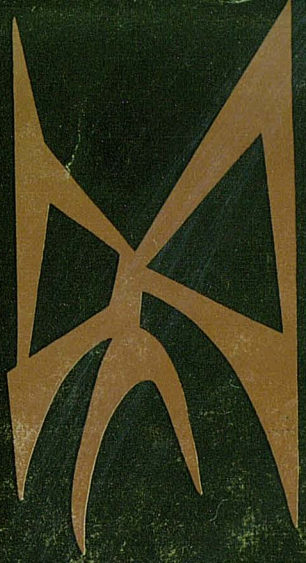

malaya

a political and economic appraisal

LENNOX A. MILLS

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MALAYA

a political and economic appraisal

by LENNOX A. MILLS

In the small, independent country of Malaya, the nations of the free world face a situation that is of grave concern to their own welfare and one that is, in many ways, a microcosm of the problem in all of the other underdeveloped countries of Asia. Dr. Mills' account of the political and economic developments in Malaya over the last decade is of critical importance, therefore, to students of world affairs and, particularly, to those concerned about the future of freedom in Southeast Asia.

As a background, Dr. Mills describes conditions in Malaya at the beginning of World War II, when the British colonial government ruled the territory with compromise and concession and there was little nationalism or desire for self-government on the part of the people. He

see back flap


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To Sir George Maxwell
whose friendship was great gain to me


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PREFACE

POSTWAR Malaya has in general been typical of Southeast Asia politically and economically. Among the resemblances have been hostility to colonial rule, a widespread demand for expansion of social services, and the usual difficulty in finding adequate revenue to pay for them. Malaya also shares with, for example, Indonesia and Burma the risk that political independence may be imperiled by inability to satisfy the popular desire for better living conditions. Owing to its multiracial character, however, the development in Malaya has been somewhat different from that of the neighboring countries. There was the usual growth of nationalism and demand for self-government among the politically conscious minority, but contrary to the general rule nationalism was a divisive and not a unifying force, since there was not one Malayan people but three. Communal antagonism was aggravated by the appearance of three nationalisms, Malay, Chinese, and Indian. This made it much more difficult to carry out the standard British policy of acclimatizing parliamentary democracy as quickly as possible. There was not only the normal problem of how quickly power could be safely transferred to inexperienced hands, but also the necessity of creating a Malayan people who could exercise it. "The citizen of Malaya is still a synthetic dream of puzzled politicians, and only the slow chemistry of goodwill and self interest can produce him."

Unification of the three races was all the harder since the Chinese were the largest single element in the population, and after the war

there was an intensification of nationalism and sympathy for the Peking government especially among the younger generation. At the same time that the Colonial Office was trying to establish self-government it had to cope with Communist imperialism, using its customary methods of subversion from within and rebellion. Malaya was unique in Southeast Asia in that communalism made it impossible for the Communists to make effective use of one of their favorite gambits, that they were fighting to liberate the Malayan people from colonial rule. In Singapore, which was three quarters Chinese, they could appeal to Chinese nationalism. In the Federation, however, the Malays were the largest single minority, and despite their desire for independence they actively supported the British since the Communists were overwhelmingly Chinese. Most of the Chinese were anti-Communist but neutral, and the attempt of the British government to win their active cooperation by political concessions was tempered by the realization that if it offered too much it might alienate the Malays whose support was essential. The Colonial Office had also to remember that what happened in Malaya concerned other countries besides Great Britain. It was of the first importance as a link in the sea and air communications of the British Commonwealth and as a base for the South East Asia Treaty Organization. These wider considerations could not be ignored, and somehow domestic autonomy must be combined with the safeguarding of Commonwealth and Western strategic interests.

The solution of the political problem had no parallel in the rest of Southeast Asia. Three communal political parties arose in the Federation of Malaya – Malay, Chinese, and Indian – and the leaders formed an alliance in order to destroy the only non-communal party. They then demanded complete self-government and arranged a compromise settlement of the principal communal differences. To date they have upheld it successfully against the objections of part of their followers. It is not possible to predict whether union at the top will eventually create a single Malayan people. This probably depends on whether men who have shown shrewd moderation and ability to compromise are able to maintain their control over their parties. At any rate this companionate marriage represented the best hope for racial cooperation which had appeared. In addition the leaders of the three parties were anti-Communist and realized that the Federation needed the he[lp] of Commonwealth armed forces to maintain its independence, and

British capital to carry out the plans for economic development. And so two years after the first national election in its history the Federation of Malaya attained complete self-government.

The separate colony of Singapore resembled the Federation in the hostility toward British colonial government and the demand for independence. It differed in the overwhelming predominance of the Chinese and the absence of a strong Malay party which though not pro-British was certainly not pro-Chinese. Communist penetration into the trade unions and Chinese schools was more extensive than in the Federation, and the anti-Communist parties were weaker. The risks were greater both to the successful growth of democracy and the retention of Commonwealth strategic interests. The British solution was to grant complete internal self-government after two years of popular government.

On the economic side Malaya was typical of the underdeveloped countries in the strong popular demand for a higher standard of living, combined with the inability to pay for it except by Western governmental aid such as the Colombo Plan and the taxation of the investments of overseas capital. Outside grants were limited in amount, and the governments of Malaya recognized the necessity of attracting further investments. They were confronted with the unwillingness of new capital to risk investing in Asian and African countries which were approaching self-government. Investment since 1945 has largely taken the form of the ploughing back of profits by prewar companies. In Malaya this has meant mainly rubber and tin, and the former is increasingly threatened by the competition of synthetic rubber. The most hopeful way of meeting it is by replanting with high-yielding trees, and this confronts the Federation with the problem of how heavily it can tax without discouraging reinvestment through replanting. Its chronic problem is that it never has as much revenue as it needs to carry out its plans. In the background is the certainty of a rapid growth of population caused by a high birth rate combined with a falling death rate due to improved medical and health services. Europe had this problem a century and a half ago and solved it by the combination of industrialization, new continents to colonize, and eventually birth control. The opportunities for industrialization are limited, there are no new lands to settle, and birth control is a long-range remedy. Also people today want the amenities of life and are not sat-

isfied with the bare necessities, and there are always the Communists to take advantage of their discontent. Malaya presents in miniature the question whether Western social services with an Asian birth rate can be financed by inadequate local resources and limited grants from Western governments. The best hope of success would be subsidies on a scale which it is doubtful whether a large part of the taxpayers of the United Kingdom and the United States are willing to provide.

I am very grateful to all those in the United Kingdom and Malaya who gave me so generously of their time. One interview which I shall never forget lasted for nearly five hours, with four authorities keeping up a continuous cross fire of comments and explanations. They sedulously restricted themselves to supplying information and I alone am responsible for the opinions expressed in the book. Individual acknowledgment is not possible in most cases, but I hope Sir George Maxwell will allow me to say how much I enjoyed our long afternoons in Worthing. I am much indebted to Dr. Victor Purcell for many interesting discussions. Finally I would like to acknowledge my obligation to the Guggenheim Memorial Foundation and the University of Minnesota, whose grants made it possible for me to carry out the research on which this study is based.

L. A. M.

University of Minnesota
October 1, 1957

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