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## **MALAY REACTION TO THE 1930S ECONOMIC DEPRESSION IN MALAYA**

*The unprecedented World Economic Depression of the 1930s affected Malaya just as it did to numerous other countries in the world. In Malaya's case, with the rubber and tin industries, the two main pillars of the country's economy, well integrated with the international market forces, the sudden economic downturn caused the collapse of both these industries, resulting in widespread retrenchment and mass unemployment of workers. To the people of multiracial Malaya the economic meltdown was more than an economic crisis. It was a crisis of all sorts that threatened their very own survival. Despite the colonial government's efforts to contain the situation every community was displaced in one way or another though by varying degrees. This paper examines some of the immediate effects of the economic depression on the Federated Malay States and confines its discussion to Malay reaction to the crisis – how they were affected, the challenges they faced and how they coped with the crisis and the government's role in ensuring the protection of the Malays. It also discusses Malay reaction to the presence of immigrant races in the country and their rise to seek greater protection of their rights as natives of the country.*

**Keywords:** *Economic Depression, Malays Reaction, Immigrant Labour, Malay Rights.*

### **Introduction**

It is common knowledge that the collapse in the price of primary products in the Wall Street Stock Exchange in New York in late October 1929 triggered the Economic Depression of the 1930s. With the economies of several countries well integrated with the international market forces, the sharp fall in the price of primary goods in the Wall Street, led to an unprecedented economic crisis, with global impact. Though small, Malaya was one of those countries severely hit by the economic down turn. With the country depending almost entirely on her export industries for her economic and social well-being, the sudden fall in the price of goods in the export sector affected her economy with serious consequences. Her primary products of tin and rubber were inextricably tied to the international market forces and a large portion of it went to the United States and England. For example, in 1929, 57.2 percent of all exports from

Malaya went to the United States, with the balance to England, Europe and countries in Asia, like India and Japan.<sup>1</sup> Hence when the prices of her primary products collapsed in the world market it had a devastating impact on Malaya's economy and more importantly on the people who were dependent on these two industries for their livelihood.

While it is true that Malaya's overdependence on her export economy was often cited as the main reason for economic crisis in the country, the situation was also aggravated by her overdependence on foreign countries for her consumer goods as well. Almost all the consumer items ranging from food to machinery were imported from England, Europe and Asian countries as local manufacturing industries were in their infancy. Clearly, it was in the economic interest of Britain to make her colony buy all its consumer needs from profits made from the rubber and tin industries instead of producing them locally. Another reason why the crisis had severe impact on Malaya was that there was a lack of mechanism from the British colonial government or the European entrepreneurs to cushion the impact as many did not foresee its severity and the damage that would follow. Many thought it would be another cyclical downturn that would pass over soon. They, therefore adopted a wait and see policy. But they were proven wrong. The economic slump of the 1930s was to be the worst in the history of the country and indeed for the rest of the world. In Malaya, with the price of rubber and tin tumbling down rapidly, it became clear that it was economically not viable to continue producing these two main items of export as before. Restrictions on the production of tin and rubber were enforced to scale down production. Labour became redundant in these two industries and hence large scale retrenchment of workers was inevitably adopted. Immigrant labour from China and India that formed the bulk of the labour force in these two industries were drastically reduced. In 1929 the total number of Indian labourers in Malaya including the Straits Settlements was estimated at 336,334 and in 1932 it dropped to 177,927 a drop of 158,407 or 47 percent.<sup>2</sup> Most of those who were unemployed were sent back to India. As for the Chinese, in 1929 it was estimated that there were 104,000 tin mine workers in the Federated Malay States and this figure dropped to 57,403 in December 1930.<sup>3</sup> It was also estimated that between 1930 and 1932 about 50,494 of these unemployed mine coolies were sent back to China.<sup>1</sup> Many of the unemployed Indian and Chinese immigrant workers were repatriated to their home countries at government expense. It was the government's view that it would be cheaper to repatriate the redundant workers at government expense than having to look after them in Malaya.

