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The lost race in British Malaya: revisiting the problems of south Indian labourers

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ABSTRACT
This article discusses the history of socioeconomic and political exclusion of south Indian labourers in Malaya in relation to the racial policy of the British administration from 1907 until the early 1950s. During these years, Indian labourers were susceptible to Britain’s policy of accommodating the political and economic needs of the Malays and the Chinese. Since colonial racial policy and economic factors interchangeably affected the position of Indian labourers in Malaya, the origins of Britain’s racial preference policy in Malaya are first constructed, followed by how Indian labourers were integrated and subsequently marginalized through and in the capitalist-economic system from 1907. The subsequent sections trace the extent to which they were politically and socioeconomically affected by the colonial politics of racial inequality. The article also discusses how the Japanese occupation period during the Second World War accentuated the position of Indian labourers in postwar Malaya. Following that, the long-term implication of the colonial racial policy on Indian labourers in post-independent Malaya is evaluated.

Introduction

This article focuses on south Indian labourers (hereafter, Indian labourers) and their descendants as a politically and economically marginalized group in colonial and postcolonial Malaya and the ways in which this marginalization was the inevitable consequence of the racial-based political policy, one that favoured the Malays and the Chinese, of the British colonial administration.

It has been particularly observed that the position of Indian labourers was more affected by the implementation of the pro-Malay British policy, which had the effect of politically warranting the exclusion of immigrants from the benefits of development and policy-making. The origin of Britain’s pro-Malay policy is closely linked to its adoption of indirect rule through Malay leaders and the preservation of indigenous institutions. Under this there was an inclination towards the cause of the local Malays which, although characteristic of Victorian principles, turned out to be essentially political as it was on the premise of the Malay rulers’ consent that British administrators were able to extend its informal control over the Malay states. This was considered especially expedient from the 1870s...
when the western hinterland was noticed to be economically and strategically prospective. The Malay indigenous institution was then rapidly moulded into the western bureaucratic system through which the British gained political control over the flow of economic resources (Sadka 1968, 275). This was achieved with the institution of British administration from 1874 in the Malay state of Perak and gradually extended to Selangor, Pahang and Negeri Sembilan in the late 1880s. When the sociopolitical structure of the Malay traditional ‘protector-protected’ relationship – underpinned by the ability of the protectors (royal/elites) to control resources such as land and manpower in exchange for political support from the protected ones – was consequently terminated under the Western bureaucracy, the pro-Malay policy was formulated and put into practice to secure a non-resistive attitude of the Malay elites. The policy was deemed urgent as British residents, district officers and the Land Office had to immediately take control of district affairs and land issues such as alienation and concession for investors. The reason for the immediate reinstitution was simply because existing traditional structure was unsuitable for western-style commercial development (German 1935, 86; see Selat 1987, 150–151). The Malay ruling elite’s hitherto control over Chinese entrepreneurs was also affected when the collection of import and export taxes and concession allocation gradually passed on to the responsibility of the British administration. As a consequence, the Chinese could now bypass the Malay rulers to deal directly with the British administrators (Von Vorys 2015, 38; see Raja 2006, 85). As political compensation, the Rajas and the Malay chiefs were paid allowances and pensions while Malay officials were paid salaries. British administrators were obliged to protect the native Malays from any encroachment from the outsiders, including Chinese and Chettiar capitalists as well as Indian and Chinese labourers.

Indian labourers were also often underrated in relation to the Chinese immigrants in that there was a negative perception of their economic capability compared to that of the former. The latter were said to be very passive and lacked entrepreneurial ability, causing them to not be seen as contributive and vibrant as the Chinese. In this regard, Bird (1980) observes that the Indian labourers lacked a sense of ‘quick-sightedness for opportunities which makes the Chinese the most successful of all emigrants’ (Bird 1980, 115–116). As a result of wealth accumulated from extensive regional business networks, Chinese businessmen were able to sustain themselves in the Malay states even in the face of the pro-Malay British policy. Due to their economic position they acquired quite a political influence and special position in the British Malayan administration. For the British administrators, the Chinese community was an asset and was given considerable amount of economic freedom in the late nineteenth and early twentieth century (Andaya and Andaya 1982, 137; see Journal of Indian Archipelago 1855, 119). The Europeans generally preferred the Chinese on account of their reliability and perseverance. Frank Swettenham, a highly influential British colonial administrator, believed that besides the English only the Chinese possessed the necessary traits to succeed in the modern Malayan economy (Baker 1999, 196). They were, in Swettenham’s own words, ‘the bees who suck the honey from every profitable undertaking’ (1900, 38).

Indeed, the economic growth of the Malay states between the late nineteenth and early twentieth century was very much due to the British policy of encouraging the Chinese to venture into various economic activities. Between 1900 and 1930, close to a quarter of government revenue in the Federated Malay States (FMS) was generated through Chinese
opium trade. A significant portion of it was then reinvested for the construction of roads and railways (Baker 1999, 185). Apart from developing cities in Penang and Singapore, Chinese immigrants were responsible for the development of tin mining industry especially in Perak and Selangor and plantation agriculture in the Straits Settlements and the Malay states. During their early arrival Chinese provided cheap coolie labour for the mines, rubber estates and ports, and later acted as middlemen and retailers. The Chinese were also employed to collect excise revenues and manage European trade in the Straits Settlements (*J*ournal of *Indian Archipelago* 1855, 119). The British also allowed transportation, distribution and the sale of imported goods to be controlled by the Chinese. When the British wanted to undertake large-scale capital investment that could produce profits for their shareholders back home and in developing a market for their manufactured goods, the Chinese grabbed the opportunity by venturing into various small-scale enterprises. These include trucking firms, ice factories, coastal shipping, buses, food processing, entertainment centres and rice milling. Even those of non-business background had some means to be employed in a range of small-scale businesses because of support and patronage from their business counterpart and ethnic/clan affiliations.

