CHAPTER-II

ETHNIC INDIANS IN MALAYSIA: HISTORICAL BACKGROUND

This chapter traces the journey of the ethnic Indians in Malaysia and their marginalisation from a historical perspective. It also examines the position of ethnic Indians in the socio-political scenario of Malaysia. This chapter looks at the responses and adaptive strategies of this minority group in the country where the population is officially classified as Bumiputera (indigenous) and non-Bumiputera.

Indian migration to Malaya was an important aspect especially during the British colonial rule in Asia which coincided with the growth of the international economy in the second half of the 19th century. There were four main migration streams, each of which was associated with specific economic roles. In the first, the pre-modern period, there was significant mercantile or religious travel involving Indians in the region. It predated the arrival of European commercial interests and Indian political institutions, specifically Hindu-Buddhist traditions of kingship which was introduced in Southeast Asia by the 7th century AD. Indian culture, particularly Hindu-Buddhist cultural systems, was the dominant external influence in the region. It is believed that the Indian migration during this period was relatively small in scale and limited in geographic scope. The second and largest stream, the indentured workers, comprised mainly of Tamils and Telugus who worked for the plantations, the construction and maintenance of transportation lines (roads and railways), and the ports. The third stream was the auxiliaries, consisted predominantly of North Indians who were recruited for the police force and security services and Malayalis and Jaffna Tamils who were employed in clerical and subordinate civil service occupations. The fourth stream, the traders, comprised of Indian merchants and the Chettiars (a money-lending caste from South India). North Indian migrants were far fewer compared to the other Indian migrant groups and constituted a distinct community. The occupational differentiation between the Indian migrants also had religious overtones and helped to create a distinctive Diasporic consciousness among them (Lal 2006: 156). According to Nicholas Tarling (1992) India’s contacts with Malaya go back to the pre-Christian era. However, despite the great antiquity of the Indian overseas
migration to Malaya and the debt of Malay culture to ancient India, the number of the Indians in Malay was not significant. The bulk of Indians came during the colonial era as plantation workers. Nearly all the 1.6 million Indians at present in Malaysia are either immigrants or descendents of recent immigrants.

The majority of the Indian community and its members are at the political periphery of the Malaysian society as a whole; therefore, one tends to describe them as a marginalised community. However, it must be emphasised that this description is not all inclusive. Class, occupation and individual status plays an important role in the process of marginalisation. This chapter also addresses the two major concerns: First, how and why did the Indian community become a politically marginal community? Two, what are the factors responsible for its continuing marginalisation? For the better understanding of the political marginality of the ethnic Indians, a historical approach is adopted wherein the various aspects of pre-modern period to the British colonial rule are surveyed in order to have a better insight into the developments that took place in independent Malaya and later in the Federation of Malaysia.

2.1.: The Pre-Modern Period and India’s Contacts with Malaya

According to S. Arasaratnam (1970) keeping in view the long history of the Indian migration to Malaya, migration in the modern times could be the most recent phase of a continuous association between India and Malaysia. From the early centuries of the Christian era, perhaps even before, the Bay of Bengal has been a means of interaction. It brought closer the economies and cultures of its eastern and western ends. In the course of time, this contact evolved into the exchange of goods, people and ideas, though the proportion of these ingredients has varied in different historical periods.

There are some basic differences between the contacts of the pre-modern eras and the new circumstances those have given rise to the movements of the contemporary times. In the past, the movement of people was insignificant and that of goods and ideas was predominant. The pre-modern contacts were initiated by the Indians themselves for their own benefit and in response to their own needs. In modern times, the movement of people was to serve the interests of a third party in response to the demands caused by external factors. However, India always derived considerable economic benefits from its contacts with Malaya. Export of gold and spices from
Malaya to India characterised the trade relations of pre-modern periods whereas in the recent times remittances used to be sent back home by migrant Indians. The only difference was that in the former period India supplied goods while in the latter period it primarily supplied labour. The commerce between India and Southeast Asia must be viewed in the context of the East-West trading systems which grew in volume from the early centuries to the present era. India and Malaya are two countries laying athwart the sea routes connecting the two extreme ends for this trade. This geographic position was bound to play a vital role in the trade. These both ends became homes of entrepôts for collection and distribution of goods, produced in their respective regions. Apparently, India was a viable medium through which western goods could reach to the eastern markets securing the share of the western merchants in the eastern economy. In a similar manner, the Malay Peninsula emerged as strategically appropriate land nearest to India across the Bay of Bengal to assemble and transship the Southeast Asian and Chinese goods. Apart from the entrepôts character of the trade between these two countries, there was the direct exchange of goods produced by them. The relatively advanced manufactures of India found a good market in Malaya. From Malaya, Indian traders secured the much-desired gold, spices, other exotic local produce, and later tin also. It was a two-way trade, participated in by Indian merchants sailing to Malaysian ports and Malaysian merchants sailing to Indian ports (Arasaratnam 1970: 1-2).

The earliest evidence of Indian presence and influence in Malaya is found in the southern Kedah and Province Wellesley regions in the form of fragmentary inscriptions in Indian script of the fourth and fifth centuries, and later of simple structures of Buddhist and Hindu character. The early inscriptions are clearly of Buddhist origin, taking the form of Buddhist prayers inscribed in stone, probably by Buddhist merchants who travelled in these parts. These inscriptions are in Sanskrit and the script is the Pallava Grantha script, indicating that the traders were in all probability from southern India. South India was influenced in these years by Buddhism and Jainism as the city of Kanchipuram was an important place of Buddhist learning. The commercial and artisan groups were generally Buddhists and Jains, who must had been involved prominently in the trade to Southeast Asia. It is evident from the abundant artifacts of Indian character that the ports of the Kedah coast on the mouths of Sungei Bujang, Sungei Merbok, and Kuala Muda were major
ports for Indian traders from the sixth century onwards. These river valleys appear to have become the places of settlement for Indian traders presumably waiting for the change of monsoon to use these places as centers for participation in the trade of neighbouring regions. Inevitably, the Indians left their cultural imprint in these places influencing the cultures of societies around them. Soon they broadened their presence along river valleys and on mountain tops—at Bukit Choras, Bukit Mertajam, Bukit Meriam, and the Kedah Peak. Saivite and Vaishnavite shrines with statues identical to the Pallava style of South India can be noticed here. The 7th century witnessed the revival and spread of Saivism and Vaishnavism all over the Southern India. Consequent Buddhism and Jainism declined in these places. This movement is reflected in the character of Indian influences evidenced in Malaya (Lee and Rajoo 1987: 389-415).

The Kingdom of Sri Vijaya emerged as a powerful maritime empire by the 9th century A.D. controlling all major ports and outlets on both sides of the Straits of Malacca and along the eastern and western coasts of Malaya. Kedah or Kadaram as it was called by the Tamils, continued to feature prominently in South Indian trade. Political relations were established with Sri Vijayan kings, and even with subordinate rulers in the Malay Peninsula. The great trading corporations of southern India seem to have had their stations in Southeast Asia until the 12th and 13th centuries. The Cholas of South India had such intimate interests in this trade that they took the trouble of undertaking an extended naval expedition against ports on the eastern and western coasts of Malaya in the 11th century (Sastri 1949: 209-20).

The influence of the Indian cultural spread in Malayan states and affected political and social institutions through the direct agency of the Indian traders, their settlements and from other Indianised centers in Southeast Asia. The institution of kingship was perceptibly changed under this influence; tribal polities were raised in status to kingdoms, and the paraphernalia of court ritual and ceremony were adopted. Hindu concepts of kingship and Hindu administrative institutions and ceremonies became so deeply embedded in Malayan culture of courts that even after the Islamisation of these states these practices remained there till date (Winstedt 1947: 18-33, 63-90, 139-152).

With the decline of Hindu shipping and mercantile activities and the political and economic expansion of Islamic powers in India, the number of Hindu traders' to
Malaya declined. This place was taken by more powerful and better equipped Muslim merchants of Bengal, Golconda, Coromandel, and Gujarat. Their growing predominance in the trade corresponds with the gradual Islamisation of Southeast Asia, a process in which they contributed significantly. Indian Muslim merchants participated in the early politics of the Malacca Sultanate and helped in its development and prosperity. There is clear evidence that the Tamil Muslim families from the Coromandel Coast occupied high positions in the court, inter-married with the royal family and influenced political events. Indian trade with Malacca expanded enormously from the 15th century and was a chief factor in the prosperity of this port. (Winstedt 1947: 34-37).

The close commercial and political connection with Malacca resulted in the founding of an Indian settlement there. A suburb of the city called Kampong Kling was occupied by Indians who were employed as officials, teachers, petty traders, goldsmiths and craftsmen. The Indian Muslims had their own mosque and they settled around it. Thus the area is being known as Kampong Palli (palli being the Tamil term for a mosque). This Indian presence became a permanent part of the Malacca's population under the Portuguese, the Dutch and the English. The Hindus of this place came to be known as Malacca Chetties, not because all of them were from the Chetty caste, but because they were primarily engaged in commercial occupations. The Hindus retained their religious identity and culture. In the 18th century, the Dutch granted them a piece of land to build a temple. The Tamil Muslims were strengthened by continuous immigration from the Coromandel Coast through inter-marriages with women from there. Tamil continued to be a strong literary language among them and the formal education was imparted in this language to their coming generations. A classic example of the blending of the Malay and the Tamil Islamic traditions can be noted in the work of eminent Malay writer Munshi Abdullah who belonged to the early 19th century. He was from a family of mixed Arab, Tamil, and Malay descent that had been settled in Malacca for three generations. He was educated in Arabic, Tamil, and Malay, and made significant contributions to Malay literature.¹

Sometime later than these Malacca settlements, other Indians settled further to the north in Kedah, opposite the island of Penang. They were exclusively Muslims from the Coromandel Coast and were known as Chulias. These settlements appear to date from the beginning of the 18th century when Malacca was closed to Muslim trade. With the founding of Penang by Francis Light, they moved to that island port in fair numbers. Early 19th century accounts of Penang and Province Wellesley record a substantial number of Chulias settled in the island as well as on the mainland, occupied as boatmen, pedlars, and farmers. There were regular sailings from Penang to ports on the Coromandel Coast such as Nagapatnam and Nagore, from where the Chulia Muslims came. They were temporary migrants, coming over to earn a living and returning after a few years with their savings. Some of them also tended to settle permanently and marry in Malay families. By the end of the 19th century, they were well on the way to absorption into the Malay community constituting a separate group called Jawi Pekan. The tail end of this Chulia movement coincides with the early beginnings of the labour migration. Towards the end of the century this labour migration was to alter its characteristics, intensifying enormously (Newbold 1839: 8).

