# RACE-RELATIONS IN MALAYA DURING THE ECONOMIC CRISIS OF THE 1930S

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## Abstract

*The large-scale immigration of Chinese and Indians to Malaya in the 19th and early 20th centuries created a host of socioeconomic and political problems for the country. One such problem was in race-relations, the first signs of which began to emerge in the early 1930s coinciding with the World Economic crisis. Malay anxiety and frustration over the overwhelming presence of the immigrant workers in the country that had been simmering since the 1920s culminated into strained race-relations. This article examines race relations in Malaya, more specifically in the Federated Malay States, during the economic depression of the 1930s. It tries to explain how the unimpeded influx of immigrant workers resulted in the native Malays being reduced to the status of a minority race in some Federated Malay States and their opposition to these immigrants; the demand by the immigrant races for equal rights as the Malays; the pro-Malay and the decentralization policies of the British colonial government, which all contributed to the strained race-relations during the economic downturn.*

## Introduction

Even though it is acknowledged that there were small enclaves of Chinese settlements in several coastal areas of the Malay peninsula during the pre-British period, it was only after the foundation of Penang by the British in 1786 and their subsequent colonization of the Malay peninsula that saw the demography of the country being drastically altered from an essentially Malay society to a more pronounced plural society. It was British colonial economic interests which was responsible for the unprecedented large-scale immigration of first Chinese and later Indians to Malaya in the 19th and early years of the

20th centuries. The emergence a society with an ethnically diverse population of different cultures, religions, languages, traditions and aspirations inevitably gave rise to the phenomena of troubled race-relations in Malaya.

## Emergence of a Plural Society in Malaya

Given that a plural society had been in existence in Malaya since the beginning of the 18th century, the strained relations between the native Malays and the immigrant communities during the economic crisis can be said to be a new phenomena. This is not to say that there had never been any race-related problems in the past. Isolated cases of differences and animosity between the Malays and Chinese in earlier times have been recorded.[1] Interestingly, there had also been occasions, when one group of Sino-Malay faction had joined forces and fought against rival Sino-Malay faction, over tin mining rights and collection of tax at river outlets. indicating that race does not pose as an obstacle in fighting a common cause. The civil wars in Larut, Perak (1862-1873), Sungai Ujong (1862) and in Selangor (1870-1872) are good examples.[2] Generally however, the relationship between the Malays and the immigrant communities had until the late years of 1920s been one of 'live and let live'. However with the onset of the economic depression in late 1929, when life became very difficult for everyone, various issues affecting the races culminated into very strained relations. Despite its importance there has been little research in race-relations for the period concerned.

The focus of most studies on race-relations in Malaysia is after the Second World War, although some writers have provided glimpses of the problem during the depression years. Wan Hashim Wan Teh, for example, traces the developments within society since the 1900 that gave rise to cleavages between the Malays and the non-Malays and attempts at integration after independence.[3] Leon Comber gives some background knowledge of the complex Sino-Malay relationship that led to the unfortunate events of the May 13,[4] while Collin Abraham explains the ethnic and racial formation in Malaya and how the political and economic structure in British Malaya created problems in race-relations.[5] Others have briefly discussed political issues and differences affecting the races during the depression years of the 1930s while writing on Malay nationalism and British rule of Malaya.[6] It is my contention that these so called 'issues' or 'differences' among the various races in Malaya in the early years of the 1930s were in fact the first incidence of trouble in race-relations in the country.

There was marked restiveness among the Malays against the overwhelming presence of the Chinese and Indians in the country. For the first time the Malays felt their rights infringed by these immigrant communities. They demanded greater protection to their rights as natives, especially with regard to land and employment in the government services. The Chinese and Indians on the other hand, especially those domiciled, who were concerned about their future in Malaya, criticized the colonial government of being pro-

Malay in its policies and discriminatory to the immigrant communities. They too began to demand they be treated as equals as the Malays. Such overt demands from the different racial groups were unprecedented in Malaya and hence it began to have a divisive effect on society.

Furthermore such demands were not in the best interests of the country, especially occurring at a time of a serious economic crisis, as this caused grave concern to the British colonial government. Although the demands by the Malays and the immigrant communities did not lead to race riots as in Burma, during the same period, it however caused great anxiety and strained the relationship between the communities. Fortunately however, with improved economic conditions in 1934, the tense situation eased. However, those issues raised during the depression years were not settled but continued to resurface from time to time. Indeed the special position of the Malays and the citizenship rights of the domiciled immigrant communities were central issues of contention during the post war years, during independence and even afterwards, race-relations in Malaysia remains fragile to this day.

What causes race-relations, in plural societies to become strained? Many theories have been put forward for the phenomena. Wertheim has suggested economic competition as the primary cause of ethnic conflict. According to him, 'it is economic competition between adjoining social groups which lies at the root of the tensions, as they present themselves in the actual phase of world history'.[7] But economic competition alone need not necessarily be the root cause of problems to race-relations. There can also be other underlying causes such as political, social, religious, cultural and even psychological. In the present case however, the economic situation had been cited as a contributing factor for the unprecedented racial problems during the period.[8]

Besides causing mass unemployment of workers in the primary industries and in the public sector it also affected the every community in Malaya in one way or another. This confirms the theory that when economic problems arise in multi-racial societies, race-relations often suffer, as some groups are blamed for others' misfortune. However it must be admitted that in the present case it was a combination of factors that had triggered this strained relations. This article discusses race-relations in Malaya, more specifically in the Federated Malay States[9] (FMS) during the economic crisis of the 1930s; some issues that gave rise to this strained relationship; why the people acted the way they did, and the developments that took place in response to the situation.

It is imperative that any discussion on race-relations in Malaysia should first examine how plural society evolved in the country as this would help enlighten the complexity of the problem. As mentioned earlier, although long before the arrival of the British there were several enclaves of Chinese trading communities along the coastal regions of the Malay peninsula, it remained essentially a Malay land inhabited by the Malays, the indigenous people, alongside several aboriginal groups and people of the Malay stock from the Malay archipelago. However, British colonization of Malaya in the

18th century brought about a drastic and permanent change to the demography of the country.

