



# THE FEDERATED MALAY STATES' TACIT INVOLVEMENT IN THE FIRST WORLD WAR, 1914-1918

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## Abstract

Historical writings on the Peninsular Malay States during the First World War between 1914 and 1918 are very much lacking. This article is an effort to fill this gap by examining the Federated Malay States' (FMS) involvement in the war in particular in relation to the financial and economic contributions made by the territory to the British war efforts. Through an examination of primary sources, including the legislative records of the FMS, this article shows that the war had a significant impact on the Malay states even though the Federated Malay States were not directly involved in the First World War. This research investigates the various dimensions through which the Malay states became indirectly involved in the war through an examination of the various legislation passed by the Federal Council and the ensuing debates and shows how these laws affected the general well being of the population in Malaya. The article also provides a deeper insight into the reactions of the Rulers and the people towards these laws.

**Keywords:** First World War, Federated Malay States, enactments, federal council, funds



## Introduction

Britain's involvement in the First World War (WW1) in August 1914 instantly sparked off a new phase in Malaya's history.<sup>1</sup> This new phase refers to the obvious effects of the war on the Malay states. From one dimension, it appears that the Malay States were dragged in although the war was taking place only in Europe. How the British got the Malay states involved in the WW1 can be examined from two different perspectives. First, all the Malay states were already under British influence by 1914. As such, the Malay Rulers were bound by their agreements with the British. This is especially so after Turkey's decision to join the Germany and its allies in November 1914. The involvement of the Federated Malay States (FMS)<sup>2</sup> in particular was even more apparent as they were under direct British rule. Thus the revelation of the involvement of the FMS in WW1 largely for the purpose of aiding Britain provides interesting discussion. Secondly, the FMS were then the largest tin and rubber producers in the world and this made it absolutely relevant for Britain to include the FMS as part of its strategy to face its enemies in the war.

Historical writings on Malaya's 'involvement' in WW1 are very much lacking as it has not been given much attention by historians. In their view, Malaya was not directly involved in the war because the actual war occurred in Europe. Hence, many scholars tend to treat the period 1914 to 1920 as a peripheral to their discussion of Malaysian history. They felt that there were no significant developments in Malaya during that period. Malaysian

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historical writings on this period thus were based on two main issues: first, it revolved around the issue of how the British curbed with the activities of citizens of the 'enemy countries' in Malaya and their supporters; and, secondly, they dealt with the consequences of the war on the Malaya's development particularly from the economic perspective.

On the issue of national security in Malaya, for example, Alun Jones has drawn attention to British apprehension about the citizens who were 'enemies' of Britain in Malaya. In spite of the mutiny in Singapore and the Malay uprising in Kelantan, the major issue which had been highlighted was the steps taken by the British to obstruct the enemies' subversive activities.<sup>3</sup> In addition, Mohammad Redzuan Othman in his doctoral thesis has noted that the British felt threatened by the possibility of Malays giving support openly to the Turks because of the long history of Turkish influence in Malay society.<sup>4</sup> J.H. Drabble in his study on the development of the rubber industry in Malaya has revealed the British strategy to restrain the export of rubber to enemy countries during WW1.<sup>5</sup> In his findings, he discovered that the war in Europe did not have any impact on the development of the rubber industry in Malaya. Instead, the export of rubber increased tremendously due to the automotive industry boom in the United States.

Lim Teck Ghee<sup>6</sup> and J.S. Sidhu<sup>7</sup>, on the other hand, focused more on the impact of the war on the Malays. One of the issues discussed was the British policy of forbidding the Malays from planting rubber because they wanted the Malays to continue as paddy planters even though there was slump in the price of rice at that time. The reason for this action was because during WW1 the British administration in Malaya had been warned that problems could arise in the importation of rice. This was due to the fact that the rice imported could not meet Malaya's demand. Previous discussions on the impact of WWI on Malaya was thus limited to certain issues. The writings tend to concentrate more on the broader themes rather than on the WW1 because the war was just a minor aspect of their studies.

In relation to the FMS' involvement in the WW1, an approach that will be adopted in this article is the analysis of various legislation that existed or which were enacted during the First World War. During this period, the Federal Council had passed a total of 45 enactments related to war.<sup>8</sup> This is an astonishing number for a largely peaceful territory such as the FMS. A factor that contributed to this large number was the frequency of amendments made to the existing laws. This is because many of the war-related laws passed by the Federal Council were either partially or completely adopted from United Kingdom (UK) legislation. The United Kingdom's laws underwent frequent amendments to meet the prevailing situation. The Chairman of the Executive Secretariat for the Society of Comparative Legislation, for example, commented:

After August 4 emergency legislation flowed in a rapid and copious stream. It assumed various forms: Acts of Parliament, orders in Council, Orders and regulations having the force of law. These trod on each other's heels, jostled each other, amended, supplemented, or superseded each other. They were framed rapidly, to meet exigencies which arose suddenly, which had not been foreseen, and which, owing to the limitations of human intelligence, could not have been foreseen. They were passed rapidly. In Parliament the ordinary rules of legislative procedure were superseded. An Act of Parliament might be introduced without notice, passed through all the stage in each house within a few

hours, and receive the Royal Assent before the end of the day. Measures so frame were necessarily tentative; experimental, imperfect, often transitory.<sup>9</sup>

Among the most frequently amended war-related laws were: 'To Vest in the High Commissioner Exceptional Power in Times of Public Emergency Enactment,' 'The Trading With Enemy Enactment' and 'Allies Enemies (Winding Up) Enactment'. The first war-related enactment passed by the Federal Council was Enactment No.1 1914 (To Vest in the High Commissioner Exceptional Power in Times of Public Emergency). The proposed bill was brought to the Federal Council on 11 August 1914 and was passed on the same day.<sup>10</sup> It was enforced on the next day. This enactment was introduced basically to empower the High Commissioner to control the prices of goods in the local market, particularly the prices of food products.<sup>11</sup> This showed that British involvement in the WW1 was a very sensitive development for the people of the FMS. On 4 August 1914, that is, the day Britain announced its involvement in the war, there was a tendency to raise prices of food products in the main cities in the FMS. In Kuala Lumpur, for example, a lady was asked to pay \$32 for a box of milk from a Chinese shop.<sup>12</sup> Refusing to pay such an exorbitant rate, she subsequently succeeded in getting the same product at a much lower price of \$12 from Anglo Swiss Milk Company. Siamese rice, too, was reported to be sold at various prices ranging from 44 cents to as high as \$1 a *gantang*.<sup>13</sup> Rice from Rangoon was sold at 35 cents a *gantang*, a rise of 70% from its previous price. Milk was sold at 50-60 cents a can.