Therefore, there is a historical continuity in relations between these two countries from the early centuries of the Christian era to the present day. The movement of people and ideas before modern times may have, in a sense, made the more intensive modern movement of people less painful. It may be argued that short-term migration and settlements in Malaya was already part of the Indian history and tradition. It contributes as an additional factor in explaining the already happening and continuing migration in modern times. It certainly explains the ease with which the Indians settled down since the country was not very different from their own. They experienced the culture and society which was not utterly different than that of the earlier. There were reflections of the Indian society in it that did not make them fell alien in a foreign land. Though for many years there was little or no contact with the indigenous society, but once the contact was established it was realised that a fruitful coexistence between the two was possible. The Indians in Malaya, unlike the Indians in the West Indian Islands or the colonies of East and South Africa, did not feel completely alien or drastically separate from the indigenous people in this new environment (Arasaratnam 1970: 8-9).
2.2.: Indian Settlement in Colonial British Malaya

It is practically impossible to understand the present political weakness of the Indian community without referring to the colonial rule. Viewed in the light of this analysis, one can understand why poverty and exploitation became permanent features of plantation life. In the early years of the 19th century the western European states saw new developments in agriculture. Cash crops were grown on large-scale in a suitable physical environment with the use of advanced techniques and considerable investment of capital. It was a process which created fresh opportunities, problems, and demands in the countries that were thus opened up. The demand for manpower to cope up with the extensive activities involved in these ventures was among the main factors. This manpower was not coming from the areas where the operations were being conducted. These regions were either very less populated or inhabited by people who were engaged in other parallel forms of economic activity. It was difficult to distract them from their traditional occupations to take advantages of the new opportunities. The only alternative was to look elsewhere and to induce migration in large number from areas which were well populated but where the level of economic activity was so low that people at the bottom of the economic structure would want to migrate for new opportunities. Consequently the process of migration started anew in the recent times. Thus the primary factor in the labour migration of the 19th and 20th century was the economic opportunities available in the receiving country (Gullick 1987; Shamsul 1986).

In the above mentioned situation, India emerged as the only country from which such manpower could be profitably sought. This vast subcontinent was politically united under one government with a large population. In the early years of the 19th century, her traditional economy was breaking down and the capacity of the land to support the people dependent on it was dwindling. Therefore, it was not surprising that despite the innate conservatism and immobility of the rural population, there were people in India to respond to the new opportunities in the 1820s. In the first three or four decades, such migration was periodic or seasonal as well as haphazardly organised. The first movement, which was to the neighbouring island of Ceylon from about 1810 onwards, was organised by private agencies. This was soon followed by an exodus to other needy parts: Tenasserim after its conquest in 1826, Mauritius from 1836, and
the West Indian Islands from 1838. About the same time there was also a limited and irregular movement to the Straits Settlements for work in the sugar and coffee plantations as well as for domestic service (Geoghegan 1873: 1-10).

The machinery under which this movement of labour was initiated and continued throughout the century was the indenture system. Although there was no uniform system of control applied to all prospective recruiters of labour, regulations were imposed by the Government of India as requests were made from various colonies for permission to recruit labour. Under the indenture system, a prospective employer of labour placed an order through a recruiting agent based in India for the supply of a stipulated number of labourers. These men were said to be under 'indenture' to the employer by signing a contract for a period of five years. This meant that they did not have any right to change their employer or their employment. At the end of this period they could be re-indentured further for a period of five years or released from the indenture. Wages were fixed at the time of recruitment and were not subject to any change. Generally, the number of men was larger than women because of the importance of individual labour units rather than families were required. The charges for recruiting and the expenses in the transport of the labourer were borne by the employer and the wages were calculated with due allowance for this initial expenditure (Kondapi 1951: 8-29).

According to the Act of 1839 of the Government of India, all contracts with Indians for labour outside the territories of the East India Company were banned. But in fact the East India Company administered by the Indian Government at Calcutta, kept Straits Settlements out of the provisions of this Act. It was under the indenture system that the Indian labourer settlers arrived in the Malay Peninsula. For about thirty years the movement of labour to the Straits Settlements continued freely.

The only control over this migration was the regulation of native vessels in which the labourers were taken across the Bay of Bengal. In 1859, rules relating to the standardisation of requirements in ocean going vessels were extended to cover native craft plying the Bay of Bengal. This in turn put up the cost of passages and, therefore, of recruitment of labour. In 1864, with the reports of abuses in recruitment and transport, the emigration of Indian labour to the Straits Settlements was implicitly prohibited by an Act of Parliament, but as was the case with many Acts of this period
relating to labour migration, this was not effectively applied. However, some restrictions were put into effect in 1867 when the Settlements were freed from the control of the Indian Government. Recruitment continued to be illegal in terms of Indian law until 1872, when an amending Act was passed legalising the movement of labour to the Straits Settlements. The term of an indentured contract was fixed as three years in 1876. By now, the sugar planters of the Settlements wanted a steady and assured labour supply and were prepared to 'purchase' all the indentured men brought over by the contractors. There were two channels of supply for indentured labour. First, there were two or three commercial firms, based in Nagapatnam and Madras, accepting orders from employers and second was the speculator, who recruited on their own and shipped the men to Penang for their own profit. (Geoghegan 1873: 63-64).

In 1877 some semblance of control was attempted over this growing phenomenon. After discussions between the Government of India and that of the Straits Settlements, it was decided to appoint an officer from each of the governments to manage affairs. The Madras Government appointed a Protector of Emigrants and the Straits Settlements Government appointed an emigration agent in Nagapatnam. Regulations were framed to establish and administer the emigration depots, supervise the methods of recruitment by a system of licensing recruiters, and stipulate the areas where recruitment was to take place. An additional precaution was that each recruit was to declare his willingness to emigrate before a magistrate. It was clear from the outset that such a system, under whatever controls it operated, would be riddled with abuses. In many of the tropical colonies which were the recipients of such labour some humane persons spoke out loudly about its abuses. The British sub-collector of Tanjore, observing the operation of the recruiting system from Nagapatnam (the chief port of departure) called it 'a regularly organised system of kidnapping'. The recruiters took no account of the physical conditions of the recruits. What was important was to supply the number of labourers contracted for. Sometimes, and this happened in the case of speculators, questionable means were used to entice the labourers, who were in effect kidnapped to a distant country. Abuses relating to young women were tragic. A certain number were regularly recruited for prostitution in the new labour settlements. Then there was the journey by ship in inhuman conditions, resulting in high mortality rate. A good number of the men who reached Malaya were
unfit for any kind of work, let alone the arduous duties connected with plantation agriculture. Because of the nature of the contract, these labourers were made to work extremely hard by their employers who desired to get everything out of them during their period of indenture. Though the indenture was for three years, the employers had several means of getting them to work longer. By the addition of innumerable items of expenditure charged to the labourer, his indebtedness was perpetual and he could not free himself from the indenture until he had settled his debts. Wages were agreed in advance when he was totally unaware of conditions in Malaya, were ridiculously low, much lower than the wages of other Indians who had migrated as free labourers (Report of the Commissioners appointed to Enquire into the State of Labour in the Straits Settlements and Protected Native State 1890).

Large proportion of Indian labour coming to Malaya in this way was absorbed into the sugar plantations. Sugar cultivation (expanded till the end of the century, when the rise of rubber put an end to its prospects, the secondary importance was coffee, cultivated by Europeans on a plantation basis from the 1830s and intensified in the 1880s and 1890s. This expansion began in the state of Negri Sembilan and then spread to Selangor. In the first decade of the 20th century coffee also had to give way to the phenomenal progress of rubber. In the second decade of the century there were also the labour requirements for governmental undertakings like public works, municipal services, road and rail construction, etc. For these purposes, the Britishers recruited directly from India on its own (Winstedt 1949).

In India the indenture system came under attack with the rise of Indian nationalism. The indenture of Indian labourers for service abroad was held to be an affront to India, a disgrace to its citizens. There were also more compelling economic arguments against indenture as a form of labour supply. The indenture system was mainly used by the sugar plantation owners and not by coffee and rubber planters. As the demands of the rubber industry grew, the rubber planters began to oppose the indenture system on the grounds that it was clogging up the flow of immigrant labour instead of assisting it. In any case, the sugar industry was declining. The final blow to the indenture system, as far as Malaya was concerned, was given by the British Government in 1910 when in response to liberal pressures at home, it instructed the
Straits Settlement and Federated Malay States Governments to abolish the indentured recruitment of Indian labour (Parmer 1960: 50).

Tamil Nadu supplied Malaya's labour needs, as Madras was the state where Malayan recruiters were permitted to recruit. The two ports of departure to Malaya were Nagapatanam and Madras (Singh 1982). Therefore almost 90 per cent of labour to Malaya has been Tamil speaking. For some time, the Telugu districts to the north of Madras and more occasionally the Malayalam districts of Malabar provided the rest of the emigrants. In the Tamil areas, the following districts provided a significant number of emigrants to Malaya namely North Arcot, South Arcot, Salem, Chingleput, Tanjore, Trichy, and Ramnad. The Census of 1931 for the Madras State reports that over one third of the emigrants belonged to the untouchable castes of paraiyan, chakkiliyan, pallen, and a conglomerate depressed caste called adhidravida. The others consisted of vellalan, koundan, ambalakaran, kallan, and vanniyan. Presumably, almost all the emigrants of the untouchable castes would have been landless labourers or servants. It is not surprising that they should have migrated in such a large number. But interestingly, people from the higher castes involved in agricultural work, many of whom would have been land owning cultivators, chose to migrate (Census of India, 1931, Vol. XIV, 'Madras', Part I, 1932: 87-88). People from other states like Punjab, Rajputana, Maharashtra, and Bengal were also recruited. These included skilled workmen for the railways and able bodied men for the police and security services.

