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The Chettiar And The Yeoman

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THE CHETTIAR AND THE YEOMAN
British Cultural Categories and
Rural Indebtedness in Malaya

by

Paul H. Kratoska

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Growing out of recent field work in Peninsular Malaysia, Paul Kratoska's analysis of rural indebtedness in the Malay States and the role in it of Chettiar money-lenders should be of considerable interest to students of Malaysian economic and social history. Perhaps even more important, let's hope it will stimulate further work along these lines by other investigators. In the meantime, while wishing Mr. Paul Kratoska and his study all the best, it is clearly understood that responsibility for facts and opinions expressed in the work that follows rests exclusively with Mr. Kratoska and his interpretations do not necessarily reflect the views or policy of the Institute or its supporters.

20 June 1975

Director
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The Chettiar and the Yeoman¹

INTRODUCTION

It is difficult to see another culture - or more precisely actions and situations within a different culture - in its own terms, the usual tendency being to apply one's own cultural standards. In British Malaya most Englishmen evaluated Malays as if they, too, were English and a Malay who was behaving sensibly or laudably in the framework of his own culture - for example, by planting or earning only what was required for his immediate needs or by holding a large wedding feast - was by English criteria branded lazy or extravagant. This paper deals with some of the cultural conceptions held by the British in Malaya and how they bore on a particular set of circumstances: rural indebtedness.

British hegemony over the Malay States was established between 1874 and 1909. British Malaya had three divisions: the Straits Settlements (SS) comprising Singapore, Malacca, Penang and Province Wellesley were an English colony; the Federated Malay States (FMS) - Perak, Selangor, Negri Sembilan and Pahang - and the Unfederated Malay States (UMS) - Johore, Trengganu, Kelantan, Perlis and Kedah - were protectorates. Material in this paper deals primarily with the FMS, especially Perak. Although there were technical distinctions among the states with regard to the legal basis and mode of expression of British authority, the British enjoyed in the Straits Settlements and FMS, and to a lesser degree in the UMS, a free hand in creating and operating the machinery of government and in setting policies with respect to the people of the states.

Prior to 1874 the Malay States were sparsely populated, with settlement primarily along the numerous rivers that flow from the mountains in the center of the peninsula to the sea and formed the major lines of communication. The

1 Most of the material for this paper was drawn from material held by the National Archives of Malaysia in Kuala Lumpur. Additional information came from records held in England and in Singapore, and from interviews conducted during a period of field work in the Krian District, Perak, Malaysia, in 1973-74.

population was primarily Malay but already in 1874 a substantial Chinese element was arriving to exploit the extensive tin deposits in the region. After 1900, plantation rubber developed as the second mainstay of the Malayan economy and large numbers of labourers came from India to tap rubber. Indians also performed much of the clerical work for the government and served in the military and police forces. In 1901 the Chinese population of the FMS outnumbered the Malays, who constituted 42% of the total.² By 1931 Malays made up only 34.7% of the FMS population.³ During this period the total population of the FMS increased from 678,595 persons in 1901 to 1,713,096 in 1931.⁴ In 1901, 47% of Malay men worked in agriculture; only 16% of Chinese men were in agriculture and four-fifths of this number worked as estate labourers or vegetable gardeners, not rice planters. Forty percent of Chinese men were labourers in the mines.⁵ Thus there were sharp occupational divisions along ethnic lines.

THE MODELS

In a non-colonized state the degree of government planning and control results from a long series of precedents and laws and is adjusted in an interplay between political philosophies and the physical and social conditions at different points in time. A colonial government is inherently a departure from the past and the British, in the absence of a tradition to build on, set policies in Malaya according to their vision for the future and their model of the ideal state.

The British justified their intervention in the Malay States on the grounds that Malay rulers exercised arbitrary and excessive control over their subjects and the affairs of the state. The excesses, in British eyes, fell into two categories: some matters such as heavy

2 A.M. Pountney, *The Census of the Federated Malay States, 1911* (London: Government of the Federated Malay States, 1911), Tables III and IV.

3 C.A. Vlieland, *British Malaya; A Report on the 1931 Census* (London: Crown Agents, 1932), Table I.

4 Pountney, *1911 Census*, Table II; Vlieland, *1931 Census*, Table I.

5 Pountney, *1911 Census*, Tables XLIV and XLV.

taxation were contrary to principles of good government; others such as slavery were repugnant to laws of humanity. Intervention was undertaken to put an end to such "abuses" of authority. The touchstone of the British position was that the political units of the peninsula were Malay states, its indigenous population Malay, and the legitimate function of British officials was to establish and to operate - within this context - good government and ultimately to train Malays to take over this system.

Within the relativist, post-Weberian tradition of the 1970's it can be argued that it was contradictory to speak of an autocratic ruler of the sort found in the Malay States exceeding the theoretical limits of his authority. But the men who took control in the Malay States after 1874 were Englishmen of the Victorian era and the dominant paradigm of their time was evolution. Britain and the Malay States, so ran the thinking then, occupied different positions on a single evolutionary scale of development, with the Malay States passing through a medieval era much as England itself had experienced over half a millenium earlier. Hugh Clifford, who saw it firsthand, wrote that the Malay Peninsula at the time of British intervention was "in the Middle Ages, surrounded by all the appropriate accessories of the dark centuries."⁶ English principles and the lessons of English history, then, were equally applicable in Malaya and it was according to English principles that judgements were passed and policies formulated. England, having reached a more advanced state of development, saw it as its duty to guide the Malays and to spare them some of the difficulties England had experienced in its own development. The goal was not to replicate Victorian England. The industrial revolution had brought wealth and power, progress and success - all highly valued in nineteenth century England - but it had also brought Luddites and Chartists, poverty and dark fears of the lower classes. In an 1885 book is recorded the following:

I did not know, till I came in actual contact with them, how far away the classes which lie at the bottom of great cities are from those above them; how completely they are inaccessible

6 Hugh Clifford, *The Further Side of Silence* (New York: Doubleday, Page, 1923), p. 40.

to motives which act upon ordinary human beings Our civilization seemed nothing but a thin film or crust lying over a volcanic pit, and I often wondered whether some day the pit would not break up through it and destroy us all.⁷

The ideal pursued in Malay was an arcadian and anachronistic England, an England purged of industrialization, bereft of the political and social dislocations caused by three enfranchising Reform Bills (the last of these coming a decade after British intervention in the peninsula) and cleansed of the social malaise that had produced Chartism and the labour movement.