**The framework**

Contrary to conventional conceptual frameworks in the historiography of Indian Malaysians, this study of the neglect of Indian labourers is not treated as a case by itself, but as a comparative one. In that way, a framework for studying the socioeconomic and political exclusion of Indian labourers in Malaya can be found in the combination of the following: first, in terms of their politico-economic position compared to the Chinese and Malays; and secondly, British political policies and attitude towards the Indian labourers vis-à-vis the other two races. This framework conceives their marginalized position in Malaya as a form of social inequality that arose not only from exploitation in the plantation capitalist system but also due to unequal treatment by the British vis-à-vis the Malays and the Chinese. Another way in which this framework turns out useful is that it reveals a realistic picture of why these labourers were not seen as economically aggressive as the Chinese or as politically useful as the Malays. This reality has not been satisfactorily contemplated in the labour historiography of Malaya to the extent that there emerged various misconceptions and the role of Indian labourers in the economic development of Malaya remains largely unrecognized. This non-recognition is best described in the words of Mills when he considers the prosperity of British Malaya as one that had entirely been ‘based upon the labour of the Chinese’ and ‘British initiative’ (Mills 1925, 235). Mill’s view has erroneously overlooked the involvement of the other races particularly that of the Indian labourers. Instead, it could be fairly said that British Malaya was the product of British initiative, Chinese enterprise and the labour of the Indians especially the Tamils.

It is a fact that since the late nineteenth century and especially from the early twentieth century Indian labourers had provided the main labour power for the plantation economy, particularly in rubber production, of the British-protected Malay States. The vitality of their economic role could be seen in the broader context of the non-availability of labour force among the local Malays. Following the rapid commercialization of rubber in Malaya from the early twentieth century, the full worth of the commodity value of
Indian labour was recognized when there arose an urgent need for labourers in the plantation sector. Since Malaya’s economic growth would basically depend on the productivity of its population, the British administration had to encourage the immigration of Indian labourers to work in rubber plantations because the Malays refused to offer their labour power for a wage-based employment. There was not at any point in time that a large estate in the FMS had ever depended on the Malays. Had the Malays were to supply the largest labour force of the country, it is highly unlikely that they were even fit to be systematized as they had been traditionally accustomed to the occasional practice of *kerah* (corvee labour). In such an instance the British administrators might have to compromise quite a lot in order to not offend the Malay rulers (Hirschman 1986, 348). It was then deemed more practical both financially and procedurally to import large numbers of Tamils from southern India as cheap labourers to Malayan industry than the Chinese from the mainland. The Indians who migrated to Malaya in the late nineteenth and early twentieth century were to become the principal labour force for not only the plantation sector but also transportation. The availability of adequate proportion of Indian labour force had contributed to the sustainability of these industries, enabling the British to continue spearheading their exploitation of natural resources in the country. However, Indian labourers did not feature in a long-term policy perspective plan of the British administration as it was preoccupied with the political policy of protecting the Malays, whom they viewed as ‘sons of the soil’, and the obligation to encourage the Chinese investors to open up agricultural and mining lands.

**The origins**

The beginning of the political and socioeconomic marginalization of south Indian labourers could be traced back to 1907 when the British introduced the Tamil Immigration Fund. Designed for the British administration and European planters, the Fund acted as a labour-control tool that greatly restricted the social and economic mobility of Indian labourers. Prior to 1907, particularly after Britain assumed control over India in 1857, the export of Indian labourers to Malaya was not at all sufficient due to high transport costs (Kaur 2011, 157). Individual estates carried out recruitment at their own expense either through agency houses in India or licensed recruiters known as kanganies for whose service planters had to remunerate. Apart from financial burden, there was the problem of planters not being able to control their labourers from being ‘crimped’. By 1897, labourers entering the Straits Settlements were increasingly of the non-indentured class, and a decade later there were almost entirely only ‘free’ labourers. The one problem with the ‘free’ system was that employers would unscrupulously ‘crimp’ labourers previously employed by others. The Tamil Immigration Fund was then designed as a ‘crimping’ prevention system but was also a systematic labour control mechanism. It was supported and maintained by contributions from employers and the colonial government itself.²

Considering the ability and availability of labourers were much needed to transfer their economic value into generating productive output in a colonial-capitalist economy, the Fund was also instituted to ensure a continuous supply of labour power to Malaya. Foremost to this was to attract them into the Malayan rubber plantations. For that purpose free passages were granted from the Fund to all independent planters and the Fund
Ordinance prevented the deduction of expenses incurred in the course of their arrival from their wages. Arrangement was also made to pay recruiting allowances from the Fund for each adult labourer imported from India, on condition that the worker landing in Malaya was free from debt. Large numbers of Indian labourers were attracted to Malaya by these promises of good wages and very moderate to nil deductions (Report on Indian Immigration 1907, 8). During their stay in immigration depots, the emigrants were fed on a generous scale, medically treated, vaccinated and documented. In addition, they were given information about the positive prospects of Malaya and the lower rate of malpractices by the kanganies.

In reality, they were exported as a living economic commodity to the rubber plantations. Since he was unskilled – in that he lacked the technical implement to produce salable output for his employer – the wage paid was merely at subsistence level sufficient to maintain his labour power and that of his descendants. For that purpose, the Fund Ordinance operated to integrate the labour power of the Indians into the colonial-capitalist economy of Malaya. It also granted authorization for the government and planters to control them in a highly regulated manner to exploit their full physical capacity. On the whole, the capitalistic structure of the Fund had the long term implication of accustoming them to a regimented lifestyle, wiring a passive mindset that restricted their socioeconomic mobility and rendering them to be even more susceptible to the colonial policy of racial preference. The non-existence of such an institutionalized control as the Fund for the Chinese and Malays gave these communities more flexibility and scope for social and economic improvement. Indian labourers, on the other hand, were pushed to a peripheral position.