From the last quarter of the 19th century, parallel system of labour recruitment was evolved for Malaya; though as yet it was secondary in importance. This was the method of recruiting through a kangany, a person who was himself an immigrant working on the plantation as a foreman or even as a labourer of some influence and standing. The employer would send him to India with money to go to his village and recruit labourers from his own people. He was empowered to pay the passage and all other expenses related to the migrants' departure. The advantage of this method over other methods of professional recruiting was that the kangany could be expected to exercise greater care in the choice of labourers. Furthermore, as the recruiting was done by a person known to the community, there would be a greater willingness to

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2 A Tamil word literally meaning overseer or supervisor. In Malaya and Ceylon it became a specific labour term for the foreman of a group of labourers working together on a plantation or construction.
volunteer as emigrant. Thus indiscriminate recruiting, the danger of coercion, and other abuses inherent in the indenture system were done away with. Besides, there was now scope for the migration of families rather than individuals, a factor of great significance in the settlement process of the Indian community in Malaya. When the kangany returned to Malaya with his group of labourers and delivered them to his employer, they were employed in that plantation usually under the kangany who had recruited them. Thus there was a continuing connection between the kangany who was originally responsible for their decision to migrate and the labourers in their new and strange environment. This considerably reduced the hardships resulting from migration as far as the labourer was concerned. He continued to depend on the kangany and looked up to him as a source of security as well as a general adviser on all questions connected with his new employment and all problems relating to his settling down in a new country. This relationship was of further importance for the growth of leadership patterns within this community. The kangany received a commission for each of the labourers he brought and kept employed. The passage and other expenses in bringing the labourer were treated as a loan which he had to settle within two years. Unlike the case of the indentured labourer, this was not a legally enforced loan and theoretically the labourer was free to do what he liked after setting his feet on the Malayan soil. But in practice, he had to work out to pay his loan to the employer who had brought him over because no other employer would employ him. If a labourer was taken by another employer, a practice called 'crimping' was frowned upon by the employer fraternity who soon ready to take strong measures to prevent it. The kangany also had subtle means of keeping the labourer on a lead by emotional attachment and economic dependence on him (Hall 1968).

Coffee and rubber planters got most of their labour through kangany's because of which superior labour force was provided. It was this system of recruiting became the foundation of labour supply after the indenture system was abolished in 1910 and it assisted labour migration from India to Malaya until the end of 1938. It was of immense social significance in determining the nature of social life and settlement in the plantations for many years (Kaul 1982; Kondapi 1951: 29-52; Parmer 1960: 21-23).
Some significant changes were introduced in the machinery of labour migration by joint consultations between the Malayan and Straits Settlements Governments and the United Planting Association of Malaya, representing the planting interests. The planters of Malaya pressurised the Government that there is a need to coordinate and regularise the provision of a balanced labour supply to suit the demands of the rapidly growing rubber industry. The planters' view was that the Government should take the initiative ensure the uninterrupted supply of labour. On representations by the planters in 1906, the Government decided to take some steps in this direction and established an Indian Immigration Committee in 1907. It was a semi-official Committee consisting at the outset of three official and five unofficial members, four of whom were planters, and one a European businessman from Singapore. This Committee now assumed the task of importing labour centrally for the needs of various official and private undertakings in Malaya. Instantly, an Indian Immigration Fund was set up by the Committee to defray all the expenses related to the import of labourers. The fund was to be made up of a rate paid by all employers of Indian labour in proportion to the amount of such labour utilised by them. The Fund met a multitude of items of expenditure connected with labour migration: payment of recruiting allowances, cost of transport from India to Malaya, cost of repatriation to India, salaries of recruiting inspectors and inspectors on board steamers, maintenance of depots and camps in India and Malaya, and the maintenance of a home for old and decrepit labourers (Arasaratnam 1970: 18).

The Committee legalised and regularised kangany system as the most satisfactory for the growing demand for labour in Malaya. Now the kangany, having procured a license from his employer with permission recruit a certain number of labourers, had to get this license endorsed by the Labour Department officials at Penang where his commission, wages stipulated for the labourers, and his own credentials were checked. The kangany, according to the Committee's definition, had to be a South Indian of labouring class and should have been employed in the plantation for at least three months for which he was recruiting. His license also had to be endorsed at the Indian end by the Malayan Emigration Agent at Madras or Nagapatnam. He received his cash advances from the financial agents of his employers at either of these places. When there was a brisk inward and outward traffic of labourers, the Committee kept a close control of all aspects of the immigration machinery and made use of the
Kangany recruitment system, however, was criticised by the Indian nationalists for inducing people to migrate under false pretences, by presenting Malaya as a land where money could be easily made and life was leisurely and pleasant. They were not made aware of the hard realities of labour under difficult conditions in the plantations and meager wages from which savings were difficult. The lavish going away party held on management money, with liquor flowing, added to the illusion. Srinivasa Sastri, the Indian liberal leader sent to investigate the condition of Indian labour in Malaya, reported that the tie between labourer and kangany which continued for a long time was the major cause of exploitation of Indian migrant labourer. He recommended the abolition of recruitment through kangany. Yet once again it was not through these efforts but as a result of economic factors that there was a gradual decline in kangany recruitment. During the Great Depression of 1929-32, the demand for labour was so drastically reduced that there was no need for immigrant labour. So kangany recruitment was suspended. When economic conditions improved, the issue of kangany licenses was limited and such recruitment was but a fraction of its former volume. The system was finally abolished by the Government of India in 1938 with the ban on all assisted emigration.

There was some voluntary emigration of un-recruited Indian labour. The Malayan authorities kept their doors open to such migrants. In the period before the Depression, their numbers were small. It was after the Depression that many such people turned up at the ports of embarkation wanting to migrate to Malaya. By then kangany recruitment had dwindled and anyone who wished to migrate had to do it on his own. The fact that from 20000 to 30000 people per year emigrated in this way during these years shows the extent to which migration had caught on among the destitute section of the labouring classes in particular areas (as reported in the Report on the Conditions of Indian Labour in Malaya, 6 February, 1937).

2.3.: Colonial Policy towards Indian Emigrants in British Malaya

Three principles governed colonial policy especially towards labourers: the acquisition of plentiful, diversified and cheap supply of labour for colonial and
capitalist enterprises; the (limited) assurance of the labourer's freedom of movement; and the provision of a limited amount of protection for workers. Crucially, a diversified recruitment policy meant that migrant labour could be manipulated easily and ensured that workers were not easily assimilated or readily accepted by the local inhabitants. The colonial government and employers collaborated to maintain low wage costs and sustain occupational differentiation based on ethnicity resulting in vertical splits of ethnicity, kinship and religion, and facilitating the substitution of one worker group by another.

Indians were the preferred workforce for a number of reasons. Although the Chinese were hardworking and available in large numbers, their wage rates were higher than those of the Indians. The British also feared that a greater influx of Chinese migrants, who dominated the tin mining sector, might make them a potential social and political threat in Malaya. Moreover, Chinese workers could only be hired through contractors who organised the labour gangs. The Chinese also had a long tradition of group solidarity and social organisation and were constantly bargaining for higher wages. As for the Javanese, recruiting them entailed fairly complex negotiations with the Dutch colonial government in Indonesia, and the Japanese were also needed for the Sumatran rubber plantations. According to Kernial Singh Sandhu (1969), "The South Indian labourers were preferred because they were malleable, worked well under supervision, and were easily manageable. South Indians were not as ambitious as most of their northern Indian compatriots and certainly nothing like the Chinese... they were the most amenable to the comparatively lowly paid and rather regimented life of estates and government departments. South Indian had fewer qualms or religious susceptibilities, such as aversion to crossing the dreaded kalapani and food taboos...and cost less in feeding and maintenance". The recruitment of Indian plantation labour was both regulated and sponsored by the Malayan administration.

By the 19th century, many policy makers in the British Indian administration believed in the efficacy of a free and untrammeled economy, and through a process of legislation, and the path was cleared for the free movement of capital, goods, and services within and into India. It was believed that there were no valid economic reasons against the outflow of labour to places where it was needed. All that was necessary was to build in certain safeguards to make this movement of labour
conform to some civilised standards of health, amenities, and service conditions. It was the view of the Indian Law Commission, to which the question of emigration of Indian labour was referred in 1836 (Geoghegan 1873: 9).

Laws were passed on an ad-hoc basis, dealing with specific countries as problems arose. Once the Government was satisfied that these minimum safeguards were being adopted in the receiving country, it permitted that country's officials to recruit freely. It considered its attitude to the migration movement to be one of benevolent neutrality. The Government put this policy into operation with regard to Malaya. When the movement of labour into Malaya began to intensify, it exercised some restrictions through its own regulations. But once a good liaison was established with the Malayan Governments on the treatment of migrant labour, and once the Indian Government was satisfied with this treatment, it removed these restrictions gradually; by 1897 all controls were lifted. The idea that this was a perfectly legitimate and even desirable economic transaction involving a natural response to the labour market was basic to the official Indian attitude. As the movement was within the British Empire it did not raise any problems as such (Pillay 1971: 17-37)

The early 20th century noted a growth in nationalist interest and opinion related to the Indian immigrants. This is clearly visible in the Congress resolutions on Overseas Indians. Rajkumar, N.V. (1951), briefly discussed all these resolution in his book called "Indians outside India". One of the issues with which Indian nationalists became concerned at an early stage was the recruitment and transport of Indian nationals to distant British colonies as labourers, or 'coolies', the derogatory term at that time. This was beginning to conflict with nationalist pride and offend nationalist sentiment. The Indian National Congress and the Legislative Councils (after the introduction of the popular element in 1909) provided opportunities for the expression of strong nationalist views on this subject. From 1900, many resolutions were passed at the annual sessions of Congress condemning various aspects of labour migration.

The treatment of Indians in South Africa attracted the widest attention and directed public opinion in India and Congress, towards the general problem of Indians overseas. From 1893, a series of discriminatory immigration, franchise, and registration laws passed in the South African colonial legislatures served to spotlight Indian attention on the treatment of their fellow countrymen in the colonies to which
they had emigrated. Gandhi's movement of passive resistance to discriminatory laws in turn aroused Congress and inflamed Indian opinion. Nationalist politicians and Liberal members of the Legislative Councils kept themselves informed of all aspects of labour recruitment and treatment in the colonies. Henceforth the Government had to take account of these sentiments in constructing its emigration policy. The movement of social and economic thought also caused a change in the Government's neutral attitude to the emigration of labour. The universal validity of laissez faire and pure economic liberalism were being questioned from the end of the 19th century. The protection of unequal groups in the interplay of economic forces was more readily undertaken. This was seen in the legislative programme of the Indian Government in the 20th century.