The English adjusted the polity and society of Perak according to the English pattern, taking account of the lessons of history. The Pangkor Engagement of 1874 was virtually a Magna Carta limiting the powers of the ruler. Shortly thereafter, Perak (with the other Protected - later Federated - States soon to follow) was converted into a constitutional monarchy with the creation of a parliamentary body, the State Council. Power, however, was retained in the hands of those suited by birth and training to rule which meant, to British officers in 1880, themselves. The Malay aristocrats, cut off from their traditional sources of revenue and political support when the government put an end to their right to levy taxes and reduced the size of their followings by eliminating all forms of slavery, became holders of government sinecures, with key individuals incorporated into government service. The FMS Civil List of 1904 records four sons of Perak's deposed Sultan Abdullah holding government positions in Perak. In this way the centuries of aristocratic fractiousness and the struggle against forces eroding the powers and privileges of the Lords that troubled the English government into the twentieth century were neatly sidestepped. The growing numbers of planters formed an incipient landed gentry, while Chinese entrepreneurs provided both a bourgeoisie and a burgeoning class of shopkeepers. The proletariat - Chinese (and, after 1900, Indian) coolie labourers in tin mines and on plantations - was relatively docile and not politically ambitious. Finally, the Malay rice farmers were cast in the British scenario in the role of the

7 William Hale White, *Mark Rutherford's Deliverance*, 7th ed. (London: T.F. Unwin, 1885), pp. 64-65.

sturdy yeomanry, the repository of basic virtues and the bedrock upon which the whole moral edifice might rest.

The evolutionary model sketched above provided a sanction for British intervention in the peninsula and prescribed the adoption of paternalistic policies toward Malays. Its main advocates were government officials in the Malayan Civil Service. Among those Europeans in Malaya who were not members of the government, called in colonial parlance "unofficials", a different viewpoint held sway. Why, the unofficials asked, should the Malay States be developed along the lines of independent nations? The region exported tin and rubber and imported food, making a handsome profit. In all but a technical sense, the unofficials argued, Malaya was a colony and the area could be developed as an organic part of the British Empire without investing time and money in the training of Malays. Some officials shared this view, such as the Assistant District Officer who wrote:

We are self-supporting: but we don't produce all the food we require. We import our necessaries short produced and pay for them easily from profits on tin and rubber. As miners and raw materialists we are doing well and have ample margin for savings. Why worry? Are we to become farmers also?⁸

Among the unofficials were many powerful and influential men who pressed their case forcefully and backed it by their economic pre-eminence, but while their views had some influence on government policy they did not prevail. The alternative they offered, however, adds significance to the government's continued efforts on behalf of the Malays. In fact the government did less than it might have to promote Malay interests, but it did not abandon the premise that it governed the Malay States on behalf of Malay rulers. There were many reasons for this, among them that autonomous development of the Malay States enhanced the power and prestige of the officials, and a well-founded fear that the Malay States' dependence on external trade was potentially dangerous. But the officials, many of whom were Malayophile, were also fulfilling what they perceive as their duty to the Malays.

8 Selangor Secretariat, File 3089/1920. Memo Assistant District Officer, Ulu Selangor, to District Officer, Ulu Selangor, 4 July 1920.

Evolutionary and medieval models were dominant paradigms shaping British conceptions of the Malay States and their peoples, and were sometimes invoked in policy debates. Another model that influenced British thinking was based on conventional wisdom regarding Asian peoples. Concepts in this model I have called clichés. Clichés derived from the fact that in English terms many situations in Malaya were contrary to expectations. To explain matters early officials advanced various theories, based in part on observed behaviour and in part on preconceived notions of how categories of people such as "Asiatics" or "peasant rice planters" naturally behaved, and these became the conventional wisdom of the English community. Particular attention was paid to the Malay character, which was a continuing British preoccupation, and many cliché explanations were couched in terms of racial characteristics. Clichés assumed increasing importance in the later years of British rule when a shift to a more elitist group of administrators, primarily public school graduates, and the arrival of increasing numbers of European women drew English officials into a social orbit that minimized contact with Asian peoples.⁹ In addition administrative procedures became more formal and complex and careers increasingly depended on an understanding of secretariat procedures rather than on intimate knowledge of the people of the Malay States. In such circumstances there was a growing tendency to look to clichés for explanations of "native" behaviour.

One of the most enduring clichés was that Malays were lazy. "The leading characteristic of the Malay of every class is a disinclination to work."¹⁰ And again, "The Malay, with his moderate wants and rooted disinclination to steady work of any kind, will give his labour neither to Government undertakings nor to mines or plantations."¹¹ So firmly established was this piece of conventional wisdom that when a newspaper report mentioned that Malay labourers were employed on the Krian Irrigation Works, the Resident-

9 James de Vere Allen, "Malayan Civil Service, 1874-1941: Colonial Bureaucracy/Malayan Elite," *Comparative Studies in Society and History* (April 1970), pp. 149-178, discusses this point.

10 Frank A. Swettenham, *British Malaya* (London: J. Lane, 1907), p. 136.

11 Administration Report, Resident General of the FMS, 1902, p. 23.

General sent a surprised letter to the engineer in charge asking if the workers were Malays or Javanese, and where they came from.¹² The implication of this belief was that the task of government involved goading the Malays to action and W.H. Treacher, the Resident-General in 1902, suggested this when he wrote that "the pressure of taxation necessary to incline them [the Malays] to steady labour and industry is wanting."¹³

A second cliché, virtually a metaphoric statement of evolutionary principles, was that "The Malays, like every other rude Eastern nation, require to be treated much more like children and to be taught"¹⁴ Children are potential adults and by implication if the government provided discipline and instruction, Malays would ultimately "mature" sufficiently to take over the administration of the country. This was, in fact, the official position of the government.

Another concept was that Malays unthinkingly followed customary practices. "The Malays are generally a lethargic sort of people, much addicted to a blind following of the 'Customs of the Ancestors'; touchy and ceremonious, and with high notions of their own dignity."¹⁵ Again discipline and education were the prescription.

A fourth cliché which gained some currency held, to the contrary, that Malays were by nature less capable than other peoples and, there being no possibility of remedying the situation, the British task was to protect Malays from the consequences of their deficiencies by creating a system of government that contained adequate safeguards and by recruiting

12 *Straits Times*, 23 October 1903; *Perak Government Gazette*, 26 February 1904.