One may argue that their disadvantaged position was nothing but the unavoidable outcome of their labour status and passive mindset. It does hold true that their status as low-wage and unskilled labour might have obstructed their social progress and mobility. However, the idea that their indolence was the root cause of their apathetic behaviour towards social improvement is what requires a counter-explanation. Several oft-quoted characteristics are typically assigned to Indian labourers to describe why they were highly demanded in the plantation section. These characteristics are understood as merely due to their docile and timid personality. However, due to the militaristic nature of the plantation enclaves where Indian labourers were settled in through the Fund and for the sake of earning a living in a foreign land they were not yet accustomed to yet, they inevitably had to develop a habit of blind obedience and submissiveness to authority.

Since the promotion of docility among labourers was essential for the functioning of the colonial-capitalistic economy, it would have been completely unfeasible if the Chinese or the Malays were the predominant labour force. The Chinese had a long history of worker solidarity and were in a much more stable position to bargain for higher wages. The Malays were already accorded political protection under their independent rulers in the British administration. The docility of Indian labourers was then required to integrate their labour power into the economy without disturbing the status quo of the other two economically and politically significant races of the colonial sociopolitical racial division. For the planters, this docility was needed to preserve their labour force and which was the reason why little was done towards complying to the Labour Code (enacted in 1912 and revised in 1923) that required facilities including land, housing, education and medical be set up for estate workers. Generally, most planters feared that a strict compliance of the
Code would reduce their labourers’ docility that might lead them to neglect estate duties (Sandhu 2006, 164). In other words, Indian labourers in Malaya were more suitable for capitalistic and political control.

**Great depression**

The neglect of Indian labourers as a result of colonial racial policy was evident during the Great Depression from 1929 to 1932. In order to solve the problem of wage reduction and unemployment among estate labourers, as well as the possible rise of labour unrest, the government had to repatriate Indian labourers through the provision of the Immigration Restriction Ordinance (1930) (Gangulee 1947, 128). One of the policies adopted by the FMS government during this time was to encourage land settlement and subsistence agricultural activities among the labour community domiciled in Malaya so that they could eventually be reabsorbed into the production sector once the slump was over. Although it was the Chinese who were more enthusiastic in such initiatives, there was also a significant number of unemployed Tamil estate workers, who refused repatriation during the Depression, opting to cultivate on small plots of land on the fringes of rubber estates. Not surprisingly, the British found it more profitable to grant vacant lands for unemployed Chinese to cultivate vegetables and small-scale commercial crops. This preference for the Chinese was mainly due to their agriculturalist potential and enterprising spirit. It was in fact the preference of the British government for bone fine agriculturalists to be recruited as labourers, as stated in its ‘Instructions for Recruiting by Kangani in India’. However, it is highly likely that the bulk of those who were landed in Malaya by the kangani were of the non-peasantry class (High Commissioner Office File No. 1079/1919).

Their immigration status as transitory labourers also prevented them from developing an inclination towards venturing anywhere beyond minimal needs for surviving in the country. For the British, these Indian labourers were those who considered themselves ‘aliens’ and ‘birds of passage’ and so were not as enterprising and useful as the Chinese. This negative perception on the Indian labourers had placed them in a very disadvantageous position compared to the Chinese particularly in the case of land settlement during the recession. The Chinese was favoured as per colonial policy and on practical grounds. Evidently, the British did not interfere in and even attempted to resettle the increasing number of Chinese squatters during the slump as these were seen as a source of supply of fresh vegetables and eggs. The Chinese themselves were considered as useful reservoir of casual labour (Kim 1977, 83). Some fifty to sixty thousand Chinese were given Temporary Occupation Licenses (TOLs) with the anticipation that once the slump was over, they would be absorbed into the rubber and mining industries (see Kim 1977, 84).

Only a few isolated attempts were made to settle Indians who preferred not to be repatriated during the recession, such as in the case of Chuah Settlement in Port Dickson and Sungai Ujong Settlement (Kim 1977, 84; see Malayan Agricultural Journal 1938, 452–455). These schemes were not successful in the long run as they were mostly privately managed without proper supervision and assistance by the British administration. Generally, the British were not enthusiastic in helping Indian plantation workers, as most of them were not particularly inclined to take up state lands. There was also a high tendency among them to revert to as estate labourers whenever there was a rise in wage and a
chance of employment. This attitude explains their mostly lukewarm response to land colonization schemes announced by the British administration from the early 1900s. On the other hand, Malays who were ‘exempted’ from offering their labour power in the capitalist economy had greater scope of socioeconomic advancement and were comparably more able to engage in agricultural activities. By 1921, according to Harper, 37% rubber produced was by smallholdings and Malay smallholders comprised ‘12–15% of the total world consumption of rubber’ (1998, 26). The Chinese, needless to say, were the quickest to grab such opportunity arose and were largely successful especially when they enjoyed a positive preconceived notion among British policy-makers in Malaya as the most economically committed race.

Unlike the Chinese and the Malays, Indian labourers were regarded rather skeptically on their capacity for agricultural pursuit. This is particularly seen in one the two cases discussed in a recent research, which points highlights problems faced by two British officials when each presented a proposal to settle Tamil labourers on agricultural lands to cultivate on a subsistence basis (Perumal 2015, 35). Of relevant here is that when W.H. Treacher, the Resident-General of the FMS, proposed to the United Planters’ Association (UPA) for granting free lands to Tamil labourers, W.W. Bailey, the UPA chairman, and Henry Belfield, the British Resident of Selangor, turned it down on account of their non-agriculturalist background and recommended rather that the Javanese labourers were considered (Parmer 1960, 45). Moreover, Indian labourers were also widely considered to be more willing to work for fixed wages rather than investing time and effort to undertake small-scale agricultural activities. However, as mentioned earlier, their preference for fixed wages was the mindset that was wired in them as a result of having been irrevocably integrated into the capitalistic plantation environment. All these give ground for what made Indian labourers an unpopular target group of government-formulated land settlement schemes.