The movement of labour, especially from a country such as India, was not just an economic movement, but included a host of social and psychological problems affecting the immigrants. The British Government, responsive to new ideas, was troubled by the whole problem on conscientious grounds. Official policy now began to respond to nationalist opinion, giving rise to many combined efforts by British officials and responsible Indian liberal leaders to solve various aspects of the problem of Indian emigration. In 1916, Pundit Madan Mohan Malaviya, a prominent nationalist member of the Central Legislative Council, moved a motion urging the abolition of the indenture system. The Government accepted this motion, and the indenture system was abolished as a means of contracting emigrant labour from India (India of Today 1924: 26).

In 1922 a very important piece of legislation, the Indian Emigration Act, was passed to deal with other forms of assisted migration. At the same time a Standing Emigration Committee, consisting of Indian members from both houses of the legislature, was formed to advise the Government on matters relating to emigration. The Act brought into existence to control emigration and protect Indian emigrants abroad. It made a Malayan Emigration Commissioner responsible for the every recruitments carried out for Malaya. Every recruiting agent had to get permission to recruit from the local government of the port from which the emigrant would embark. He had also to secure the sanction of the village headman for every recruit. The Act attempted to regulate the proportion of male and female emigrants by laying down
that the number of male emigrants unmarried or unaccompanied by their wives must not exceed one in every five persons over 18 years, in anyone year. Finally, and perhaps the most significant of all, an Agent of the Government of India was to be appointed in Malaya to look after the welfare of Indians there. Quite strong though many of these provisions were, not all of them were equally effective. This was particularly so with regard to the provision controlling the sex ratio among emigrants. The other controls, too, were difficult to operate without a large administrative staff (Annual report on the working of the Indian Emigration Act, 1922).

Indian members of the Standing Emigration Committee kept a close watch on emigration policy. Appeals by clients for Indian labour had to be made to them, and Malayan planters and Governments went to them on deputations more than once. Nationalist opinion continued to criticise the movement of labour and highlighted its various abuses. After the Government of India Act of 1935, the Indian Government was even more responsive to public opinion. In 1936, a distinguished Liberal leader in the Central Legislative Council, Mr. V. S. Srinivasa Sastri, was chosen to inquire into the condition of Indian labour in Malaya. It was finally the weight of Indian opinion that made the Government impose a total ban in 1938 on all forms of assisted emigration of labour to Malaya. Malayan Governments and planters tried many times to get this ban rescinded, but they were not successful (Lal 2006: 156-167).

The presence of an Agent of the Government of India in Malaya to look after the welfare of Indian immigrants was one profitable outcome of the 1922 Act. This Indian officer was stationed in Kuala Lumpur, with the right to visit and inspect plantations and other places where Indian labour was employed including the immigration depots and camps. He sent annual reports containing details of conditions under which these people lived and worked. These reports were as much directed at officialdom in India, as at Indian public opinion. They served to transform the nature of the Indian emigrant problem. It changed from one of exclusive concern with the emigration and recruitment, living and working conditions, and the welfare and prospects of the large numbers of Indians who had come to live in Malaya. The Indian Government now began to look closely into the wages, cost of living, and housing and health facilities experienced by their nationals in Malaya. On the representations of the Indian Government, a standard wage was enforced in 1924. During the Depression these
rates had to be drastically cut. But when the worst of the Depression was over, and the demand for Malayan labour was resumed, the Indian Government put forward a series of conditions on behalf of labour. They not only requested the resumption of pre-Depression wages, but asked for the institution of a basic monthly wage for each labourer. This was rejected by the planting interests, though they reluctantly conceded the standard pre-Depression rates in 1937. An attempt in the following year to cut wages again was the immediate cause of the imposition of the total ban on labour emigration to Malaya in 1938. In all these crises, the Indian Agent was key figure providing vital information for New Delhi on economic and political conditions in Malaya in so far as they affected Indian labour (Annual Report of the Agent of the Government of India in British Malaya: 1923-1940).

2.4.: The Working and Living Conditions of the Indian Labourers in Malaya

In the late 19th century, the daily working hours of indentured labourers varied. The norm was eight hours, but some estates stipulated nine hours while others demanded ten hours. Conditions improved slightly in the 20th century when the working day was limited to six consecutive hours and could not exceed more than nine hours a day. The labourer had to work six days a week and if he worked for the full six days, he was eligible for a paid day off on the seventh. Overtime was paid at double the hourly rate. These conditions governing hours of work were retained in all subsequent statutes, including the Labour Code of 1923 (Annual Report on the Working of the Labour Department 1913-1940).

According to the Straits Settlements Ordinance of 1884, the following rates for Indian labourers on three-year contracts: 12 cents a day for the first year and 14 cents a day for subsequent years for adult males; and 8 cents a day for the first year and 10 cents a day for subsequent years for females and males under 21 years of age. The higher rate, however, was not to be paid until the worker had paid off his/her debt to the employer (travel and other costs incurred on the journey to Malaya). Employers were also required to supply workers with food and groceries at wholesale prices since the sugar and coffee plantations were located in remote areas. When indentured labour recruitment was abolished in 1910 (the final contracts ended in 1913), wages were freed of Indian government control. Nevertheless, the Malayan authorities aimed to
ensure a cheap and abundant labour supply and they were frequently under pressure from the powerful planting sector to keep wages low. The practice of calculating wages on the basis of individual subsistence thus continued. The provision of compound accommodation was also used to justify the retention of low wage rates.

The impending passage of the Indian Emigration Act of 1922 was also propitious for future wage deliberations. In their negotiations on the terms for Indian emigration Malaya, the Indian government recommended-and the Malayan authorities agreed to-the principle of a standard wage (as opposed to a minimum wage) and that this would be fixed by law. From 1922, a committee determined standard wage rates for Indian labour. With the principle of a standard wage established, factors such as the locality and health conditions of estates became part of the equation for determining wages. Malaya was divided into two regions: key areas and non-key areas. Key areas, mainly the Straits Settlements and Federated Malay States, included 'well-located' districts on the western half of the peninsula. These were relatively 'healthy' areas where the cost of living was comparatively low. Non-key areas included, for the most part, inaccessible areas in the interior, such as in the state of Pahang, and other districts on the eastern part of Malaya, where the cost of living was higher. Wages were calculated on a daily basis and on the basis of a standard budget that took into account the cost of foodstuff, clothing, festival preparations and household equipment (The Indian Emigration Act of 1922).

The average daily wage of an adult Indian male (42 cents) was equivalent to 10.5 'annas' per day in South India. Moreover, agricultural work in South India was not available on a continuous basis, compared to 25 days per month in Malaya. Nevertheless, the cost of living was about 40 per cent higher in Malaya, thus the average monthly income of a plantation worker ranged between Rs. 12 and Rs. 15. There were also differences based on gender, age and job classification. Plantation workers were generally categorised into three groups based on their job/skills classification: factory workers, rubber tappers and field workers. The three categories, tapping were regarded as skilled work while field work was considered unskilled. Thus, rubber tappers received higher wages compared to field workers. With regard to gender, female Indian workers earned less than male workers, it differ 70 percent to 80 percent of the wages for males. There were also differences based on age with
Indian child labourers earning 30 percent to 40 percent of an adult male worker's wage. Wage rates were just sufficient to induce migration, despite claims by the Malayan authorities that conditions were better than in India. The absence of official figures for cost of living and wage indexes makes any precise appraisal of wages difficult. (as recorded in the Report on The Indian Emigration to Ceylon and Malaya 1917, Madras and Agent of the Government of India, Annual Report -1925-1940).

Many plantations were in isolated frontier areas, far from towns and mining settlements. Often, there were no other settlements or signs of habitation nearby. The plantation was thus the 'boundary of existence' for workers. The estate consisted of a number of buildings with the following units: compound accommodation for the workers, the residences of the manager and other subordinate administrative and technical staff, a factory, office, shop, dispensary and a toddy (liquor) shop. Later additions included a crèche and a school. In larger estates, there was a hospital and recreational facilities. In the early years, however, workers were not provided with modern sanitation or even bucket latrines, nor was there any piped water. Drinking water had to be carried back from nearby rivers. The death rates of indentured workers were high. A submission to a 1924 commission on the health of Indian plantation workers in Malaya stated that over 90 per cent of deaths among adult Indian workers were due to five diseases: malaria, dysentery, pneumonia, phthisis (pulmonary tuberculosis) and anemia, which the Estates Health Commission Report argued was mostly due to malaria was the most devastating. The working and living conditions of Indian labourers impacted on their death rates and disease profiles. The Indian government insisted on the provision of health services to reduce mortality rates on plantations. Although some of these measures were not fully implemented, medical intervention in the form of quinine prophylaxis for malaria on the estates contributed to a reduction in mortality and morbidity rates among Indian workers in Malaya. Notwithstanding this, the stoppage of new planting and the opening of new estates were also beneficial factors (Report on the Conditions of Indian Labour in Malaya, 6 February, 1937).
Chapter II: Ethnic Indians in Malaya: Historical Background

2.5.: Indian Settlements in Malaya Till 1947

The British constructed the concept of Indian identity as a corollary to the articulation of a Malay identity with Malay aspirations. This was consistent with their 'divide and rule' policy; their treatment of immigrant workers as transients; and was manifested in the population census reports that identified, differentiated and classified the diverse groups on the basis of ethnicity and place of origin. Identity was also reinforced through the education system. While English was the medium of instruction in schools in urban areas (attended primarily by children from urban, middle-class backgrounds), education for working-class children was provided in the vernacular and at the primary school level. Thus, plantation workers' children were schooled in Tamil only, which effectively ensured that they remained trapped in the plantation system without any avenue for upward educational and occupational mobility. Indian society in Malaya was divided along various lines. Linguistic and regional affiliations existed, but there were also religious divisions (e.g. Hindu, Muslim and Sikh) and the divisions caused by caste differences. Nevertheless, while the Indian population represented some of the pluralism of the subcontinent, the character of the migration process, with its emphasis on recruitment from South India, gave this population a degree of homogeneity and cohesion. Approximately 80 percent of Indians were Tamil and about 10 percent were Malayalam, Kannada or Telugu speakers. Moreover, about 70 percent were Hindu, though the Hindu faith did not provide cohesion in the belief structure and cultural-religious practices. Furthermore, the majority of Indians were from the labouring class, employed either on the plantations or in the construction and maintenance of public works and government undertakings (e.g. the railways) in urban areas. This provided them with a sort of unity based on economic activity or employment. Linguistic, religious and economic identity thus played an important role in shaping political activity and the construction of communal identity among Indians in Malaya (Mariappan and Wiebe 1978).