13 Administration Report, Resident General, 1902, p. 24.

14 Sir Andrew Clarke, Governor of the Straits Settlements, in Clarke to Earl Kimberley, Colonial Office, Despatch No. 43 of 24 February 1874; in Papers Relating to the Introduction of the Residential System into Perak in 1874; bound volume in the Perak Museum, Taiping.

15 C.H. Irving, Auditor-General, SS, Enclosure in Clarke to Kimberley.

a class of Malays qualified by birth and education to staff it. Some Malays advanced this proposition, seeking preferential treatment from the government, but official policy explicitly repudiated the idea. A 1904 Perak Government Circular said:

Malay clerks are hereby informed that they can only look for promotion in the Clerical Service under the same rules and conditions as clerks of other nationalities, their alleged mental inferiority to such clerks not being recognized¹⁶

Officials certainly were not totally dependent on clichés and in considering specific phenomena usually offered empirically based explanations, but policies were often predicated on clichés regarding what Malays could or would do in the future. The government's rice policy provides a clear example of cliché and non-cliché explanations. Against the cliché position that Malays were losing their ancestral lands and failing to open new rice areas due to laziness and gullibility (the assumption being that Malays were by nature and preference rice growers) some officials pointed out that it was only necessary to consider the prevailing low market prices for rice and the ready availability of other, more lucrative sources of income to understand why there was no eagerness on the part of Malays to undertake commercial rice cultivation, or to maintain non-essential rice lands. Yet government agriculture programmes devoted a great deal of attention to improving the milling qualities of rice and other matters of primary concern to commercial cultivators.

THE CASE STUDY: RURAL INDEBTEDNESS

The material for this case study pertains mainly to the state of Perak and particularly to the Krian District. The Krian District is an alluvial plain planted with wet rice and some rubber and oil palm. A major irrigation system was opened in Krian in 1906, and the district was the only major rice producing area of the FMS until the mid-1930's, when additional large irrigation works were established on newly cleared tracts of rice land.

¹⁶ Perak Circular, No. 11 of 1904, p. 45. This circular was prepared after the 1904 meeting of the Conference of Residents considered correspondence proposing that Malay clerks be exempted from certain examinations required by the rules for the clerical service. The Residents rejected the suggestion. High Commissioner's Office, File RG 1185/1904.

Loan Systems

The only items of substantial value possessed by most Malay farmers were land and a yearly crop, and each became the basis of a system of credit. Loans secured by land were usually obtained from Indian money-lenders of the Chettiar caste and the amounts involved were, by local standards, large. Malays borrowed from Chettiars to finance such major expenses as weddings or pilgrimages to Mecca. To secure such loans the borrower mortgaged¹⁷ a parcel of land and recorded the transaction in the Land Office. In case of default the Chettiar had recourse to the courts. Loans secured by the rice crop were normally made by the local Chinese shopkeepers who acted as middlemen in the rice trade. The loans were made some two to four months before the rice harvest when many farmers ran out of money, and often involved a commitment on the part of the farmers to sell a certain amount of padi at a rate substantially below the market price. Rarely would a Chinese take a defaulter to court. The shopkeepers were personally acquainted with the persons to whom they loaned money and recovery of the loans depended not on enforceability under the law but on the borrower's continuing need for goods and services available only through the shopkeeper.

Land in the Malay Peninsula in 1870 was abundant, often covered with jungle and swamp, populated by a multitude of sometimes hostile beasts and - it was believed - spirits, and with some few exceptions of no monetary value. One of the most profound changes worked in the early years of British rule was the creation of value and a market for land. Noel Denison, who as District Officer oversaw settlement both in Krian and lower Perak, pointed out that in the vicinity of Telok Anson the establishment of land laws guaranteeing security of tenure, and subsequent government encouragement of settlement, had caused land values to rise from zero to, in 1891, about \$20 per acre.¹⁸ Top yielding land in the Krian District, a jungle swamp in 1870, was by

17 In the FMS, England, Ontario and Ireland the term "charge" is used for the statutory instrument of mortgage. See James Edward Hogg, *Registration of Title to Land Throughout the Empire* (Toronto: Carswell, 1920), p. 205. "Mortgage" will be used in this paper except where "charge" appears in direct quotations.

18 CO 273/176 Enclosure to Report by Resident of Perak in Smith to Knutsford, 28 October 1891. Figures are in Straits dollars.

1897 worth \$60 per acre and up.¹⁹ The early land market in the Krian District was fluid. There and elsewhere the government encouraged settlement by offering a moratorium on rent collections for the first three years of occupancy. This was an effective inducement but it was not uncommon for land to be abandoned after the three-year grace period by men who then moved on to settle another piece of land on the same terms. Denison, who had initiated the rent free policy, came under attack for it, particularly from E.W. Birch who claimed a new variety of 'shifting cultivation'²⁰ had developed; in defence of the procedure Denison argued that the policy brought permanent settlers as well as transients and that in any case uncleared jungle land yielded no revenues to the government.²¹ As good land grew scarce and the government tightened the rules, the more free-wheeling land practices disappeared. In 1896, for example, the Acting District Magistrate for Krian, R.C. Grey, gave orders that no one owing rent in the district should be allowed to take up other land there. Grey wrote:

I think there is little doubt that there are many Malays who take up land in this district purely as a speculation. They hold, in some cases, more than one piece of land, pay no rent, and simply wait for an opportunity of selling it advantageously.²²

Ten years later the Perak government issued a circular outlining procedures to prevent "nomadic cultivation" on the part of Malays.²³ But as late as 1910, there was little population pressure on the land and

19 CO 273/230 Letter from A.L. Ingall, Acting District Magistrate, Parit Buntar, Krian, Perak, enclosure in Despatch 187, Mitchell to Colonial Office, 14 December 1897.

20 Shifting cultivation, or swidden agriculture (in Malay, *ladang*) involves clearing and planting a field for one or two seasons and then moving to a different site and repeating the process.

21 CO 273/176, *loc.cit.*

22 "Krian Monthly Report for April," *Perak Government Gazette*, 1896, p. 394.

