and Brunei, as they did in Singapore and Malaya, but they did not enjoy the racial, cultural and political dominance in the British Borneo territories that they enjoyed in Singapore. Similarly, the Malay communities of Sarawak and North Borneo did not have the proportionate size and influence of the Malays in Malaya.

Only in the case of Brunei was it possible that stronger racial and cultural ties existed with Malaya (but not with Singapore) than with Sarawak and North Borneo. Like the Malay states, Brunei had a large Malay population. Brunei, like the Malay states, was an Islamic state, and like all but two of the Malay states, was headed by a hereditary Malay ruler. The Malay language, as the language of the Brunei Sultan's court, enjoyed the same importance as it did in the Federation of Malaya, although there were minor differences between the Malay spoken in Brunei and the Malay spoken in Malaya.

The Malays of Brunei and of Sarawak and North Borneo had good grounds to support a merger with the Federation of Malaya, although not with Singapore. The Chinese of all three territories had good grounds to favour merger with Singapore, although it seemed that a federation of Malaysia including Malaya would result in Muslim Malay dominance. The non-Muslim natives, who constituted the majority of the population in Sarawak and North Borneo, had no reason to support merger with either Singapore or Malaya. For them, a British Borneo federation, in which they would dominate numerically and in which they had a chance eventually to dominate culturally and politically, was by far a better proposition.

It can be seen, then, that a federation of Malaysia from the cultural and racial point of view presented more serious problems than a federation of British Borneo, except for the Muslim Malay majority in Brunei and even there, the inclusion of Singapore in the merger presented problems. These more serious problems had to be weighed against the greater security and development prospects of a Malaysian merger.

- Existence as separate States.

In discussing the feasibility of a federation of British Borneo, I mentioned that the three territories had existed as separate states, although, since the second world war, they had been more closely integrated. The same is true of the British Borneo territories, Singapore and Malaya, although the political links between Singapore-Malaya and the British Borneo territories had not been as strong as those between the three British Borneo territories. Singapore and Malaya in their development towards independence had each developed a considerable sense of nationality, although this had not succeeded in completely overcoming
the strong racial divisions, particularly in Malaya, where the races were more evenly balanced than in overwhelmingly Chinese Singapore.

- Differences between the Malaysian Countries in political Atmosphere, Traditions and Stages of Development.

Malaya, Singapore and the British Borneo territories all shared the same basic political traditions, inherited from Britain. To this extent they were similar, but this similarity is true only in a very general sense.

In discussing the feasibility of a federation of British Borneo, I mentioned that the three territories had experienced existence as separate states, although, since the second world war, they had become more closely integrated. Their separate political existence naturally led to differences in political tradition and atmosphere. All three territories were also at different stages of political advancement.

The separate existence of British Borneo and Singapore-Malaya was even more pronounced, as the links between Singapore-Malaya and British Borneo were considerably weaker than those between the three British Borneo territories. Malaya and Singapore were also more developed economically. It is not surprising therefore, that the differences in atmosphere, traditions and the stage of political development in Singapore-Malaya as opposed to British Borneo should have been even greater than these differences between each of the British Borneo territories.

Singapore and Malaya had advanced considerably further politically than Sarawak, Brunei or North Borneo. Singapore had achieved internal self-government and Malaya had achieved independence. Singapore and Malaya had well established political parties and had established elected governments. The British Borneo territories were well behind Singapore and Malaya in these respects. The gap in political advancement between Malaya-Singapore and the British Borneo territories was considerably greater than the gap between each of the three British Borneo territories.

In the case of Brunei, the fact that it had achieved internal self-government made the prospects of merger with independent Malaya and self-governing Singapore more attractive to some Brunei people than the prospects of union with Sarawak and North Borneo. It should be remembered, however, that Brunei was well behind Singapore and Malaya in terms of possessing elected majorities in its legislature. Indeed, Brunei was well behind Singapore and Malaya in terms of any type of elections. For those who wished to retain Brunei's aristocratic system of government, federation with Malaya and Singapore presented problems.

In terms of their political history, Sarawak and North Borneo resembled Singapore and the Malayan states of Penang and Malacca in that they had all been colonies. The different stages of the political development and the different racial patterns of Sarawak-North Borneo and Singapore-Penang-Malacca to some extent countered this similarity. Sarawak and North Borneo shared less
similarity with the nine former British protected Malay States that, in addition to Penang and Malacca, made up the Federation of Malaya. The difficulties of federation with these states were as great as those of federation with Brunei and the politically more advanced stage and racial composition of the Malay States made North Borneo and Sarawak's federation with them even greater.

Brunei had a similar political history to that of the States of the Federation of Malaya (except Penang or Malacca). Brunei and these Malay States had been British protected Muslim states with hereditary Muslim Malay rulers. This similarity was to some extent countered by the more advanced stage of political development of the Malay States compared to that of Brunei, but, to the Sultan of Brunei and his supporters, this was an additional argument in favour of closer association between Brunei and the Malay States as it was thought that such an association would result in Brunei's earlier independence. On the other hand, Brunei shared little similarity with Singapore as Singapore had been and was a British colony with a Chinese majority and a more advanced political system than Brunei.

There was also a vast difference in political atmosphere between Singapore-Malaya and the British Borneo territories which dwarfed the differences between Sarawak, Brunei and North Borneo. Singapore and Malaya had considerably more racial tension than the British Borneo territories. It was possible that a Malaysian federation would cause these tensions to spread to British Borneo, where the potentialities were present for similar tensions. Malaya had experienced Communist activity and violence far more serious than that of Sarawak. Singapore, although not directly involved in Malaya's Emergency, appeared to have an even stronger Communist element. Apart from Communist elements, Singapore's political parties were generally markedly more left-wing than those of any of the other Malaysian states. Federation with Malaya and Singapore therefore threatened to introduce racial and political problems into the politically naive and comparatively peaceful British Borneo territories. The problem of Communist subversion in Sarawak was likely to increase, whilst it was likely to become a problem for the first time in Brunei and North Borneo.

The differences between the political atmosphere and tradition of British Borneo and Malaya-Singapore were such that an effective Malaysian federation would be more difficult to achieve than a British Borneo federation. These differences were likely to operate to the detriment of some racial groups in the British Borneo territories and to the detriment of British Borneo's peaceful though backward political atmosphere.

- The Problem of moulding a Sense of National Unity in a Malaysia Federation.

The moulding of a sense of national unity between the various races of Malaysia and between the peoples of countries at such different levels of political and economic development presented a far more difficult problem than that of moulding a sense of national unity in a federation of British Borneo. British Borneo, if left to itself, had a chance of welding its separate communities together. The integration of British Borneo's races would be likely to be more difficult in a merger with Malaya and Singapore.
It was possible that the racial tensions in Malaya and the racial tensions that would be likely to result from a struggle between Chinese dominated Singapore and Malay dominated Malaya would influence race relations in British Borneo and would render the integration of the British Borneo communities more difficult and less likely. The communities of the British Borneo territories generally lacked any sense of nationality, either on a British Borneo scale or on a Sarawak, Brunei or North Borneo scale. It was difficult to foster any sense of nationality even at the North Borneo, Brunei and Sarawak levels. As I mentioned when discussing the feasibility of a British Borneo federation, it would be possible to build a sense of British Bornean nationality through policies designed to integrate the various communities into a multi-racial state. The fostering of a sense of belonging to a Malaysian nation would be more difficult because the racial tensions of Malaya and Singapore would be likely to cause disharmony in the British Borneo territories before any national sense had been fostered to unite the various races.

There was also the geographical problem. Whereas the three British Borneo territories formed a geographical unit, within which the state divisions were artificial, the British Borneo territories were separated from Malaya and Singapore by a vast stretch of ocean. It would obviously be difficult to overcome this physical barrier between British Borneo and Malaya-Singapore.

- The Danger of Malayan and Singaporean Domination.

Malaya and Singapore were considerably stronger and more developed politically and economically than each of the three British Borneo territories and, indeed, were stronger than the combination of the three British Borneo territories. This difference, whilst possibly working in British Borneo's favour in terms of more rapid political and economic development, would also be likely to result in British Borneo's inability to play its full part in the larger federation. There was a danger that Malaya and Singapore would dominate the federation, and hence British Borneo, politically, culturally and economically. This risk would be reduced if the British Borneo territories could achieve independence at the state level before entering a merger, but there was a risk that an acceleration in the rate of political advancement in Sarawak, North Borneo and Brunei could produce strife and perhaps chaos in these territories and, although such an acceleration would provide these territories with a political status theoretically equal to that of Singapore and Malaya, in fact, the real political foundation for effective independence would not be laid. It would be possible that their future as independent nations would be jeopardised by premature independence, thus presenting a problem not only for the three territories but also for the federation as a whole. This problem, if realised by the British Government and by some leaders in the three territories, could cause them to prefer a slower but surer rate of progress through a smaller British Borneo federation, although this attitude did not appear to be widely held.
Malayan and Singaporean domination of the British Borneo territories could, to some extent, be prevented by establishing limited federal government powers and wide state powers, although the federal government in Malaya would be unlikely to accept such a reduction in its existing powers. It would be doubtful whether such an arrangement if possible in the initial stages of the federation, could be preserved indefinitely, but it might be possible to preserve such an arrangement at least until the British Borneo territories had matured sufficiently politically and had developed sufficient confidence in the federation to accept an extension of federal powers.