One of the reasons why the administration of the FMS could react quickly to the rise in prices of food products was because Enactment No.1 1914 did not need to go through a long drafting process. It was adopted from Her Majesty's Order in Council 26 October 1896, from the United Kingdom.<sup>14</sup> The difference was Enactment No. 1 1914 did not copy the sections involved in its entirety. Only the section related to the control of prices of food products was used. The sections related to the Operation of the Army Act and the one associated with the powers of the Governor to expel a subject were not included in this enactment. Three months later, however, when the intensity of the war was more greatly felt, Enactment No.1 1914 which was originally meant to overcome the rise in prices was amended as a strategy to face Britain's enemies. For example, the section that empowers the Governor/High Commissioner to expel a particular citizen was now included in the amendment.<sup>15</sup> The section on Operation of the Army Act was implemented through a separate enactment-Enactment No.8 1915 (Army Act Enactment).<sup>16</sup> These developments show that all the three important provisions in Her Majesty's Order in Council 26 October 1896, which were not used in its entirety originally, were now part of the FMS' laws during the WW1.

Besides empowering the High Commissioner with the powers to expel a citizen, the amendments to Enactment No.1 1914 were also aimed at empowering him to prevent the import or export of products and livestock from or to any of the countries listed in the government gazettes, thus preventing the FMS from exporting any of their primary commodities to its enemies.<sup>17</sup> Prior to this (between August and October 1914), attempts to prevent the export of goods by the FMS to Britain's enemies was controlled via the Customs Duty Enactment 1897 and 1898. However, this enactment only acted as a deterrent by raising export or import duties. It did not have the power to prevent trade. For example, it was stated in Notification No.2684, 9 September 1914 under Customs Duty Enactment, that an *ad valorem* tax of 100% was to be imposed on any imported or exported products from or to Germany, Austria and Hungary.<sup>18</sup>

Between 1915 and 1918, Enactment No.1 1914 was amended four times. In 1915, it was amended to empower the High Commissioner to place the FMS under military rule if deemed necessary.<sup>19</sup> This amendment was carried out as a precaution against the spread of the mutiny into the FMS from Singapore.<sup>20</sup> In 1916, it was amended yet again to replace Section 17.<sup>21</sup> This is because the source of power for section 17 (Her Majesty's Order in Council 26 October 1896) had been replaced with a new *Order* from 1 March 1916. In 1917, it was amended again to enable the High Commissioner to delegate emergency powers to the Chief Secretary of the Government or to the military authorities. The High Commissioner was once again given greater powers in the 1918 amendment which allowed him to introduce additional rules when deemed necessary. In this amendment, the power to introduce laws included not only matters on security and defence as in the 1917 amendment, but also laws which were probably indirectly related to the safety and defence matters of the FMS. For example, since tin was an important commodity, it was the opinion of the Federal Council that the High Commissioner be empowered to control the transactions of the commodity. On 3 November 1914, the Federal Council also passed a law that would make it easier for the British to enforce the proclamations of the King of Britain in the FMS, particularly about the strategies to face the war. The enactment concerned here is Enactment No.7 1914, An Enactment to Provide for Extending to the FMS for the Operation of Proclamation Issued in the Colony of the Straits Settlement during the Continuance of War.<sup>22</sup> The passing of such an enactment was extremely important considering that a variety of proclamations were released frequently in all the British colonies. However, because the FMS were not British colonies by law, the King's proclamations could not be enforced without going through valid legal channels. To overcome such complications, the Secretary of States for The Colonies directed the administrators of the FMS to come up with a law that would empower the High Commissioners to order the enforcement of the King's proclamations in the FMS.<sup>23</sup> Hence, Section 3 Enactment No.7 1914 clearly empowers the High Commissioner to implement the King's proclamations immediately without having to refer to the Federal Council.<sup>24</sup>

### The impact of Turkey's Involvement in WW1

Turkey's involvement in the WW1 in November 1914, allying with Germany, caused tension among the British in the Malay States. This was due to British perception that the Malays would undoubtedly support Turkey. This was based on the deep-rooted sentiments of the Malays who viewed Ottoman Turks as the saviour of the Muslims.<sup>25</sup> This sentiment was further aroused with western imperialism spreading further in this region.<sup>26</sup> In the 19<sup>th</sup> century, the Malay sentiments for Turkey gained a new impetus when Sultan Abdul Hamid II (1876-1908) became the new caliph of Turkey. Through a constitution declared on 14 December 1876, His Majesty proclaimed himself the saviour of Islam<sup>27</sup> and later sent a message to the Muslim countries all over the world including the Malay region.<sup>28</sup>

The Pan-Islamism movement, led by Sultan Abdul Hamid, succeeded in further stimulating the Malays to continue to regard Turkey as the great power that could protect the Muslims. In Negeri Sembilan, Yam Tuan Antah's objections towards British (1874-75), for example, was motivated by the belief that Turkey would come to its aid.<sup>29</sup> The Malays uprising against British in Pahang (1891-1893) too was inspired by similar hopes. According to a report received by Cecil Clementi Smith (Governor of the Straits Settlement), there was an

attempt to urge the Malay leaders in Pahang to sign a document intended to seek Turkey's aid to get the British out of Malaya.<sup>30</sup> All this goes to prove the intensity of the pro-Turkey sentiments among the Malays. The tensions that threatened the British administration in the Malay States therefore, were not a spontaneous development.