23 Perak Circular, No. 13 of 1906.

portions of the Krian Irrigation Area were still under jungle. Each year, too, large areas of rice land reverted to the government due to failure of the owner to pay taxes or meet cultivation conditions; for example, in 1914 the government reclaimed 1,700 acres of land in Krian and in 1915 the figure was 1,809 acres; the rice lands in Krian at this time amounted to just over 51,000 acres.²⁴ Land had monetary value, but as the *penghulu* (village headman) of Selinsing subdistrict said, there was as yet no real market for land in Krian "amongst the small people."²⁵

Once land had value it became possible to use it to secure loans, and this was the basis of the money-lending operations run by the Chettiars. Chettiar money-lending firms were based in South India and their agents operating in Malaya drew on the parent companies' large reserves of capital. Loans, nearly always secured by mortgages on land and amounting to as much as 100% or even 150% of the value of the security, could be obtained quickly and easily from Chettiars, even in relatively high risk situations. Interest rates were high, amounting to 24% or even 36% per year.²⁶ If a borrower defaulted on a loan the Chettiar turned to the Courts in accordance with provisions of the Land Enactment.

In comparison with the income of rice farmers the amounts borrowed from Chettiars were large. In 1938, Malay officers of the Department of Agriculture estimated that the average Krian family had a total yearly income of \$120.²⁷ Land office records show loans secured by five acres of rice land - the average size of a Krian smallholding - amounting to between \$100 and \$1,000 and sometimes more.²⁸

24 Perak Administration Report, 1914, p. 5; 1915, p. 5.

25 "Small Loans Report," in *Report and Proceedings of the Committee ... to Consider Why the System of Small Loans to Native Agriculturists Had Failed in Perak*, 1912, p. 13. The *penghulu* was the government official in charge of a *mukim* or subdistrict; in Perak before 1940 he was always a Perak Malay. Malay States were divided into districts which were subdivided into *mukim*'s.

26 "Small Loans Report," pp. 3-4.

27 Agricultural Officer, Krian, File 47/1938.

28 *Federated Malay States Government Gazette* and *Pejabat Tanah* (Land Office), Parit Buntar, Krian.

Unpaid interest was added to the principle and in such cases the total amount due rapidly outstripped the borrowers ability to repay. When borrowed money was spent for wedding feasts or other events that brought no financial return, as it often was, repayment sometimes became impossible.

The writers of the government's "Small Loans Report", published in 1912, spoke kindly of the Chettiars, calling them "mild and gentle in disposition" with "a good name for honesty and even kindness to borrowers."²⁹ A contrary opinion, however, was already afoot. W.H. Lee-Warner in 1907 expressed the hope that a rice mill could be established in Krian and its owner serve as "agricultural (Loan) Banker", because "This would kill out the pest of Krian re chetties who loan money out at 24% and 36% and thus ruin the Bangerese [sic]".³⁰ The Krian District Officer reported in 1908 that "the native land-holder is practically never out of the clutches of the chetties."³¹ Also in 1908, a government study raised the question, "Do we protect the Malays or the chetties?", to which the author of the report replied, "Chetties, they can find out what the law is, the Malays can't."³²

A second type of loan based on land was known in Malay as *jual janji* (promised sale). The procedure was for a man who owned land and wished to borrow money to sell the land to a purchaser - in effect a lender - who promised to sell it back for the same price within a fixed period of time. The seller had use of a sum of money; the purchaser, in lieu of interest, had the use of the land. The advantage of the arrangement was that the taking of interest, forbidden by Islamic law, was at least masked. The disadvantage was

29 "Small Loans Report," pp. 3-4.

30 High Commissioner's Office, File RG 878/1907. The Banjerese, from the Banjermasin region in south Borneo (now Kalimantan), migrated to Krian in large numbers between 1890 and 1920 and made up a large proportion of the population there.

31 Quoted by Mr. Thornton in a speech to the SS Legislative Council in *Proceedings of the Straits Settlements Legislative Council*, 1908, p. B61.

32 High Commissioner's Office, File Perak 1545/1908.

that the agreement to resell the land to the original owner was verbal; the sale was registered in the Land Office and under the law was final and unconditional. So long as land and crop prices were stable over the years the system worked reasonably well, but in a time of rising prices the security appreciated in value and the original owner had no effective recourse if the purchaser refused to honour the agreement. In 1927 the Supreme Court of the FMS heard such a case and ruled that "the evidence of the oral agreement was not admissible to vary the terms of the written transfer and that such evidence must be disregarded."³³ Because *jual janji* transactions went unrecorded, it is not possible to determine how frequently they occurred, nor did the government ever take action in this area.

Locally produced rice, like land, had little if any market prior to the British era but as the urban population and the number of labourers employed by agricultural estates and tin mines expanded, so did the demand for rice. Much of this demand was met by imported grain but some 35% was purchased in Malaya.³⁴ The Krian District was the major area of commercial rice production in the FMS. Its soils were rich and average holdings, at five acres, were large enough that a substantial amount of padi was available for sale in most years, particularly after 1906 when water was controlled by irrigation. But rice prices in Malaya were chronically low and commercial production unprofitable except on the best land.³⁵

The system of loans based on the rice crop had several variations but the basic procedure was that known as "*padi ratus*" or "*padi kuncha*", a practice uniformly vilified by every official who dealt with it. The terms of *padi ratus* were simply that in return for being granted a loan, a borrower agreed to sell a

33 "Perak Civil Appeal No. 2 of 1927," in *Law Reports of the Federated Malay States*, vol. VI (1931), pp. 108-112.

34 Between 1918 and 1940 domestic production averaged 35% of consumption. See, *Malayan Agricultural Statistics*, 1940, Table 32.

35 For estimates of the economic situation of rice farmers, see N.W. Barritt, "The Economics of Padi Planting," *Agricultural Bulletin of the Federated Malay States* (July 1913), pp. 443-446; H.W. Jack, *Rice in Malaya*, FMS Department of Agriculture Bulletin, No. 35 (Kuala Lumpur: 1923), p. 44; and Agricultural Officer, Krian, File 47/1938.

specified amount of his coming harvest at a pre-established price, usually substantially below the anticipated market price. Most loans of this type were made by Chinese who ran shops in the rice areas and operated as middlemen in the rice trade, buying from farmers and selling to mills or millers' agents. Their shops were strategically located (in Krian, where settlement is along the canals that make up the irrigation system, they situated themselves where the canals intersected the roads) and they provided needed services such as transporting bags of padi out of areas far away from roads or surfaced paths. They ran multi-faceted operations, selling the sundry goods required by rural households and buying eggs and other produce, but most of their profits came from buying and selling rice. They knew the people they dealt with intimately and this personal relationship was a key to their operation. An attentive shopkeeper running a coffee shop or general goods store readily learned the problems of his area: whose wife was expecting a child, whose children were ill, who needed farm implements or who was planning a wedding. He was also in a position to loan money or advance goods on credit. Because such loans depended on the personal relationship between lender and borrower, farmers had little chance to seek better terms by approaching a shopkeeper in a neighbouring area. By loaning money the shopkeepers provided a needed service, but when arranged on a *padi ratus* basis the loans could become a source of impoverishment.