To prevent Malayan and Singaporean domination of the federal government it would not be sufficient to provide for equal state representation in a federal upper house, partly because federal upper houses with equal state representation have generally not been successful in safeguarding state rights in other federations, and partly because the federal government of a Federation of Malaysia would contain the state of Singapore and the 11 states of the existing Federation of Malaya. This would provide 12 states in Malaya-Singapore as opposed to three states in British Borneo. It would obviously not be practical to provide the British Borneo territories with a federal representation equal to that of the Federation of Malaya and the State of Singapore, as such representation would be ridiculous when the 9,000,000 population of Singapore-Malaya was compared to the 1,000,000 population of British Borneo. Such heavy representation of the British Borneo territories in the federal government would also jeopardise the future of the federation as the British Borneo territories lacked the political experience and leaders to take an effective lead in federation affairs.

It would be feasible, however, to provide for representation of the British Borneo territories in the federal upper and lower houses in a greater proportion than their size and population would warrant. Such a proposal would be likely to be opposed by Malaya and Singapore. The greater the representation offered to the British Borneo territories to allay their fears and to encourage their entry into the Malaysian federation, the greater would be the opposition from Singapore and Malaya. A compromise on this question could most likely be reached, as it was, in the Federation of Malaysia agreement. Even so, the British Borneo territories would be unlikely to take full advantage of increased representation in the federal government as their leaders and political parties would lack the experience and skill necessary for successful political manoeuvring. The probable development of federation-wide political parties would further reduce the influence of the British Borneo territories as they would be unlikely to exercise very great influence in a federal political party.

A federation of Malaysia would, therefore, result in a situation in which the people of British Borneo were a minority, whereas a federation of British Borneo would, of course, not have this effect. On these grounds a federation of British Borneo would be more attractive to those.
who wished to see their countries develop in accordance with their own histories, cultures and traditions, and support for a federation of Malaysia could therefore be expected to be less than that for a federation of British Borneo.

- Opposition by political Leaders.

The political leaders of British Borneo were not so unanimous in their support of the Malaysia proposal as they had been in their support of the proposal for a federation of British Borneo. The political parties that emerged before or soon after the Malaysia proposal were more effective in expressing and moulding public opinion than the leaders had been at the time of the proposal for a federation of British Borneo, but as well as making support for the Malaysia proposal clearer and more definite, this development also made opposition to the Malaysia proposal more obvious.

In North Borneo there were three political parties that for a time opposed Malaysia, (1) at least as an immediate objective. In Sarawak, the United People's Party took the same stand. Opposition to Malaysia was strongest and most organised in Brunei where the People's Party constantly opposed and denounced Brunei's participation in the negotiations for the creation of Malaysia, and demanded that the Brunei Government should find out the views of the people and consult the People's Party before committ- ing itself. (2) Azahari also took the lead in attempting to unite the anti-Malaysia parties of the three territories in a joint protest to the United Nations and in this venture he had the support of the leaders of the Sarawak United People's Party, although support from North Borneo eventually failed to materialise. (3) When the People's Party's efforts to stop Brunei from joining Malaysia appeared to have failed, the party organised the Brunei Rebellion, one of the objectives of which had been to stop the formation of Malaysia.

Although there was more vocal and more organised opposition to Malaysia than there had been to the proposal for a British Borneo Federation, there was also more vocal and more organised support for Malaysia than there had been for the British Borneo Federation proposal. The growth of political parties in Sarawak and North Borneo had provided more organised means for public opinion to be expressed. In North Borneo the organised public opposition to Malaysia collapsed after the three formerly anti-Malaysia political parties dropped their opposition and joined the Sabah Alliance in October 1962. (4) The results of the elections held in North Borneo and Sarawak in November 1962 and June 1963 respectively, showed that the pro-Malaysia parties by this time had the support of the majority of the people.

(c) Conclusion.

In general, it can be argued that a federation of Malaysia offered the British Borneo territories more substantial advantages than a feder-

(1) A.R.N.B. 1961 pages 1-2
ation of British Borneo. Some people were aware of this and therefore were more enthusiastic in their support of Malaysia. On the other hand, there were greater difficulties and dangers for the British Borneo territories in joining a federation of Malaysia than in joining a federation of British Borneo. People who realised this were more enthusiastic in their opposition to the Malaysia proposal than the opponents of a British Borneo federation had been. A federation of Malaysia presented more serious problems for unity than did a federation of British Borneo, because the differences between British Borneo and Malaya-Singapore were considerably greater than the differences between each of the three British Borneo territories. The links between the British Borneo territories and Malaya-Singapore were also much weaker than the links between Sarawak, Brunei and North Borneo, except in the case of the Chinese and Malay communities which, in many ways, were racially and culturally more closely linked to Singapore and Malaya respectively than to their fellow Borneans of other races. In this sense a federation of Malaysia was less feasible than a federation of British Borneo.

I think it is reasonable to conclude that, all things considered, a federation of Malaysia was not more appropriate than a federation of British Borneo. Any difference between the appropriateness of a federation of British Borneo and a federation of Malaysia was certainly not sufficiently great to explain the speed with which the Malaysia proposal was implemented. The greater appropriateness of a Malaysia federation as opposed to a British Borneo federation does not, therefore, provide the explanation for the failure of the British Borneo federation to materialise or for the success of the proposal for a federation of Malaysia.
B. REASONS FOR THE SUCCESS OF THE MALAYSIA PROPOSAL.

(a) General Differences between the Situations in which the two Proposals were made.

Three years elapsed between the official proposal for a federation of British Borneo and the official proposal for a federation of Malaysia. These were three years of momentous advances in the political life of the British Borneo territories. There was a noticeable growth in the degree of political consciousness in the three territories between 1958 and 1961. In 1958 Brunei alone possessed a political party. In the other two territories the people were not used to discussing a major political issue and lacked the means of organised discussion. There was widespread apathy and lack of understanding of the issues involved. By 1961 all three territories had developed considerably in terms of political experience. Brunei had achieved internal self-government. Brunei's People's Party had become better organised and more powerful; political parties had emerged in Sarawak, and North Borneo was sufficiently close to taking this step that the proposal to create a federation of Malaysia was sufficient to cause political parties to emerge in North Borneo.

In a sense the British Borneo federation proposal helped prepare for the Malaysia proposal. Before the Malaysia proposal was made there had been fairly widespread public discussion of a major political issue for the first time, except in Sarawak where cession had been an issue at the end of the second world war. Consideration had already been given to the question of each territory's association with political entities beyond their boundaries, before the Malaysia proposal arose. The arguments for the need to join a larger unit and the advantages of such a step had already been put forward and had had time to register in the minds of at least some of the general public. When these arguments were later used to support the Malaysia proposal, they were familiar arguments. The concept of some kind of merger with outside countries and the arguments for such a merger were no longer new and to this extent were no longer so revolutionary as they had been in 1958 and the years immediately following 1958.

The proposal for a federation of British Borneo had failed to evoke overseas opposition and hence to produce any overt threat to the British Borneo territories' security. After the Malaysia proposal was made there were signs of overseas opposition to the proposal and there were overt signs of a desire on the part of foreign countries, namely the Philippines and Indonesia, to interfere in the internal affairs of the British Borneo territories. The Philippine's claim to North Borneo, the increase in armed raids on the east coast of North Borneo, the Brunei Rebellion, with repercussions in Sarawak and North Borneo, and the evidence of Indonesian support for the rebellion provided tangible evidence of the need for each of the three territories to seek greater security through forming part of a larger and more powerful political unit.
The situation in which the Malaysia proposal was launched and the events which followed that proposal were more conducive to public consideration of the proposal and to action on the part of the governments concerned. It was clear by late 1961 and even clearer by the end of 1962 that the British Borneo territories would not be left alone for very much longer to pursue their separate paths of development.

(b) Action taken after the Malaysia Proposal was made.

(i) The Pattern of Events. (1)

On 27th May 1961, at a press luncheon in Singapore, Tunku Abdul Rahman, the Prime Minister of Malaya, suggested that a federation should be formed, comprising the eleven states of Malaya, Singapore, Sarawak, Brunei and North Borneo. The suggestion aroused immediate interest in the three territories and opinions both supporting and opposing the proposal were quickly voiced by political leaders and by the general public. In North Borneo the suggestion was instrumental in causing political parties to be formed.

In July-August of 1961 the idea was taken up at a Regional Commonwealth Parliamentary Association Conference in Singapore at which unofficial representatives from British Borneo were present. As a result of the discussion of the proposal at this conference and as a result of the visit of several British Borneo political leaders to Malaya, a Malaysia Solidarity Consultative Committee was formed, to represent all five of the territories concerned, and chaired by Donald Stephens of North Borneo. The aim of this committee was to continue the explanations and discussions initiated at the Commonwealth Parliamentary Association Conference and to ensure that the impetus given to Malaysia was not slowed down. The Committee held its first meeting in Jesselton on 23rd August 1961, and formally declared its four-fold aims as being to collect and collate views and opinions regarding the creation of Malaysia, to disseminate information on the question of Malaysia, to initiate and encourage discussion on Malaysia, and to foster activities that would promote and expedite the realisation of Malaysia. (2) Brunei was not represented at this meeting.