The quantum leap in the Malay States' economy, from subsistence to capitalist, especially after the 1870s, stimulated a great flow of the Chinese immigrants. Tin mining and commercial agriculture became the main foreign exchange earner of the capitalist economy.[10] To sustain the growing power of the export sector a large and cheap labour force became essential. The Malay peasants who were not used to working under rigid and harsh working conditions posed by these new industries were reluctant to work in the early mines and plantations. Desperate for cheap labour the British induced the Chinese to come to Malaya as contract labourers.[11] The Indians were brought in next, in the late 19th early 20th centuries coinciding with the opening up of large rubber plantation in Malaya. At the same time there was also the immigration of people from the Dutch East Indies, especially from the islands of Java and Sumatra who came to work in the plantation sector.[12] By the time of the British intervention in the Malay States in 1874, there was already a sizeable Chinese population in the country and this began to increase rapidly over the years.

By the third decade of the 20th century, the non-Malay population in the Federated Malay States had exceeded the Malays and they began to play an assertive role in the economy of the country.[13] The mines were owned almost exclusively by Europeans and Chinese, with the latter race supplying the great bulk of the labour forces.[14] The same held true of the business enterprises with Europeans having hold over larger concerns. The Chinese, and to a lesser extent Indians, dominated the smaller enterprises. Both these races also contributed to the bulk of the employees of commercial enterprises although there were occasional Malays.[15]

The immigrant races were also employed as subordinates in the colonial government services as there were not enough suitable Malays for the rapidly enlarging public services. Most of the Chinese lived in the tin mining districts and in the urban settlements that sprang up, the Indians in the rubber estates and the Malays in their villages on the fringes of towns. Each race lived apart, followed their own way of life with very little interaction between them. Hence a plural society consisting of the native Malays and the immigrant Chinese and Indians began to take root in the country and fitted Furnivall's definition of a plural society i.e. 'two or more elements or social orders which live side by side, yet without mingling, in one political unit'.[16]

## Influx of Immigrants

Several race related issues that had been brewing in the 1920s culminated into strained relations between the native Malays and the immigrant communities during the depression years of the 1930s. Among them was the influx of immigrants, the demand for equal rights by domiciled immigrants, pro-Malay policy of the government and the decentralization measures. One

reason for the strained race-relations during the depression years of 1930s was because of strong Malay resentment against the unchecked flow of Chinese and Indian immigrant labour into the Malay States. British economic interest coupled with the laissez-faire policy advocated by the colonial government in Malaya, in the early years of their rule, was responsible for the large-scale immigration of cheap labour, from China and India. After British intervention in the Malay States in 1874, and with accelerated economic activity, the flow of Chinese labour into the FMS began to gather momentum.

The British colonial government, motivated by the great economic interest shown by western enterprises in Malaya, not only permitted free flow of immigrant labour from China and India but they even induced them to come by providing various incentives. To facilitate and protect Chinese labour in Malaya various laws were passed. For example the Immigration Ordinance of 1877, made it obligatory for the registration of all contracts of Chinese labour[17] while the Crimping Ordinance 1877 dealt with the abuse of kidnapping labourers for service in the Dutch settlements.[18] Following this, the office of the Chinese Protectorate was opened, first in Singapore in 1877, then in Penang in 1880 and then in all the Malay States.[19] These were meant to convince the Chinese immigrants that the laws of the country would protect them. As a result of these 'attractive' incentives provided by the British colonial government there began an unabated flow of Chinese into the FMS.

In 1891, out of the total population of 415,134 people in the FMS, 163,429 or 39.4 percent were Chinese.[20] By 1901 the population of the FMS had risen to 678,595 people,[21] an increase of 62.1 percent since 1891. This increase was mainly due to the increase in the number of Chinese labourers brought in to work in the tin mines of Perak and Selangor, the two most important states with rich tin deposits. In 1911 there were a total of 433,244 Chinese in the FMS and this figure rose to 494,548 in 1921.[22]

Large scale immigrations of Indians to the Malay Peninsula began at the turn of the 20th century. They were recruited by various means, first as indentured workers, under the assisted system and also under the '*kangani system*'[23] or they came in on their own. Like the encouragement given to Chinese labour, various mechanisms were created to attract the Indians to come to Malaya. In 1908, the government in collaboration with the plantation enterprises set up the Indian Immigration Fund. Its purpose was to cover the cost of the shipping expenses incurred in bringing in Indian immigrants to work in Malaya.[24] The establishment of the Labour Departments in the Malay States in 1911, under an officer called Controller of Labour, was solely meant to deal with Indian labour problems. Like the Chinese, the Indian immigrant population too, though transient, had also increased over the years and by 1929, the total number of Indians in the FMS stood at 414,740.[25]

At the height of the depression in 1931, the total population of FMS was 1,713,096 of which 711,540 persons or 41.5 percent were Chinese, 593,731 (34.7 percent) Malays and 379,996 (22.2 percent) were Indians.[26] It is obvious

that the number of Chinese in the FMS had exceeded the number of Malays, while the immigrant races together formed 1,091,536 persons or 63.7 percent of the total population of the FMS while the Malay population was slightly over one-third.[27] In Selangor the Chinese population was double that of the Malays while the Indians had also exceeded the number of Malays. The Chinese numbered 241,351, Indians 155,924 and Malays 122,868. [28] In Perak and Negeri Sembilan there were more Chinese than Malays.