The amounts of money involved in *padi ratus* loans were much smaller than in the case of Chettiar loans. Figures on Chinese business dealings are not available, but the seasonal loans made by co-operative societies in Krian, which served the same purpose as Chinese loans, generally fell between \$10 and \$25, a substantial but not unmanageable amount for a family with a yearly income of \$120.³⁶

Government Responses

Malay rice farmers were peripheral to the new and rapidly expanding economy based on tin and rubber and a substantial body of opinion opposed subsidizing them.

36 Figures taken from ledgers of Parit Tok Hin Tengah, Telok Medan, and Tebok Haji Musa Co-operative Societies; and from Agricultural Officer, Krian, File 47/1938.

The reasons the government chose to act on indebtedness are complex, involving career considerations of local officials, concern that importing the major part of the basic food supply left Malaya dangerously vulnerable, a fear of possible disruption to the social order if rural Malays were deprived of their land and livelihood, and the duty toward Malays that provided the underlying rationale for the British presence in the peninsula. Without official intervention the "peasant-yeoman" seemed likely to be impoverished and dispossessed of his land and the Malays would not have been disciplined, taught, guided or protected. Government efforts to combat indebtedness included the creation of alternative credit mechanisms, legislative restraints on loans, and an education and propaganda programme.

The government's first response was to create an alternative source of credit to compete with the Chettiars. In 1908, a fund was established to provide small cultivators with loans "for purely agricultural purposes" or for redeeming mortgaged land.³⁷ The fund offered loans at an interest rate of one-half of one percent per month with repayment by installments over a period of not more than three years, terms substantially better than those offered by Chettiars. Despite this, demand for government loans lagged and in 1911 a committee was appointed in Perak to discover why. The committee conducted interviews throughout the state and concluded that the main reasons were that the processing of applications for government loans was extremely slow, taking as much as two or three months; that government loans were granted only for 50% of the value of the security offered and the security often was undervalued; and that the uses to which the money could be put were too limited. By comparison, Chettiar loans were available immediately, were granted in amounts sometimes exceeding the value of the security, and subjected the borrower to no restrictions on use of the money.³⁸

Delays in government loans stemmed from a requirement that the *penghulu* or a land officer assess the value of the land offered as security, and then from a time-consuming administrative process that included personal

37 "Small Loans Report," pp. 27-28.

38 *Ibid.*, pp. 1-5.

approval of each loan by the British Resident in Taiping. Land securing the loans was undervalued because the *penghulu's* responsible for assessing it made low estimates to protect, so they said, the government, with the result that government loans often amounted to no more than 30% of the true value of the security.³⁹ It was the government's intention to loan farmers money to help pay off Chettiar loans, but when the government could only offer a farmer 50% or less of the value of his land he could scarcely use the money to pay off a loan amounting to 100% or 150% of the value of the same land. The *penghulu* of Parit Buntar in Krian told the committee that fully one-third of his people were so deeply in debt that under the prevailing rules the government could not help them.⁴⁰ *Penghulu's* also recommended prospective borrowers to the loan officer and, while the committee found little fault with work of the *penghulu's*, the Krian District Officer wrote in 1917 that this use of *penghulu's* subjected borrowers to a "squeeze ... in some cases a severe one."⁴¹

The government was caught in a contradiction. The purpose of the loan fund was to prevent farmers from losing their lands; to give, the committee wrote, Malay peasants "another inducement to remain owners of their lands and so not dispossess themselves of their properties to aliens or other classes."⁴² Yet that very land was used to secure government loans as well and if the borrower defaulted the government faced the prospect of doing that which it expressly wished to avoid, foreclosing on the land. By holding down the value of the loans and restricting their use, the government minimized the incidence of non-repayment (in fact the committee found that default in repayment of principal had never occurred) but also reduced the attractiveness and utility of the loans for Malay farmers.

The government loan fund was supposed to educate and discipline Malays as well as to provide relief for a financial problem. In particular the government wanted to

39 *Ibid.*, p. 3.

40 *Ibid.*, p. 13.

41 High Commissioner's Office, File 880/1917.

42 "Small Loans Report," p. 4.

avoid fueling Malay "extravagance", manifested in activities such as the giving of feasts. Speaking to the Straits Settlements Legislative Council which was considering an Agricultural Loans Bill modelled on the one in the Federated Malay States, Governor Sir John Anderson said that, while feasts were a major cause of indebtedness, government money loaned under the enactment would not be used for that purpose. He added:

We are proposing to proceed on purely paternal lines. These are rather thriftless, helpless people, and we want to help and encourage them, so as to increase, if possible, their self respect, and perhaps help them, when they get a little money, to be more careful of it than they have hitherto been.⁴³

Money spent on feasts did not bring any economic return and sometimes proved difficult for Malays to repay. But feasts, prepared mainly for weddings, circumcision ceremonies, and funerals were often precisely the occasions when Malay farmers needed money and sought out money-lenders.

When providing an alternative source of credit proved ineffective, the government turned to restricting the Chettiars' operations by means of legislative action. The most far-reaching piece of legislation was the Malay Reservations Enactment of 1913, the object of which was "to provide means for preventing the passing of Malay landholdings into the possession of foreigners."⁴⁴ Its key provisions were sections seven through eleven which prohibited any kind of transfer of land designated a Malay Reservation area to a non-Malay. Although Malay land passed to non-Malays in a variety of ways, foreclosure by Chettiars of loans secured by land was one of the most common and E.W. Birch, the Resident of Perak, made clear that this was the orientation of the legislation when he wrote: "It [the legislation] will mean that we shall free our peasantry from the clutches of those people who now remit to India the large sums of which they now bleed the people."⁴⁵ A more florid assessment of the situation was offered by

43 *Proceedings of the Straits Settlements Legislative Council*, 1908, p. B63.