Realising that the Malay community could be counted on for their loyalty to their Highness, the first step taken was to bind the Malay Rulers to the British. In the FMS, it started with the passing of one of the laws in the Federal Council, Enactment No.12 1914 (The Neutrality Enactment).<sup>31</sup> This enactment bound and required the Malay Rulers, through a statute, to request their subjects to refrain from supporting any warring parties. At the same time, the passing of this enactment also strengthened the pledge made by the Malay Rulers at the Federal Council Conference on 4 November 1914, held in Kuala Kangsar. Sultan Idris of Perak, for example, pledged that His Majesty and his subjects would be faithful to Britain to the end.<sup>32</sup>

The anxiety felt by the British over the pro-Turkey Malay sentiments was not only addressed by getting the Malay Rulers to pledge their loyalty but also in other ways. In the FMS, the British administration also passed Enactment No.19 1914 (The Naval and Military News Enactment) through the powers of the Federal Council.<sup>33</sup> The purpose of this enactment was to limit the popularity of the Malay press such as *Neracha*, *Tunas Melayu* and *Majalah Al-Islam* for they were deemed as factors fuelling the pro-Turkey sentiments. In 1912, for instance, Turkey's involvement in the war was given a wide coverage by the Malay press. It also set up funds to help Turkey. Malays who were unwilling to contribute were criticised.<sup>34</sup> The popularity of the papers due to its thorough coverage on Turkey was indeed overwhelming. The only mechanism that could be used to limit the development was to ban news materials on Turkey. Enactment No.29 1914 was applied to ban the publication of any news related to military interventions with the possibility of helping the enemies. Hence, *Reuters* in London was directed not to send any news regarding Turkey to Malaya.<sup>35</sup>

A year later, in an attempt to strengthen the ban on information deemed subversive, the British, through the Federal Council, passed Enactment No 17 1915 (The Printing Press and Books Enactment) on 17 Nov 1915.<sup>36</sup> This enactment, compared to Enactment No 29 1914, was found to be more comprehensive to control news which could have negative effects on Britain. For example, it made it compulsory for every printer and publisher to declare before a judge information about his job and the place of printing and publishing. Failure to do so would result in a fine of \$2,500 and two years imprisonment.

Enactment No.29 1914 and Enactment No.17 1915 were directed at British enemies in the WW1. However, the effect was also widely felt by the Malay publications in the FMS. *Neracha*, for instance, was no longer well-received due to the decrease in news related to Turkey. The publication was discontinued in June 1915. *Tunas Melayu* was closed in 1916 and *Majalah Al-Islam* lost its editor K. Anang, who was expelled for his role in triggering a war in Singapore. Anang's expulsion clearly showed Britain's seriousness in completely wiping out Turkey's influence amongst the Malays. As an assistant editor for *Neracha*, Anang was known for his powerful pro-Turkey writings.<sup>37</sup>

### The Effects on Economic Development

Britain's involvement in the WW1 in the initial stages caused a tensed situation in the FMS. It was feared that the economy of these states would face a serious plunge. This was due to the economy being highly dependent on its revenues from exports, which in turn was determined by the stability of the international economy. Apart from trade sanctions which caused anxiety and thus suppression of the commercial parties, there were also banks which were reluctant to allow credit in the face of uncertainties.<sup>38</sup> It was tensions similar to this that encouraged the British in the FMS to plan a strict budget for the year 1915. The tabling of the 1915 budget on 3 November 1914 saw a considerable reduction in the cost of expenses of key departments in the FMS compared to the 1914 budget.<sup>39</sup>

However, such a policy was not agreed upon by the unofficial members of the Federal Council. To them, this was not the best solution for, although such a policy could strengthen the FMS' treasury, in actual fact, it would create a negative effect on the overall economic development. E.B. Skinner (an unofficial member), for instance, disagreed with the reduction in the allocation for Public Work Services from \$13,000,000 in 1914 to only \$1,500,000 in 1915. To Skinner, as the bulk of the item was allocated for labour maintenance, the 80% reduction would result in many labourers losing their jobs.<sup>40</sup> To the unofficial members of the Federal Council, the stability of the labour market was of utmost importance considering that the rapid growth of the economy of the FMS depended highly on labourers.<sup>41</sup> The argument was that the government should not reduce expenses in the face of a recession. Instead, it should increase allocations to generate a doubling effect to the key sectors of the economy.<sup>42</sup>

The perception of the British that the war in Europe would result in a continuous crisis in the FMS proved to be wrong. Things began to change in the first six months of 1915 and the FMS showed a considerable growth in income until the end of the war.<sup>43</sup> This was the result of the increase in the government's revenue. Revenue from tin exports, for instance, increased due to the reasonably stable income throughout the period of 1915-1918. In 1915, the average price of a picul of tin was \$ 86.50 on 16 November and the lowest price was \$ 69.50 on 2 February.<sup>44</sup> Revenue from export tax on rubber increased significantly compared to the years prior to the war. One of the reasons for this growth was the huge increase in the import by United States to meet the increase in automobile production.<sup>45</sup> This increase was the result of the discovery of quick fixing techniques in 1913 which enabled a car to be fixed in an hour and a half compared to 14 hours previously.<sup>46</sup> In a sense, the increase in US import helped to cover the losses incurred from the discontinuation of export of rubber to Germany and its allies by 12%.

The British also took advantage of the economic prosperity of the FMS during the WW1 period (1915-1918). This was proved beyond doubt in the Federal Council proceedings during that period. By the end of 1915, the question of helping Britain financially began to see more serious discussions. In 1912, the FMS had presented Britain with a war ship (*H.M.S. Malaya*). The price of this ship was £2,847,000 which was equivalent to \$24,402,857.<sup>47</sup> It was also decided that the cost would be paid up in five installments.<sup>48</sup> This meant, because the first payment was made in 1913, the remaining installments had to be continued even though the FMS were now hit by recession (as a result of the drop in commodity prices and the intensity of the war from mid-1914).<sup>49</sup> Their commitment to the ship forced the FMS to seek external aid when they were hit by cash bankruptcy in

the third quarter of 1914.<sup>50</sup> In other words, during the height of the crisis, the FMS had to borrow from external parties not to solve their own problems but to fulfill the pledge made to the British.