foundations of Indian settlements were laid in the three British settlements of Penang, Malacca, and Singapore by the wide variety of people who had established permanent domicile there by the middle of the 19th century. The legacy of the pre-British periods has already been noted. After the British settlements were established, there was a trickle of Indians into all three places. To Penang and Province Wellesley came people to work in the harbour, and in sugar, pepper, and Gambier plantations. Then there were sepoys, lascarines, and domestic servants brought by the British and stationed in all three settlements. This population received some unwanted additions with the decision to use these settlements as a dumping-ground for convicts from India. From the early years of the 19th century, Penang, Malacca, and Singapore received these convicts, who their Governments put to work on various projects involving hard labour. This was stopped in 1860 only on the strongest protests of the growing and influential Straits Settlements business community. Through these diverse methods of migration, by 1870 the Indian population of Malaya had increased to over 30,000, the majority of them living in Penang and Province Wellesley. This figure does not include those who had migrated to the north-western Malay states over the past century, and had been assimilated into the Malay community through inter-marriages. These settlements had taken place in Kedah, Perak, and Johore and their numbers could not be ascertained. With the extension of British control over west Malayan states from the 1870s, and the expansion of commercial agriculture: from that time, the Indian population both of the Straits Settlements and of the protected Malay States grew rapidly. By 1891 it stood at over 75,000, and by 1901 it had grown to around 120,000. This was the direct outcome of assisted labour migration both for agricultural and government employment. The geographical distribution of this population follows the dictates of employment factors. Singapore and Penang record steady increases, for the expanded port operations as well as the municipal and public services. It is in the states of Perak and Selangor an incredible increase is recorded. Negri Sembilan, at the turn of the century, showed the portents for the future increase of its Indian intake. These three states were the heart of the developing plantation agriculture. The Census of 1901 pointed to the direction which the dispersal of the Indian population of Malaya was to take in the course of the century. The growth and distribution of the Indian population after 1901, is closely tied to the growth of rubber and, later, oil palm plantations. The acreage under rubber increased from about 50,000 in 1900 to 543,000 in 1911, and in 1938 it stood at
3,272,000 acres, making Malaya by far the world's largest producer of natural rubber. Correspondingly, in 1911 the Indian population had increased to about 270,000, in 1921 to 470,000, and in 1931 to 625,000.

The First World War (1914-18) affected the growth of the Indian population. Immigration was prohibited in 1914, due to shortage of work. Though it was resumed in 1915, numbers were kept down by restrictions imposed by the Indian Government. Besides, hardships undergone during the war affected the Indian community. Malnutrition and epidemics caused a high death rate among them. In spite of this, on account of a heavy immigration, the proportionate increase in the Indian population in the inter-censal period 1911-21 was much higher than that of Malaya's other two communities, the Chinese and Malay. This increase ensured a permanent and stable core of Indian settlers in Malaya. It was in these years that the foundation for the naturalisation and permanency of Indian settlement was laid. After the resumption of normal trade, the expansion of Malayan rubber began where it had left off, and continued till 1928. These years also saw some of the highest annual inflows of Indian labour into Malaya. All this came to an end when the rubber industry showed signs of the ill-effects of overproduction. The international scheme restricting the production of rubber affected Malaya's expansion. Soon after this, the Great Depression, this was the heaviest blow to Indian immigration. Immigration virtually ceased in 1930-33. There were very heavy repatriations in these years, amounting to over 70,000 to 80,000 per year. The Census of 1931, which does not yet record the full ill-effects of the Depression, shows an increase of about 32 per cent in the strength of the Indian population over 1921. Though a heavy increase it was, still it was less than half the increase of the previous decade and it clearly reflected the disturbances caused by the War like recession and restriction schemes. The high net outflow during the Depression considerably reduced the Indian population resident in Malaya. When trade picked up again in 1934 and the Malayan rubber industry was on its feet once again, immigration resumed to make good the reduction in the Indian work force. This went on until the Indian ban on emigration in 1938 (Vasil 1980: 11-30).

The calamity of the First World War was followed by the Second World War and the Japanese occupation of Malaya. Their effects on the Indian population were equally profound and tragic. The disruption of the sole means of sustenance of the labouring
groups, the denial of various social amenities they had enjoyed in the estates, and the
general food shortage in the country, had long term effects on the health and fertility
rate of the Indians. As a community solely dependent on the monthly wage packet,
they were worst affected when this source was disturbed as well as by the rising price
of essential foodstuffs. Then there were Japanese military projects in remote and
jungle infested parts of the country as well as in the brutal terrain north of Malaya, in
Thailand and Burma, to which Indian labourers were taken and put to hard labour.
The most notorious of these was the Siam Railway project, aptly termed the 'death
railway', because of its heavy toll of workers mobilised for this project. An estimate
puts the number of Indian lives lost at over 60,000 (Gamba 1962: 13).

In the Census taken soon after the War in 1947, the cumulative result of these factors
can be seen. The Indian population for the first time showed an absolute decline from
the previous census. A population that had stood at 620,000 in 1931 dropped to
599,000 in 1947. The most important factor that explains this decline is the ban on
labour emigration imposed by the Government of India in 1938. There was the
hurried repatriation in the panic-filled years of 1940 and 1941 with the threat and the
advance of Japanese forces. The outflow in these years included plantation labourers
and others such as domestic and shop workers, shopkeepers and peddlers, merchants
of standing, and many members of the professional middle class. Natural increase
may be expected to have made up for the losses sustained in this way but while there
was a fair amount of natural increase. Some of the factors noted above, operative both
during the Depression and in the period of the war, cancelled it out. Malnutrition and
debility caused by poverty and unemployment, the forcible mobilisation of males for
work in unhealthy and distant places, the breakdown in medical services, all these
operated against an increase in population. The sum of all these was the absolute

In retrospect, one may speculate that the 1938 ban by the Government of India had a
powerful effect on the demographic strength and prospects of the Indian community
in Malaya. It tended to limit the numerical strength of the community and to reverse
the trend of the past few decades, which had been towards a steady increase year by
year of the numbers domiciled in that country. The Government of India given heed
to the pressures of the Malayan Government, and the requests of the planting industry
before and after the war, the effect would have been to expand the Indian population beyond its present figure, and make it a numerically more powerful minority in Malaya. Thereafter, the increase registered by the Indian population through natural factors was comparable to that of the other major communities in the country.

The Indian plantation workforce comprised predominantly single adult males. Married men were discouraged from migrating because they could not afford to bring their families since wages were low. The norm of payment was a single-person wage, working conditions were harsh, and accommodation was available for single men only. In its 1864 legislation (Act XIII), the Indian government had stipulated that female recruits had to be included in all labour shipments following a ratio of 25 women to 100 men. However, Malaya was repeatedly exempted from this gender ratio provision. Nevertheless, a striking characteristic of the kangany-assisted recruitment system was the migration of families. Indeed, female migration aiming at improving the gender ratio was encouraged through a reduction on the levy paid on female workers. Indenture system was predominantly male in its composition. The kind of work available, the living conditions, and the attitudes of the time, were not conducive to the migration of females in any large number. This is reflected in the 1891 Census, when there were eighteen females per 1,000 Indian males. A more enlightened attitude towards this problem combined with economic factors to bring about a change in this position. Work in the rubber plantations was such that it was advantageous to have a settled labour force. Women and children could be given lighter forms of work. Then there was the attitude of the Government of India, which from 1920 gave serious attention to the sex imbalance among emigrants. Though Malaya was repeatedly exempted from the sex ratio enforced by the Act of 1922, statistics show that conditions were improving. Kangany recruitment was tending to bring in families. The resulting increase in the female population is seen in every census in the 20th century. For every 1,000 males, the number of females was 171 in 1901, 308 in 1911, 406 in 1921, 482 in 1931, and 637 in 1947. In the 1957 Census there were 692 females to every 1,000 males. These figures speak for a fundamental change in the nature of Indian society and in its attitude towards the country of employment. From the 1930s, the Indian population increased not only by immigration but also by reproduction. Indeed, after 1938 this was its only means of augmenting itself. This adds to the number of Indians born in this country, a factor
vital to their naturalisation. The proportion of Indians born in the country continued to increase in the following manner: 12 percent in 1911, 12.4 percent in 1921, 21.1 percent in 1931, and 49.8 percent in 1947. (The Census of the Federated Malay States 1911; The Census of British Malaya 1921; British Malaya: A Report on the 1931 Census and Malaya: A Report on the 1947 Census of Population).

Though labourers constituted the largest number of the immigrants before the War, the number of people engaged in commerce, other professions and clerical employment was also significant. The migration of educated Indians, unlike that of labourers, was not recorded and therefore cannot be measured statistically. The first immigrants to come in to man the clerical services in the growing bureaucracy were the Ceylon Tamils. This was largely the result of personal factors, depending on the British officers who were responsible for their recruitment. Those who came to Malaya after a tour of duty in Ceylon preferred to recruit Ceylonese clerks who had worked for them, or were recommended by those known to the officer in Ceylon. The superior network of secondary schools established in north Ceylon by the missionary organisations threw up a band of young men most suitable for subordinate clerical employment. (Coomaraswamy 1946).

Soon after, educated young men from India became aware of these opportunities. Malayalees from the native states of Travancore, Cochin and the Malabar districts of the Madras state were among the first to come in large numbers. Similar to the well organised schools system of Jaffna in Ceylon, there were extensive higher education facilities in the princely states of Travancore and Cochin producing the most literate linguistic group in India. From the 1920s, Malayalee educated men immigrated to Malaya to concentrate in the private sector for the lower grades of clerical employment in European firms and the plantations. Among them, family ties also played an important role in recruitment for some time. The entry of one person opened up gates for many. One can notice some covert hostility, quite naturally, between these two groups of middle class immigrants, particularly in the plantation sector where both before and after the War they competed for employment and promotion. From the early years of the 20th century, Indian Tamils started coming in as educated immigrants. As there were opportunities in abundance for clerical employment, they were also quite successful. Some professionally qualified people
also immigrated such as doctors, lawyers, journalists, and teachers. The university educated men came with high expectations. They settled at first in the Straits Settlements and then spread into the Federated States of Selangor, Perak, and Negri Sembilan (Mariappen and Wiebe 1978).