In December a further meeting was held in Kuala Lumpur, at which Brunei was represented, and this was followed by meetings early in 1962 in Kuala Lumpur and Singapore. At the final meeting in Kuala Lumpur, the Committee agreed on the terms of a comprehensive Memorandum on Malaysia, (3) for consideration by a Commission, the creation of which had been announced early in 1962. Within nine months after Tunku Abdul Rahman had made his suggestion, there was thus a set of detailed proposals covering the terms on which a Malaysian federation could be based, worked out by representatives of all of the territories concerned. The public had some specific ideas to discuss.


(2) A.R.N.B. 1961 page 2.

Meantime, in August–September 1961 the Prime Ministers of Singapore and Malaya met and agreed to set up a joint Malaya–Singapore working party to work out details for a merger. In October the Malayan Parliament endorsed the principle of Malaysia. In November the Singapore–Malaya working party produced its proposals for merger, (1) which were accepted by the Singapore and Malayan Governments. In December the Singapore Legislative Assembly endorsed the principle of Malaysia and the recommendations of the Malaya–Singapore working party and subsequently accepted the government's proposals for a referendum in Singapore on the Malaysia question. This referendum was not held until September 1962 when, according to government claims, the results showed that the people of Singapore supported Malaysia. The Sultan of Brunei, in an address to the Brunei Legislative Assembly, also indicated his support for Malaysia.

In November 1961 while the discussions on the proposal were proceeding in the various territories, the Prime Ministers of Malaya and Britain met in London. Following the discussions the Malayan and British Governments announced that they had agreed that Malaysia was a desirable aim but that the views of the peoples of North Borneo and Sarawak should be ascertained before any final decision was reached. It was also announced that a Commission of Enquiry would be set up to carry out this task and to make recommendations. Early in 1962 it was announced that a Commission had been appointed with Lord Cobbold as Chairman, two members appointed by the British Government and two members appointed by the Malayan Government. It is interesting to note that Sir Anthony Abell, a former Governor of Sarawak and, it will be remembered, one of the proposers of a federation of British Borneo, was one of the British appointees. The terms of reference of the Commission were as follows:

"Having regard to the expressed agreement of the Governments of the United Kingdom and the Federation of Malaya that the inclusion of North Borneo and Sarawak (together with other territories) in the proposed Federation of Malaysia is a desirable aim in the interests of the territories concerned—
(a) to ascertain the views of the people of North Borneo and Sarawak on this question; and
(b) in the light of their assessment of these views, to make recommendations."

It is significant that the Commission was not given the task of enquiring into the views of the public in Brunei. This would have amounted to interference with the Sultan of Brunei's sovereignty. In January of 1962

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(1) Set out in "Memorandum setting out Heads of Agreement for a Merger between the Federation of Malaya and Singapore". Cmd. 33 of 1961. Presented to the Legislative Assembly by Command of His Excellency the Yang di-Pertuan Negara. Ordered by the Assembly to lie upon the Table: 15th November 1961. Printed by the Government Printer, Singapore.

(2) A.R.N.B. 1962 page 1.

the Brunei Government appointed a Commission to receive the views and opinions of members of the public on Malaysia. It was headed by the Mentri Besar of Brunei and held sessions in six towns in Brunei. It was intended that the Commission should submit the views it received to the Brunei Government. (1) I could find no reference, however, to this Commission's findings ever having been made public.

In preparation for the visit of the Cobbold Commission to Sarawak and North Borneo, the Sarawak and North Borneo Governments each issued a paper summarising the issues involved in the Malaysia question, the safeguards needed for the territories and the advantages of a Malaysia federation. (2) Wide publicity was given to the forthcoming enquiry. An open invitation was extended to everyone who wished to give oral evidence to the Commission, and the public were invited to submit letters and memoranda either as individuals or as representatives of groups or associations.

The Commission paid two visits to Sarawak and two to North Borneo. It began its enquiries in Sarawak in February 1962. After a week in Sarawak the Commission arrived in Jesselton on 25th February. On 9th March it returned to Sarawak and ended its enquiry by a second visit to North Borneo from 2nd to 18th April. During the course of its enquiry the Commission travelled widely throughout Sarawak and North Borneo, interviewing over 4,000 persons and considering some 2,200 letters and memoranda from town boards, district councils, political parties, chambers of commerce, trade unions, religious leaders, members of executive and legislative councils, native chiefs, other community leaders and individual members of the public. In so far as it is possible to do so in two months in a backward area, public opinion was thoroughly consulted.

The report of the Cobbold Commission was submitted to the British and Malayan Governments and remained confidential while these governments considered the findings and recommendations of the Commission. The Malayan and British Governments held talks in London to decide what action should be taken on the report's recommendations. Although the Sarawak and North Borneo governments were not represented at these talks, the Governors of North Borneo and Sarawak were in London at the time of the talks and were able to advise the British Government on behalf of North Borneo and Sarawak. After these talks were concluded the report was published in July 1962 at the same time as a statement by the Secretary of State for the Colonies.

The conclusions of the report with regard to the views of the people were as follows:

"North Borneo and Malaysia". Published by authority of the Government of North Borneo, Jesselton, February 1962.
"About one-third of the population of each territory strongly favours early realisation of Malaysia without too much concern about terms and conditions. Another third, many of them favourable to the Malaysia project, ask, with varying degrees of emphasis, for conditions and safeguards varying in nature and extent: the warmth of support among this category would be markedly influenced by a firm expression of opinion by Governments that the detailed arrangements eventually agreed upon are in the best interests of the territories. The remaining third is divided between those who insist on independence before Malaysia is considered and those who would strongly prefer to see British rule continue for some years to come. If the conditions and reservations which they have put forward could be substantially met, the second category referred to above would generally support the proposals. Moreover once a firm decision was taken, quite a number of the third category would be likely to abandon their opposition and decide to make the best of a doubtful job. There will remain a hard core, vocal and politically active, who will oppose Malaysia on any terms unless it is preceded by independence and self-government: this hard core might amount to nearly twenty per cent of the population of Sarawak and somewhat less in North Borneo." (1)

Although the Commission was unanimous in its view that a Federation of Malaysia was an attractive and workable project, that it was in the best interests of the people of Sarawak and North Borneo, and that an early decision should be taken on the proposal, it was not able to reach complete unanimity on the more detailed recommendations, although there was a great deal of agreement on basic ideas. The recommendations were therefore grouped into four sections: the unanimous general recommendations, the recommendations by the British members, the recommendations by the Malayan members and a summary of the recommendations of the British and the Malayan members with comments by the Chairman. The British and Malayan members differed on the timing and phasing for the creation of the federation, the British advocating a gradual introduction of the final form of Malaysia, with a transitional period of five to seven years, the Malayan members advocating a more rapid introduction of the final form for the Malaysian federation.

The Secretary of State for the Colonies in his statement to the House of Commons on 1st August 1962, announced that the British and Malayan Governments had accepted the unanimous findings of the Commission and that it was intended to bring the proposed federation into being by 31st August 1963, subject to the necessary legislation being passed. It was also intended that the Governments of Britain and Malaya should, within six months, conclude a formal agreement which would transfer Sarawak and North Borneo to the Federation of Malaysia by 31st August 1965, and which would provide for detailed constitutional arrangements, including safeguards for Sarawak and North Borneo, to be drawn up after consultation with the Sarawak and North Borneo legislatures. To work out the detailed constitution arrang

(1) Cobbold. Page 31, paragraph 144.
ments, it was intended to establish an Inter-Governmental Committee under the Chairmanship of Lord Lansdowne, the Minister of State for Colonial Affairs. This would include representatives of Sarawak and North Borneo as well as for Britain and Malaya.

As a preliminary to establishing the Committee, Lord Lansdowne and the Deputy Prime Minister of Malaya, the leader of the Malayan delegation on the Committee, paid a visit to North Borneo and Sarawak for preliminary discussions and to familiarise themselves with the North Borneo and Sarawak situations. The first preparatory meeting of the Committee was held in Jesselton on 30th August, 1962, at which five sub-committees were set up.

In September of 1962 both the Sarawak and North Borneo legislatures passed a resolution welcoming the decision in principle of the British and Malayan Governments to establish Malaysia by 31st August 1963, provided that the interests of these territories were safeguarded, and authorised the appointment of their representatives to the Inter-Governmental Committee. The Committee then began its work, with its headquarters in Jesselton. Three plenary sessions were held, two in Jesselton in October and November and the third in Kuala Lumpur in December 1962. At the conclusion of the third meeting a communique was issued stating that the Committee had agreed upon the general terms of a draft report and that no further plenary sessions would therefore be held. The work of completing the details was delegated to a small ad hoc committee of specialists representing the four governments.

On 26th February 1963 the report of the Inter-Governmental Committee(1) was published, setting out the constitutional arrangements that would be necessary to safeguard the interests of Sarawak and North Borneo and of Brunei if Brunei agreed to join the federation. The legislatures of Sarawak and North Borneo adopted the Committee's recommendations in March 1963.

On 8th February 1963 the Brunei Government announced that it was in favour of Malaysia, provided that satisfactory terms could be arranged. Representatives of the Malayan and Brunei Governments began to draw up draft Heads of Agreement which, when initialled, would be considered by the Governments of Brunei, Malaya and Britain. At the same time, representatives of the Malayan and Singapore Governments were discussing the constitutional terms for Singapore's entry into Malaysia based on the merger agreement of November 1961.