The native Malays were equally affected by the depression. Although many were rice farmers with some having rubber small holdings, they too lost their money income because of the fall in the price of rubber. The Malays, Chinese and Indians who worked in the government departments as subordinate officers were also retrenched due to austerity measures.

Economics aside, the depression also put a great strain on ethnic relations in the country. The unhampered flow of Chinese and Indian immigrant labour into Malaya that had been a cause for concern among the Malays for quite a while, began to show its ugly side during the depression years. Compounded by the economic strain then prevailing, the Malays felt that the immigrants were taking away what was rightfully theirs. This became evident when the Malays were also retrenched from the primary industries as well as from the government services. On the other hand the immigrant races, especially those born locally, felt that the colonial government policies were unfair to them and strongly favouring the Malays. They demanded that they too be given equal rights like the Malays. This naturally caused a great strain on ethnic relations. Although by 1933/1934 the economy had recovered and the worst was clearly over but for those European and Chinese investors, the Malay peasants, and the Chinese and Indian immigrant labourers engaged in the primary industries and in other businesses who were directly or indirectly affected by the crisis, it left lasting and permanent effects. This paper, however, confines its discussion to the Malays in the Federated Malay States, how they were affected and their reaction to the crisis.

## Literature Review

Despite the fact that the economic depression of the 1930s was an important event and had such a profound effect on the economy and the people in Malaya, it had not received the attention it rightly deserves by way of research from historians. Much of the existing literature on the depression in Malaya is in the form of articles in journals. There is no in depth study on this topic. However the pioneering work on the depression in Malaya was undertaken by Ong Chin Boo through his academic exercise, entitled “*A Short Study of the Malayan Depression, 1929 – 1934*”.<sup>5</sup> He discussed the depression from the economic perspective which includes the fall in the price of primary products of rubber and tin in the world market, restriction schemes on rubber and tin and also restriction on entry of immigrant labour into Malaya as response to overcome the economic crisis. Khoo Kay Kim’s paper “The Great Depression: The Malaysian Context”<sup>6</sup> has also touched on several issues about the depression - like Malaya’s overdependence on the export economy, some effects of the depression on the labouring class and how the government and people faced the financial crisis. Though brief, it provides some early information about the economic depression in Malaya. Some writers have chosen to look at specific industries affected by the slump. For example, Azmi Khalid’s article, “The Social Organization of the Mining Industry during the Depression 1929 – 1933 in Malaya”<sup>7</sup> focuses on the Chinese tin mine workers especially with regard to the problem of unemployment and repatriation of Chinese workers in the tin mine industry. P.T. Bauer, in his article “Some Aspects of the Malayan Rubber

Slump 1929 – 1933”<sup>8</sup> has discussed the importance of the rubber industry to Malaya, how the fall in the price of rubber affected the wages of workers in the rubber industry, unemployment and repatriation of Indian immigrant workers. K. Nadaraja’s paper “Indian Immigrant Labour in Malaya during the Economic Crisis of the 1930s”<sup>9</sup> has discussed how the collapse of the rubber industry during the depression years affected the Indian immigrant labour in Malaya, repatriation of unemployed workers and some of the social problems faced by those Indians who remained in the country.