Just when more and more people in these professions were attracted to come to Malaya to earn a living, the opportunities in this country began to dwindle. In India, higher education had now expanded to ensure lucrative employment for the educated people. Unemployment among the highly educated people was an already existing problem in certain parts of the State of Madras as well as in Travancore and Cochin. These graduates now came to Malaya in search of any kind of employment, sometimes even below the level to which their education would entitle them. Leaders of the Indian community in Malaya felt this to be an affront to Indian dignity. With the Depression, clerical posts were severely cut down and there was considerable retrenchment. In 1934, the Agent of the Government of India issued a warning through the press in India against educated Indians coming to Malaya in search of jobs. Such migration was always looked upon by the Federated Malay States Government but treated as a necessary evil because it performed a useful function in the clerical services. Though no steps were taken to ban it for fear of the reaction from the Government of India and Indian opinion, the migration of professional elite was positively and diplomatically discouraged (Nair 1937: 106). Other people in non-labouring groups were the Sikhs, Punjabis and other North Indians who were recruited to the Police, security services in various Government departments, and as technical personnel in the railways. In the beginning, such migration was also influenced by the personal relations of the British officials in India. British officers who had served in Punjab and the United Provinces desired to have the services of same men in Malaya as well. So when the initial movement started, other members of the community were attracted to the place and gravitated towards these sectors of employment (Sandhu and Mani 2008: 558-568).

The enterprises that attracted migrant commercialists were of various types. The phenomenal growth of Singapore and Penang to certain degree brought in North Indian businessmen from established business communities such as the Parsees, Sindhis, Marwaris, Gujeratis and baniyas. Singapore became the centre of the growth
of Indian business in Malay. These people established themselves as both wholesalers and retailers in the India-Malaya trade. By the beginning of the War (1940), they were a well established community in Singapore with an influential North Indian Chamber of Commerce and as the recognised leaders of the Indian community in Malay. There were also South Indian Muslims famous for retail trade in India. Some of these families were part of the Southeast Asian trade for centuries. They were involved in retail trade of all kinds of goods produced in India. They took full advantage of the mass migration of Indian labour and sought to provide goods and services of which there was scarcity in their new surroundings. There was also the growing urban community ready to be served by these people. They were among the first to move to the Malay states where because of their Islamic identification they could gain admittance into the Malay kampong and establish business. They came from the southern districts of Tamil Nadu, primarily Tanjore and Ramnad, where the traders of the earlier period also came from. There were some Malabar Muslims or Moplahs among them, a community traditionally engaged in trade and enterprise. The Moplahs too were engaged in the retail trade in Indian provisions (Arasaratnam 1970: 35-36).

Among Indian commercial groups were the Chettiar, a Tamil caste of businessmen and financiers historically involved in this business. Chettiars moved to the Straits Settlements by the middle of the 19th century through agencies if not through the main Chettiar houses. The subgroup of the Chettiar caste which is important in migration to Malaya is the Nattukottai Chettiar. They are believed to be the most distinct of the Chettiar groups and in recent times the most prosperous as well. In Malaya they seem to have flourished because of the expanding economy and the need for credit. By the end of the 19th century they had extended their business to the Malay states. Here they appear to have provided credit to sultans, nobles and Malay peasants. From their transactions with the Malay peasantry, some problems arose which were solved by legislation in the 1930s. They lent money with or without security. The interest rate for money lent with security was much less than for loans without security. Generally, land or gold was accepted as security. By the 1930s they were well settled in all the major cities and were buying land property as both rubber and valuable urban land. They seldom or never brought their wives with them. They lived in bachelors' chummeries with Indian domestic servants to cook for them. They formed a Nattukottai Chettiar Chamber of Commerce to look after their interests.
Because of their wealth and their long tradition of activity in Malaya, they had some impact on Indian social life (Thurston 1909).

With the stoppage of labour migration it was immigrants of this type that were predominant in number. One must take into account that the number of minor employees for these commercial establishments were all brought over from India. Initially at the outbreak of the War their number was less but with the end of the War it increased. The end of labour immigration meant that a larger proportion of immigrants were now following the commercial pursuits. In 1931, out of the number of Indians in gainful employment in Malaya, the proportion engaged in commerce was 5.6 percent. In 1947 it had increased to 10.1 percent. The content of the commercial and professional element of the Indian population is more heterogeneous than that of the labouring groups. Before the war a vast majority of Indians in Malaya were employed as plantation labour. In the 1931 Census, the proportion of gainfully employed Indians listed as employed in agriculture, hunting, fishing and forestry was 60 percent. All these were of course employed in plantation agriculture. In 1947 the proportion had declined somewhat, though at 53 percent it still represented by far the most important economic activity of the Indians. The significance of this Indian contribution becomes more evident when we relate Indians employed as plantation labour to the total plantation labour force of the country in these years. In the pre-war years, Indian labour constituted about 75 percent of the total force, declining in 1947 to about 50 percent. A large majority of these worked in rubber plantations. Coconut and oil palm followed far behind as employers of Indian labour. Then there was tea, which was developed in the highlands of Pahang from the 1930s. In all these crops Indians formed the majority of the labour force (Kondapi 1951).

Indians played an insignificant role in tin mining, the other major industry of Malaya. The labour force here was almost entirely dominated by the Chinese till the 1930s. After the Depression some Indians, thrown out of work in the estates, moved into the mines. The Sikhs first went in for labour in the mines. When Europeans moved into controlling positions in the mining industry, they tried to diversify the labour force by employing Indian labour. Indian labour was also prominently engaged in transport services. In the construction of roads, railways, and telecommunications systems, the labour employed was predominantly Indian. They were all State undertakings, and the
labour was recruited direct from India by the Government. In later years, the policy of encouraging Malays to come into these services tended to reduce the predominance of Indian labour (Sandhu and Mani 2008: 558-568).

2.6.: Immigration Policy and Border Controls

Despite an earlier commitment to unrestricted immigration, colonial policy changed in the 1930s. New legislation restricted the entry of Chinese migrants, representing the first attempts by the colonial state to use border controls as a means of keeping out specific unwanted migrants. The rationale for exclusion was motivated by economic, security and political reasons. The first piece of restrictive legislation enacted in the Straits Settlement was the Immigration Restriction Ordinance (IRO) in 1928. In January 1933, the IRO was replaced by the Alien Ordinance. This legislation was designed to regulate the admission of aliens in accordance with the political, social, and economic needs for the moment of the various administrations in Malaya and 'to provide a means of registering and controlling aliens resident in Malaya.' The legislation was directed at the Chinese since Indians were classified as British subjects. Nevertheless, the British deported a number of 'undesirable' Indian labour activists in the latter half of the 1930s. In 1938, the Indian government banned all assisted Indian emigration to Malaya. In keeping with the export-oriented structure of the economy, a plural society in which ethnicity was clearly linked to economic function was in place by 1940. Indians comprised 10 percent to 14 percent of the population between 1911 and 1947 and, together with the Chinese, had outnumbered other 'Malaysians' by 1940 (Kaur 2004: 111-132).

Compared to the Chinese, however the Indians had a worse gender ratio and were slower to transform from a community of transients to one of permanent residents. In 1921, locally born Chinese accounted for 22 percent of the population, as opposed to 12 percent for locally born Indians. Since Indians were largely found on estates, they were classified as rural and agricultural. In the same year, the proportion of Indians residing in urban areas was 27 percent against 52.8 percent for the Chinese. Generally, therefore, Indians had a lesser impact on economic and communal structures in Malaya. About 90 percent of them were unskilled workers and a very large number lived in isolated plantation communities. With the plantation as the
boundary of their existence, they had fewer contacts with the indigenous Malays. In the lead up to independence, the Aliens Ordinance was replaced by the Immigration Ordinance of 1953. This regulation resulted in even stricter border controls and laid down for the first time the specific composition of migrants to be allowed entry into Malaya. Unlike the earlier restrictions based on nationality and gender, the Immigration Ordinance also specified nationality and occupation, and thus placed importance on the skills of the migrants. Permanent entry was restricted to, first, persons who could 'contribute to the expansion of commerce and industry'; second, to persons who could provide 'specialised services not available locally'; third, to 'families of local residents'; and fourth, to other persons on 'special compassionate grounds'. Clearly, this legislation was designed to appease Malay nationalists. New immigrants was also required to have a contract with a Malayan firm of at least two years and earn a salary of not less than M$ 400 a month. This legislation thus spelled the end of unskilled Indian labour migration to Malaya (Rai 2004: 245-264).

The end of the British Empire in Malaya briefly saw more restrictive legislation designed to curtail Chinese and Indian immigration. Immigration policy was largely dictated by economic and political considerations and the labour requirements of Western enterprises. Border controls, on the other hand, were shaped by economic and political considerations and were also designed to satisfy the aspirations of Malay nationalists. The British had ignored the potential conflicts and consequences arising from an unrestricted migration policy (Lal 2006: 163).

2.7.: Settlements after 1947

The Indian opinion exerted an influence on official Indian policy towards Indian emigrants before the war; the Malay opinion began to assert the same influence on British immigration policy after the war. Early in the 1940s, Malay opinion was beginning to form itself on the whole question of unrestricted immigration into Malaya. Educated Malays were becoming alarmed at the thousands of Chinese and Indian immigrants flooding the country, providing cheap labour and enjoying the benefits of employment, only to depart with what they had made out of it. They felt that this was keeping the Malays out of their share benefits in the plantation boom. They were also worried at the demographic effects of the migration movement on the
position of the Malays as the autochthonous inhabitants of the land. This was one of the first issues around which Malay nationalist opinion began to form itself. So far, it was solely the needs of the labour market and ultimately, the interests of the developing industries and services of the country that had dictated migration policy. Restrictions on immigration, if any, were imposed purely on economic grounds; otherwise the door was open. After the war, Malaya, which had seen little or no political consciousness, was awakened politically, and nationalist bodies were able to make themselves felt and heard in governmental policy. So the migration policy of the colonial government had to be framed not only with economic but with political considerations in mind. India's ban on the emigration of labour had caused some years of labour shortage. But after a time, the labour situation evened itself out with the increasing readiness of Malays to offer them for plantation labour. Yet immigration from India did not cease. Now it was limited to those who came in paying their own passage, to earn a living as domestic servants, shop assistants, hawkers, peddlers, clerks, and in the professions. This movement came increasingly under the scrutiny of Malay nationalists, who had by now organised themselves effectively and were able to form public opinion. They would ask questions in the Legislative Council on the number and categories of Indians to whom entry permits had been given annually. They pressed for a total ban on all types of immigration of Indians and Chinese. The British Government was not unresponsive to these demands. Immigration from India had served its purpose, as far as British economic interests were concerned. There was a satisfactory work force in the country to serve the plantations and State undertakings (Winstedt 1949).