In discussing Indian land settlement during the Depression there might be a tendency to bring up as to why the Fund was not used to finance beneficial land settlement schemes that could have created skilful Indian workers capable of being as independent as the Chinese. This criticism is not necessarily a reasonable one. According to H.G.R Leonard, Deputy Controller of Labour (Penang) on the usage of the Fund, issued by the Superintendent of Immigrants in November 1910, its expenses were almost entirely directed at recruiting Indian labourers and very unlikely had a welfare purpose (High Commissioner Office File No. 1079/1919). R.G. Houghton, Commissioner of Labour of the Federation of Malaya, made the very nature of the Fund even more obvious in the 1949 proceeding of the Federal Legislative Council. In his reply to V.M.N Menon, an Indian association formateur and a member of the Federal Council, Houghton stated that the Fund had no obligation whatsoever for the welfare of Indian labourers simply because no part of the Fund was ever raised from their contribution or wages. After all, the Fund Ordinance stipulated that no large deductions were to be made from their wages (Federal Secretariat 13392/1949). These make clear that the capitalist-designed Fund was never legally obligated for the welfare of Indian labourers.

**Malay reserve land enactment**

The prospect of land settlement for Indian labourers was often hindered by the British political policy of protecting the economic interests of the Malays through the Malay Reserve
Land Enactment, which was implemented from 1913 to ensure the non-Malays did not acquire their lands. This legal protection for the Malays was deemed necessary because ever since the beginning of the twentieth century many of them had forfeited their lands to the Chettiar moneylenders for failing to settle their debts. Only a small number of them borrowed for agriculture and animal husbandry as most usually borrowed for conducting weddings, Haj pilgrimage, and other festivals. Contrary to the objective of the Enactment, the Malays continued to sell lands for high profits to European and Chinese investors who were engaged in rubber cultivation. According to Voon (1976), the sale of land to foreign investors in the district of Semenyih and Ulu Semenyih in 1910 totalled 108 cases involving 560 acres of land while 113 sales were recorded from 1910 to 1915 (Voon 1976, 509–523). From 1909 to 1910, a total of 1584 plots of land in Selangor with an area of 7567 acres were sold to non-Malays.

Despite proven ineffective, the British government had to continue implementing the Malay Reserve Land Enactment to fulfil its pro-Malay political obligation by making much of the legislation to prevent Malay lands from falling into the hands of Chettiars and foreign capitalists. For the British administration, the Enactment was politically advantageous in one way or another. Even if it failed to protect the Malays and their lands, the Enactment would still have legally prevented transient immigrant population from freely settling on lands in the Malay states. This had a great adverse effect on the social mobility of Indian labourers. When A. Hale, Collector of Land Revenue, attempted to settle a group of Tamil labourers on a piece land in 1904, the major impediment faced was the extensive reservation of land already set aside some time between 1896 and 1901 for the development of Malay Agricultural Settlement (MAS). Most of the officers whose services Hale might have needed were absorbed beforehand to develop the MAS. As Perumal has rightly implied, the fact that 28 out of 35 land occupation permits issued in 1906 were for the Malays unmistakably indicates attempts at settling Tamil labourers on land were impeded due to the British government’s pro-Malay political policy (2015, 35).

As for the Chinese community, who made up of mostly bona fide agriculturalists and investors, the colonial administration had to ensure that they were not totally obstructed by the Enactment. Therefore, for the British to make a point of its commitment in upholding the pro-Malay policy, it was the Indian labourers who had to be implicated to a large extent. A rather flexible attitude of the Government for the Chinese is clearly seen during the Emergency period when the British appeared to have negotiated with the Malay rulers to set aside large tracts of Malay reserve lands for resettling the majority of the Chinese in ‘new villages’ for security purposes (Ongkili 1985, 86). These resettled Chinese were entitled to become permanent owners of the land and better off economically. Comparably, resettlement for the Indian labour community was never as wide-ranging as the Chinese and the Malays. Out of the total of 572, 917 people resettled across 480 new villages, Indians constituted only 4% compared to 85% Chinese and 9% Malays (Wah 2000, 257).

Having discouraged the Indian labourers from taking up agricultural lands, the British further projected its pro-Malay commitment by simultaneously implementing preferential civil employment recruitment for the Malays. Beginning from post-World War 1 recession, vigorous measures were undertaken to replace British civil servants with the
Malays (General Orders 12 [VII] 1931; see Yeong 1969, 100). These broadly included: the training and appointment of English-educated Malays from among the members of the aristocracy and commoners to fill subordinate (administrative assistants to the British officers) and clerical positions in the FMS administration; and the setting up of Malay appointment committees in the principal towns of the FMS to register English-educated Malays desiring to enter Government service (FMS Circular No./14; see Yeong 1969). Superficially, the purpose was to ease the burden on the government of having to pay high salaries to the British officers. It was, of course, implemented to serve a political purpose of vindicating the pro-Malay policy.

It is clear that the pro-Malay policy warranted that only an infinitesimal effort was done to rehabilitate unemployed Indian labourers during the recession compared to those large-scale employment recruitment and protective measures designed for the Malays. Gleaning through the Public Works Department and State Secretariat files of the FMS, it is evident that only few efforts were ever made to rehabilitate unemployed Indian labourers at the time when the implementation of the Malay preferential employment policy was underway. These included several short-lived and ill-designed land colonization schemes, which failed to attract Indian labourers as these settlements were situated far away from their plantation workplace and in some cases quickly discontinued when complicated by caste and religious matters (See Perumal 2015).