After the preliminary work was completed an agreement was signed on 9th July 1963 by Malaya, Singapore, North Borneo and Sarawak, providing for Malaysia to come into being on 31st August 1963. The Sultan of Brunei at the last minute decided against Brunei's joining the federation. Because of pressure from Indonesia, the date for the formation was put back.

(1) "Malaysia. Report of the Inter-Governmental Committee". Government Printer, North Borneo.
Also see "Malaysia. Summary of the Report of the Inter-Governmental Committee". Government Printer, North Borneo. A brief summary of the report's recommendations appears on pages 67-71 of F.M.
of Malaysia was postponed until 6th September 1963 when Malaysia came into being.

(ii) The Significance of these Events.

- Speed of Developments.

What is very noticeable is the speed with which developments occurred after Tunku Abdul Rahman first proposed Malaysia. Two months after the proposal was launched, informal talks occurred between the leaders of the countries involved while they were attending the Regional Commonwealth Parliamentary Association Conference. Three months after the proposal was made, a committee had been formed representing the territories concerned to work out detailed proposals. Nine months after the proposal, this committee had prepared a comprehensive memorandum setting out detailed proposals for Malaysia. Three months after the proposal, the Singapore and Malayan governments had started to work out details for a merger of these two countries. This work was completed within three months. Six months after the proposal, the British and Malayan governments announced their support for the principle of Malaysia and announced the establishment of a Commission of Enquiry. In less than 18 months after the proposal was made, a comprehensive survey of public opinion in North Borneo and Sarawak had been made, a referendum had been held in Singapore, a date for the creation of Malaysia had been announced and an Inter-Governmental Committee had begun to work out constitutional provisions for the federation. By March 1963, less than two years after the Malaysia proposal had been made, the terms for merger had been accepted by the North Borneo and Sarawak governments. It is also significant that at each stage of these developments the legislatures were quick to endorse the steps taken.

- Disregard of Opposition.

The speed of these developments is even more surprising when it is noted that the opposition to the Malaysia proposal was better organised, stronger, more vocal and certainly more obvious than the opposition had been to the proposal for a British Borneo Federation. For example, the reaction in North Borneo was summed up in the 1961 Annual Report thus: "It was natural enough that the first reactions of articulate public opinion to the Malaysia proposal should be ones of suspicion and anxiety, for the realisation that 'the winds of change' had reached the shores of Borneo came as a shock to the more conservative elements in the country, who were well-satisfied with things as they were". (1)

I have already mentioned that there were political parties in all three territories opposed to Malaysia and that, in Brunei, the People's Party denounced the Brunei government's participation in Malaysia discussions. Opposition in Brunei even produced a rebellion, yet the British Borneo governments, despite opposition, did not hesitate to proceed with negotiations to form Malaysia.

The Cobbold Commission's findings that only one-third of the population in Sarawak and North Borneo strongly favoured Malaysia, that one-third was undecided and wanted safeguards and that one-third was opposed to Malaysia, and the Commission's estimate that there was a "hard core" of opposition that would remain vocal and politically active, amounting to "nearly twenty per cent of the population of Sarawak and somewhat less in North Borneo", (1) hardly presented a picture of wide support for Malaysia in these territories. Yet the Commission's recommendation that an early decision should be reached was carried out, the date for the formation of Malaysia was announced and the Inter-Governmental Committee was established to work out the details of the proposed constitutional arrangements.

- Visible Progress.

The formation of the Malaysia Solidarity Consultative Committee, the Cobbold Commission and the Inter-Governmental Committee all had an important effect in stimulating public discussion, in keeping the Malaysia issue alive, in producing detailed proposals for discussion and thus removing a number of fears, and in creating the impression, along with government announcements, that Malaysia was more or less agreed to in principle and was a desirable objective. Public thought and discussion could thus be channelled into the more detailed questions of how to obtain the best terms of entry into Malaysia.

- Brunei's Attitude.

Brunei was not represented at the first meeting of the Malaysia Solidarity Consultative Committee. This did not stop the meetings from occurring. The Brunei Government then gave its support to the Malaysia plan. By the time it decided to drop out, negotiations had gone too far. Besides, in the context of Malaysia, Brunei's willingness to join was of much less significance than it had been in the context of a British Borneo federation.

- The Effect of the Governments' Action.

The Cobbold Commission pointed out that the one-third of the population that was undecided on the Malaysian question would be influenced by a firm assurance by the governments that the detailed arrangements eventually agreed upon were in the best interests of the territories, that most of these people would support the proposal for Malaysia if the conditions and reservations they made were met, and that a number of the one-third that opposed Malaysia would be likely to "make the best of a doubtful job" (2) if a firm decision on Malaysia was taken. In other words, if the governments took a strong line and if the detailed proposals were worked out and

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(1) Cobbold, page 31, paragraph 144.
(2) Ibid
announced, considerably more support for Malaysia would be engendered once it was seen that the particular provisions safeguarded the territories' interests.

I think the Commission was right. The speed with which the Malaysia Solidarity Consultative Committee was formed and produced its memorandum, the various government announcements, the appointment of the Gobbold Commission, the creation of the Inter-Governmental Committee, did not give time for public interest to lag and created the right atmosphere in which to launch Malaysia. The Gobbold Commission's assessment of the opinion of the people of Sarawak and North Borneo reflected what appeared to be an increase in support for Malaysia since the proposal was first made. It was certainly true that opposition in North Borneo to Malaysia declined in 1962 when the three anti-Malaysia political parties dropped their opposition and joined the pre-Malaysia Sabah Alliance. The North Borneo elections of December 1962 (1) and the Sarawak elections of June 1963 (2) showed that the one-third supporting Malaysia in the early part of 1962 when the Gobbold Commission made its enquiry, had become a majority, as both these elections gave victory to the pre-Malaysia parties.

It was, then, the decisive and prompt action taken by the governments to launch inter-territorial discussions, to produce and agree upon a set of detailed proposals, to declare strong support for Malaysia and to test public opinion by way of a commission that, together with the political situation of the British Borneo territories, was responsible for the success of the Malaysia proposal.

B. REASONS FOR THE FAILURE OF THE BRITISH BORNEO FEDERATION PROPOSAL

(a) Political Situation in which the Proposal was made.

I have already contrasted the political situation existing at the time of the Malaysia proposal with that existing at the time of the British Borneo federation proposal. The political backwardness of British Borneo at the time of the British Borneo federation proposal was such that consideration of the proposal by the public, and public discussion of the proposal were difficult to achieve. The idea of a federation was difficult to grasp and the advantages that a federation would bring were difficult for many to appreciate. The threat of external aggression which could have produced an important local desire to federate was virtually non-existent as far as the local people could see. In this sense, the federation of British Borneo proposal was premature.

In another sense, the proposal was not premature. Although the public support for the proposal was not generally wildly enthusiastic and although there were no political parties to champion the cause of federation, except in Brunei, the opposition to the proposal equally lacked organisation and was not particularly strong. There was no major organised group that could have wrecked the federation proposal if the British authorities had provided a stronger lead and had done more towards implementing the proposal more quickly. Political opinion and consciousness in British Borneo still had to be moulded and the British authorities could have taken advantage of this situation to introduce the proposed federation. I think it can validly be said that the British authorities were still sufficiently respected in Sarawak and North Borneo, particularly amongst the native peoples, to have taken the lead in supporting the British Borneo federation and to have carried the people with them. Although the two Governors made it clear that they thought a federation of British Borneo was a desirable aim, very little was done to indicate their enthusiasm or the enthusiasm of other British officials for the proposal, but this leads me on to the question of the way in which the public discussion was organised.

The British Borneo territories were too backward politically for the local people to provide impetus to the federation scheme. If the federation was to be the product of an upsurge of a local desire to federate for strength, prosperity and independence, the proposal was premature. If Britain and the British officials in the British Borneo territories had cared to do more than suggest a federation, the political backwardness of British Borneo need not have hindered the success of the proposal.

(b) Brunei's Attitude.

Although there was some opposition to the closer association proposal in Sarawak and North Borneo and although there was some hesitation in these territories about plunging into federation, especially in Sarawak, the leg-
islatures of both territories were able to pass resolutions favouring the principle of closer association in less than one year after the proposal had been made. The Sarawak legislature was the slowest in taking this stand.

In Brunei, although the People's Party with a wide membership declared itself in favour of the federation in principle, the Sultan and his advisers who controlled the Brunei Government and determined the Brunei Government's attitude, gave no firm acceptance or rejection of the proposal and took no steps to test public opinion. Both Sarawak and North Borneo waited for a decision from Brunei.

The two Governors had made it clear in their speeches that the Sultan would have to decide whether a British Borneo federation was in the interests of Brunei and whether it was supported by his people. It was not possible to ask the people of Brunei directly for their views as the Sultan was nominally the sovereign and had the right to decide for himself how best to consult his people. In fact, the Sultan was not used to consulting his people and his right to speak on behalf of his people, without consultation, could not be challenged by Britain without the risk of incurring the displeasure of the Sultan, his court and his loyal subjects. Such a development would not only jeopardise the success of the federation proposal so far as Brunei was concerned but it would also damage Brunei-British relations. It was not even possible to force the Sultan to give a decision. Herein lies a major cause of the failure of the attempt to create a British Borneo federation. If the Sultan and his advisers decided to oppose the federation proposal, this would be the attitude of the Brunei Government and there would be nothing that Britain could do to change this attitude, whatever the opinion of the people of Brunei might appear to be.