Besides these articles that have discussed directly some aspects of the depression, a few writers while writing on the economic history of Malaya have also indirectly touched on the depression years. For example, J.H. Drabble<sup>10</sup> and P.T. Bauer<sup>11</sup> have both discussed in detail the growth of the rubber industry, the role of small holders and their contribution to the economy of the country and have in the process touched on some problems caused by the economic depression. Lim Teck Ghee, while writing on the agricultural economy of Malaya during the colonial period, has discussed in detail, development of rice, rubber, coconut cultivation, the rise and fall in the price of these commodities and how it affected the economic welfare of farmers. Lim has also explained how farmers were absorbed into the international economic system before the depression set-in and some of the problems encountered by these farmers during the economic crisis. Another writer, Loh Kok Wah has discussed the problems faced by Chinese tin mine coolies in Kinta, Perak and how they faced the depression years. A book by Lim Chong Yah has discussed the economic growth of Malaya between 1874 until 1963. The book is useful in understanding the economic development of Malaya but its discussion on the depression is very limited. As can be seen most of the existing literature on the depression years is limited in scope and only touches on certain aspects of the crisis. There has been no comprehensive study on how the depression affected the people and they responded to the situation. An attempt is made in this paper to understand some aspects of the Malay reaction to the economic crisis.

## **Background**

British colonization of the Malay States in the 19<sup>th</sup> century and their subsequent laissez-faire economic policy were directly responsible for the transformation of the country’s economy from one based on subsistence agriculture to export of primary goods. This was especially obvious after the 1870s, when the country saw a quantum leap in its economic activities with tin mining, commercial agriculture and from the beginning of the 20<sup>th</sup> century, rubber cultivation taking precedence over others as the core economic activities of the country. Tin and rubber emerged as the two most important items of export and hence the country’s main source of foreign currency earnings. By the

advent of the 20<sup>th</sup> century too, the economy of the Malay States had already been well-integrated with the international market forces. Hence to sustain the growing power of the export sector, especially that of rubber and tin, the need for a larger and cheaper labour force became imperative. As the native Malay population was not sufficiently large enough to meet the growing demand of the new industries the government had to look outside the country for its labour supply. This problem was compounded by the fact that Malay peasants who were so used to subsistence agriculture life style of cultivating rice, growing fruit trees and fishing were generally reluctant to work under rigid and harsh conditions posed by the new industries. Hence, to meet the growing demand for cheap labour, the colonial government brought in Chinese and Indians from their home countries to work in the tin mines and rubber plantations opened up by Europeans entrepreneurs. They were brought in through various incentive schemes. The Indian labour force to Malaya was mainly from the South India and from different social background.

Malay peasant involvement in rubber cultivation began with the opening of large plantations by European companies where they worked on part time or on contract basis but seldom as permanent workers like the immigrants. However Malay peasant involvement in rubber cultivation began in earnest during the boom-years of 1909 and 1910 when they too began to be attracted by money, the new element that influenced every aspect of human life. They realized that land and services had value and capital was a necessary evil for development. They also realized that more profits could be obtained through rubber cultivation than through their traditional rice farming. Thousands of native Malays and immigrants from the Netherlands East Indies therefore went into rubber planting. As a result Malay peasant demand for land began to increase sharply. For example, in the state of Perak, for 1915, there were 9,478 applications from Malays for small-holdings and the following year (1916) this figure almost doubled to 17,891.<sup>12</sup> In Negeri Sembilan for the same period, the number of applications was 15,194 and 26,826.<sup>13</sup> In the state of Selangor, the book for the registration of small holdings had to be closed because of too many applications.<sup>14</sup> In the other Malay states too, the situation was reported to be the same. Generally, rubber land below 25 acres was considered a small holding. However, the average acreage of the Malay small holding was very small, i.e. between 3 and 5 acres and run on a family basis. In the Malay settlements, rubber trees were grown around fruit and coconut trees. But at the height of the boom in order to make more profit from rubber, there were few reported cases of Malays having converted even padi land to grow rubber.<sup>15</sup> By 1922, the total acreage of land under small holdings owned by all races in the Federated Malay States alone was 470,446 and by 1928 this had increased to 535,196 (37.3%) compared with rubber land classified as estates which amounted to 898,119 acres<sup>16</sup> or 62.7 percent. This shows that small holders, including the Malays played a significant role in the development of the rubber

industry in Malaya. As such by the eve of the depression small holders too had been absorbed into the international economic system. So when the economy collapsed they too were affected badly.