Another indication that the British was more politically inclined in Malay affairs is the passage in 1922 of the Cooperatives Societies Enactment, which functioned to help rice farmers and curbing the *padi ratus* crop (Kratoska 1975, 21). It was mainly enacted to save the Malays from being suppressed by the Chettiaris (Federal Council Proceeding 1930, Vol. I B25). By 30 June 1930, there were 150 registered cooperatives in both the FMS and Straits Settlements with 27 of them being Thrift & Loan Societies (Vol. II, C411). By 1931, the number of cooperatives in FMS and Straits Settlements increased to 199 (Federal Secretariat 1447/1949, 1). As for the Indians, there was a rapid growth of urban credit and loan societies between 1929 and 1939 but progress made by rural credit societies, in which plantation labourers formed the most of the membership, was less marked (Boh 1948, 5–6). The only well-known exception was the Chuah Indian Settlers’ General Purposes Cooperative Society Ltd., which was so effective that it had even functioned under the Japanese occupation (Annual Report of Co-operative Societies for 1946, 13). The Chuah settlers were overseen and assisted by G.V. Thaver, President of the Malayan Indian Association (MIA). Over time they successfully fashioned the settlement under the management of the Society. Government assistance for the Chuah labour settlers was not forthcoming due to the pro-Malay political commitment. Throughout the 1920s, however, the FMS government took steps with a clear intention of encouraging Malay rural credit societies to alleviate their indebtedness (Von Pischke 1991, 195). The largely tepid response of Indian labourers to the idea of cooperatives served as an additional justification for the British government to not take steps to alleviate their financial status. Indian labourers were generally not inclined to investments and probably were not receptive to the idea that their savings would be converted as loans for fellow members. A great number of Indian estate labourers would have also found it financially constraining to invest a portion of their meager wages even for a collective cause.
Citizenship

Closely related to the issue of land settlement of Indian labourers was their prospect of obtaining citizenship in Malaya. By the second decade of the twentieth century, most of them had permanently domiciled in the country. Analyzing from the 1931 census report, Stenson concluded that out of the total Indian population 12.4% were deemed local-born in the 1920s and 21.1% in the 1930s (Stenson 1980, 35–36). Even then the need for a citizenship scheme for the Indian labour class was not a matter of great importance for the colonial administration. Understandably enough, unlike the Chinese, there was no inclination, initiative or economic flexibility among Indian labourers to settle permanently and contributively in Malaya. Due to the politics of Britain’s racial policy, this particular class of the Indian community received very little inducement to participate politically and economically as compared to their Chinese counterparts and the Malays.

While Britain’s policy of racial preference provided the Chinese considerable leeway for independent pioneering (further encouraged by their long tradition of communal cohesion) and the rise of Malay political consciousness from the third decade of the twentieth century, Indian labourers in Malaya remained disadvantageously sporadic and divided along religious and caste lines. Most Indian associations that were composed of the elite section of the Indian population were not interested in the political and economic condition of the Indian labour community (see Kim 1992, 3–24). Undertaking nothing beyond charitable and philanthropic activities, associations such as the Ipoh Indian Association and the Penang and Singapore Indian associations were not genuinely concerned with issues affecting the Indian labourers (Stenson 1980, 42). There was also the Kinta Indian Association (KIA) that focused more in the socio-religious domain as seen in its long association with the Hindu Devasthana Paripalana to amend the Hindu Marriages Enactment of 1924 (The Singapore Free Press 1930, 16). It was only in the 1930s when such organizations amalgamated and discussed labour affairs such as wage issue and working condition.

Apart from demanding a wage increase for Indian labourers, Indian parties and associations began to address the more critical and far-reaching problem of the labourers not possessing civil rights. In this regard it was the Central Indian Association of Malaya (CIAM), founded in 1936, that was very critical of the British rule in arguing that the immigration machinery was not geared to the good of labourers and that Indian immigrants should be accepted in Malaya as full citizens and with equal political status and stake in the future of the country (Ramasamy 1994, 28). For the British administration in Malaya there was a lot of intricacies involved in granting Malayan citizenship to the local born Indians including the labourers and their descendants. First of all there a sizeable number of Indians in this class who could only assume Malayan citizenship if they renounce their Indian nationality, but which some were reluctant to. There was also the much greater problem of a considerable number of them residing in Malaya being essentially stateless individuals. This unmanageably complex situation could have been one of the reasons why the British administration in Malaya was not able to fulfil the demand for citizenship scheme for Indian immigrants made by Indian intellectuals from the CIAM and Pandit Kunzru, a liberal-minded Indian politician. This was also at the time when the British administration in Malaya was preoccupied with problems arising out of an import ban of unskilled labourers by the Indian government.
A more important point is that the British administration had to pay heed to the opposition by Malay intellectuals, such as those from the Kesatuan Melayu Muda (KMM), or the Young Malays Union, on the granting of political rights to the immigrant races. The subsequent rise in such a sense of Malay supremacy was the historical outcome of the British pro-Malay political policy, which Malay elites demanded to be preserved for the political and economic survival of the community. Spearheaded by the United Malays National Organization (UMNO), Malay opposition escalated against the proposed liberal Malayan Union constitution, as this would override the firmly established pro-Malay political policy. Since the CIAM had largely disintegrated by this time, there was no coherent political voice representing the broader interest of the Indian labour community in light of rising Malay nationalism (Kent 2007, 27). When the union proposal was replaced with the Federation of Malaya in 1948, the Chinese who were politically and economically more able to cope with Malay opposition came forward to adopt Malayan citizenship. The formation of the Malayan Chinese Association (MCA) in 1949 further clarified the political stand of the Chinese in Malaya and had encouraged more to take up citizenship.