This problem need not have stopped a federation of Sarawak and North Borneo, but the federation proposal was originally put forward in terms of a Sarawak-North Borneo-Brunei merger. Although Sarawak and North Borneo were the largest territories in terms of size and population, Brunei's inclusion in the federation was highly desirable for at least four reasons: Brunei was the richest territory; Sarawak's economy depended on oil sent from Brunei for refining and re-export; a Brunei wedge between Sarawak and North Borneo could present a security risk; if Brunei did not wish to enter the federation, Britain would still have a major problem in providing Brunei with a foundation for independence and, unless such a foundation could be provided, the future security of Sarawak and North Borneo could be jeopardised by the risk of subversion in or invasion of Brunei.

Had the Brunei Government given a clear rejection of the federation proposal, the Sarawak and North Borneo Governments and the British authorities would probably have adjusted their thinking to the fact that Brunei would not join the federation and would have proceeded to create a Sarawak-North Borneo federation. Brunei's inclusion was of sufficient importance, however, to cause the other two governments to delay federation negotiations while ever there was a possibility that Brunei might join. The Sultan of Brunei's interview reported in the "Straits Times" in October 1958(1)

(1) S.T. 20/10/58.
(when Sarawak and North Borneo were just about ready to take the federation proposal to the next stage) although not stating clearly that Brunei would not join, made it fairly clear that Brunei was not interested. This interview had an important effect on the enthusiasm of Sarawak and North Borneo for the proposal. Had the Sultan rejected the proposal outright and had the Brunei Government not tried later to deny that the interview meant that Brunei would not join a British Borneo federation, Sarawak and North Borneo would probably have accepted this fact and would have proceeded without Brunei. As it was, however, the Sultan's interview had a discouraging effect at a crucial stage in the discussions. It caused a fatal hesitation at a time when hesitation should not have occurred.

The Brunei Government's unwillingness to co-operate, then, and its unwillingness to give a definite indication of its attitude must be regarded as an important cause of the failure of the attempt to form a British Borneo federation.

(c) The Governments' Handling of the Federation of British Borneo Proposal.

(i) The Need for popular Support.

In discussing the causes of the collapse of the Federation of Rhodesia and Nyasaland, I mentioned that one of the reasons for its failure was that federation was imposed on the territories despite the opposition of the majority of the people. The Malayan Union also failed partly for this reason. There were, in both of these cases, other important reasons that contributed to their collapse, but it is true to say that, if a federation is to be successfully initiated and, more important still, if a federation is to withstand the stresses and strains of a federal relationship, there must be a widespread desire on the part of the majority of the people of the federating territories to enter a federal union and to make it work. The British authorities, therefore, very wisely attempted to ascertain the views of the people of Sarawak and North Borneo and of the Sultan of Brunei before attempting to launch a federation. To this extent, the proposal was handled well.

(ii) Discussion of the Principle of Federation before producing detailed Proposals.

It was, perhaps, wise to find out whether the idea of a British Borneo federation was sufficiently acceptable to warrant further investigation but, as I pointed out when discussing the method in which the British authorities initiated the public discussion of the proposal, I think the two Governors' speeches did not provide sufficient details for discussion. It was argued that the people were merely being asked to state whether the principle of a closer association was acceptable to them. If it was, the governments would proceed to work out, through a joint committee, a set of firm proposals which would once again be discussed by the public and then debated in the territorial legislatures before any final commitment was made. If the public declared its overwhelming opposition to the proposal, nothing more would
be done. The Governors wanted to avoid creating the impression that the British were forcing a preconceived plan on the people. They did not want to make a "mockery" of the consultation process.

This is all very fine, but, in territories where most people are illiterate, or at best poorly educated, where political consciousness is almost non-existent, where few people have any concept of life outside the village, is it reasonable to ask them to discuss and give an opinion on a political principle? As I mentioned when dealing with the public discussion of the proposal, a number of people pointed out that it would be easier to discuss the proposal if there were more details available. As there were not many details provided, few people, including local leaders, could form a very clear idea of what a closer association would involve. It was all very well to say that detailed questions would be answered later, if public support for the principle was sufficient to justify the appointment of an inter-territorial committee to work out detailed proposals. It was all very well to say that, by declaring support for the principle of federation, the people would not be committing themselves to accept a federal union. But, as Ikan Tenggiri and others pointed out, people could not be expected to say whether they supported the proposal or not, unless they had replies to their detailed questions. They were being asked to decide on an issue which they were told was "of very special importance" to them and which would "closely affect (their) own children and their future" (Sir Roland Turnbull). Yet, they were not given many details as to how such a proposal would affect them.

The discussion of the proposal produced a number of fears and in some cases racial tension. The Chinese feared Muslim Malay domination, or domination by an illiterate native majority. The natives feared Chinese domination. Leaders in all three territories spoke of the need for safeguards, but were not too clear about what these safeguards should be. It was clear that in Brunei the Sultan feared that he would lose some of his sovereignty and wealth. Had more detailed proposals been given about the division of powers, the representation for each territory in the federal government, the type of safeguards for state interests and racial sections and the nature of financial provisions, many of these fears may not have arisen, or if they had arisen, through discussing specific proposals, people would have been able to talk more specifically and meaningfully about their fears and the ways to safeguard their rights. As it was, the public discussion did not proceed very far. People, and, for that matter, many leaders, soon tired of talking about the same vague proposals without getting anywhere.

Even if it was intended that the first step in the discussion should be to establish that the idea was good in principle, and, I believe, this step was not possible without more detailed proposals, some detailed proposals should have been made or some steps should have been taken to produce some detailed proposals before the discussion petered out.

(iii) Procrastination.

The British authorities were wise to attempt to test public opinion
before taking any definite steps towards creating a federation. This is undeniable. If there was widespread opposition to federation or if there was not reasonably strong public support for federation, it should obviously not be attempted. It would be unwise to announce that a federation would be created without first giving the people an opportunity to express their views. The question is, however, how much expressed support was required before work could begin on preparing detailed proposals? Did the authorities want complete unanimity? Did they want everyone to express an opinion?

By the time the North Borneo Legislative Council debated the proposal in April 1958,\(^1\) the people and organisations throughout the territory had had nearly three months in which to discuss and decide upon the proposal. It is true that some people felt that the discussion had been rushed and that, as the Governor of Sarawak pointed out in his Hari Raya address,\(^2\) no hasty decision should be reached. Nevertheless, a considerable number of organisations and people had given their views. There were a number of doubts and reservations, none of which could profitably be discussed until some detailed proposals were produced. Some individuals and a very few organisations had expressed complete opposition to the principle of federation, but it seemed fairly clear that the majority of people in North Borneo had not rejected the principle of closer association.

It must be admitted that the majority of the people of North Borneo had said nothing on the issue, partly because they could not understand it and therefore had nothing to say, and partly because they were not used to expressing an opinion on a political question. They lacked any organised means of expressing an opinion, but the major spokesmen for the communities, in so far as there were spokesmen, had indicated their views. In the North Borneo Legislative Council, the resolution declaring public support for the proposal in principle and recommending the establishment of an inter-territorial committee to draw up more detailed plans, was carried unanimously.\(^3\) Even though many spokesmen did not really know what their people thought, even though some were not clear on their own views and even though the unofficial members of the Legislative Council were appointed and not elected, surely a unanimous resolution in the colony's legislature and no widespread cries of opposition were the surest indication of public support for federation that could be expected in such a politically backward area.

I can understand why nothing more happened until Sarawak and Brunei had declared their views. The British officials could hardly start preparing detailed proposals in the light of their insistence that these proposals should be worked out by representatives of the people at inter-territorial conferences. In the same way, the North Borneo officials could not start

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\(^{1}\) A.R.N.B. 1958 page 2.

\(^{2}\) "Sarawak by the Week", No. 17/58, covering April 20-26, 1958.

\(^{3}\) A.R.N.B. 1958 page 2.
suggesting proposals before they had consulted representatives of the other territories, otherwise North Borneo could be accused of attempting to force terms favourable to North Borneo upon the other territories. It was necessary to await the outcome of discussions in the other territories.

In Sarawak there were signs of more widespread opposition to the proposal than in North Borneo. The Council Negri debate in May 1958 was inconclusive. (1) Despite the reservations and opposition expressed to the proposal, it did seem that the majority of views expressed were sufficiently in favour of the principle to warrant the commencement of work on more detailed proposals. The Sarawak Government could, perhaps, have forced a decision. On the other hand, the Governor was clearly worried about producing political tension, which would probably develop into racial tension, by a hasty decision. He was perhaps wise not to exert any pressure.

In September 1958, the Council Negri eventually declared sufficient support for the proposal to create a committee of unofficial members to work with the North Borneo committee in drawing up more detailed proposals. (2) The public discussion in Sarawak certainly did not indicate as wide support for the proposal in Sarawak as there was in North Borneo, but there did appear to be more support for the proposal than opposition and the legislature passed a resolution proposing inter-territorial discussions. This was, surely, as strong an expression of public support for the proposal as could be expected, especially when it is remembered that most Council Negri members, though not directly elected, were elected by electoral colleges. North Borneo, having already passed a resolution in April, recommending that the three governments should appoint representatives to an inter-territorial committee to work out more detailed proposals, did not appoint its committee until December 1958. (3) This was an unfortunate delay.