### **The Collapse of the Tin and Rubber Industries**

The economic crisis in Malaya too began with the crash in the Wall Street Stock Exchange in New York in October 1929 and reached its high point in 1932. During this period the total value of all items of export trade from the Federated Malay States (FMS) fell from \$349 million in 1929 to just \$88 million in 1932, a fall of 74.8 percent.<sup>17</sup> The average price of tin fell from \$104.37 per pikul in 1929 to \$60.29 per pikul in 1931,<sup>18</sup> a fall of 42.2%. This meant the total export value of tin fell from \$117.5 million in 1929 to \$31.3 million in 1931<sup>19</sup>, a fall of 73.4%. The fall in the price of rubber was even more drast<sup>21</sup> in 1932 i.e. a fall of 79.5 percent, while the fall in the total export value of all rubber for the same period was from \$202 million to \$37 million<sup>22</sup> i.e. a fall of 81.7 percent. This drastic fall in the price of rubber, the most important item of export, crippled the rubber industry and seriously affected all those dependent on it for their livelihood, including the Malay small-holders. When it became apparent that it was not profitable to produce rubber anymore, many estates suspended tapping completely or partially. Some of the small holdings were left unattended or only partially tapped.

### **Fall in Government Revenue**

The drastic fall in the total value of all exports of goods also had serious implications on government revenue. It caused great financial crisis to the government which had been for too long largely dependent on the export sector for nearly all its revenue. In 1932, the worst year of the depression, the total value of all exports in the country was just \$87.85 million as compared with \$349.01 million in 1929, a fall of \$261.16 million or 74.8%. Government revenue from taxes collected fell from \$81.80 million in 1929 to \$43.82 million in 1932, a fall of 46.4%. This clearly affected the financial situation of the government which then resorted to various austerity measures to cut down its expenses. Consequently, government expenditure fell, from \$84.66 million in 1929 to just \$53.74 million in 1932.<sup>23</sup> The drastic fall in government revenue as well as its drastic cut in its expenses obviously had serious implications on the proper functioning of the government machinery and the people who were dependent on the government for their livelihood.

### **How the Malays were Affected by the Depression**

All communities in the country involving all categories of workers - the

European and Chinese entrepreneurs, businessmen, hawkers, estate labourers, mine workers, farmers, smallholders as well as government employees were affected by the depression in one way or another though by varying degrees. But the rubber and tin industries which had the largest work force in the country were the worst hit. Some of the redundant immigrant labourers from both the tin and rubber industries were deported to their home countries at government expense. Those who remained behind in their respective industries had to survive on reduced wages or irk out a living through vegetable gardening and by other means.

Malays who were directly affected by the economic crisis were those who were engaged in the rubber estates and tin mines, small-holders, peasants and low-rung employees in the government services. Although the number of Malays engaged as paid workers in the rubber plantations and tin mines were comparatively smaller than the immigrant communities, still they were affected. For example, in 1931 there were only 7,373 Malays working on large rubber plantations in the FMS compared with 37,863 Chinese and 203,036 Indians.<sup>24</sup> The number of Malays engaged as labourers in the tin mines in the FMS for the same period was even lower. There were only 1,152 Malays (including Javanese) as compared with 6,261 Indians and 74, 571 Chinese.<sup>25</sup> Yet they too were displaced as a result of reduced wages or loss of job.