At the Federal Council on 18 December 1915, MacFadyen, an unofficial member, suggested that the FMS took steps to pay up the overdraft to London immediately. This, according to him, could be implemented by raising funds from the local market.<sup>51</sup> To MacFadyen, this could reduce Britain's burden which at that time incurred huge expenses because of its involvement in the war. The High Commissioner was convinced by the suggestion as the overdraft to London had reached \$23,000,000.<sup>52</sup> Arthur Young, the High Commissioner, saw this as an opportunity to collect funds to aid Britain and not as a way to settle debts. This is true because the enactment that was passed for this purpose (Enactment No.1 1916) did not in any way state the purpose of using public money, through the sale of government bonds, to pay up debts. According to the legal advisor, when the bill was tabled, the collection was intended for the imperial government's use to meet its war expenses.<sup>53</sup>

Efforts by the British to raise funds to aid Britain through legal means proved timely. This was mainly due to the attempts made by the public, particularly the European community and the wealthy Chinese tycoons. For instance, funds were set up to purchase war planes for Britain. Finally 36 planes were sent with the man behind it all being Alma Baker.<sup>54</sup> Between 1915 and 1917, a total of 48 funds were set up by various public groups to help Britain's victims of war. The total collection was \$2.5 million by 26 November 1917.<sup>55</sup> In other words, the transparency of the British administration in the FMS in taking the first step to aid Britain through a legal channel was due to the confidence they had on the people. This British 'knew' their actions would not be objected considering the sentiments of the contributors who clearly sympathised with Britain.

Enactment No.1 1916 (War Taxation Enactment) was tabled at the Federal Council on 28 March 1916 and was passed unanimously on the same day. The maximum number of bonds allowed to be sold was \$15 million and these bonds would mature in five years at an interest rate of 6%. The sale of these bonds was launched in April 1916. The confidence of the British on the sentiments of the people was proved beyond doubt when the demand for the first publication exceeded supply.<sup>56</sup> In fact, the first publication at \$6 million was increased to \$15 million, the maximum amount allowed by Enactment No.1 1916. Eu Tong Sen (the Chinese representative in the (Federal Council) alone invested \$400,000.<sup>57</sup> Due to the overwhelming success of this enactment, further efforts to raise funds for Britain through legal channels were carried out with a few other enactments.

Two more enactments based on public fund raising (for purposes of aiding Britain) were passed in October 1916 and August 1918. These were Enactment No.8 1916 (War Loans Investment Trust of Malaya Enactment) and Enactment No.28 1918 (War Saving Certificates Enactment). Unlike Enactment No.1 1916, both these enactments were not aimed at collecting a huge amount of money. According to the Legal Advisor of the FMS (when tabling the enactments at the Federal Council), the focus of these enactments was on giving opportunities to the lower income group to co-participate in efforts to aid Britain besides making small investments.<sup>58</sup> The British administration in the FMS, therefore, was found to have gathered people from all walks of life, rich or poor, to participate in lessening the problems faced by Britain.

Another obvious example of how the British gathered the locals was seen in Enactment No.31 1918 (War Funds Enactment) which was passed by the Federal Council on 14 August 1918.<sup>59</sup> Since 1913, the British had banned the organization of lotteries due to the activity being associated with gambling. Now, however, the ban was lifted to allow the organizing of fund raising activities. In 1916, a number of lotteries were organized to raise funds to aid Britain. However, the consent was seen as opposing the previous law and policy. Hence, it was legitimised through a new law with one condition-that it should be solely for funds to help Britain.<sup>60</sup>

Efforts taken by the British in the FMS to help Britain were not only limited to investment programmes and consent to organize lotteries. Since the sentiments of the people were very encouraging, steps to aid Britain at the end of 1916 was diverted to a more aggressive one. This time, contributions for Britain was obtained directly from the Treasury of the FMS through the introduction of a special tax. This decision was made through a resolution at the Federal Council on 14 November 1916,<sup>61</sup> which suggested the formation of a committee to determine the various forms of tax that could be implemented. The committee, which met twice, on 7 and 18 December 1916, had 19 members. E.L. Brockman, the Chief Secretary of the FMS, chaired the meetings.<sup>62</sup>

Comprising 13 Europeans, three Malays, two Chinese and one Indian,<sup>63</sup> the committee suggested that \$5 million be contributed to Britain. To meet this aspiration, a list of special taxes was tabled in the Federal Council. The list included an increase in the export taxes of tin and rubber, the import tax of automobiles, automobile petrol, matches and gassy drinks. Apart from that, entertainment places, telegrams, stamps. Assessment tax (in Sanitary Board) tobacco and income tax were also listed as sources of tax.<sup>64</sup> It was also suggested that 10% of the income from opium and alcohol be contributed for the same purpose.