What happened next? Nothing! This was probably the crucial mistake in the operation. Why did nothing happen? The 1959 North Borneo Annual Report comments as follows on this delay: "Although committees had been appointed by the legislatures of North Borneo and Sarawak to conduct further enquiries into the implications of Closer Association between the three territories, it was felt that as all three governments themselves were not yet unanimous in their attitudes, the time was not opportune for the two committees to start work." (4)

What can this statement possibly mean? Did the North Borneo and Sarawak Governments require unanimous support from all sections of the public before they were willing to launch inter-territorial discussions? If so, this was a remarkably naive attitude. If every single person in the territories or, indeed, every organisation, had to voice support for the principle of closer association before more detailed plans could be drawn up, it was

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(1) N.B.N.S.T. 13/5/58
(2) A.R.S. 1958 page 1
(3) A.R.N.B. 1958 page 2
(4) A.R.N.B. 1959 page 4
hardly worthwhile raising the question in the first place, as complete unanimity would be unlikely. It was also unnecessary. A federation should not be launched unless it has widespread support, but this does not mean that it should have unanimous support. If the legislative councils of Sarawak and North Borneo were able to pass a resolution calling for the establishment of an inter-territorial committee to work out more details, surely this was a sufficient expression of public support for the principle of closer association to warrant more detailed investigation. It would be most unlikely that further discussion about a vague principle would produce any clearer results. The doubts and hesitations could be removed only if the question was clarified through the production of more detailed proposals. There was a chance that some of the opposition to the proposal would also be removed once more details were known, but there was virtually no chance that it would be removed through doing nothing or through pursuing further vague discussions. An agreement to form an inter-territorial committee in no way committed the Governments of North Borneo or Sarawak or their people to enter a federation. If there was widespread opposition to the idea of federation, this would continue to be obvious during the public discussion of the more detailed proposals and then, if it was considered to be too widely opposed, the idea of federation could be dropped. Pressing ahead with inter-territorial discussions would not have meant that the governments or the British authorities were forcing federation on the people.

The explanation for the delay in the commencement of inter-territorial discussions between Sarawak and North Borneo could have been that both governments were awaiting a decision from the Brunei Government, which had failed to indicate its views. Press interviews with people who preferred to remain anonymous and the People's Party's endorsement of the principle of federation indicated that there was considerable support for the proposal in Brunei. The Brunei Government, however, took no steps to test public opinion and refrained from giving any clear indication of its views.

The governments of Sarawak and North Borneo, having secured from their legislatures endorsement of the principle of a closer association in British Borneo, and approval for the establishment of an inter-territorial committee, could have started negotiations to prepare a scheme for the federation of these two territories. A federation of Sarawak and North Borneo would have been a desirable achievement, but, if Brunei could be persuaded to join, so much the better.

The commencement of discussions between North Borneo and Sarawak could encourage the Brunei Government to join in the discussions, especially if the proposals that emerged from these Sarawak-North Borneo discussions indicated that adequate safeguards for territorial sovereignty, rights, finances and policies would be possible in the federation. There was a risk that the commencement of Sarawak-North Borneo negotiations would cause the Sultan of Brunei and his advisers to feel slighted or to feel that Sarawak and North Borneo were exerting pressure. This would almost certainly result in Brunei's refusal to join in the inter-territorial discussions, but, at least
Sarawak and North Borneo would know what Brunei's attitude was. Even if Brunei refused to join in the federation discussions, it was always possible that Brunei would later be willing to join a federation once the Sarawak-North Borneo federation was working satisfactorily. This was particularly likely when the Brunei People's Party became influential, as it was likely to do sooner or later. At the very worst, even if Brunei never joined the federation, Sarawak and North Borneo would be able to enjoy the advantages of federation.

After the Sultan had given his interview to the "Straits Times" in October 1958(1) it seems to me that there was considerable evidence that Brunei would not join the proposed federation. Sarawak and North Borneo therefore had little to lose from commencing federation negotiations. By further delaying negotiations and the preparation of more detailed proposals, these two governments jeopardised their chances of achieving any kind of federation in the apparently increasingly vain hope that Brunei would decide to participate in inter-territorial discussions. The longer Sarawak and North Borneo delayed taking action, the clearer it became that Brunei was not likely to join in inter-territorial discussions and the less were the chances of succeeding in launching a federation of Sarawak and North Borneo. The federation proposal lost its impetus.

The months dragged by and still nothing was done to institute inter-territorial discussions to work out detailed proposals. The regular Inter-Territorial Conferences at which Brunei was represented, continued to meet and to discuss matters of common interest. Although in March, 1960, the Governor of Sarawak announced to the Council Negri that it was hoped to arrange informal exchange visits between Sarawak Council Negri and North Borneo Legislative Council members, (2) it was not until the October 1960 Inter-Territorial Conference that there was any indication that Sarawak and North Borneo were likely to pursue the question of closer association further.

The communiqué (3) released by the Inter-Territorial Conference, which, in addition to the usual delegates, was attended by a British Minister of State and by the Under-Secretary of State in the Colonial Office, indicated that Brunei's unwillingness to join a British Borneo federation was at last accepted and that the governments of Sarawak and North Borneo intended to proceed alone. As a result of decisions at this meeting, a series of exchange visits between local leaders of the two territories began, and negotiations commenced for the formation of a free trade area between Sarawak and North Borneo. The two committees appointed in 1958 by Sarawak and North Borneo still did not meet. In fact, they never met, nor were any detailed proposals ever presented for consideration. Although the issue of closer association had

(1) S.T. 20/10/1958 
(2) N.B.N.S.T. 26/3/1960, page 1 
(3) Quoted in N.B.N.S.T. 21/10/1960 page 1.
ceased to be of public interest, the exchange visits produced a mild revival of interest in the proposal, but still no significant step was taken towards drafting detailed proposals for discussion. Had the inter-territorial committee appointed to draw up more detailed plans commenced its work, the federation proposal - at least as far as Sarawak and North Borneo were concerned - would have gained some impetus.

(iv) The Impact of the Malaysia Issue.

By early 1961, prospects for achieving a federation of Sarawak and North Borneo seemed hopeful. Although there was some opposition in Sarawak, North Borneo appeared to be wholeheartedly in favour of federation, yet no step was taken, apart from efforts to form a free trade area, to take the federation proposal beyond the general discussion stage. Given a little more time, after nearly four years, detailed inter-territorial negotiations might have started and would probably have resulted in the creation of a North Borneo-Sarawak federation, had the Malaysia issue not arisen in May of 1961. Once Malaysia was in the air, a North Borneo-Sarawak federation was more or less a dead issue.

As I have already mentioned, the Malaysia proposal was extremely well managed. The proposal was followed by inter-governmental negotiations. Specific proposals were available within nine months. An organised attempt was made to find out the views of the people of Sarawak and North Borneo. The Brunei Government supported the Malaysia proposal and the British Government was prompt in declaring its support for the proposal. Despite more vocal opposition to Malaysia than there had been to the federation of British Borneo proposal, the governments did not dither. As a result, except in Brunei, support for Malaysia grew. It is not surprising, therefore, that such a well organised programme was successful and thus replaced the scheme for a federation of British Borneo.

(d) Conclusion.

The proposal for a federation of British Borneo was unsuccessful because the territories were not ready in 1958 to express full public support for the proposal. The Brunei Government's unwillingness to commit itself on the principle of closer association sabotaged the proposal. Most important of all, the pattern of events that followed the official proposal for closer association of the British Borneo territories was marked by procrastination, lack of details and hesitation. The proposal was permitted to lose impetus because of the British authorities' unwillingness to force the proposal on the people. When the Malaysia proposal arose, after the three territories had advanced politically and when a well organised effort to create Malaysia was made, the proposal for a British Borneo federation had no chance for survival, despite a few initial suggestions in North Borneo and Sarawak that a federation of British Borneo should precede the formation of Malaysia and despite the Brunei People's Party's sustained efforts to oppose Malaysia and to bring about a British Borneo federation.
G. THE PROSPECTS FOR A RECONSIDERATION OF A FEDERATION OF BRITISH BORNEO.

The Federation of Malaysia has been created and Sarawak and North Borneo (now Sabah) have achieved independence as part of that federation. Brunei has preferred to remain outside the new federation and to retain its status as a British protectorate. Whether Brunei eventually joins the federation of Malaysia remains to be seen. I think this is likely, at least in the long run, once Brunei's income from oil has declined to the point where Brunei's vast wealth no longer presents an obstacle to federation. Once Brunei's oil industry has declined sufficiently, Brunei is extremely likely to seek federation with Malaysia, as, without oil, Brunei would be in need of considerable help. There is also the problem of Brunei's independence. Brunei obviously cannot survive separately as an independent country. Once independence from Britain is required, Brunei is likely to want to join Malaysia to achieve independence and Britain is most unlikely to oppose this move. Once this happens, the former British Borneo territories will have all been absorbed into Malaysia.

Under these circumstances, the revival of the British Borneo concept seems unlikely. There are, however, two ways in which a federation of British Borneo could still emerge.

(a) Success of Azahari's Plans.