A large section of the Malays displaced by the slump were small holders, farmers and those employed as subordinates in the colonial government services such as junior clerks, postmen and policemen. The fall in the price of rubber had affected the Malay small holders as they too were dependent on their rubber small holdings for some money income. There were reported cases of some small holdings left untapped as it was not profitable to tap anymore. But the acreage of small holdings that were untapped was small as compared with those tapped. For example, at the height of the depression in 1932, it was estimated that some 79,000 acres or 15.5% of all small holdings in the FMS were left untapped.<sup>26</sup> But most of those untapped small holdings were either owned by the *Chettians* the Indian money-lenders or Chinese who engaged paid workers to perform the task. The Malay small holdings which were generally small 3 – 5 acres and operated by family members were however tapped, though on an irregular basis, whenever there was a need for some money income to buy some essentials. Although it was difficult to estimate the actual fall in the income of Malay small holders but it was clear that they were getting far less than what they got before the depression. A rough idea of the fall in income of the Malay small holders could however be deduced from the returns per acre. For example, for 1929 the estimated annual return for a small holding of one acre was 142 straits dollars but for 1932 it was just 19 straits dollars.<sup>27</sup> Moreover, the income of Malay small holders was further reduced because of exploitation by rubber dealers who often claimed that the rubber produced by them was of inferior quality.



## Retrenchment in the Government Services

The Malays were also affected by the retrenchment exercise in the government services. The fall in the price of the primary products in the world market affected government revenue which in turn affected the maintenance of the government administration. At the height of the depression, one of the actions taken by the FMS government to reduce administrative costs was the establishment of the Retrenchment Commission in March 1932 on the orders of the High Commissioner of FMS, Cecil Clementi. Among others, the Retrenchment Commission had suggested a 1/3 reduction in the number of employees in the government services and a 40% cut to administrative cost of each department.<sup>28</sup> This was because a large portion of the government expenditure went towards paying salaries of employees. However, retrenchment in the government services could only be effected through a complete restructuring of various government departments at all levels federal, state and district. This involved abolition of redundant posts, amalgamation of certain posts, transfer of staff to other departments, reduction in salary scales and other benefits hitherto enjoyed by employees and as a last resort retrenchment of government servants.

Although it was the government policy that in effecting the retrenchment exercise, the Malays should be the last to be retrenched, such directives could not be strictly adhered because the economic situation was so bad that even Malay government servants had to be laid-off. For example, in the FMS at the end of 1932, a total of 98 Malays from the District and Land Offices alone were retrenched. These included clerks, *penghulus* and office boys.<sup>29</sup> Despite government efforts to retain as many educated Malays, and Malays with experience in the government services, they were still retrenched. Between July 1930 and February 1933, the total number of Malays retrenched from government services in the FMS was 541.<sup>30</sup> This figure does not include Malays who had resigned voluntarily. However, this figure only represented 1/10 of the total number of all employees retrenched from government services during the depression years. The large number of those retrenched from the various government services were Chinese, Indians and some Europeans.

## Indebtedness among Malay small holders

Another way the Malays were affected by the economic depression, though indirectly, was through indebtedness. As a result of the fall in the income of farmers/small holders and retrenchment in the government services, indebtedness among Malays became a serious problem during the depression years. The lack of any savings, made worse by the fall in the price of rubber and loss of job, left many Malays, especially those in the low income category,



in perpetual poverty. As a result many were forced to borrow money from various financial sources - Chinese shopkeepers, middle men, rubber dealers, *chettians* and others for their daily expenses or to finance wedding feasts and festivals. This left many in indefinite indebtedness. According to Badriyah Haji Salleh, in the district of Batang Padang in Perak,

*“The period of depression and restriction was generally a period of hardships among Malay smallholders. Accounts of their hardships often appeared in newspapers, reporting, inter alia, that some had to eat rice boiled with tapioca, or could have only one meal a day. Others were unable to pay their land rents and had to lose the land, and many became heavily indebted.”*<sup>31</sup>