44 F. Belfield, Legal Adviser, FMS, Report for the Secretary of State on the FMS Enactment 15 of 1913.

45 Hastings Rhodes, Objects and Reasons, Malay Reservations Enactment of 1913, quoting a Minute by E.W. Birch dated 7 September 1910; in Selang Secretariat, File 3013/1912, Conf. File 10/1912.

the Legal Adviser to the FMS, Hastings Rhodes:

For some time past the Rulers of the Federated Malay States and their Advisers have been caused grave anxiety and apprehension by the fact that their Malay subjects deluded by visions of present but transitory wealth have been divesting themselves of their homestead and family lands to anyone willing to pay in cash for them. Blinded by the radiance of the inducement offered, entranced by the visions of lethean pleasures they are surrendering and sacrificing the happiness of a lifetime. Thus a race of yeoman-peasantry aforetime happy and prosperous incapable from the very nature of their country and genus of supporting themselves in any other country find too late they have become homeless wanderers in their own land. The Rulers of the Federated Malay States and their Advisers conclusively feel that unless a better judgement is exercised on their behalf the result will be extinction of the Malay yeoman-peasant.⁴⁶

The enactment was only marginally effective. Where land was put into reservations the money-lending business was plunged into a thicket of Malay front men and agents, but its biggest failing was that large Malay areas were not made reservation land. The population of the Krian District consisted mainly of Malay rice farmers and indebtedness to Chettiars was common. As of 1908 there were eleven Chettiar firms in Parit Buntar, the headquarters town for Krian, and a total of twenty-one such firms in the district.⁴⁷ Yet the Krian Irrigation Area - amounting to some 50,000 acres of rice land until the mid-1930's when it was enlarged to just over 60,000 acres - contained only 15,739 acres of reservation land in 1940 and less than half of this was reserved prior to 1930.⁴⁸

To the extent that the enactment did limit the possibilities of Chettiars acquiring land, it also dried

46 *Ibid.*

47 *Proceedings of the Straits Settlements Legislative Council*, 1908, p. B61; High Commissioner's Office, File 1545/1908.

48 From information provided by Krian District Land Office.

up a major source of rural credit. Sections ten and eleven of the enactment required that a lender seek government consent before reservation land could be sold to meet a debt, and it committed the government to repay the debt, up to the value of the land immediately before it was made a reservation area, should permission to sell be denied. The procedure was cumbersome, potentially costly for the government, and introduced an element of uncertainty into Chettiar operations. In order to keep credit lines open the State Council often allowed a Chettiar who held a mortgage on reservation land to purchase that land if it was sold at auction for non-repayment of the loan, but only on the condition that the land be re-sold to a Malay. The result was tighter credit and a general decline of the value of land in reservation areas.

Other legislative restrictions aimed at Chettiar included the Usurious Loans Enactment of 1919 and the provisions of the Land Enactment relating to mortgages on land. The Usurious Loans Enactment permitted court action on claims of excessive interest or where a transaction was "substantially unfair." Fairness was left to the discretion of the court but the act did specify that "Interest may of itself be sufficient evidence that a transaction was substantially unfair."⁴⁹ Generally, however, the enactment was not automatically applied but had to be pleaded in court, and most legal actions to which it was relevant involved farmers who had little understanding of legal procedures and did not contest the case against them. As a result the legislation had little impact and in 1932 the Legal Adviser for the FMS, W.S. Gibson, issued a circular instructing magistrates to examine every transaction that came before them in light of the enactment and to take action if it seemed to be called for. "This duty", he wrote, "arises independently of any request for relief by the debtor, who may very often be ignorant of the law."⁵⁰

The Land Code was amended in 1919 to require that lenders seeking to recover overdue loans exhaust the remedies available to them under the Land Code before taking other civil action. The Legal Adviser, Frederick

49 The Usurious Loans Enactment, Enactment No. 12 of 1919, Section 3 ii d.

50 District Office, Sitiawan, File 591/1932.

Belfield, explained that the amendment was necessary because often a lender filed an ordinary civil suit and got a decree instead of applying to the Collector of Land Revenue for sale of mortgaged land when a loan was past due. The creditor could execute a decree not only against the land but also against other property of the debtor, while remedies provided by the Land Law were much more restrictive.⁵¹ The amended Land Law, however, applied only to formally executed mortgages and lenders easily evaded its provisions by substituting promissory notes for mortgages. When borrowing on a promissory note the smallholder deposited his extract from the Mukim Register (the Land Office document actually in the possession of the smallholder) in the money-lender's office. The land remained free of legal encumbrances but without the extract the owner could neither sell the land nor use it as security for another land. In the event of default, the lender went to court with the promissory note and obtained a decree for the amount due; if the debt remained unpaid the lender applied for execution against the debtor's property, including the land. When mortgaged land was sold by court order under the provisions of the Land Law a minimum "upset" price was fixed that extinguished the debt and covered all additional costs, but land sold by court order to satisfy a promissory note went to the highest bidder and in such a case a debtor might well lose his land and remain in debt. This procedure, as the Acting Resident of Perak pointed out, provided a lender "all the advantage of a statutory charge with none of the disadvantages."⁵²

On 16 November 1923, the Conference of Residents went on record as opposing any government intervention "between party and party" in such cases and suggested encouragement of thrift and loan societies under the Co-operative Societies Enactment (passed in 1922) to deal with the situation.⁵³ Falling prices led to an increase in foreclosures after 1930 and in January 1931, the Federal Council passed The Small Holdings (Restriction of Sale) Enactment, making all such actions subject to the approval of the ruler and his State Council, who could postpone such

51 *Proceedings of the Federal Council of the Federated Malay States*, 1919, p. B66.

52 Selangor Secretariat, File 3542/1923.

53 Minutes, Conference of Residents, 16 November 1923.

sales.⁵⁴ The enactment remained in force through July 1933, but neither it nor any other British effort in the pre-war years proved effective in curtailing Chettiar loan operations.