The rapid increase in the population in the FMS was obvious because of the free entry of immigrants, a factor, which even the *Census Report of 1931* had acknowledged:

> The dominant factor in the growth of Malayan population is not, as in European countries, the excess of births over deaths but the excess of immigrants over emigrants... the migrational surplus.[29]

As a result of the influx of immigrants, towns that emerged in areas of economic activity were often crowded with Chinese and Indians. The major towns in the FMS had more Chinese and Indians than Malays. In 1921, in seven towns with 10,000 inhabitants each, less than 10 percent of the total population was Malay, the rest being predominantly Chinese or Indian.[30] In Kuala Lumpur in 1931, there were 126,536 Chinese, 43,865 Indians and 21,413 Malays. In Kinta in the same period there were 170,339 Chinese, 41,462 Indians and 34,439 Malays.[31]

The increase in immigrant population did not mean that the British were unconcerned with the influx of the immigrant races in the FMS and did not foresee the implications it could bring to the country. In the late 19th and early years of the 20th century, perhaps, they could have failed to realize the implications as they had always believed that the immigrant communities were transient, and that they would return to their country of origin after making a small fortune in the Malay States. But with the increase in those born locally, the emergence of domiciled immigrantsand with growing restiveness of the Malays, the British began to be mindful of the seriousness of the situation and the need for some course of action to check this.[32] High Commissioner of the FMS, Sir Cecil Clementi who took office in 1930, in a letter to the Colonial Office had pointed out:

> Malaya is the only country in the Malay Archipelago and in South Eastern Asia which has not controlled or supervised in any permanent way the immigration and residence of aliens, and the history of the last few years has demonstrated the necessity of a system of control on political and economic grounds.[33]

Although Cecil Clementi did not specify the source of his concern, but it was obvious that it was because of growing evidence of Malay restiveness

and pressure from Malay leaders against the unabated influx of Chinese and Indians into the Malay states. Even at the Federal Council there was great concern over the influx of immigrants. For example, at the Federal Council[34] Meeting held on 26 June 1930, several members of the Council had raised the issue of unemployment among immigrant workers and had urged the government to ban with immediate effect the entry of Chinese into the country.[35]

The unchecked increase of immigrant labour into Malaya had serious impact on race relations. It caused great anxiety and uncertainty among the Malays at the overwhelming presence of Chinese and Indians in their land. Many Malay features of their land were lost and towns that emerged assumed Chinese and other foreign features. They were worried of losing their Malay identity completely if the situation persisted. The psychological effect of this on the Malays was equally serious. There was fear of them being dispossessed of their land, becoming a minority race and marginalized in their own country. According to Emerson, from the early 1920s the Malay rulers in the FMS had not only lost their political and economic power but '*the Federated Malay States have largely lost their Malay character and had taken on a markedly Chinese, Indian and British complexion.*'[36]

Similar sentiments were expressed in the Malay newspapers against the immigrant races. During the depression years Malay papers like *Saudara, Majlis, Lembaga Melayu* and *Al Ikhwan* were all very vocal in highlighting a wide range of issues affecting the Malays. For example, Za'aba, in his newspaper *Al- Ikhwan,* dated 16 December 1926 wrote:

> At present only in name this is a Malay country. The Malays are outnumbered by the Chinese who swarm in by the thousands every year and monopolize all the jobs, wealth and businesses of this country.[37]

Abdul Rahman Kajai the sub-editor of the Malay daily *Saudara* even drew an analogy comparing the overwhelming presence of the Chinese and Indians in the country to the great floods of 1926 in Pahang which caused havoc to the state.[38] The same paper pointed out that the big houses in the major towns were mostly owned by the rich Chinese while the clusters of thatched huts standing on stilts on the fringes of towns were often the homes of Malaysthus pointing out the tangible disparity between the races.[39] As the Malay Peninsula was a Malay land, these papers urged the Malays to be united in their stand to oppose the many demands being made by the immigrant races, especially the Chinesewhose action appeared to undermine the position of the Malays as natives of the country.[40] The Malays were only voicing their legitimate rights as natives of the country.

Despite strong Malay sentiments against the overwhelming presence of Chinese and Indians in Malaya, they did not channel their resentment towards [illegible] government which was solely responsible for bringing in [illegible] criticisms against the colonial government

were more in the form of pleas for greater protection, continued Malay privileges and not anti-colonial nationalism[41] in nature. Perhaps this was due to the prevailing dogma then that 'ordinary Malays must not meddle in politics because the politics of the state and its people are in the hands of the Sultan and the traditional elite who must be given complete loyalty'. No Malay can betray his ruler (*Pantang Melayu menderhaka kepada Rajanya*).[42]

The beginning of the depression however saw a check on the flow of the immigrants. This was because of the economic down-turn which resulted in drastic fall in the number of immigrants seeking work in Malaya and also because of the retrenchment and repatriation exercise carried out by the government. Thousands of unemployed Chinese and Indian labourers were repatriated and given free passage home. Besides this, the introduction of the Immigration Restriction Ordinance 1930 and the Aliens Ordinance of 1932 also checked the number of immigrants entering the country. Its purpose was to regulate the number of immigrants entering the FMS.[43]

The Aliens Enactment of 1934 which replaced the previous enactments further tightened the entry of immigrants into the FMS by giving the Immigration Department more power in enforcing the immigration laws. The Immigration officers were vested with powers to vet the entry of all Chinese into the Malay States. Persons deemed undesirable were disallowed entry. It was the government's assumption that by preventing undesirables, especially those from China from entering the Malay states, the safety of locals could be assured.[44] While these measures drastically reduced the number of immigrants entering the country the Chinese however did not see it in this perspective. To them the Aliens Enactment was purposely directed at them, discriminatory and anti-Chinese in nature. Hence Chinese resentment against the government continued to mount.

## Demand for Equal Rights

Another factor that gave rise to strained race relations was over equal rights demanded by the Chinese and Indians. The economic crisis and Malay political sentiments prevailing at that time in the country caused uncertainty and concern among the domiciled immigrant races about their future in Malaya. This made the Chinese and Indians to demand for equal rights like those enjoyed by the Malays. The Chinese based their argument on the premise that the Chinese had been in the country for a very long time and that their community had contributed tremendously towards the development of the Malaya through .rubber cultivation, tin mining, trade and commerce and payment of taxes. They felt disappointed, that despite their efforts at helping develop Malaya, the government had failed to appreciate their contributions instead they had been subjected to various forms of discrimination. They wanted the government to provide the Chinese the same rights as accorded to the Malays, especially in relation to land for the cultivation of rice and job opportunities in the government services.[45]