Azahari and the Indonesian backed rebels still want to see the collapse of Malaysia and the establishment of an independent state of British Borneo. There is obviously little support for this scheme within British Borneo at present. The Brunei Rebellion sparked public opinion in all three territories. The people of British Borneo, and more important, the political leaders, are suspicious of Indonesia's intentions in backing the Brunei Rebellion and in supporting the present border terrorism. It is unlikely, on present indications, that Azahari's scheme will be successful. His opposition to Malaysia and, perhaps more important, Indonesia's opposition to Malaysia, provides the necessary threat to British Borneo's security to cause Sarawak and North Borneo to look to Malaysia as their chance for survival. This threat may also cause Brunei to enter Malaysia before it would otherwise do so.

Circumstances may change, however. If Malaysia fails to bring prosperity and development to Sarawak and Sabah (North Borneo) and if Indonesian or Communist-backed subversion succeeds in increasing British Bornean sympathy for Azahari's cause, an internal uprising, along the lines of the Brunei Rebellion, supported morally and militarily by Indonesia, would prove successful. I think this is unlikely. Unless sufficient internal opposition to Malaysia can be fostered, the Azahari-Indonesian border raids are likely to increase support for Malaysia rather than decrease it. Azahari and Indonesia are unlikely to launch an invasion of British Borneo unless given the excuse of an internal uprising. The risks of a full scale invasion, which would be necessary if British Borneans were not sympathetic
to the Azahari-Indonesian cause, would be too great.

An independent union of the British Borneo territories, produced by force and led by Azahari, would be unlikely to produce a lasting British Borneo federation. Indonesia would almost certainly absorb the area sooner or later. The prospects of an independent British Borneo would therefore be remote. British Borneo, instead of being absorbed into Malaysia, would be absorbed into Greater Indonesia.

(b) A Rise in British Borneo Unity.

It is possible that the Federation of Malaysia will cause Sarawak and North Borneo to co-operate more closely in safeguarding their interests in the Federation. If Brunei joins Malaysia it is also likely to co-operate with Sarawak and North Borneo. Much depends on whether Malaysia produces Malay or Chinese, Malayan or Singaporean domination of the Federation culturally, administratively or politically. If this happens, there is likely to be a reaction in British Borneo that will produce a sense of British Bornean unity or nationality. If, on the other hand, the Federation succeeds in moulding the different races and territories into a nation, such reaction in British Borneo is unlikely.

The federal government will have to tread carefully. The differences between the races and the territories cannot be left unattended. If nothing is done to encourage integration, no sense of national unity will be created and the Federation is likely eventually to disintegrate. If, on the other hand, racial or territorial integration is rushed, there is likely to be a reaction in British Borneo against Malayan or Singaporean domination. Integration will have to occur slowly, each step being taken when the races and territories are ready for it.

One aspect of this problem is that of policy. If the separate territories are left to pursue separate and different goals, the differences between them are likely to increase and the Federation is thus likely to be endangered. If, on the other hand, the federal government interferes prematurely with local policies, opposition is likely to be engendered. As in the West Indies Federation, freedom of movement and size of representation are likely to be thorny problems in the future. Sarawak and Sabah have been permitted to retain control over immigration into these territories and have been given greater representation in the federal government than their size and population warrant. Whether these arrangements are likely to remain acceptable to other parts of Malaysia, especially to Singapore, is an important question. Of equal importance is the question of whether Sarawak and Sabah are likely to accept a compromise if and when the time comes for a reconsideration of these arrangements.

Another serious policy problem is likely to be that of education and the allied question of the place of Malay as a national and official language. The use of English in Sarawak and North Borneo as an official

language is guaranteed, as is the right for these two territories to continue existing education policies which favour English rather than Malay as the medium of instruction. Sooner or later these policies will probably have to be altered in the interests of national uniformity. If their alteration is left too late, the chances of integrating Sarawak and Sabah's policies on these matters will be reduced. If alteration is attempted prematurely, opposition from Sarawak and North Borneo is likely.

To retain the loyalty and support of Sarawak and Sabah, rapid development will be necessary in these two territories. Unless the gap in development between Sarawak-Sabah and Singapore-Malaya is reduced, Sarawak and Sabah are likely to become discontented. It was hoped that Malaysia would bring increased prosperity and economic development. If this hope is not realised, Sarawak and Sabah are likely to become restless. It will also be important to ensure that any increased prosperity that does occur is not confined to the Chinese. Indeed, the natives will have to be brought forward as rapidly as possible through social services and development programmes, otherwise their loyalty to Malaysia will be jeopardised.

Should dissatisfaction with Malaysia grow in Sarawak and Sabah, greater unity between these two territories would be likely to result. If Brunei joined Malaysia and also became dissatisfied, it would be likely to become more united with Sarawak and Sabah. Either way, if this dissatisfaction led to secession from Malaysia, it would be extremely likely that at least Sarawak and Sabah would form a separate federation because they would not be able to survive as independent separate countries and a return to their former colonial status would be impossible. Whether Brunei joined Malaysia or not, secession by Sarawak and Sabah would be likely to result in Brunei's joining them in a British Borneo federation, although this would be by no means certain.

If Malaysia succeeds, a British Borneo federation is, of course, out of the question. If Malaysia fails to integrate Sabah and Sarawak, and perhaps later, Brunei, with the other Malaysian territories, and if this failure leads to a growth of unity and Bornean consciousness in the British Borneo territories, a federation of British Borneo is extremely likely. Such a federation would have a good chance of survival. Greater unity between the British Borneo territories would have been created by their co-operation to safeguard their interests, their leaders and the people would have had experience of a federal system of government, and, if they seceded from Malaysia, there would be no way to provide the political and economic foundation for their survival as independent countries other than by their entering a British Borneo federation.

The above developments are, however, unlikely, while ever Indonesia presents a threat to the security of the British Borneo territories. The disadvantages that these territories might experience in Malaysia would be

(2) M.R.I.G.C. paragraph 17.
outweighed by the disadvantages likely to result from Indonesian control of these territories. This assumes that subversion does not generate support amongst the local people of British Borneo for Azahari's cause. If widespread British Bornean dissatisfaction with Malaysia developed and was converted to widespread support for Azahari, the Indonesian threat would tend to operate in favour of the British Borneo territories' withdrawal from Malaysia. Such a development is, however, unlikely on present indications.

All things considered, then, the chances of the creation of a British Borneo federation are now remote.

(c) The Type of British Borneo Federation that could emerge.

If Malaysia should fail and if a British Borneo federation should emerge, what type of federation would be likely to result? Much would depend on whether the federation was accomplished under Azahari's leadership or as a result of co-operation between Sarawak and Sabah and perhaps Brunei.

(1) Under Azahari's Leadership.

In the event of Azahari succeeding in creating a federation of British Borneo, Brunei's inclusion would be extremely likely. It is possible that the Sultan of Brunei would become a constitutional monarch, presiding over the federation with nominal powers, that his sovereignty would be confined to nominal powers in Brunei, or that the position of Sultan of Brunei would be abolished.

Under Azahari's leadership it seems fairly certain that the federal government would be powerful and that nationalist-socialist policies would be implemented. The survival of democratic processes would be questionable. "Guided Democracy" under Azahari as President of the Federation, or under the Sultan as nominal head with real control exercised by a Prime Minister, would be a distinct possibility. Absorption of British Borneo into a federation of the whole of Borneo would be another possible result in which case the Sultanate of Brunei would not be likely to survive. It is even possible that British Borneo would become part of Greater Indonesia.

In the event of Azahari gaining control of British Borneo, the question of the Philippine's claim to part of Sabah would create interesting difficulties. It would be possible that the former Sultan of Sulu's possessions, roughly the northern and eastern coast of Sabah, would pass to the Philippines, whilst the rest of British Borneo would form a British Borneo federation, a federation with Indonesian Borneo or part of Greater Indonesia.

The chances are that a British Borneo federation created by Azahari with backing from Indonesia and/or the Philippines would be unlikely to survive as a separate political entity for long. British Borneo under these conditions would be likely to be partitioned yet again, as a result of the struggle for power between new colonial powers. British Borneo would cease to exist as an entity as surely as it will eventually cease to exist.
as an entity if Malaysia succeeds.

(ii) As a Result of co-operative Seccession from Malaysia.

If Azahari's cause failed, if Indonesia dropped its confrontation towards Malaysia and if Sarawak and Sabah decided to secede from Malaysia to pursue a separate path as a new federation, the survival of British Borneo as an entity would be more likely, especially if Brunei decided to join the new federation.

Whether Sabah and Sarawak would be prepared to accept the Sultan of Brunei as a constitutional head of state is doubtful, although such an acceptance would render Brunei's entry into a British Borneo federation more likely. If the Sultan of Brunei would not be acceptable as the federal head of state, the new federation would face a new problem. The head of Malaysia is elected by and from among the rulers of the Malay States. Sarawak and Sabah have no such royal rulers. Unless the Sultan of Brunei became the head of state, the new federation would either have to become a form of republic or a Dominion of the British Commonwealth with a Governor or Governor-General. It would be difficult to elect a federal president, because of the different populations of the British Borneo territories. The largest state, Sarawak, would be likely to dominate in such an election. The problem would be solved if a local leader emerged with wide support throughout the territories that proposed to federate.

The division of powers and financial provisions that would be made in a new federation of British Borneo would be difficult to predict. The extent of the power of the new federal government would depend on the extent to which common interests between the three territories outweighed any bitter memories of federal government domination in the Federation of Malaysia. The outcome would depend on the circumstances in which Sarawak and Sabah and perhaps Brunei seceded from Malaysia.