A great number of Indian labourers were also unable to produce satisfactory documentation evidence to confirm their residency status for citizenship application. This stricter legal condition for citizenship application under the 1948 Constitution of the Federation of Malaya was a departure from the common nationality clause proposed under the Malayan Union. It was enacted to reinstate the ‘special position’ of the Malays, following mounting pressure by UMNO-led Malay nationalists. The notion of Malay supremacy was invoked as the British administration now provided a legalized protection for the Malays and their legitimate interests through granting them a de facto Federal citizenship and restricting it for the other races. John Thivy and Budh Singh, the founding members of the Malayan Indian Congress (MIC), observed this restrictive Malayan citizenship as illiberal because Malay rights were legally approved at the expense of the non-Malays (Collected Papers, 1938–1948/John A. Thivy).

While Britain’s racial policy allowed the Chinese to participate economically and have a stake in Malaya and bestowed for the Malays a political claim by right, the position of Indian labourers was exacerbated by their lack of social and any form of political solidarity. Firstly, it would appear that Indian labourers lacked a shared sense of Malayan identity especially during the Second World War and the postwar period. This lacking was primarily due to their long established closed social arrangement in the capitalist plantation economy and Britain’s racial policy that perpetuated it for political reasons. Consequently, they failed to identify themselves with Malaya and had the tendency to show attachment towards India particularly during the Japanese occupation period. Secondly, they also lacked proper assistance to mobilize politically. Although trade and labour unions in Malaya began to emerge in the 1930s, an organization representing Indian labourers did not emerge until the CIAM attempted to mobilize them in 1940 and 1941. CIAM’s attempt was, however, largely ineffective as the long-term collective advancement of Indian labourers was often offset by its members ideological inclination towards Indian nationalist politics (Josey 1954, 68).
Japanese occupation

The Japanese occupation of Malaya aggravated the position of Indian labourers vis-à-vis the Chinese and the Malays by preventing them from participating in postwar political and constitutional developments. One of the consequences of the Occupation was a great reduction in Indian population, thus impeding their chance of participating soundly in the Chinese-Malay politics of the postwar era. Although the Indians were not subjected to brutal treatment as what had happened to the Chinese, they were nevertheless harshly treated and often kidnapped and forcibly recruited to work under Japanese forced-labour schemes. Indian labourers from Malaya were forcibly recruited to work in the Japanese construction of the Siam-Burma railway, also known as the infamous 'Death Railway'. According to Netto, approximately 75,000 Indian labourers from estates and government departments were brought to work on the construction between 1942 and 1943 (1961, 72). The total number of Malayan Indian workers recruited in the said construction and a number of other Japanese construction projects within occupied Malaya are estimated at between 85,000 and 250,000 (Belle 2015, 206; see Sandhu 1969, 184). From this total, a staggering 45,000 labourers were reported to have died in Siam and their families in Malaya were abandoned. Only about half of these Indians managed to reunite with their families in Malaya. Kratoska suggests that many of the labourers who were recruited to work in the 'Death Railway' died of malnutrition and suffered diseases like malaria and ulcer (1997, 184). Further, due to severe food shortage, inflation in prices of basic commodities, a drop in birth rate and the significant increase in mortality rate among the Indians – which Stenson (1980) estimates at 100 000 or 7% whereas Kratoska (1997) reports a drop from 744,202 in 1941 to 599,616 in 1947 – the Indian population was significantly reduced in postwar Malaya (Kratoska 1997, 184).

The Occupation period also exposed the predilection of Indian labourers for Indian politics. Their failure to cultivate a sense of belonging to Malaya, due to their long history of social exclusion maintained in the prewar British racial policy, was patently exposed. Following the leads of Malayan Indian leaders who were drawn into Indian politics, Indian labourers volunteered in large numbers to participate in the Indian Independence League movement of Subash Chandra Bose and his Provisional Government of Free India. By June 1944, about 230,000 Indians in Malaya had pledged their support for the provisional government set up by Bose (Cotterell 2011, 252). These Indian labourers had even, as Arasaratnam noted, contributed huge sum of money and gold jewelry for the movement (1993, 209). This obvious non-participation of Indian labourers in local political developments during the war was to further exclude them from postwar Malayan politics, in which the Chinese and Malays were the main competing political actors. Ethnic dissension between the latter two races was itself the result of their position in the prewar racial structure that made them to be politically antithetical to each other. The Malays were inculcated with anti-Chinese feelings when the Japanese deployed them in military units to fight Chinese resistance groups (Verma 2002, 28). The Chinese rebels disputed with the Malays for being too welcoming of the Japanese and reluctant to offer resistance. The Indian labourers, on the other hand, were generally perceived as either those who refused Malaya for India or, worse still, 'Japanese collaborators' as many had actually volunteered to Bose’s Indian National Army that had the backing of the Japanese
Imperial Army. Approximately 18,000 Tamil estate labourers were attracted to Bose’s resistance movement (Cotterell 2011, 252).

The severe drop in Indian labour population during the Occupation period and their perceived lack of ‘Malayan belongingness’ would eventually accord them with very little political value to fully participate in postwar Malayan politics. The poorly mobilized and numerically undersized Indian population was overshadowed in the Chinese-Malay political conflict of postwar Malaya. Even at the end of the war, when they ought to have embraced a Malayan identity, most of them were still unaware of their stake in Malaya and continued to identify themselves with India. This was compounded by scant solidarity and lack of proper assistance to champion their cause in light of rising Malay political consciousness and opposition to immigrant populations in Malaya. The MIC, formed in 1945, was also initially geared towards Bose’s call for Indian nationalism and, thus, played little role in mobilizing the Indian labourers to participate in Malayan political affairs.