In 1949, and two Acts were passed which came into operation in 1953. By these Acts the entry of Indians into Malaya was controlled. The categories of Indians who could enter Malaya were defined as: Federal Citizens, subjects of a ruler of a Malay State, British subjects born, naturalised, or ordinarily resident in Malaya, and aliens with Residents' Certificates. Wives and children under 18 of all these persons were also admitted. Rules were passed to govern the admission of any new immigrant. Such a person must have professional or specialist qualifications that would enable him to follow a profession without prejudicing the interests of persons already in Malaya with similar qualifications. The rules also admitted an employee of a private firm, provided he had a minimum remuneration that was to be determined by the
Government. This sum was then fixed at 500 Dollars (Malayan) per month, which kept out the seekers of low grade employment who had formed the bulk of the post-war immigrants. In 1959 the rules were further tightened, fixing the minimum salary at 1,200 Dollars per month. This kept out all but the highest qualified professional- and technical personnel. Indians were highly concerned at these restrictions, and unsuccessfully protested against them. It particularly affected Indian shop-owners, who generally employed low-paid hands from India. They pointed out that they had to employ these people because they did all their transactions and kept their accounts in Tamil, or some other Indian language (Vasil 1980: 11-30).

**TABLE: 2.1. Indian Population in Malaya, 1921-57**

<table>
<thead>
<tr>
<th></th>
<th>1921</th>
<th>1931</th>
<th>1947</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamils</td>
<td>387,509</td>
<td>514,778</td>
<td>460,985</td>
<td>634,681</td>
</tr>
<tr>
<td>Malayalees</td>
<td>17,190</td>
<td>34,898</td>
<td>44,339</td>
<td>72,971</td>
</tr>
<tr>
<td>Thelugus</td>
<td>39,986</td>
<td>32,536</td>
<td>24,093</td>
<td>27,670</td>
</tr>
<tr>
<td>Other South Indians</td>
<td>--</td>
<td>--</td>
<td>15,968</td>
<td>--</td>
</tr>
<tr>
<td>North Indians</td>
<td>25,495</td>
<td>39,635</td>
<td>54,231</td>
<td>84,934</td>
</tr>
<tr>
<td>Total</td>
<td>470,180</td>
<td>621,847</td>
<td>599,616</td>
<td>820,256</td>
</tr>
</tbody>
</table>


The Indian inflow in post-war years was more heterogeneous than before. A number of North Indians came in, particularly during and after the partition of India, when Punjabis and Bengalis immigrated to Malaya. Singapore's phenomenal growth in post-war years attracted North Indian capitalists and financiers. But in all these cases the numbers involved were not so large as to disturb the established ingredients of the Indian population. In the period after 1947, the Indian population settled down to a natural and internally-ordained growth, unaffected by the vagaries of inflow and outflow that had caused constant changes in the years before the war. The trickle of non-labour immigration stopped with the Immigration Laws of 1953. Its distribution had already been settled by the factors of economic development of the previous period. After the war, and even after independence in 1957, plantations continued to be the major prop of the Malayan economy (Vasil 1980: 30-32).

Thus 95 per cent of the Indian population in the entire Malaysia-Singapore region continued to be settled in the western part of the Malay Peninsula. The state of Selangor with about 25 percent contains the largest share of Indians, while Perak
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comes a close second with 21 percent. The island of Singapore has 15 percent, while Penang, Johore, and Kedah have around 8 percent each. Negri Sembilan has a little over 6 percent, and Malacca and Pahang have a little fewer than 3 percent. The states on the east coast of Malaya have negligible numbers, being under 3 percent, and the states of East Malaysia have even less. Thus the Indians continue to be distributed in the plantation country stretching from southern Kedah to Negri Sembilan, and the urban complexes that have grown in these regions. Even in these states Indians are nucleated around the plantation developed areas and around particular cities and towns that have developed in these parts. One of the characteristics of general demographic developments in Malaya is the growing urbanisation of the country. The 1947 Census showed 35 percent of the country's population living in cities or towns of over 1,000 inhabitants. In 1957 this had increased to 48 percent, making Malaya one of the most highly urbanised countries in Asia. Indians were affected by this growing urbanisation. In 1947, 39 percent of Indians lived in cities and towns of over 1,000 inhabitants, and by 1957 this had risen to 47 percent. The trend is doubtless continuing, probably at a faster pace (Data based on Fell (1960), 1957 Population Census of the Federation of Malaya, Report No. 14; Chua (1964), State of Singapore: Report on the CMSUJ of Population).

The drift from the estates to neighbouring towns had been going on slowly since the Depression, as at that time the Indians first realised that the plantations might not be secure sources of employment. The war and the consequent disturbance of the economy of the plantations further accelerated this process. A new factor came into play in the 1950s with the subdivision of estates, throwing out of employment a substantial part of the labour force previously employed on these estates. The unemployed had no alternative but to move to the nearest town or to the big city in search of work, and indeed of a roof over their heads. The drift of the younger generation from the plantations is a continuing phenomenon, as estate labour begins to be looked upon as, degrading by the progressively advancing Indian community. Better education, even if he has grown up on the estates where education is hard to come by, made the labourer's set his sights high, and look beyond the plantations for his future. It is well known to those who have moved among older labourers on the estates that they would get their sons out of the estates if they could. In this way, the economic process of the diminution of opportunity on the plantations was
supplemented by a psychological shift in labour values. The non-labour immigration also boosted the Indian element in the urban population. Domestic and shop workers, petty traders, and educated groups invariably settled in cities or small towns with a substantial Indian population. The Indian community which for many years had displayed migrant and transitory characteristics did show evidence of permanent settlement. The sex imbalance that had been marked for so long did redressing itself and in 1957 stood at a more natural figure of 692 females per 1,000 males. According to the 1957 Census about two-thirds of the Indians were born in Malaya. It was evident at independence that the Indians, though forming an overall minority of about 11 percent (the percentage has come down considerably with many immigrating to other countries in the aftermath of 1969 racial riots) of Malaya's population, were not physically submerged into it. Their manner of migration and settlement had ensured for them certain areas of Indian dominance, or at least of a substantial Indian presence. This was easy enough to arrange in the plantations, where they were housed in specially constructed quarters grouped together in a division of an estate. As these estates were grouped in particular parts of the country, it was possible for these parts to have large Indian concentrations. As Indians moved into cities and towns this clustering continued. Newcomers tended to move to those parts where their compatriots already lived, both out of a feeling of security and to share in the services already built up around the community. Before Independence, official policy too tended to encourage this. It was easier to deal with communities separately. Things began to change after Independence. Other communities moved into and around the estates. In the cities, as rigorous standards of urbanisation were imposed, it becomes more difficult to maintain these settlements nucleated around particular communities. Today, the middle class is now beginning to move into the modern multi-racial suburbs. The old Indian dominated shop houses are being progressively pulled down to make way for modern business centres. Thus in the cities the Indians are losing their communal enclaves. In the rural areas, however, the change is slow. The type of Indian settlements here will continue until the pattern of plantation agriculture is changed and reorganised. (Datuk Dr. Denison Jayasooria, interview on 08/05/2008).

3 Presently he is a Principal Research Fellow at the Institute of Ethnic Studies, Universiti Kebangsaan Malaysia and he is also a member of the Malaysian Human Rights Commission (SUHAKAM) appointed for a second, two year term (ending on 25 April 2010).
2.8.: Ethnic Indian Leadership and the Politics of Malaya

Indians have figured prominently in the political life of Malaya especially since World War II. Prior to this, they had little political interest in Malaya, their activities being largely oriented towards the mother country, with which they retained strong economic, sentimental and political links. Consequently, most of their political organisations were reflections of the Indian National Congress. This India orientation of the Indians in Malaya was strengthened by periodic visits by Indian leaders like Nehru, Rabindranath Tagore, and Srinivasa Sastri (Sandhu 2008: 182).

Earlier, the direct employment of Indian labour by the colonial state and Western planting interests, reinforced by authoritarian and paternalistic structures, worked against the growth of class solidarity among Indian workers. Moreover, labour was in a weak position so long as the labour supply could be regulated through immigration controls. Two developments weakened this trend. The first was the emergence of free wage labour following the cessation of assisted labour migration. The second was the impact of the economic depression on the plantation sector, which led to government restrictions on immigration and the emergence of a more stable labour force. While many workers took up offers of repatriation, a substantial number chose to remain behind and sought alternative ways to make a living on the land. An earlier provision for land allocation on estates for workers was enforced and labourers were provided with small allotments. Some plantation owners even leased land to their workers. This process helped create a group of 'settled' labourers, reduced their dependence on the wage economy of the plantation structure and facilitated the permanent settlement of Indians in Malaya.

With the improvement of economic conditions, the labourers felt they were not getting their fair share of the new prosperity and got themselves organised to get a better deal. Vernacular newspapers, cultural associations and social action organisations mushroomed among the different ethnic groups. Urban labour organisations were formed and there were strikes in a number of workplaces and enterprises employing Indian labour separately and alongside Chinese workers, such as the railway workshops and the Batu Arang Colliery. The apparent boldness of semi-skilled and skilled workers stemmed from the fact that they enjoyed greater
mobility and were willing to cooperate with the more militant Chinese in joint strikes to improve their working conditions. These activities soon spread to the plantations, where leadership was initially provided from outside the plantation structure. Labour unions emerged, the workers made demands and subsequently backed up their demands with strike action such as that by the Klang District, Indian Union led by R. K. Nathan and N. Raghavan. The colonial government retaliated by deporting some of these leaders to India and enacting banishment ordinances. Thereafter, only organisations catering to religious activities were permitted, while working class-based and politically oriented groups were disallowed. After World War II, the tradition of militant leadership of plantation labour being provided from outside the plantation structure continued. The leaders appear to have originated from the groups that had retreated into the jungle during the war to fight the Japanese, or were disillusioned leaders from the Indian Independence League. These leaders worked with local leaders, among who were kangany and Tamil school teachers (Jain 1970).