However, not all the above suggestions were accepted by the government. The introduction of taxes on entertainment business, the increase in assessment rent in *Sanitary Board* areas and the suggestion to introduce income tax were rejected. In the case of income from drugs and alcohol, however, the suggestion of 10% was increased to 50%.<sup>65</sup> Basically, Enactment No. 27 1916 was passed unanimously on 28 December 1916. However, A.N. Kenion, as an unofficial member in the Federal Council, expressed a note of caution: '...We are on the border line of a departure from the traditional British policy. The traditional British policy has been never to send money from the colonies home to the mother country.'<sup>66</sup>

However, the open statement made by Malay Rulers expressing their agreement was again used by the British as a shield against criticisms and accusations that the contributions were forced upon the Rulers by the British. For this reason, the Sultan of Perak, Sultan Abdul Jalil Nasruddin Shah, was asked to come up with a separate resolution for fear of the present resolution, reached on 14 November 1916, being rejected. In the resolution made on 28 December 1916, the Sultan of Perak, together with the rest of the rulers agreed to contribute £500, 000 to Britain to help face the war.<sup>67</sup> The aid to Britain through Enactment No.27 1916, too, was later converted to annual contributions until 1919. It is obvious that the enforcement of these contributions was obtained through enactments. Yet, the Malay Rulers were required to make open declarations through the Federal Council resolutions each time a contribution was announced.<sup>68</sup>

In 1917, contributions through the special tax enactment were increased to £ 750,000.<sup>69</sup> In 1918, it was continued although the WW1 had come to an end. Britain was said to be still requiring its empire's support to run its rehabilitation programmes, estimated at £200 million.<sup>70</sup> However, this time objections were raised by the unofficial members of the Federal Council. Kenion, for example, albeit providing support, wanted the special taxes on matches and cars to be withdrawn. He felt cars could not be considered as luxury items in the FMS as they were mainly used by planters, farmers and miners for business purposes. Moreover, these people were already taxed from various other sources. To Kindersley, another unofficial member, the imposition of taxes on matches would affect the labourers the most.<sup>71</sup> Another unofficial member, A.K.E. Hampshire, objected to the amount being taken from the excess income of the FMS, estimated at \$102 million. Because of the excess, the special tax was not needed anymore. If it needed to be continued, he added, the taxes on matches and cars should be abolished. However, Brockman insisted that the taxes on matches and cars were the suggestions of the committee appointed in 1916. In fact, he stressed that the committee was also represented by unofficial members who were also responsible for the suggestions which had been carried out till then. Brockman, however, failed to distinguish between the time the suggestion was made and the time of the objection. The unofficial members had the current situation as the basis of their objections. Britain was now free from war and therefore, the focus should now be on local problems. The objections were resolved via a majority vote which favoured the government.<sup>72</sup>

In December 1918, the special tax on the export of tin was lifted due to a fall in the price of tin below \$92 a picul. Special taxes on the rest of the products were continued; in fact, in 1919, the Federal Council passed an additional amount of £127,410 to its original contribution of £750,000.<sup>73</sup> The public thereafter, however, was more critical. H.G. Harvey, an unofficial member of the Federal Council, described the decision to continue contributions to Britain as unfair and unnecessary during the 1920 budget presentation. According to him, the shareholders of dollar companies were required to pay taxes while the shareholders of sterling companies were exempted from payments. He added that attempts to aid Britain would be more meaningful if the existing energy was channelled towards the production of raw materials like tin, rubber, timber and coal. Moreover, he added: 'I do not consider the tax calculated to impress the eastern mind, because victory is not usually associated with that. To the eastern mind, victory means emancipation from debt and the addition of wealth.'<sup>74</sup>

In November 1919, the FMS' administration, made a decision to end the contribution. However, this was followed by another agenda. Britain, this time, came up with a plan to develop a huge naval base in Singapore in the name of the Malay Rulers. It was suggested that the above contribution be channelled for this purpose now.<sup>75</sup> The funds for Britain was also channelled towards helping those directly involved in the war and the families of the casualties. On 16 November 1915, for example, the Federal Council passed an allocation not exceeding \$50,000 for the war victims.<sup>76</sup> On 14 Nov 1917, the Federal Council was again asked to pass an allocation amounting \$25 000 to be donated to the Red Cross Society of Belgium, Romania and Serbia.<sup>77</sup> The FMS' contribution to Britain, therefore, reached a total of £13,405,801 during the WW1. This did not only involve the collection of special taxes, public funds and gifts like planes but also the excess amount in the treasury. From the excess sources of the treasury, a total of £7,616,609 was used to purchase Britain's government bonds.

## Conclusion

Britain's involvement in the WW1 in August 1914 clearly shows the Malay States were dragged into the war, albeit indirectly. Although the intensity and effects were not as serious as that of the WWII, yet it cannot be denied that it was a significant development in the history of the Malay States during this period. The FMS, for example, as an entity directly ruled by British, passed 45 war related laws during the entire period. Such a number is obviously shocking because it was as though the FMS themselves were involved in the war. By November 1914, the intensity of the war and FMS' involvement became even more apparent when the war-related enactments were used as strategies to face Britain's enemies. Enactment No, 1 1914, (To Vest in the High Commissioner Exceptional Power in Times of Public Emergency) which was originally passed to overcome the issue of price increase, was amended later to empower the High Commissioner to determine the export and import destinations of the FMS. Then, when Turkey's involvement further created tensions, the British in the FMS employed a highly effective strategy to tone down the deep-rooted pro-Turkey sentiments of the Malays. Besides getting the Malays to pledge loyalty to the British, laws were enforced effectively to wipe out the spread of such sentiments.

The use of the funds to aid Britain however, was seen as the height of the FMS' involvement in the WW1. The prosperity enjoyed by the FMS at the end of 1915, was intelligently manipulated by the British considering the highly sympathetic sentiments of the people for the British. By the end of the war, the monetary contributions of the FMS to Britain was reported to have reached £13,405,801 (\$113,949,308), excluding the contributions by the non-governmental bodies. What is interesting is, to legitimise the contributions, the British made use of the legal channels to realise their plans and the Malay Rulers were used to put forward the suggestions for resolutions at the Federal Council. However, Britain's intention to continue the funds for rehabilitation purposes after the war was criticized by various parties. Following these objections, the contributions came to an end in 1919. Again however, it was redirected to build a naval base in Singapore. In short, the involvement of the FMS in the WW1 should not only be analysed in terms of its effects on the people, but also the ways in which the economic prosperity and the laws of these states were used by the British to their advantage.