During the depression, in an effort to increase food production and to be less dependent on imported foodstuffs, various steps were taken by the government to encourage padi cultivation in Malaya. Undeveloped swamplands were converted into areas of padi cultivation. Two notable large padi cultivation schemes were, one at Pancang Bedina in Kuala Selangor and the other at Sungai Manik in Perak.[46] Both schemes engaged Malay and Javanese immigrant labour and proved to be successful in later years. However Chinese requests for government land to cultivate rice were refused. For example, the meeting of the Perak State Council held on 10 November 1930, discussed among others, the request for 650 acres of land by one Chinese *towkay* to grow rice using retrenched tin mine workers. The application had the blessing and support of the Chinese representative in the Council, Leong Sin Nam. Although the *towkay's* request to cultivate rice was only as a temporary measure, to provide jobs to those unemployed, and that once the economic situation improved they would withdraw from rice cultivation and return to their old jobs, his request was however turned down. In rejecting the application, the Raja Muda of Perak, Raja Abdul Aziz explained, among others, that 'while the Chinese were able to work on tin mines and by other ways, *bendangs* were the preserve of the Malays and he hoped that this would not be unnecessarily altered'.[47]

The government refusal to grant the Chinese state land for the cultivation of rice was vehemently criticized by the Chinese community. They saw this as yet another attempt by the government to deprive their race the opportunity to grow rice, an essential food crop, during these difficult times. However, the Chinese were partly blamed for this. All along tin mining, rubber cultivation, trade and commerce, were their main economic activities of the Chinese as these were more lucrative than rice planting. They had shown no interest in rice cultivation as an occupation.[48] But during the depression, due to changed circumstances, the Chinese suddenly showed interest in rice cultivation, citing it as being in line with government's efforts at increasing the production of local rice and at the same time providing employment for retrenched workers. Their argument did not go down well with the government.

The government had several reasons for not granting the Chinese land to grow rice. Firstly, it was the government's fear of political repercussions. The official view was that, rice cultivation was strictly a Malay preserve and any intrusion of non-Malays could alienate Malay support for the British.[49] There was also an unwritten policy that rice cultivation be kept a Malay monopoly, as it was their traditional vocation and also because it provided them food to eat. Secondly, there was also the fear that if the Chinese were allowed to grow rice on a commercial scale, they would compete with the Malays[50] and the Malays would lose out in the long run. Thirdly, it was impossible for Malays to seek employment in the private sector as most of these were Chinese family owned businesses or controlled by foreigners. Fourthly, the immigrants were brought to the Malay states not for the purpose

of cultivating rice but to help develop the capitalist economy of the British and Chinese entrepreneurs, namely tin-mining and rubber cultivation. Furthermore, as far as the Malays were concerned, the rice they produced was sufficient to feed the entire Malay population in the country, while the extra rice imported by the government was mainly to feed the immigrant races. Hence the government felt justified in not granting them land to grow rice. But to the Chinese the government refusal was seen as another example of discrimination.[51]

But what was of greater concern to the Malay elite was the inherent fear that the Malays were losing their land to foreigners. Most of the prime land in the Malay states under commercial cultivation and tin mines were owned by Europeans and the immigrant communities. In 1933, of the 2,301 rubber estates in Malaya of over 100 acres, only 59 were owned by Malays, and all but two of these were below 1,000 acres.[52] The ordinary Malays were just left with the rice land and small orchards which were mostly placed under Malay reserve. In fact the Malay Reservation Act of 1913 was framed to prevent the Malays from selling their land to non-Malays for quick gain and to ensure that Malay land would always remain in the hands of Malays and not fall to non-Malays.[53] But despite this, many of the Malay smallholders had mortgaged their lands to money-lenders. In 1931, it was estimated that in Perak alone, small holders had mortgaged their holdings to an aggregate sum of more than ten million dollars.[54] The Malay elites felt that if there was no control over the acquisition of land by non-Malays, the Malays would one day become, what Raja Chulan said 'landless people in their own land'.

Although the government was unwilling to give large tracts of land to the Chinese community to cultivate rice, the Chinese were however the main beneficiaries of the Temporary Occupation License or TOL given out by the government to the unemployed to grow vegetables and earn a living during the hard times, while at the same time enabling the government to be self sufficient in food. Depending on the location of the land, TOL could be obtained for a fee of between $1 and $10 per year for one acre of land.[55] In the FMS in January 1931, 18,475 acres of land were given to Malays under TOL while 21,576 acres went to non-Malays.[56] In 1932, the FMS government had reported that more 50,000 TOL licenses were issued to the public in line with the government's 'policy of relieving the unemployment and making opportunities for men to stay in the country'.[57] Besides TOL, local governments in the major towns issued hawker licenses to the unemployed to earn a living. Many of the beneficiaries were also Chinese.

However, despite the government's effort in providing the Chinese small plots of land under TOL and hawker licenses, several prominent Chinese individuals and organizations and Chinese newspapers openly voiced their dissatisfaction over land and the pro-Malay policy practiced by the colonial government. Tan Cheng Lock, the Chinese representative in the Straits Settlements legislature voiced his protest against the government over its pro-

Malay policies. Another member from the same legislature, Lim Ching Yan, while addressing a Chinese association in Penang, provoked Malay sentiments when he was said to have asked, 'Who said this is a Malay country?'[58] In response, the *Majalah Guru*, a teachers' magazine, in a stinging attack to claims by non-Malays to political rights in Malaya stated 'the foreign race naturally do not have any rights here, and their actions in claiming rights are considered by the Malays as insulting the Malay race who will lose their Malayness...'.[59] In December 1932, The Associated Chinese Chambers of Commerce of British Malaya, an organization representing various Chinese bodies like tin miners, traders, farmers, bank workers and other professional groups sent a memorandum to Sir Samuel Wilson, the British government representative who was in the Federated Malay States to discuss decentralization issue. Among others the memorandum stated that:

> The descendants of these (Chinese) pioneers are now justly regarded as the backbone of the country and a great proportion of the public revenue is derived from Chinese.... The unmistakable discrimination against the Chinese has caused widespread uneasiness among the Chinese community, and such a feeling of uneasiness should not be allowed to develop as it is not calculated to promote the interests of trade and industry and, incidently, the welfare of the country.[60]

The Associated Chinese Chambers of Commerce of British Malaya demanded an explanation from the British government with regard the discriminatory policies practiced by the colonial government of the Federated Malay States. A similar memorandum was also sent by the Indian community. So the debate went on with the Malays asserting greater protection to their rights and the Chinese and Indians demanding for equal status like the Malays. Arguments and counter arguments of this sort obviously created anxiety, frustration and animosity between the races. Clearly race-relations in the country were affected.