This lagging-behind of Indian labourers in postwar Malaya explains their absence of sociopolitical legitimacy, as a direct result of their inability to develop a bona fide political and economic position under Britain’s prewar racial policy; by comparison, the Chinese and the Malays were on the politically and economically legitimate sides of the structure. It was due to this lacking that their stake in issues such as citizenship, land settlement and the rehabilitation of Tamil estate schools received only small amount of attention for decades. The lack of sociopolitical legitimacy among Indian labourers also resulted in their interests appearing politically irrelevant in the post-war ideological conflict – between the Chinese who demanded for democratic politics, led by the Malayan Communist Party (MCP) and the Malayan Nationalist Party (MNP), and the Malay elites who urged for the restoration of Malay royal and political supremacy. This lacking was also the major political deficiency that the MIC faced when it decided to encourage Indian labourers to take up Federation citizenship.

**British military administration**

Accentuating their already weakened political and economic condition was the socioeconomic problems in the interregnum years following the Japanese surrender. Humanitarian concern for destitute Indian labourers was not a priority in the brief stint of the British Military Administration (BMA) between September 1945 and April 1946. During this time there was the more pressing need to revitalize the economy by reviving capitalistic production. For that purpose, the War Damage Compensation Fund was formed to reconstruct the plantation and mining sectors to an austerity basis (Fujio 1993, 95–106). The allocation of the Compensation Fund was mainly utilized for rubber and tin capitalists and private chattels and not necessarily to help the Indian plantation community. In fact, the Compensation Fund resembled the 1907 Immigration Fund in that it operated to assist the business community by indemnifying their losses to allow them to resume operations. As a result the Indian labour community was not sufficiently covered under any minimum essential plan of the Compensation Fund. This is, however, despite the fact that an Emergency Relief Committee and Welfare Council was established to rehabilitate those who suffered during the war and about 5–6 million dollars was traced at the end of 1941. Many quarters especially in the Malayan Union bureaucracy criticized the
government for not undertaking sufficient rehabilitation measures particularly for the Indian labour community. W.H. Esson insisted that the Fund should contribute financial aid to the Ramakrishna Mission where 80% of its occupants were children of Indian labourers who died in the construction of the ‘Death Railway’. Dr. McGregor, Director of Medical and Health of the Malayan Union, stressed that the Fund should offer financial aid to those who suffered during the war. R.P. Bingham, Labour Commissioner in Singapore, criticized the Malayan Union government for delaying rehabilitation. E.J.C. Edwards, member of the Immigration Committee, stressed that the Malayan Union government was slow to assist children of former plantation workers who died building the railway under the Japanese. According to Edwards, ‘little had been done by the Government towards … dealing the problem of the widows and orphans of Indian labourers on estates who died in Siam’ (Negeri Sembilan Secretariat File 364/1947).

### Post-independent Malaya

Since the livelihood of most Indian labourers was attached to the plantation economy, the instability of the capitalist economic system of post-independent Malaya had pushed them into an even direr situation. This was mainly due to estate fragmentation that began during the 1950s when owners decided to sell their properties and repatriate their capital out of the country. According to Stenson, between 1950 and 1967, approximately 324,931 acres of estate involving 28,363 workers were fragmented (Stenson 1980, 203). For the Chinese capitalists, the fragmentation presented an opportunity to buy and further divide the land into smallholdings to obtain larger profits. The Indian labourers were consequently displaced and, in some instances, replaced by Malay labourers on a contract basis as the post-independent Malayan government policy required Malay workers be hired in all sectors. New estate owners also brought in more Malay workers to prevent the possibility of labour uprising among the Indians (306). The legacy of Britain’s racial policy in this case of estate fragmentation is clearly seen in the following way: it inculcated a rent-seeking behaviour among the Chinese capitalists and created a political necessity for the independent Malayan government to safeguard the Malays, while at the same time thousands of Indian labourers lost their jobs and or to settle for lower wage and limited access to health, educational and other facilities (Muzaffar 1993, 222).

The MIC attempted to alleviate the Indian labourers from the negative spillover effects of the fragmentation by urging the Malayan government to intervene or, at least, control and regulate rising speculation. However, the government’s view on their socio-geographic displacement was one that of indifference. It was more concerned in developing Malays ownership in small-scale enterprises than the welfare of the Indian labour community. The government even went to the extent of concluding in the 1957 Report on the Subdivision and Fragmentation of Estates that the fragmentation was advantageous for the Malays because it was to promote them to become landed smallholders (Belle 2015, 314).

Since there was no attempt by the government to purchase estates or to consolidate them in cooperatives, the MIC established the National Land Finance Co-operative Society (NLFCS) in 1960 and through it managed to purchase 18 estates between 1961 and 1969 (Anbalakan 2006, 267). MIC and the NLFCS urged the Government to draft laws to control the sale of estates exceeding 100 acres but the government’s response to it was lukewarm. The magnitude of government indifference in the Indian issue can be
seen when the Rural Industrial Development Authority (RIDA) and Federal Land Development Authority (FELDA) simultaneously resettled rural Malays through various schemes. RIDA, established in 1953 under colonial supervision, functioned to uplift the Malays through social, economic and infrastructural development, whereas FELDA, set up in 1956, opened and developed new land on a large scale for agriculture and resettlement (Hooker 2003, 227). At the same time when Indian plantation workers and their families were displaced as a result of the fragmentation, Malay families were vigorously relocated from rural areas to FELDA lands to cultivate rubber and oil palm. These Malay pioneers were provided with housing and basic facilities and their income increased over time. The deliberate negligence on the part of the Malayan government on the fragmentation issue and the simultaneous Malay resettlement programmes reflect its pro-Malay ideology – a sine qua non put in place, rather irrevocably, by the British colonial administration.