It was not until the 1920's that the government took action in the area of credit based on rice sales, and in doing so it returned to creating alternative credit mechanisms. In 1922 basic legislation was passed providing for the creation of co-operative societies, one type of which - Rural Co-operative Credit Societies (RCCS) - was designed to benefit rice farmers and particularly to combat the system of *padi ratus* crop sales. The idea of developing co-operative societies had been promoted several years earlier by Sir Arthur Young when he was Chief Secretary of the FMS but the concensus of English and Malay opinion had been that the Muslim prohibition against usury made co-operation unworkable in the Malay States. In the face of this opposition Young abandoned his initiative but in 1918 both the Singapore Housing Commission and the FMS Chamber of Commerce urged further consideration of the matter.⁵⁵ In 1921 Alexander Cavendish was placed in charge of the as yet nonexistent co-operative societies of the SS and FMS and travelled to Burma to study the workings of the co-operative movement there. Usury remained the main obstacle but finally, armed with a favourable opinion from the Mufti of Egypt and the example of co-operative activity in other Muslim countries, the British obtained rulings from the Malay Sultans stating that the interest arrangements of co-operative societies were not of the sort forbidden by Islamic law. Not all Malays were persuaded but the climate of opinion seemed favourable enough to proceed and the first Malay co-operative society, located in the Krian District, was registered in August 1922.⁵⁶

The government presented its case for co-operation in a 1922 pamphlet published in English and Malay (Jawi script)

54 Enactment No. 8 of 1931.

55 "Report on the Advisability of Establishing Agricultural Banks or Co-operative Societies in the Federated Malay States." Issued by authority of the General Committee of the FMS Chamber of Commerce, Kuala Lumpur, November 1918. High Commissioner's Office, File Misc 421/1919.

56 A. Cavendish, "Malaya - Retrospect 1909-1933," unpublished manuscript in the Rhodes House Library, Oxford, England.

entitled: *What is a Rural Co-operative Credit Society?* (Apakah yang di-katakan sharikat bekerja bersama2 dan pinjaman di darat?). The chief object of an RCCS, according to the pamphlet, was "to eradicate debt altogether and not to facilitate it and finally to enable its members to work without borrowing at all."⁵⁷ The usury issue was feebly dealt with:

Muhammadans need not receive the small dividend which is paid on shares in the 12th year unless they like. Many leaders of the Muhammadan religion say it is perfectly lawful to receive it as it is not a payment of a usurious nature.

All Muhammadans should form Co-operative Societies because they are meant to relieve people of debts and to abolish usury. In fact usury flees at the approach of Co-operative Societies as mists do before the rising sun.⁵⁸

Like the government loan system, co-operative societies only granted loans for a limited range of purposes. Three kinds of loans were acceptable: those for seasonal cultivation expenses, repayable at harvest; those for livestock and implements, repayable at successive harvests in up to three installments; and those for liquidation of "considerable debts" or purchase or improvement of land, to be repaid in up to four annual installments with interest paid half-yearly.⁵⁹

Co-operation at first made modest progress and was effective in reducing the reliance of members on money-lenders and on *padi ratus* arrangements, but the Rice Cultivation Committee, examining the situation in 1931, found little that was favourable to report. Of co-operation in the Krian District, where fourteen co-operative societies had a membership of about 450 in a total male Malay population of 23,861, the Committee wrote:

... so far, it is to be regretted, co-operation has failed to obtain a firm hold in Krian.

57 *What is a Rural Co-operative Credit Society?* (Kuala Lumpur: Dept. of Co-operation, 1922), p. 1.

58 *Ibid.*, p. 3.

59 *Ibid.*, p. 2.

Hardly any of the societies are working well and, although it is stated that a few societies have ameliorated the condition of their members, there is no question that the net effect of co-operation in Krian so far has been negligible.⁶⁰

Reports of RCCS indicate that most members joined in order to take out small loans. The RCCS raised capital for loans by selling shares to members and accepting savings deposits from members. When further funds were required the RCCS borrowed from other co-operative societies, often the Thrift and Loan Societies founded by government employees. The sharp decline in commodity prices that accompanied the slump of the early 1930's stranded a number of RCCS whose members could not repay loans contracted when prices were high, and jeopardized some Thrift and Loan Societies as well. The outstanding loans also hampered recruitment of new members since each member had to accept unlimited liability for the debts of his society.⁶¹ With the popularity of the RCCS on the decline, the Department of Co-operation in 1936 created a new type of rural credit society in an effort to re-ignite interest in co-operation among rice farmers. Called Seasonal Credit Societies, these groups limited loans to small amounts that were in all cases repayable with interest at the next harvest after they were granted. Seasonal Credit Societies were popular and expanded rapidly in padi areas but it is difficult to assess their potential impact on the rural credit situation since the programme was still quite new when the war began.

The incidence of *padi ratus* apparently diminished during the 1930's but officials differed concerning the number of farmers still involved. A Malay officer of the Department of Agriculture noted that his figures on rice prices should be considered inexact due to *padi ratus* sales arranged during the planting season at the low rate

60 *Report of the Rice Cultivation Committee*, vol. II (Kuala Lumpur: FMS Govt. Press, 1931), p. 16. Population figures from the Census of 1931, Table 41, and refer both to Peninsular Malays and to Malay-speaking Muslim immigrants from the Dutch East Indies.

61 Ulu Selangor District Office, File 777/1937 contains a discussion of this issue.

of \$3.50 to \$4.50 per 100 *gantangs* (1 *gantang* is equivalent to about 6 $\frac{2}{3}$ lbs.).⁶² Raja Kamaralzaman, the Krian District Officer, claimed that farmers in 1937 were receiving between \$7.60 and \$7.80 per 100 *gantangs* for padi sold in the field, figures that compared favourably with the \$8.00 per 100 *gantangs* offered at the mill, and that *padi ratus* was limited to two subdistricts where special circumstances prevailed.⁶³

RCCS were not in a position to deal with their members' debts mortgaged by land; those debts were simply too large for the resources available. But even competing with Chinese shopkeepers as a source for small loans proved difficult. The shopkeepers made a broad range of goods and services available to their customers, and the granting of loans was only one element of a system that included sale of sundries like coffee, tea and cigarettes, purchase of rice and village produce, transport of goods including rice, aid in securing medical care and the passing on of information. Financial arrangements were not based on a single transaction but on the entire complex and efforts to isolate a single element, especially one so important as the small loans that rice dealers used to control rice marketing arrangements, threatened to create numerous imbalances in other areas; co-operative societies were not in a position to take on all the functions of the Chinese shopkeeper and therefore found it hard to compete.

Co-operative societies were an alternative source of credit for padi farmers. The idea of strengthening small farmers by means of having them pool their surplus resources was ambitious but the popularity of RCCS was limited and the resources they were able to command too small to be a decisive factor in the small loans situation.

In addition to the concrete institutional measures discussed above, the British attempted to deal with indebtedness by means of education and propaganda. R.J. Wilkinson wrote in 1904 that the aim of vernacular schools was to teach the poorer classes of the population how to read, write, and do simple sums in order to enable them to "protect themselves from the swindlers who everywhere

62 Agricultural Officer, Krian, File 13/1937.

63 Agricultural Officer, Krian, File 42/1937.

prey on illiteracy."⁶⁴ In addition officers of the Department of Agriculture and the Co-operative Department gave lectures and distributed instructional materials stressing the values of thrift and economy.