## Pro-Malay Policy

The pro-Malay policy of the government was another issue that was raised by the immigrant communities which further strained race-relations during the depression period. It had long been the policy of the government of FMS to provide the native Malays with more jobs in the subordinate ranks of the government services as this was a Malay land. But in the late 19th and early years of the 20th century, as there were very few suitable Malay candidates for posts of clerks, technicians, medical assistants etc., these vacancies were largely filled by non-Malay immigrants with preference given to those born locally. By 1920 Indians and Chinese together, both immigrant and local born, comprised the majority of subordinate clerical and technical workers in all

departments of government.[61] As a result there was some degree of "alienization" of the public services.

However, in the 1920s a "pro-Malay" preferential policy, in the recruitment to the lower ranks of the FMS public services, came to be practiced. It was designed to cut down expenditure on overseas staff and to "restore" to the Malays a more active role in the affairs of their own states.[62] However certain government jobs continued to be dominated by the immigrant races. A good example was the Railway Department which was dominated by Jaffna Tamils. In 1929, out of 2,072 clerks in this department, there were only 95 Malays, most of them in category 3 and below.[63] In the same department in 1930, out of a total of 12,795 staff and workers, there were just 1,269 Malays.[64] Several other government departments like the Public Works, Postal Services and Medical were dominated by the immigrant races, especially the Jaffna Tamils. Such disparity obviously caused resentment among the Malays as they felt marginalized even in government jobs. So despite the pro Malay policy practiced by the colonial government, the Malays still lagged behind in government jobs and their entry into government services were made all the more difficult by the predominance of the immigrant races in the subordinate strata of most of the public services.

This irked the Malay rulers and Malay elite who were unhappy at the state of affairs of the Malays in the government departments. At the State Council, Federal Council and at the Meetings of Rulers they began to voice their opinion in very strong words. For example, at the Rulers Meeting at Pekan on the 28th April 1932, the Sultan of Selangor criticized the government when he said:

> We all know that it has been the declared policy of the Government to encourage the Malays to take a greater share in the administration of their country, but it seems to me that so far the policy has not met with entire success, because after 57 years of British Protection we find that in practically all branches of the service, Malays are still very much in the minority.[65]

When the depression set in, the Malays in the government departments too faced predicament as retrenchment of even Malays became inevitable. Circulars with conditions for retrenchment of government servants, especially with regard to the retrenchment of the Malays, were issued to heads of departments. A circular from the Perak government dated 15th January 1931 specified that:

> Heads of Departments are informed that it must be clearly understood that, where reduction of staff is necessary, the natives of the country are to be the last of those retrenched unless there are reasons adduced to the Resident to the contrary.[66]

This meant non-Malay government servants would be the first to be retrenched and the Malay the last. At the height of the depression, as a measure to reduce costs in maintaining government departments, a Retrenchment Commission was appointed in March 1932 by Cecil Clementi, the High Commissioner to the Federated Malay States.[67] Among others, the commission suggested a 30 percent reduction in the staff strength in all departments with certain conditions regarding the retrenchment of Malays. The Federal Secretariat in a circular to the heads of department further reiterated the government policy with regard to the retrenchment of the Malays which, among others, stated that:

> Heads of Departments and Officers are informed that selection for retrenchment, as always for recruitment is subject to the ordinary government policy of giving preference in employment to Malays first, and to other locally born Asiatic second.[68]

This meant that in carrying out the retrenchment exercise, Indians, Chinese and even Europeans, whether born locally or foreign, would be the first to go and only as a last resort, the Malays. Malays were given preference in employment in the government services over others for two reasons. Firstly they were the natives of the country, and secondly the government was aware that it was very difficult for the Malays to find employment in the private sector controlled by foreigners, mostly by Europeans and Chinese although these foreigners were morally bound to give jobs to the natives, as the Federated Malay States was a Malay land.[69] But despite governments efforts at retaining as many Malays as possible in employment, 541 Malays from various government departments were retrenched between July 1930 and February 1933.[70] Roughly coinciding the same period, between July 1930 and December 1932, 4,100 foreign non-Malay and 1,198 local born non-Malay staff from the government departments were also retrenched.[71]

Relationship between the Malays and Indians had also become increasingly strained in the early 1930s. When the Malays demanded greater protection of their rights caused by the influx of aliens, local born Indians demanded equal rights like the Malays. In 1932, when the Tamil newspaper, *Tamil Nesan* pleaded to the government for improved status for Indians, the Malay newspaper, *Majlis*, criticized it and advocated the restrictions upon the entry of Indian nationalists into Malaya.[72] Every plea for citizenship rights by Indians was countered with comments by the *Majlis* that was increasingly acerbic.[73] At the Federal Council Meeting in March 1933, when the Indian representative Veerasamy complained that the retrenchment policy was 'unduly and unfairly' against the non-Malays, the Undang Rembau reminded the member that 'Malays should be the first to be employed and the last to be retrenched.'[74]

During the economic crisis when people were scrambling for the limited resources available, the Malays were bitter at having to compete with the immigrants for their livelihood in their very own country. At the same time, the Malays in the FMS were comparing themselves with the Malays in the Unfederated Malay States of Kedah, Perlis, Kelantan, Trengganu and Johore where the Malays dominated the government services and the non-Malays had no influence at all.[75] Therefore they saw the situation in the FMS as rather absurd and unjust to the Malays.

With the winds of nationalism gathering momentum, Malay newspapers like *Saudara* and *Majlis* became the champions of the Malays by highlighting their plight. *Saudara*, for example, voiced its opinion saying that in the Malay Peninsula, the Malays and Chinese were competing against one another for almost everything. The papers urged the Malays to improve themselves, stand united, as the Chinese and the Indians had taken control of the economy as well as the administration of the Federated Malay States.[76] Slogans such as '*Tanah Melayu untuk orang Melayu*' (Malaya for Malays) voiced by Malay leaders and highlighted by *Saudara* and *Majlis* instilled strong feelings of solidarity and nationalism among the Malays[77] in their struggle to protect their land and their race from being usurped by the immigrants.