It is fairly likely that a new federation of British Borneo would have a bicameral federal legislature with an upper house containing an equal number of representatives from each of the federated territories. The constitution of the Federation of Malaysia would be likely to provide a model for the constitution of the new federation, with amendments to those Malaysian constitutional provisions that had caused dissatisfaction.

Although a new federation of British Borneo would have internal problems, it would be likely that there would be less discord within such a federation than within Malaysia. The secession battle would most likely have developed considerable common Bornean consciousness and a considerable degree of common interests. In this sense, a federation of British Borneo would have a greater chance of survival than the Federation of Malaysia. The most serious problems that would face a new federation of British Borneo would be the problems of defence and economic development. Without the more powerful and developed territories of Singapore and Malaya, British Borneo would have a difficult time, especially if secession from Malaysia occurred after the economy of British Borneo had become more integrated.
with and more dependent upon the economy of Malaysia. Nevertheless, I think such a new federation would survive if Britain and other Commonwealth countries were prepared to provide aid to the new federation.
The creation of the Federation of Malaysia has meant the end of the British Borneo concept. At present, the chances of a revival of the concept of a separate nation of British Borneo are remote. When the proposal for the creation of a British Borneo Federation was made in 1958 there was a good chance that it might have occurred. If it had occurred, it would have represented the culmination of British policy, especially post-war British policy, of integrating the three British Borneo territories. Whether a British Borneo federation would have remained separate from Malaysia is another question. Perhaps the formation of Malaysia was inevitable. A separate British Borneo federation, unwilling to join Malaysia, would have made the merger between Malaya and Singapore more difficult. Singapore would probably have become a greater problem and the Communist elements there would probably have affected the British Borneo federation adversely.

The entry of the British Borneo territories into Malaysia did not represent a substantial change in British policy, for, although British policy had attempted to integrate Sarawak, Brunei and North Borneo, it had also attempted to strengthen the links between British Borneo and Malaya-Singapore.

The Federation of British Borneo failed to materialise, for reasons which I have given. The concept of Malaysia replaced the concept of British Borneo as the basis for the future of the British Borneo territories. Whether the Malaysia concept will succeed, whether the Malaysia concept will be absorbed into the even larger concept of Maphilindo, and whether, if Malaysia fails and Maphilindo fails to materialise, the British Borneo concept will be successfully revived, remains to be seen.
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Chung Nam Printing Co., Jesselton, North Borneo. 1958

HARRISON, Tom (Editor) "The Peoples of Sarawak". Distributed by the Curator, Sarawak Museum. 1959.


LONGHURST, Henry "The Borneo Story : The First Hundred Years of The Borneo Company Limited".

MCKIE, Ronald "Malaysia in Focus". Angus & Robertson Ltd. 1963. pages 229-236

"North Borneo, Brunei, Sarawak" in Country Survey Series. Human Relations Area Files, New Haven. 1956


ROBQUAIN, Charles "Malaya, Indonesia, Borneo and the Philippines : A Geographical, Economic and Political Description of Malaya, the East Indies and the Philippines". Translated by K.D. Laborde. Longmans, 1959


B. OFFICIAL PUBLICATIONS


"Government Gazette, North Borneo". 1951-1962. Government Printer, North Borneo


"North Borneo Today". Department of Broadcasting and Information, North Borneo. Undated.


"Text of an Address on Closer Association between Sarawak, Brunei and North Borneo, by His Excellency the Governor of North Borneo, Sir Roland Turnbull, K.C.M.G., broadcast over Radio Sabah at 7.00pm on February 7th, 1958." Government Printer, North Borneo.
"Text of the Speech made by His Excellency the Governor, Sir Roland Turnbull, K.C.M.G., at Jesselton Hotel on the 25th Feb., 1956, on the Occasion of the Chinese Dinner given in his Honour by the Jesselton Chinese Chamber of Commerce, the North Borneo Chamber of Commerce (West Coast Branch) and Representatives of the various Communities of Jesselton".
Government Printer, North Borneo.


G. BOOKS : BACKGROUND READING.


BISBY, HARRY


HALL, Maxwell "Makan Siap : Table Tales of North Borneo". Foo Tung Chai, Labuan, North Borneo. Undated


KEITH, Agnes "Land Below the Wind". Michael Joseph, 1958.


"Sabah Story : a Booklet on North Borneo". Issued by the Rotary Club, Jesselton, North Borneo. Undated.
D. ARTICLES

Below are listed articles of special importance or articles which do not appear in the magazines and newspapers listed in sections E and F.

"Governor tells the People of Plan to bring Borneo Territories into Closer Partnership" in "Sarawak by the Week", No. 6/58, Feb. 2 to Feb. 8, 1958. Information Services, Sarawak.

HARRISON, Tom. "Background to the Brunei Rebellion. Published by Rio, Singapore, 1963, from an article in the "Straits Times", Singapore.


E. MAGAZINES


"Malaysia". No. 1 Jan. 1962
No. 2 April 1962
No. 3 October 1962
Department of Information, Malaya.

"New Commonwealth" (monthly) from January 1958 to November 1963.


F. NEWSPAPERS

The Information Office, Jesselton, kindly permitted me to borrow their file of press cuttings on the proposal for a federation of British Borneo. This file covered the following newspapers from 6/2/1958 to 14/1/1961. Articles in languages other than English were accompanied by a translation.

NORTH BORNEO
"Api Siang Pau" (Chinese) daily
"Borneo Times" (Chinese) daily
"Kinabalu Observer" (Chinese) daily, from 1960
"North Borneo News and Sabah Times" (English, Malay, Kadazan) daily
"Overseas Chinese Daily News" (Chinese) daily
"Sandakan Jih Pae" (Chinese) daily from 1960.

SARAWAK
"Chinese Daily News" (Chinese) daily
"Pekan Har'ayat" (Malay) monthly
"Sarawak Times" (Chinese) daily
"Sarawak Tribune" (English) daily
"Sarawak Vanguard" (Chinese) daily
"Sin Wen Pau" (Chinese) daily
"Utusan Sarawak" (Malay) tri-weekly

BRUNEI
"Borneo Bulletin" (English) weekly

SINGAPORE-MALAYA
"Straits Times" (English) daily
OTHER PAPERS

"Glasgow Herald"
"Irish Times"
"London Times"
"Manchester Guardian"
"Northern Echo" (Prestgate, Darlington)
"South China Morning Post" (Hong Kong)
"The Scotsman"
"The Times Weekly Review"
"The Western Daily Press and Bristol Mirror".

From March 1959 to May 1963 I have kept my own press file covering the following English papers:

NORTH BORNEO
"Daily Express" (English, Malay, Kadazan) daily from 1962
"North Borneo News & Sabah Times" (English, Malay, Kadazan) daily

SARAWAK
"Sarawak Tribune". (English) daily

BRUNEI
"Borneo Bulletin". (English) weekly

SINGAPORE—MALAYA
"Straits Times" (English) daily
"Straits Budget" (English) weekly
"Sunday Mail" (English) weekly

North Borneo Chinese newspapers have been covered by a translation sheet issued by the Department of Labour and Welfare and to which I have subscribed from March 1958 to May 1963.

II. FEDERATION AND BRITISH COLONIAL TERRITORIES

A. REFERENCE BOOKS


MCKIE, Ronald "Malaysia in Focus". Angus & Robertson, 1963


"The United States of America: A Government by the People". Department of State, U.S.A. Undated.


2. OFFICIAL PUBLICATIONS.


C. ARTICLES

Below are listed articles of special importance, or articles which do not appear in the magazines listed in Section D.


"Averting Disaster in Central Africa", in "The Sunday Mail" (Singapore) page 17, April 14, 1963.

AYEAST, WILLIAM "Political Aspects of Federation", in Vol. 6 No.2, June 1957 (Special Federation Number) of "Social and Economic Studies". Institute of Social and Economic Research, University College of the West Indies, Jamaica.

BRAITHWAITE, LLOYD "Progress towards Federation, 1938-1956" and "Federal Associations and Institutions in the British West Indies" in Vol. 6 No. 2, June 1957 (Special Federation Number) of "Social and Economic Studies". Institute of Social and Economic Research, University College of the West Indies, Jamaica.


ROBERTS, G.W. "Some Demographic Considerations of West Indian Federation" in Vol. 6 No. 2, June, 1957 (Special Federation Number) of "Social and Economic Studies". Institute of Social and Economic Research, University College of the West Indies, Jamaica.


SHERES, Ronald V. "Government in the British West Indies: An Historical Outline", in Vol. 6 No. 2, June 1957 (Special Federation Number) of "Social and Economic Studies". Institute of Social and Economic Research, University College of the West Indies, Jamaica.


"West Indian Federation". Vol. 23 No. 13, 27th April, 1959 of "Current Affairs Bulletin". Department of Tutorial Classes, University of Sydney.

D. MAGAZINES


"New Commonwealth" (monthly) from January 1958 to November 1963.

"Social and Economic Studies". Vol. 6 No. 2, June 1957 (Special Federation Number). Institute of Social and Economic Research, University College of the West Indies, Jamaica.


"Malaysia", No. 1 Jan. 1962
No. 2 April 1962
No. 3 October 1962
Department of Information, Malaya.