**Conclusion**

Socioeconomic and political marginalization had been the dominant characteristics of the Indian labourers and their descendants in Malaya particularly from the early twentieth century until the post-independent era. Their overall exclusion during the colonial period was for the most part non-deliberate but the inevitable result of the racial policy of the British administration that favoured the Malays, on account of furthering colonial interest in the country, and the Chinese for they were economically enterprising. The Indian labourers paled in comparison due to their economic role that was disadvantageously limited to as unskilled labourers. These Indians were not able to sustain and adapt themselves to the constantly alternating periods of prosperity and depression, through the Great Depression in the 1930s, the two postwar recessions and the largely crippled wartime economy. They were also the lowest income earners and had the least purchasing power of all and could not in any significant way contribute to the circulation of money and economic growth of the Straits Settlements and the FMS. Consequently, Indian labourers were not regarded by the British administration as a long-term economic asset like the Chinese nor politically obliged to help them as in the case of the Malays. Indian labourers were left outside the ambit of colonial and state protection and, therefore, hindered their collective advancement.

The neglect of Indian labourers was greatly accentuated by the colonial-capitalistic economic system of the early twentieth century. Britain’s capitalistically driven policy had the effect of segregating Indian labourers into a closed plantation environment, where benefits accorded to or relatively easily accessed by the other races were shut off. This occupational confinement of Indian labourers was the result of the institutionalized process of labour recruitment through the Immigration Fund, which fulfilled capitalist needs and had no legal obligation for welfare. The confined plantation enclaves gave rise to an attitude of docility and passivity towards social progress among the Indian labourers. In the long run, the capitalistic environment served to halt their occupational and social mobility. This was not the case for the Chinese and the Malays, as the British administration accorded them some degree of flexibility for social progress. On the other hand, Indian socioeconomic progress through land acquisition was hindered by Britain’s land policy that favoured the Malays and European and Chinese capitalists.
Indian land colonization schemes in the 1900s were, for example, often obstructed by the pro-Malay land policy.

Indian marginalization *vis-à-vis* the Chinese and the Malays was worsened due to them being the minority group in Malaya. Indian labourers were mostly transient in character when they first arrived in Malaya and it was only after several decades into the twentieth century that a fairly settled population of them began to emerge. A great reduction in their population happened following the mass repatriation during the recession from 1929 to the early 1930s. It was further reduced by their high mortality rate in Japanese wartime constructions and oppressive rationing programme of the Japanese occupiers during the Second World War. Due to their lack of political and communal solidarity, and a long history of social constraint, the Indian labour population in their minimal numbers failed to champion their rights in a range of issues from wage rates to civil rights.

The problem is also to be found in the negative perception of their labour status among British administrators who regarded them as those who were disinclined to adopt a Malayan identity and preferred to live within the confines of plantations. However, it was the racial-based sociopolitical division of the colonial government that prevented them from engaging independently outside the clutches of plantations. This was deliberately maintained in order to preserve political and economic *status quo* of the Malays and the Chinese.

The position of Indian labourers and their descendants was even more severed in the Malay-dominated post-independent Malayan government. The largely apathetic response of the independent Malayan government to the estate fragmentation crisis and its exploitation by Chinese capitalists were the outcomes of the colonial racial policy. A more far-reaching outcome was that it placed the independent Malayan government in a position in which it could not undertake racially inclusive policies without guaranteeing a preference for the Malays. The classic example of this was the institutionalization of positive discrimination favouring the local Malays in the essentially Malay-based social reengineering programme known as the New Economic Policy (NEP). Between 1960 and 1981, tens of thousands of poor Malay families were settled in 308 schemes under the NEP (Jesudason 1990, 51). It ended up sidelining the Indians from acquiring housing and resettlement opportunities besides preventing them from accumulating wealth. Toward the end of the NEP in 1990, Indian wealth percentage stagnated at a dismal one percent (Anbalakan 2003, 379).

**Notes**

1. It was no surprise how the Chinese came to exert profound influence in the affairs of the Archipelago, particularly Malaya. Francis Light himself had praised the Chinese in 1794 as ‘the only people of the East from whom a revenue may be raised without expense and extraordinary effort of government’ (Andaya and Andaya 1982, 137). Raffles himself took steps to educate the Chinese in Singapore as they were seen as an asset to develop Singapore. (*Journal of Indian Archipelago* 1855, 119).

2. The Fund since its inception was managed by a statutory body called the Immigration Committee which was constituted under Section 3 of The Tamil Immigration Fund Ordinance; Straits Settlements Ordinance (No. XVII, 1907).

3. The British preference for Javanese labourers was evident during the Depression when from 1931 attempts were made to negotiate with the Dutch government of the Netherland Indies
for the supply of Javanese labour, through the signing of the F.M.S. Enactment No. 17 of 1941 to enable the Indian Immigration Committee to impose levy and collect assessments for the importation. The enactment was apparently not brought into force in the pre-World War 2 period (Parmer 1960, 45).

4. General Orders 12 (viii) of 1931 explicitly stated that it was the official policy to give qualified Malays preference over other applicants for an appointment. Selection should be made from Malaya-born candidates of other races only when there were no satisfactory Malay candidates (Clause 12 (viii) of the General Orders FMS, 1931). However, loopholes were further tightened in the 1923 General Order, which did not specify the position of, qualified Malay if there were other similarly qualified local-born candidates applying for the same post.

5. British intent to use aristocrats in the civil service was achieved with the help of the Malay College Kuala Kangsar (MCKK) founded in 1905. Malays appointed into the civil service were placed under the Malay Administrative Service (MAS), subordinate to their superiors in the Malayan Civil Service (MCS). After 1910, a small number of Malay officers were promoted and absorbed into the MCS when the British introduced a new scheme for Higher Subordinate Class of Officers in NNMB. Under this scheme, many Malays including the Malay commoners had the chance to hold posts in the civil service through education and training offered at MCKK.

Disclosure statement

No potential conflict of interest was reported by the authors.

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