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### Endnotes

- <sup>1</sup> Britain declared its involvement in the First World War on 4 August 1914 . This was followed by the extension of this declaration to Austria and Hungary on 13 August 1914. See Federated Malay States Government Gazette (FMSGG), 9 November 1914, p. 1968.
- <sup>2</sup> The Federated Malay States is a confederation of four Malay States: Perak, Selangor, Negeri Sembilan and Pahang. These states were the first to accept British residents – Perak and Selangor in 1874, Pahang in 1889 and Negeri Sembilan in 1895. These states were united as a federation through a treaty signed by the Malay Rulers with the British in July 1895. The objective was for the wealthier states such as Perak and Selangor to aid the poorer states namely Negeri Sembilan and Pahang.
- <sup>3</sup> Jones, Alun 1970, 'Internal Security in British Malaya, 1895-1942,' Ph.D thesis, Yale University.
- <sup>4</sup> Mohammad Redzuan Othman 1994, 'The Middle Eastern Influence on the Development of Religious and Political Thought in Malay Society 1880-1940,' Ph.D thesis, University of Edinburgh.
- <sup>5</sup> Drabble, JH 1973, *Rubber in Malaya, 1976-1922, The Genesis of the Industry*, Oxford University Press, Kuala Lumpur.

- <sup>6</sup> Lim Teck Ghee 1977, *Peasant and Agricultural Economy in Colonial Malaya, 1874-1941*, Oxford University Press, Petaling Jaya.
- <sup>7</sup> Sidhu, JS 1980, *Administration in the Federated Malay States, 1896-1920*, Oxford University Press, Kuala Lumpur.
- <sup>8</sup> Forrer, HA 1935, *Chronological List of Federal Enactments 1909-1934 with Rules*, FMS Govt. Press, Kuala Lumpur, p. 266-298. The Federal Council, the central legislative body in the Federated Malay States, is responsible in passing laws involving more than one state. It was formed through the 22 October 1909 treaty between the Malay Rulers and the High Commissioner.
- <sup>9</sup> Proceedings of Federal Council (PFC), 28 March 1916, p. B10.
- <sup>10</sup> FMSGG, 11 August 1914, Notification No. 2393, p. 1294.
- <sup>11</sup> PFC, 11 August 1914, p. B1:Section 6, 7 and 8, Enactment No. 1, 1914.
- <sup>12</sup> *Malay Mail*, 5 August 1914.
- <sup>13</sup> Ibid.
- <sup>14</sup> The High Commissioner to the Secretary of States for the Colonies, 27 August 1914, Straits Settlements Original Correspondence, Colonial Office (CO) Series No. 273, CO 273/411.
- <sup>15</sup> FMSGG, 9 November 1914, Notification No. 3390, p. 1967; see Section 2, Enactment No. 5, 1914.
- <sup>16</sup> PFC, 27 April 1915, p. B13.
- <sup>17</sup> FMSGG, 9 November 1914, Notification No. 3390, p. 1967; see Section 2 (b), Enactment No. 5, 1914.
- <sup>18</sup> Report Upon the Trade and Custom Department 1914, p. 19.
- <sup>19</sup> PFC, 27 April 1915, p. B13; FMSGG 1915, p. 837.
- <sup>20</sup> On 15 February 1915, a group of soldiers from the *Fifth Light Infantry* ignited a mutiny in Singapore. Most of those involved belonged to the right wing of the Regiment, the majority of whom were Rajput Muslims. (Khoo Kay Kim, 1973, *The Beginnings of Political Extremism in Malaya 1915-1935*, Ph.D. thesis, Universiti Malaya 1973, p. 9). Also in the mutiny were soldiers from the artillery of the *Malay States Guides* (MSG) who were then placed together with the *Fifth Light Infantry* in Alexandra Barrack. MSG was formed to meet the demands of one of the articles in the 1895 Federal Treaty which required the FMS to send its troops to the Straits Settlements in the event of an uprising or war. In 1914, there were 556 Sikhs, 90 Punjabi Muslims, 210 Patans, three Hindus and one Malay soldiers in this team. The main cause of the mutiny was the infiltration of anti-British values which were linked with Pan-Islamism sentiments. The Muslim rebels apparently refused to be sent to the war against Turkey (Arthur Young to Lewis Harcourt, 14 January 1914, CO 273/45).
- <sup>21</sup> To compare the old Section 17 with the new one, see FMSGG 1915, p. 837 and FMSGG 1916, p. 2221.
- <sup>22</sup> FMSGG, 9 November 1914, Notification No. 3391, p. 1968.
- <sup>23</sup> PFC, 3 November 1914, p. B27.
- <sup>24</sup> Section 3 states 'The High Commissioner may from time to time, by order under his hand published in the Gazette, direct that the operation of any Proclamation be extended to the Federated Malay States on and after such date as may be specified in that behalf in such orders.' (FMSGG, 9 November 1914, p. 1968).
- <sup>25</sup> To further understand the sentiments, see Mohammad Redzuan Othman, 1994, *The Middle Eastern Influence on the Development of Religious and Political Thought in Malay Society 1880-1940*, Ph.D. thesis, University of Edinburgh, chapters 4 and 6 in