The *chettiar* money-lender was an important source of money for Malay farmers and smallholders because loans from them could be obtained easily and quickly without much hazzle. However borrowing of money from the *chettians* required some form of security like land grant. Some farmers had even used the Malay reserve land grant for this purpose. The government was obviously concerned with the high level of indebtedness among the Malays, especially the small holders and farmers who used land grant as security for loans. Although there were conditions attached to the enactment on Malay Reserve Land that forbid the transfer of such land to non-Malays or to be used as security for securing loans, yet this practice was rampant. There were numerous cases where Malay Reserve Land was transferred to non-Malays because of some weaknesses in the enactment. In 1934, in the Federated Malay States alone, Malays living on Malay Reservation Land, had borrowed money amounting to almost \$4 million from various parties.<sup>32</sup> In Perak alone a total of 2,094 acres of Malay Reserve Land had been transferred to non-Malays with the sum borrowed amounting to almost \$2 million<sup>33</sup> There were several cases where small holders/farmers failure to settle loans had resulted in foreclosure of their land by *chettians* or the land being auctioned.<sup>34</sup>

mall holders were also indebted to the government Land Office for failing to pay land rent. For example, in the district of Selangor, for the month of March 1931 alone, 103 farmers were given notice of sale of land, for failing to settle arears in land rent. Of this, 9 were Chinese small holders the rest were Malays.<sup>35</sup> In the same district, for 1932, the number of people who got similar notice was more than 1,000.<sup>36</sup> Although the government was concerned about the seriousness of the problem, especially among the Malays, it could do nothing to stop them from borrowing. At the same time it was also difficult to determine the total sum of money borrowed by small holders because the sources available for loans were numerous. However it is estimated that amount of money borrowed by Malay small holders alone in the Federated Malay States was around \$25 million.<sup>37</sup>

## **How the Malays faced the situation**

The Malay farmers affected by the depression had to face the situation in the best possible way they could. While many Chinese and Indians labourers who lost their jobs were forced to return to their home land or seek employment elsewhere, the Malays farmers had the benefit of remaining on their land in their villages. They could depend on the rice they cultivated and fish they caught from the numerous streams for their daily meals. They also kept themselves occupied by mending their fruit trees in their *dusun*. So for the unemployed Malays who had some land, they were at least assured of their daily food. What they lacked was money to buy other essentials. But for the majority of Malays who had no land, nor had the ability to overcome the hardship caused by the economic slump, they were on the verge of poverty and were even worse off than the immigrant communities. Malays who lived in towns were mostly government employees and a few petty traders. As a result of the economic crisis, some of these unemployed urban Malays returned to their villages to irk out a living on their ancestral land. But those who had no land had no choice but to remain in towns and find alternative work like growing vegetables on vacant government land or do odd jobs.

## **Government Efforts to help the Malays**

Meanwhile the government also took various measures to help all displaced government employees of all communities. However, as for the Malays, in effecting the retrenchment exercise, the government clearly took into consideration the position of the Malays as natives of the country. They wanted to ensure that as many Malays as possible were retained in their job. There were numerous circulars both from the FMS government and the State governments with regard to this. Heads of departments were reminded that preference in employment should always be given to native Malays first and locally born Asians second.<sup>38</sup> For example a circular addressed to Heads of Departments from the Acting Secretary of State FMS, 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 the other locally born Asiatic second.”*<sup>39</sup>

Similarly, a circular from the Perak government dated 15 January 1931 stated 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.*"<sup>40</sup>

But despite such circulars to retain as many Malays as possible in the government services, still it became unavoidable that Malay employees had to be retrenched. But various measures were taken by the government to help the unemployed Malays. For example, in Selangor, a new Malay settlement was opened at Sungai Buluh to help Malay smallholders and other unemployed Malays in agricultural activities and handy craft work. With help from the agricultural and cooperative departments, Malays were encouraged to grow vegetables.<sup>41</sup> Their products were sold at various Malay settlements around Kuala Lumpur such as at Kampung Melayu on every Sunday. Some became very successful vegetable gardeners in the process.