While the Malays were asserting their birth right, the domiciled Chinese and Indians felt that the pro-Malay policy of the government was very discriminatory. Chinese reaction to the pro-Malay policy of the government was felt in every state of the federation but it was very strong in Selangor, especially in Kuala Lumpur. This was because the Resident of Selangor, T.S. Adams was known as a champion of pro-Malay policy to an extent that his actions caused fear and anxiety among the non-Malays. For example, in 1932 he directed that land given out to Chinese cultivators on TOL should only be planted with vegetables and no other cultivation, including fruit trees. He also ensured that land alienated to each family did not exceed one acre and he called on land officers to make regular inspection.[78] According to Lim Teck Ghee, Adams was the most radical of a new generation of officials who, in his concern for the protection of the Malays, saw it fit to deny others of opportunities, particularly the non-Malay masses.[79] Commenting on the situation in Kuala Lumpur, the *Straits Times* wrote:

> A year ago, the tone of the public sentiment in this town, as in all other towns of the Federation, was admirable. Today there is an unmistakable fear and distrust among all the domiciled communities other than the Malay – and in the latter there is a marked awakening of nationalism. The responsibility must be accepted in a large measure the by the British Resident, the Honorable Mr. T.A. Adams.[80]

## Decentralization Policy

Another factor that contributed to the rising tension in race-relations in the 1930s was the implementation of the decentralization measures in the FMS in 1931. Ever since the formation of the FMS in 1896, the power to rule was virtually with the Federal government and the Federal Council which was set up at Kuala Lumpur in 1909. As a result, the powers of the Sultans and the State Councils had weakened considerably and so they protested against the over- centralization of power at Kuala Lumpur. By then the Unfederated Malay States had British Advisers, but in these states the Sultans and the State Councils retained most of their powers. The British Advisers in these states could only make decisions after consulting the Sultan and State Council. Realizing this, in 1925, as a move towards decentralization the Governor of the Straits Settlements, Sir Lawrence Guillemard, acting with Colonial Office approval, announced his intention of abolishing the post of Chief Secretary and gradually restoring these powers to the State councils, Residents and the Federal heads of departments.[81]

While his announcement was welcomed by the FMS Sultans, there was opposition from the business community, both British and Chinese, who argued that decentralization should not be based solely on administrative consideration. The export industries in the FMS, the very source of the country's wealth and prosperity entailed tighter control by the central government. They were afraid that the State Councils would not be governed efficiently and that their business would suffer. It was the economic pressure groups represented by European and Chinese business interests that won the day.[82] As a result the post of Chief Secretary was retained Guillemard's proposals were not implemented fully. The Sultans and State Councils were however still not satisfied with the changes. They demanded the Federal government to return some of their former powers.

In 1931 the decentralization issue was again raised by Sir Cecil Clementi who took office as High Commissioner in 1930. He argued that the extension of British control in the FMS was at variance with their treaties with the Malay rulers.[83] He came up with new proposals to decentralize some of the powers of the Federal Council and restore them to the Sultans and the State Councils. By this he hoped to rope in the Unfederated Malay States to be part of an eventual Pan-Malayan Union made up of the Federated and Unfederated Malay States and the Straits Settlements. However, this proposal aroused protests from the Unfederated Malay States, especially from Kedah and Johore which felt that this could lead to lose of power like what had happened in the FMS. The Chinese and Indians saw Clementi's action as a move towards greater consolidation of British alliance with the Malay elite, in the face of the common challenge from the Chinese and Indians.[84]

Again there was opposition from the business community of the FMS. The Chinese, especially, objected that any move towards decentralization could be detrimental to Chinese business interests as the State Councils would be monopolized by Malays. As a result of these oppositions, Clementi withdrew his reforms. However as a measure of decentralization, the post of Chief Secretary was abolished and renamed Federal Secretary. The powers of the Chief Secretary were given to the Residents. But what caused the Chinese to oppose Clementi's proposals was that the State Councils were dominated by Malay chiefs and rulers with British Residents who formulated pro-Malay policies.[85] This they saw as another move by the government at undermining the Chinese businesses and the Chinese community in the Malay States.

The strained race-relations between the native Malays on one side and the Chinese and Indians on another did not go unnoticed at British Colonial Office in London. In fact issues over the colonial government's pro-Malay policy were raised by in the British Parliament by MP E.T. Cambell after having read the *Straits Times* newspaper cuttings sent to him from the Malaya. In response while admitting the existence of strained race relations, the Colonial Office commented:

> There is no doubt that racial feelings has been stiffening between the Malays and other communities in the last two or three years, mainly to be attributed to the growing competition and difficulty of life on account of the economic set-back in the chief industries of Malaya. The Government has for years past been committed to the policy of bringing on the Malays and encouraging their educational and social progress to the utmost. This policy has contained a particular reference to Government employment. Consequently when other forms of employment are at the lowest ebb and Government openings themselves are restricted, the Chinese and the Indian communities feel and resent more keenly the effects of this "pro-Malay policy."[86]

So to the people at the Colonial Office in London, the economic crisis of the 1930s and the colonial government policy of uplifting the Malays were seen as the cause for all these problems between the races. They believed that the situation would return to normalcy once the economy improved. Sure enough, with improved economic conditions in Malaya after 1934, Malay resentment against the immigrant communities subsided but what was obvious was that it had left a deep scar in race-relations.

## Conclusion

Race-relations between the native Malays and the immigrant communities in Malaya became strained during the economic crisis of the 1930s. Resentment aroused by issues such as the influx of immigrant races into Malaya which had been simmering in the late 1920s culminated into open debate between

the Malays and the immigrant communities during the economic crisis, threatening to derail the 'live and let live' relations that had existed among the races before. The Malays sought greater protection for their rights as natives of the country in the face of stiff competition from the immigrant races.