In the 1930's educational efforts were stepped up. The Department of Agriculture, which previously had used both coercion and persuasion in trying to accomplish its goals, abandoned the former and expanded its propaganda and instructional efforts. In part this change resulted from personnel reductions due to the slump, but it also reflected a growing conviction on the part of officials that coercive measures were ineffective. C.H. Burgess, the Agricultural Officer for Krian in 1936, claimed that if the Department of Agriculture officials enforced compliance with various regulations it would hurt their ability to communicate in an advisory capacity. He wrote:

In Krian we have reached the stage where we have several lines to 'put over' in the kampong [village] and definitely want the co-operation of the people. Any move to inaugurate an inspection and coercive side is a retrogressive step.

I have the support of the Krian staff in opposing return to the notice serving era and, lest it be thought we are unduly biased, I have sounded the opinion of officers in other departments who opine that instructional work although slow, if persevered, is likely to produce more lasting results.⁶⁵

Another educational programme was the annual tour of the Rural Lecture Caravan, initiated in 1930, which presented films and lectures under the auspices of the Department of Agriculture, the Co-operative Societies Department, and the Rubber Research Institute. The caravan, consisting of a specially outfitted van, made tours through

64 "Code for Grant-in-Aid Schools," *Supplement to Perak Government Gazette of December 30, 1904*, p. 23.

65 Agriculture Officer, Krian, File 75/1936; Burgess was responding to a proposal to divide the staff of the Department of Agriculture into instructional and inspectional sections.

the 1930's and generally attracted large crowds. Offerings included films such as "Food First" on producing better foodstuffs, the "Saving of Haji Hassan" on better rubber production, and "Thrift and Extravagance" which was produced by the Co-operative Societies Department and contrasted the downfall of Mat - a Malay who slept late, hired labour, purchased goods on credit, borrowed from a Chettiar and declined to join a co-operative society - with the prosperity of Idris - who performed his own labour, did not borrow money, and did join a co-operative society. The Rural Lecture Caravan's programme for 1936 was enlivened by a Charlie Chaplin film and a Mickey Mouse cartoon.⁶⁶ Lectures were given by local and state officials from the departments concerned. After a visit of the caravan, local officials gave follow-up talks and in some districts established a programme of adult schools for this purpose. Malay farmers showed little interest in the adult schools and, according to the Malay officers in Krian, most of those attending were *penghulu's* and others with government jobs, "i.e., frightened they may have their bonuses cut." The Malay Agricultural Assistant for Krian South commented that people were not keen to be constantly subjected to propaganda.⁶⁷

CONCLUSION

Rural indebtedness in Malaya was not a product of the English-created government, although it owed some of its particular forms to English institutions such as the land law. As is true of many other places in the world, many middlemen in Malaya were outsiders. As also happened elsewhere the middlemen engaged in money-lending, and rural indebtedness became widespread. The particular historical pattern in Malaya, however, cannot be understood

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- 66 J. Corrie, "Film Propaganda in Relation to the Departments of Agriculture and Co-operation," *Malayan Agricultural Journal* (February 1930), p. 88; the Co-operative Societies Department and the Department of Agriculture, "The Rural Lecture Caravan," (1936), p. 538; Agricultural Officer, Krian, File 56/1936.
- 67 Agricultural Officer, Krian, File 195/1932 and 106/1936. *Penghulu's* were not salaried but received an annual allowance, the amount determined by evaluations submitted by officers of the Drainage and Irrigation Department, the Department of Agriculture, and the *penghulu's*.

in these terms alone for the process of interaction depended on cultural features peculiar to Malaya. The value of examining rural indebtedness lies not in what is revealed about the efficacy of specific government policies, for the policies were neither innovative nor very successful, and not in what is revealed about the forms of loans, ingenious though some of them were, but in what can be learned about the conceptions, the cultural categories, of the people involved.

The British, who controlled the government, had a particular obsession with poverty and indebtedness. Success was admired and failure despised, and both could be measured economically. With the Poor Law Amendment of 1834 poverty itself became in England an incarcerable offense. It was a stigmatizing indication of moral failure, "a disgrace to a Briton."⁶⁸ To the Asian peoples of Malaya indebtedness was many things, but it was not that. For the Malays, borrowing was a convenient way to obtain money. For the Chinese, loans were a contractual device by means of which other business arrangements were controlled. For the Chettiars, loans were a secure investment. For the Chinese and the Chettiars loans were a matter of business, not of morality; for the Malays morality lay in usury rather than in indebtedness itself.

British attitudes toward Malay peasants and indebtedness drew on other sources as well. The evolutionary model that underlay British concepts of state and society in Asia had as its corollary a paternalistic duty toward the Malays, and this was spelled out in the terms of the treaty that brought British control to the Malay States. The fear in England of the danger to the social order posed by a landless and impoverished lower class made colonial officials particularly conscious of the possible consequences of neglecting this paternalistic role.

As rural indebtedness became increasingly widespread in Malaya, the government responded with a series of alternative credit mechanisms and legislative restrictions. By and large these attempts proved ineffective. In some cases, such as the government's Small Loans programme, the

68 Thomas Hughes, *Tom Brown at Oxford* (New York: Universal Pub., n.d.), p. 53.

failure lay in poor structuring of the remedy. Generally, however, the difficulty was one of appropriateness. The British evaluated indebtedness, as well as the value and predilections of Malays, in English terms and they offered English solutions. Co-operative societies, for example, were native to England. They were based on a kind of solidarity different from that found in indigenous Malay organizations, their interest arrangements arguably violated a fundamental tenet of the Islamic faith, and they advanced as their goal a social order that many Malays considered unworkable and undesirable. Malays did not find perpetual indebtedness an altogether satisfactory state of affairs, for dealings with shopkeepers shaded into exploitation while Chettiars called in loans just when falling commodity prices made smallholders least able to pay, but government programmes, even when organizationally suitable, often did not attack the points in the system where Malays perceived the difficulties to lie and were, therefore, irrelevant. An observation made in 1937 by Robert Boyd, the Director of Co-operation in Malaya, aptly states the moral of the situation - and of this paper. Boyd wrote: "To offer solutions to problems to people not conscious of the problems is a waste of time."⁶⁹

69 Selangor Secretariat, File 367/1937.