One positive effect of the depression was the concerted effort by the government to increase the production of rice in the FMS. Although the country produced rice and there was plenty of land to cultivate more but for a long time the country had been dependent on neighbouring countries for her rice supply. Two thirds of the Malaya's rice needs were imported from Thailand, Burma and Indochina. But owing to the fall in government revenue caused by the fall in the price of her export commodities the government's power to import goods was drastically reduced. The import of goods fell from \$201.39 million in 1929 to \$67.13 million in 1933<sup>42</sup> a fall of \$134.26 or 66.6 percent. The government realized its implications and took action to increase the production of food crops, especially rice. Towards this end, in 1930 the newly appointed High Commissioner to the FMS, Cecil Clementi, appointed a Rice Cultivation Committee under the Director of Agriculture, H.A. Tempany. The Committee was tasked the responsibility to encourage the further cultivation of rice in Malaya. Malay farmers were given various incentives to grow rice. In 1930 some Malays and Javanese had opened a 2,000 acre land for rice cultivation in Selangor.<sup>43</sup> This certainly contributed to the increase in rice production. In the FMS, for rice cultivation season of 1929-1930, the total acreage of land under rice was 174,466 acre and for the 1931-1932 season it had increased to 194,580 acres, an increase in 20,114 acres.<sup>44</sup> This resulted in an overall increase in the production of rice for the same period, i.e from 48, 727 ton (1929-1930) to 66,517 ton (1931-1932) an increase of 17, 790 ton.<sup>45</sup>To boost rice cultivation the Drainage and Irrigation Department was established in 1932. Furthermore in 1932, the government opened two large rice cultivation schemes, one at Pancang Bedina in Kuala Selangor (7,000 acres) and another at Sungai Manik in Perak.<sup>46</sup>Through these schemes the government was not only able to increase the total amount of rice produced locally but also gradually reduce importation. But most importantly it was able to provide those Malays displaced by the slump, opportunities to

work as rice farmers, if not permanently at least on a temporary basis until the economy improves.

Meanwhile it can be said that the depression also had its positive effects on the Malays. One obvious sign was a change in their attitude towards certain jobs. For example, before the depression Malays often shunned doing menial jobs. However the difficult times had forced them to accept any job, including road construction and drainage work to carry on their lives. Commenting on this The Straits Times wrote:

*One unmistakable sign of distress is that the Malays, who have hitherto scorned to do anything in the nature of coolie work are now beginning to offer themselves for work on road improvements.*<sup>47</sup>

### **Malay Reaction to the Immigrant Communities**

One of the effects of the economic depression in Malaya could also be seen in ethnic relations. Good relations that had long existed among the various races in the country turned strained during this period. Several race related issues that had been simmering since the 1920s culminated into strained relations between the native Malays and the immigrant communities during the depression years. The issues that threatened the Malays were the influx of immigrants into Malaya, the demand for equal rights by domiciled immigrants and certain pro-Malay policies of the colonial government which the immigrant communities started to question.

The strong Malay resentment against the unchecked entry of Chinese and Indian immigrant labour into Malaya that has been going on since the late 19<sup>th</sup> century began to culminate during the depression years of 1930s. By the third decade of the 20<sup>th</sup> century, the demography of Malaya had changed dramatically with the immigrant races becoming majority and the natives being reduced to a minority race in some states. For example, in 1931 the total population of the FMS was 1,713,096, of which 711,540 persons or 41.5% were Chinese, 593,731 (34.7%) Malays and 379,996 (22.2%) were Indians.<sup>48</sup> It was 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% of the total population of the FMS while the Malay population was slightly over one-third.<sup>49</sup> In Selangor alone the Chinese population was double that of the Malays while the Indians had also exceeded the number of Malays in the state. The Chinese population was 241,351, Indians 155,924 and Malays 122,868.<sup>50</sup> In Perak and Negeri Sembilan, there were more Chinese than Malays. As a result of the unabated flow of immigrants towns that emerged in areas of economic activity were often crowded with immigrants. 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.<sup>51</sup>