The domiciled Chinese and Indians, who faced uncertain future caused by prevailing political and economic conditions wanted equal rights like those enjoyed by Malays. Conditions were further worsened by the uncertainties posed by and the pro-Malay policy of the government and the decentralization controversies over what should constitute a suitable constitutional structure for the FMS in the future. Working in tandem and aggravated by the economic crisis, these issues gave rise to a lot of tension and anxiety among the races. Fortunately with improved economic conditions in 1934, a conflict was averted but race-relations remain a contentious issue to this day.

## NOTES

[1] See T. Braddel, "Notes of a trip to the Interior of Malacca", *The Journal of the Indian Archipelago and Eastern Asia,* Vol.7, 1853, pp. 75-76.

[2] During the civil war in Larut over mining concessions, the Hai Sans had supported Sultan Ismail and Mentri Ngah Ibrahim against Raja Abdullah who had the support of another group of Chinese, the Ghee Hins. In Selangor during the dispute over the control of the Klang and Selangor rivers and their rich tin hinterlands between Tengku Ziauddin (Sultan Abdul Samad's son-in-law) and Raja Mahdi (a cousin of the Sultan), Tengku Ziauddin was supported by the Hai Sans and Captain Yap Ah Loy while the latter was supported by another group of Chinese. See Emily Sadka, *The Protected Malay States*, Kuala Lumpur, University of Malaya Press: 1968 P. 30-37. In Sungai Ujong when two Malay chiefs fell into dispute over the tin produced, the Chinese split into two groups in support of their rival chiefs. Four thousand Chinese are said to have been killed in this clash. Also see, R.N. Jackson, *Immigrant Labour and the Development of Malaya*, Kuala Lumpur: Government Press, 1960, p. 36.

[3] Wan Hashim Wan Teh, *Race Relations in Malaysia,* Kuala Lumpur: Heinemann Educational Books (Asia) Ltd, 1983.

[4] Leon Comber, *13th May 1969: A Historical Survey of Sino-Malay Relations*, Kuala Lumpur: Heinnemann Asia, 1983.

[5] Collin Abraham, *Divide and Rule: The Roots of Race-Relations in Malaysia*, Kuala Lumpur: INSAN, 1997.

[6] See for example William Roff, *The Origins of Malay Nationalism*, Kuala Lumpur: Penerbit Universiti Malaya, 1974. p. 197-210; Rupert Emerson, *Malaysia: A Study of Direct and Indirect Rule*, Kuala Lumpur: University of Malaya Press, 1970. See also Tan Chee Beng "Ethnic Relations in Malaysia in Historical and Sociological Perspectives" in *Kajian Malaysia*, Volume 5 No.1 June 1987, pp. 99-119.

[7] W.F. Wertheim, *East-West Parallels: Sociological Approaches to Modern Asia*, The Hague: W. Van Hoeve, 1964, p. 76.

[8] CO 717/101 1933, File No. 13467.

[9] Federated Malay States (FMS) refers to the four British protected Malay states of Perak, Selangor, Negeri Sembilan and Pahang which entered into a federation on 1 July 1896. The Federation was formed, among others, to streamline administrative reforms in the four Malay states. The seat of power of the FMS was Kuala Lumpur

and its chief executive officer was the Resident-General who was answerable to the Governor of the Straits Settlement in Singapore. See Eunice Thio, *British Policy in the Malay Peninsula 1880-1910*. Kuala Lumpur: University of Malaya Press, 1969, Chapter 7. In this article the terms Malay States and FMS are interchangeable and mean one and the same.

[10] See Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941*, Kuala Lumpur: University Oxford Press, 1974, p. 69.

[11] See Victor Purcell, *The Chinese in Malaya*. Oxford, University Press, 1967.

[12] Unlike the Chinese and Indian immigrants, the immigrants from the East Indies who were almost the same as the Malays, in terms race, religion and language were easily assimilated into the Malay society.

[13] In 1931, 63.7 percent of the total population of the FMS was made up of non-Malays. See C.A. Vlieland, *British Malaya: A Report on the 1931 Census*, London: 1932, Table 8, p. 126.

[14] Emerson, *Malaysia: A Study of Direct and Indirect Rule*, Kuala Lumpur: University of Malaya Press, 1970, p. 185.

[15] Ibid., p. 185.

[16] Furnivall, J. S., *Netherlands India: A Study o Plural Economy*, Cambridge: Cambridge University Press, 1967, p. 446.

[17] Victor Purcell, *Chinese in Malaya*, 1967, London: Oxford University Press, p. 197.

[18] Ibid., p. 197.

[19] Ibid.

[20] A.M. Pountney, *The Census Report of the Federated Malay States 1911*, Kuala Lumpur, 1912, p. 22.

[21] *Census Reportof FMS*, 1911, p. 17.

[22] J.E. Nathan, *The Census of British Malaya, 1921*, London, 1922, p. 163.

[23] A Kangani is a headman, who recruits labourers from his village in India to the work in the rubber plantations in Malaya.

[24] According to this arrangement employers intending to bringing in Indian labour from India were required to contribute annually to the fund. It is estimated that in 1910 60,000 Indians were brought into the FMS through these funds and the following year 1911, 84, 000 was the figure. See Kernial Singh Sandhu (1969) *Indians in Malaya: Some Aspects of Their Immigration and Settlement 1786 – 1957*, Cambridge: University Press, 1969, p. 63, 91 and 92.

[25] *FMS Annual Report* 1929, p. 41.

[26] C.A. Vlieland, *British Malaya: A Report on the 1931 Census*, London, 1932, Table 8, p. 126.

[27] Ibid., p. 126.

[28] Ibid.

[29] *Census Report*, 1931, p. 32.

[30] Roff, *The Origins of Malay Nationalism*, p. 112.

[31] Ibid., p. 133.

[32] By the time of the 1931 census was taken, more than 30 percent of the Chinese and 20 percent of the Indians were locally born and the trend of permanently settling in the Malay States had taken root.

[33] CO 273/569 File No. 7013/11/61 Letter from High Commissioner, FMS to Colonial Office.