- particular. Also see Jones, Alun 1970, *Internal Security in British Malaya, 1895-1970*, Ph.D. thesis, Yale University, p. 24-40.
- <sup>26</sup> Syed Hussein Alatas, 1963, 'On the Need for a Historical Study of Malaysia Islamization', *Journal of Southeast Asian History*, vol 4, 1, p. 63.
- <sup>27</sup> Arnold, TW 1967, *The Caliphate*, Routledge & Kegan Paul Ltd., London, p. 173-174.
- <sup>28</sup> Ibid., p. 174.
- <sup>29</sup> Gullick, JM 1954, "The War With Yam Tuan Antah", *JMBRAS*, vol.27, pt. 1, p. 15; for more on the war, see Abdullah Zakaria Ghazali, 1992, "Gerakan Yamtuan Antah di Negeri Sembilan, 1875-76", *Malaysia Dari Segi Sejarah*, vol. 20, p. 65-81; Parkinson, CN 1960, *British Intervention in Malaya 1867-1877*, University of Malaya Press, Singapore, p. 275-288.
- <sup>30</sup> Roff, WR 1980, *The Origins of Malay Nationalism*, University of Malaya Press, Kuala Lumpur, p. 71; Reid, Anthony 1967, 'Nineteenth Century Pan-Islam in Indonesia and Malaysia', *Journal of Asian Studies*, vol.XXVI, no 2, p. 277-278.
- <sup>31</sup> PFC, 24 November 1914, p. B40.
- <sup>32</sup> Arthur Young to Lewis Harcourt, 5 November 1914, High Commissioner Office (HCO) 1702/1914; PFC, 4 November 1914, p. B35. For the pledges of the other Malay Rulers, see The High Commissioner to the Secretary of States for the Colonies, 19 November 1914, CO 273/412.
- <sup>33</sup> PFC, 24 November 1914, p. B46.
- <sup>34</sup> Mohammad Redzuan Othman, *The Middle Eastern Influence*, p. 197; A telegram from the High Commissioner to the Secretary of States for the Colonies, 3 December 1912. In this telegram there were signs of dissatisfaction on the part of the High Commissioner over the aid extended by the FMS to Turkey. To the High Commissioner, the aid extended is an act of *breach of neutrality* and therefore wanted similar aid to be granted to the Western allies, CO 273/388.
- <sup>35</sup> Arthur Young to Lewis Harcourt, 12 March 1915, CO 273/421.
- <sup>36</sup> PFC, 13 November 1915, p. B48; FMSGG 1916, p. 1.
- <sup>37</sup> Mohd Sarim Haji Mustajab, 1975, *Islam dan Perkembangannya Dalam Masyarakat Melayu di Semenanjung Tanah Melayu*, M.A. thesis, National University of Malaysia, p. 155.
- <sup>38</sup> Federated Malay States Annual Report (FMSAR), 1914, p. 30; R.J. Wilkinson to Lewis Harcourt, 6 August 1914, HCO 1144/1914.
- <sup>39</sup> PFC, 3 November 1914, p. B23;

#### A Comparison of Various Key Expenditures, 1914-1915

Item	1914 (\$)	1915 (\$)
Public Work, Special Services	13,111,371	2,997,942
Railway Construction	11,295,121	4,250,000
Railway Special Services, Capital Account	5,459,954	1,429,925
Railway Services, Revenue Account	1,129,935	252,825
Public Services and Maintenance	26,548,358	26,290,627
Total	57,544,739	32,221,324

Source : Correspondence Between the High Commissioner for the Malay States and the Secretary of State for the Colonies Upon the Financial Position of the Federated Malay States, PFC 1915, p. C24.

<sup>40</sup> PFC, 3 November 1914, p. B24.

<sup>41</sup> Correspondence Between the High Commissioner for the Malay States and the Secretary of States for the Colonies Upon the Financial Position of the Federated Malay States, PFC 1915, p. C24.

<sup>42</sup> Skinner's opinion, basically, was contrary to the understanding of current economists. Based on the current theory, an efficient government would always practise a balanced budget policy-i.e. total income should balance with total expenditure. During a recession income is expected to fall. This is why the government should implement an expenditure reduction policy to be able to match the reduction in income. Samuelson, PA and Nordhaus, WD 1992, *Economics*, Fourteenth Edition, MacGraw-Hill, Inc., New York, p. 624.

<sup>43</sup> The income of the FMS in 1915 was \$40,774,984; 1916, (\$51,121,856); 1917 (\$65,553,186) and 1918 (\$68,448,862); (FMS Annual Report, 1915-1918).

<sup>44</sup> FMS Annual Report, 1915, p. 7. Yet, based on the speech of the High Commissioner in the Federal Council, the average price of tin in 1915 was \$79.23 (PFC, 16 November 1915, p. B22 ). Within the first six months of 1916, the price of tin rose from \$81.75 to \$97.50 a picul. After 30<sup>th</sup> June, the price fell again to \$84 a picul ( PFC, 14 November 1916, p. B26 ). In 1917, the price of tin was opened at \$85 a picul. In April, prices stabilized at \$100 a picul and continued to rise to \$108 in June (PFC, 13 November 1917, p. B41). By the end of 1918, the price had risen to \$124 (PFC, 3 December 1918, p. B84).

#### <sup>45</sup> **Import of Rubber by U.S. 1914-1918**

Year	Quantity (ton)
1914	52,265
1915	98,990
1916	117,611
1917	179,251
1918	143,382

Source : J.H. Drabble, 1973, *Rubber in Malaya 1876-1922*, Oxford University Press, Kuala Lumpur, p. 222.

#### <sup>46</sup> **U.S. : The Sale of Automobiles, 1914-1918**

Year	Private Vehicles (1)	Trucks/Buses (2)	Total (1+2)
1914	528,139	24,900	573,039
1915	895,930	74,000	969,930
1916	1,525,578	92,130	1,617,708
1917	1,745,792	128,157	1,873,949
1918	943,436	227,250	1,170,686

Source : J.H. Drabble, 1973, *Rubber in Malaya 1876-1922*, Oxford University Press, Kuala Lumpur, p. 130.

<sup>47</sup> PFC, 25 November 1913, p. B49.

<sup>48</sup> PFC, 12 November 1912, p. B57.

<sup>49</sup> **Payment for the Cost of *H.M.S. Malaya*, 1913-1917**

Year	Total ( £ )
1913	150,000
1914	1,050,000
1915	1,350,000
1916	150,000
1917	50,000
Total	2,800,000

Source : *Federated Malay States Despatch to the Secretary of States*, 15 September 1912, National Archives of Malaysia.

<sup>50</sup> Financial Position, 29 November 1914, CO 273/408; Remittance to Crown Agent For the Colonies to Meet Certain Payment to Siamese Loan, Battleship, Kelantan Loan, 8 October 1914, HCO 117/1913; PFC, 3 November 1914, p. B8.

<sup>51</sup> PFC, 18 December 1915, p. B63 and B67.