The free flow of immigrant labour had caused great anxiety and uncertainty among the Malays. There was growing evidence of Malay restiveness and pressure from the Malay leaders at the overwhelming presence of Chinese and Indians in their land. The psychological impact of this on the ordinary 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.*”<sup>52</sup>

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 mines were owned by Europeans and the wealthy immigrant races. In 1933, for example, of the 2,301 rubber estates over 100 acres in Malaya, only 59 were owned by Malays, and all but two of these were below 1,000 acres.<sup>53</sup> The ordinary Malays were left with just the rice land and small orchards which were mostly placed under Malay Reserve. 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 men in their own land.*”<sup>54</sup> The Malays were also unhappy when the immigrant races started to demand for equal rights like those enjoyed by Malays. The economic crisis and Malay political sentiments prevailing then in the country had caused great uncertainty and concern particularly among the domiciled immigrant races, especially among the local born, as to their future in Malaya. They began to assert and demanded equal rights like those enjoyed by the Malays, especially in relation to land for the cultivation of rice and job opportunities in the government services.<sup>55</sup> The pro-Malay policy adopted by the colonial government in the 1920s to uplift the status of the natives and questioned by the immigrant communities angered the Malays. It had long been the policy of the government of the 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 19<sup>th</sup> century and early years of the 20<sup>th</sup> century, as there were very few suitable Malays candidates for the posts of clerks, technicians, medical assistants etc., these vacancies were largely filled up by non-Malay immigrants with preference given to those born locally. And by 1920, Indians and Chinese together, both immigrants and local born, comprised the majority of the subordinate clerical and technical workers in all departments of the government.<sup>56</sup> The Railway Department was one department that was dominated by Jaffna Tamils. In 1929, out of 2,072 clerks, there were only 95 Malays, most of them in category 3 and below.<sup>57</sup> In 1930, in the same department, out a total of 12,975 staff and workers, there were only 1,269 Malays.<sup>58</sup> The situation was quite similar in

the other departments like the Public Works, Postal and Medical. As a result there was some degree of “alienation” of the public services. Such disparity obviously caused resentment among the Malays as they felt marginalized even in government jobs. So when a “pro-Malay” preferential policy was adopted the immigrant decried the move as being unfair. The Malay rulers and Malay elite were unhappy with the state of affairs of the Malays in the government departments. At both the State Council and Federal Council Meetings, rulers showed their displeasure with strong words. At the Rulers Meeting at Pekan on 28<sup>th</sup> 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.”*<sup>59</sup>

Similar sentiments were expressed in the Malay newspapers such as *Saudara*, *Majlis*, *Lembaga Melayu* and *Al-Ikhwan* against the overwhelming presence of the immigrant races. 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.”*<sup>60</sup>

As Malaya 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 Chinese whose action appeared to undermine the position of the Malays as natives of the country.<sup>61</sup> *Saudara* and *Majlis*, through their news reports began to have great impact on Malay sentiments. Clearly these papers were responsible for raising feelings of nationalism among the Malays. Slogans like “Tanah Melayu untuk orang Melayu” voiced by Malay leaders and highlighted in these newspapers went a long way in arousing feelings of nationalism among Malays. This also contributed to the strained relationship between the native Malays and the immigrant races.

## Conclusion

The paper has discussed how the Economic Depression of the 1930s affected the economy and the people of Malaya, especially the Malays in the Federated Malay States. The Malays who were affected were rubber small-holders

who lost their money income and those in the lower rung of the government services who lost their jobs. They had to manage their lives in the best way they could by growing food crops to sustain themselves. But what was of great concern was it plunged many Malays into indebtedness to the extent that many lost their land due to foreclosure. The overwhelming presence of Chinese and Indian immigrant labour in Malaya was another factor that was of great concern to the Malays worsened by their demand for equal rights like the Malays. This contributed to strained race-relations. But most importantly, the economic crisis also served to arouse Malay sentiments to defend their rights as natives of the country.

## Endnotes

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