[34] The Federal Council, established by the Federation government in 1909 and centred at Kuala Lumpur was a decision making body. The council was constituted with both official and non-official members.

[35] *FMS Annual Report*, 1930, p. 18.

[36] Emerson, Rupert, *Malaysia: A Study in Direct and Indirect Rule,* Kuala Lumpur: University of Malaya Press, 1970, p. 338.

[37] See Cheah Boon Kheng, *Red Star Over Malaya*, Singapore: Singapore University Press, 1983, p. 3.

[38] *Saudara*, 25 April 1931.

[39] Ibid., 8 August 1931.

[40] See article by Abdul Rahman Haji Ismail, "Nasionalisme Melayu dan Nasionalisme Setanah Melayu: Satu Perbincangan Tentang Soal Permulaannya", in *Isu-Isu Pensjarahan (Esei Penghargaan Kepada Dr. R. Suntharalingam*) edited by Abu Talib Ahmad and Cheah Boon Kheng, Pulau Pinang: Published by Universiti Sains Malaysia, 1995, p. 163-192.

[41] William Roff, *The Origins of Malay Nationalism*, Kuala Lumpur: Penerbit Universiti Malaya, 1974, p. 236.

[42] This appears to be the prevailing dogma at that time. See Wan Hashim Wan Teh, *Race Relations in Malaysia*. Kuala Lumpur: Heinemann Educational Books (Asia) Ltd., 1983, p. 12.

[43] For example by the Immigration Restriction Ordinace of 1930 introduced a quota system allowing only 5,238 Chinese males per month to enter the country. However there was no restriction on the entry of Chinese females. Similar restriction was also enforced on the Indians when assisted immigration was stopped in August 1930. However a limited number of Indians, especially those with families in the Malaya were allowed to enter the country.

[44] By the 1930s the British were concerned with the radical ideas expressed by the Chinese schools in the Malay Peninsula. There was an increase in anti-British propaganda among some elements in the Chinese community following Kuomintang and communist split in China. The Communist Party of Malaya was formed in 1930 and following this political ideologies from China began to proliferate among sections of the Chinese community in the Malay peninsula. See Barbara Watson Andaya and Leonard Y. Andaya, *A History of Malaysia,* London: The Macmillan Press Ltd., 1982, p. 239.

[45] William Roff, *Origins of Malay Nationalism*, p. 149.

[46] Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941,* p. 183

[47] *Straits Echo*, 19 November 1930.

[48] Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941*, Kuala Lumpur: Oxford University Press, 1977, p. 187.

[49] Ibid., p. 187.

[50] Ibid.

[51] The policy to preserve padi cultivation for the Malays was breached only in 1939 when the treat of war demanded that racial considerations be submerged. An irrigated padi scheme was began near Changkat Jong in Lower Perak and Chinese labourers were permitted to work on the land. Ibid., p. 188.

[52] William Roff, *The Origins of Malay Nationalism,* p. 204.

[53] Despite this, it was still possible for the Malays to pledge their land titles as security to the chettiars and other money lenders and to other forms of financial institutions to borrow money as there was no rule preventing them from doing so. See Ahmad Nazri Abdullah, *Melayu dan Tanah*. Kuala Lumpur, Media Intelek, 1985.

[54] William, Roff, *Origins of Malay Nationalism*, p. 204.

[55] CO 575/26 *FMS, Manual of Statistics*, 1930, p. 6.

[56] Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941,* Appendix 81, p. 259.

[57] Ibid., p. 206.
[58] "Orang China mengaku Semenanjung negerinya dan katanya bukan negeri Melayu" *Al-Ikhwan*, 5, February, 1931 as quoted by William Roff. *The Origins of Malay Nationalism*. p. 209.
[59] Majalah Guru, 1 October 1932 as cited by Ariffin Omar, *Bangsa Melayu: Malay Concepts of Democracy and Community 1945-1950*. Kuala Lumpur: Oxford University Press, 1993, p. 17.
[60] *Sunday Gazette*, 11 December 1932.
[61] William Roff, *The Origins of Malay Nationalism*, p. 112.
[62] Ibid., p. 118.
[63] CO 717/75 *Federal Council Meeting*, 8 October 1930, p. 97.
[64] *FMS, Railway Department Annual Report*, 1930, pp. 30-31.
[65] Ibid., 28 April 1932.
[66] *Selangor Secretariat File*, 612/1932.
[67] *Report of FMS Retrenchment Commission*. p. 1
[68] *Selangor Secretariat File* 612/1932. From Acting Secretary, Government of FMS, G.E. London to Heads of Department.
[69] CO 717/91-93 *Proceedings of the Durbar*, 28 April 1932, p. 8.
[70] *Federal Council Proceedings* (1932), p. B71, and (1933), p. B65.
[71] Ibid., p. B65.
[72] Michael Stenson, *Class, Race and Colonialism in West Malaysia*, Queensland: University of Queensland Press, 1980, p. 82.
[73] Ibid., p. 82.
[74] *Report of the Federal Council Meeting*, March 1933.
[75] The Unfederated Malay States of Kedah, Perlis, Kelantan, Trengganu and Johore, were independent of each other, had their own governments. Although they had British Advisers but the State Councils and the government departments were dominated almost all by the Malays.
[76] *Saudara*, 8 August 1931.
[77] See Abdul Latif Abu Bakar, *Abdul Rahim Kajai: Wartawan dan Sasterawan Melayu*, Kuala Lumpur: Dewan Bahasa dan Pustaka, 1984, Chapters 2 and 3.
[78] Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1874-1941*, p. 207.
[79] Ibid., p. 208.
[80] *The Straits Times*, 14 November 1932.
[81] Barbara Watson Andaya and Leonard Y. Anadya, *A History of Malaysia*, London: The Macmillan Press Ltd., 1982, p. 241.
[82] Ibid., p. 241.
[83] Ibid.
[84] Michael Stenson, *Class, Race and Colonialism*, p. 37.
[85] 'Ethnic Relations in Malaysia in Historical and Sociological Perspectives' by Tan Chee-Beng in *Kajian Malaysia*, Volume V, No. 1, p. 112.
[86] CO 717/101 1933, File No. 13467.