<sup>52</sup> Ibid.

<sup>53</sup> PFC, 7 March 1916, p. B1; FMSGG 1916, p. 637. See also Whitehead to Bonar Law, 12 February 1916, CO 273/455.

<sup>54</sup> PFC, 19 November 1915, p. B67; *Malay Mail*, 22 January 1919, Alma Baker was a wealthy businessman from New Zealand. In the FMS, he was actively involved in the real-estate business.

<sup>55</sup> *Malay Mail*, 26 November 1917; Return Up to 30 Sept, 1916 with the Corrections and Additions for the Next List, HCO 2111/1916.

<sup>56</sup> *Malay Mail*, 9 April 1916 and 29 April 1916. The first publication which totalled \$6 million was increased to \$15 million i.e. the maximum allowed by Enactment No.1 1916. See also, War Loan-His Majesty's Government Have Learnt with Much Gratification of Great Success of Loan, HCO 855/1916; FMS War Loan, HCO 1063/1916.

<sup>57</sup> PFC, 8 March 1916, p. B3.

<sup>58</sup> PFC, 20 October 1916, p. B16; PFC, 14 August 1918, p. B25; FMS Enactment No. 8 of 1916 – The War Loans Investment Trust of Malaya Enactment, 1916, HCO 1676/1916.

<sup>59</sup> PFC, 18 August 1918, p. B68; FMSGG 1918, p. 959.

<sup>60</sup> Arthur Young, Chairman of the Federal Council, noted:

Personally, I am one of those who have always had strong objections to legalizing betting by the totalisator, but these times are abnormal times and we have all seen, and we have heard and read, calls not only for Red Cross; but by all charities for contribution to carry out their work. What we want is to make our soldiers and sailors as comfortable as we can, and without money that cannot be done. What we want is money, and as Mr. Kenion said, by lotteries here we get money that we could not get in any other way. Last year we allowed certain lotteries throughout the Federated Malay States and the Colony, and a large sum was gained by those lotteries. We all see that it is best that we should not go against the law, and that

we should legalise what was done last year, simply by saying that the Government would not prosecute the person that carried out the lottery (PFC 1918, p. B68)

<sup>61</sup> PFC, 14 November 1916, p. B31 and 20 October 1916, p. B15; *Malay Mail*, 16 November 1916. See also, Arthur Young to Lewis Harcourt, 4 January 1917, CO 273/459.

<sup>62</sup> Report of the Committee Appointed in Accordance Young with Resolutions of the Federal Council passed on the 14 November 1916 to Consider the Question of a Contribution to the Imperial Government, PFC 1916, p. C79. See also, Revenue for the Purpose of Contributing to the British Court: For War Purpose – Committee to Advice as to the Best Method of Finding It, HCO 1988/1916.

<sup>63</sup> The committee members are as follows: Thirteen Europeans: Chief Secretary (Sir Edward Lewis Brockman), The Resident of Selangor (Edward George Broadrick), A.K.E. Hampshire, The Treasurer of the FMS (H.A. Smallwood), The Commissioner of Customs and Trade (E. Burnside), The Head of the Mining Wardens (W.E. Kenny), G. Gordon Brown, H.P. Clodd, H.A. Koek, F.E. Mair, W.H. Martin, J.D. Mc Culloch, J.L. Sime; three Malays: Raja Bendahara Perak, Tengku Mahkota Selangor and Orang Kaya Kaya Seri Adika Raja. Perak; two Chinese: Tauke Loke Yew and Eu Tong Sen; and one Indian: Parimanam Pillai.

<sup>64</sup> PFC 1916, p. C79; *Malay Mail*, 9 December 1916; *Malay Mail*, 18 December 1916.

<sup>65</sup> Among the special taxes imposed were :

- 1) Tin
  - (i) if \$80 a picul
    - tax on tin 25 cents
    - tax on tin bullions 35 cents
  - (ii) if price exceeds \$80 but less then \$95 a picul
    - tax on tin 50 cents
    - tax on tin bullions 75 cents
  - (iii) if price exceeds \$95 a picul
    - tax on tin \$1
    - tax on tin bullions \$1.50
- 2) Rubber
  - (i) if price does not exceed 2s 6d a pound, the tax is double the the amount. (2.5% x 2).
  - (ii) if price exceeds 2s 6d a pound, the tax is triple the amount.
- 3) Bicycles and tricycles (i) ad valorem tax 10%
- 4) Matches (i) tax on a crate containing 7 200 boxes is \$60
- 5) Petrol for automobiles (i) tax is cents a gallon  
(ii) ad valorem tax 10%
- 6) Automobiles (i) ad valorem tax 10%

(Ibid).

<sup>66</sup> PFC, 28 December 1916, p. B58.

<sup>67</sup> Ibid., p. B57 and *Malay Mail*, 29 December 1916 and 27 July 1917.

<sup>68</sup> PFC, 13 November 1917, p. B50 and 17 November 1917, p. B75.

<sup>69</sup> Ibid.

<sup>70</sup> PFC, 5 December 1918, p. B102; *Malay Mail*, 6 December 1918.

<sup>71</sup> PFC, 5 December 1918, p. B102.

<sup>72</sup> Ibid., p. B103; *Malay Mail*, 6 December 1918.

<sup>73</sup> The action is the result of the resolution made on 17 November 1917. In the resolution, it was agreed that, if the collection of the special tax exceeds the amount

of contribution decided upon, the excess would be channelled towards the same objective.(PFC, 29 April 1919, p. B4).

<sup>74</sup> PFC, 25 November 1919, p. B60. Severe criticisms to end the contributions are also included in the *Malay Mail*, 7 December 1918.

<sup>75</sup> PFC, 30 November 1920, p. B75.

<sup>76</sup> PFC, 16 November 1915, p. B27; *Malay Mail*, 28 March 1916.

<sup>77</sup> PFC, 17 November 1917, p. B74. See also Young to Lewis Harcourt, 12 February 1915, CO 273/40.