Subsequently, a group of leaders from within the labouring class of the plantations emerged. These leaders were young, literate in Tamil and influenced by the school teachers and kangany. They participated in union activities at the grassroots level and rose to the membership of executive committees in regional general labour unions. This reflected not only modernisation and a growing trend in political awareness among the working class, but also showed a heightened ethnic consciousness linked to the redistribution of political and economic resources. Unfortunately, labour solidarity was weak and the government's policy of integrating the various state plantation workers' unions into a single union, enabling it to guide labour along a reasonable and non-political path, facilitated the amalgamation of the unions into the National Union of Plantation Workers (NUPW) in 1954. P.P. Narayanan, who had been crucial in the formation of the nucleus of the organisation in the late 1940s, led the NUPW for several decades. The NUPW stood, above all, for 'accommodation' and did not threaten the production system in the plantations. The urbanised union bureaucracy was largely divorced from the lives of the union members, and the leaders' connections with the colonial government and capital thus left workers in a state of dependency. Consequently, while the NUPW provided a vehicle for collective worker representation, it was weak and inhibited worker unity and militancy (Suryanarayan 1982).
Compared to the labour leadership, the political leadership of the Indian community was more ideologically oriented. The influence of political events on the Indian subcontinent and the community's ascribed role in Malaya made it highly conscious of safeguarding its cultural identity. The leadership of Subhas Chandra Bose and local Indian leaders, such as Raghavan, led to a substantial number of Indians joining the Indian National Army (INA) and the Indian Independence League (IIL) during World War II (the IIL was established in Malaya and other major Southeast Asian centers during the Japanese Occupation to recruit men, collect funds and coordinate the Indian Independence Movement, which was spearheaded by the INA). Men and money poured into the independence movement on an unprecedented scale from all over Southeast Asia, particularly from Malaya, the headquarters of the movement.

Though it is true that some of the volunteers joined the independence movement for safety, better rations, or want of something better to do, the majority appear to have been genuinely inspired and patriotic. They regarded themselves as the vanguard of the liberation movement and Subhas Chandra Bose as the veritable Messiah come to lead them, with Japanese help, to the completion of the Indian struggle against Britain for freedom. Many regiments of the INA fought bravely and with distinction on the Myanmar front while the Tri-colour was formally hoisted on Indian soil, at Madawk, in eastern Chittagong, in May 1944. These successes, however, were short-lived. The whole independence movement collapsed following the INA and Japanese surrender and the death of Subhas Chandra Bose in 1945. Short-lived though the Indian independence movement was in Malaya and the rest of Southeast Asia, its repercussions were nevertheless far-reaching in both India and Malaya. In India members of the INA were acclaimed as national heroes. The INA became the rallying point of the Indian people and the Congress and helped to precipitate the final surrender of British power in India on 15 August 1947. In Malaya the independence movement, particularly the INA and its achievements, fired the imagination of the Indians and wrought a tremendous psychological revolution in their minds. The Indian, down to the humblest labourer, felt confident of themselves and proud of being Indians (Sandhu 2008: 182-183).

The position of Indians in Malaya underwent a number of fundamental changes. In the first place, there had been stabilisation of the Indian population, some three-quarters of which was estimated to be either Malayan or Singapore born. Secondly,
though many Indians still retained their emotional ties with India, actual contact with the country had been diminishing. This was illustrated by the decreasing frequency of visits of Malayan Indians to India, a tendency accentuated by the disruption of shipping during the war and the large increase in the deck-passage fare between Malaya and India in the immediate post-war years (more than double and even higher since then). Thirdly, many Indians in Malaya, following the independence of India, were hoping to acquire dual Indian and Malayan citizenship so as to enjoy the benefits of both. This idea was condemned not only by Nehru but also by the Indian Government, which made it quite clear that all Indians outside India must decide to either remain Indian citizens or become citizens of the country where they lived and no dual citizenship would be allowed. Faced with the alternative of remaining aliens in an independent Malaya (Malaysia) or Singapore, most of the Indians, depending on their country of domicile, have decided to become Malayan (Malaysian) or Singapore citizens, an opportunity opened to them following the liberalisation of the citizenship laws of the two territories in the 1950s, which allowed Indian, Chinese, and other immigrants and their descendants to become local citizens provided they fulfilled certain requirements. As Malayan citizens, Indians occupied a position of increasing importance in the political life of both the peninsula and the island, especially in the 1950s. The Indians formed an important minority in a plural society consisting of predominantly Malay and Chinese. On the mainland, the Indians assumed increased significance as they were wooed by both the Chinese and Malay leaders in their bid for political power. The approximately 2.5 to 3.5 million Malays in the peninsula during the period 1950-60 were citizens by law. On the other hand, only about three-quarters of the 2 to 2.75 million Chinese were estimated to have been citizens then. The position of the 550,000-800,000 Indians in this respect was virtually the same as that of the Chinese in that some three-fourths of them were citizens. The Indians, however, were increasing at a faster rate than the Chinese, thereby increasing their relative voting strength and future representation in government (Jain 1988: 123-143).

The distribution pattern of the Indian population and its economic concentration in plantation agriculture, the peninsula's chief industry, also had important political implications. The large Indian concentrations on estates lying as they often did between the major rural and urban concentrations of Malay and Chinese populations respectively, may have had the power either to act as a unifying or separating agent or
to remain neutral. In the economic sphere, through their strong position on estates as administrators and labourers, they organised into potentially powerful trade unions, which had the means to make or mar the country's economy through its major primary product and chief export (Abraham 1993).

The political leadership originated in groups of professionals lawyers, doctors, teachers and businessmen in the larger urban centers and was predominantly North Indian. It established links with regional middle class groups on the basis of Indian nationalist identity, forming the Malayan Indian Congress (MIC) in 1946. Early leaders of the organisation included John A. Thivy, Budh Singh, K. Ramanathan and K. L. Devaser. At the initial stage, the national level leadership of the Indian community had little in common with the labour leadership and, consequently, there was little interaction between the two. The national leaders were also in a situation similar to plantation owners and, being employers of Indian labour themselves, they were opposed to the radicalisation of Indian labour (Lal 2006: 165).

Two factors further weakened the influence of this group. The first was a conflict over the reorientation of loyalty to Malaya rather than India, and the second stemmed from the ethnic and linguistic differences between the northerners and the southerners. During the early years of the Emergency, the MIC leadership became moribund. It revived gradually in the 1950s under V. T. Sambanthan's direction, when a division between the two groups emerged that culminated in the removal of the former, and the supremacy of the latter group. The change in leadership coincided with the redefinition of Indian identity as 'South Indian'. This resulted in an increased use of Tamil, the popularisation of traditional cultural practices, and an increased emphasis on Hinduism in its popular South Indian forms. As the MIC began to cater for the larger South Indian community, its base was broadened and India became a point of cultural and spiritual contact rather than a political link. In 1954, the MIC was incorporated into a political alliance with the other two communal parties in the country, United Malay Nationalist Organisation UMNO and the Malayan Chinese Association (MCA), which forged all alliance in 1952 to contest the 1955 Federal elections under the banner of the Alliance, a united front. Sambanthan started a recruitment campaign among plantation workers, relying on the patronage of Hinduism in its popular southern Indian forms, the increased use and promotion of the
Tamil language, and Tamil cultural practices. His gamble paid off and he was elected President of the MIC in 1955. He was also accepted by the Malay leadership because he downplayed Indian political and some extent, economic-rights in favour of cultural and language rights. The MIC under Sambanthan's leadership thus failed to reconcile the needs of labour with the political aspirations of the middle class. The traditionalists and the lower middle class strengthened their hold within the party, while the upper-class professionals, business groups and intelligentsia moved away from it. Subsequently, two paths of leadership, political and trade union, emerged, with very little interaction between them. (Raja Retnam, President, Malaysian Indian Youth Council, interview on 10 May 2008).

The Emergency Regulations in Malaya and new trade union legislation also led the leadership of the trade union movement to be passed from the Chinese to the urban Indians. With Sambanthan as its leader, the MIC effectively became a Tamil party; it was also the weakest of the three political parties. It had a small electorate (7.4 percent in 1959) and had very little support in the Indian community at large. Since the Indian community was geographically dispersed and divided, it comprised less than 25 percent in anyone constituency. Consequently, the MIC's overriding concern was to remain in the Alliance government and obtain what concessions it could from the dominant UMNO. The diluting of the MIC's objectives and the deep divisions within the Indian community were to impact on Indian plantation workers and their current status in the Malaysian economy (Kheng 2007: 40-56; Selvarajoo Sundram, President, GOPIO Malaysia, interview on 15 May 2008).

Malaya achieved independence in 1957, the three major ethnic groups sought to increase their dominance in areas hitherto restricted to one group or another. The post-independent Malaysian polity has been identified as a consociational structure, in which the government represents a grand coalition of political elites of different ethnic groups based on the principles of proportional representation and ethnic autonomy. This ethno-centric and elite-based coalition has ruled Malaysia ever since its independence (Dr. Sarjit Singh, senior lecturer, University Putra Malaysia, interview on 23 May 2008).

The grand coalition comprises of three major ethnic groups – Malays, Chinese and Indians, who have been represented in the political processes by their ethno-centric
political parties – UMNO, Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC).\(^4\) The UMNO, MCA and the MIC coalition which was cobbled together at the time of independence by the political elites, relied on three key principles. First, representation in the coalition would be based on ethnicity and each ethnic group would select their representatives on their own. Second, each ethnic group will have proportional representation in the coalition and therefore, in the government. In other words, the number of seats allocated to each ethnic group in the government would be decided on the basis of their numerical strength in the country. The idea of proportional representation facilitated Malay dominance over the political and economic discourses in the country given their overwhelming numerical majority. (Charles Santiago, Member of Parliament, Democratic Action Party (DAP), Malaysia, interview on 22 May 2008).

Finally, only the leaders of each community did have a say in the decision-making process. While the common masses could select their leaders, they would have no say in the functioning of the coalition. In other words, the coalition framework that developed was ethno-centric and elite-based. The primordial differences between these three groups have been much more pronounced due to the cumulative effect of racial, religious and linguistic differences. At the same time, the elite-based politics made the entire process of nation-building vulnerable to political mobilisation along ethno-religious lines and the coalition, as a result, has often fallen victim to opportunistic politics and instrumentalist exploitation (Shekhar 2008: 22-23).

In the case of the MIC, due to the smaller size of the Indian community relative to other communities and its scattered distribution, the ruling coalition ensured that the MIC received a quota of both federal and state seats as well as representation in the Federal Cabinet. In 1960, Sambanthan initiated the formation of a social cooperative, later known as the National Land and Finance Cooperative Society (NLFCS), to help plantation workers purchase plantation lands put up for sale. Sambanthan however, ran the MIC largely as an informal party in deference UMNO, rather than as a political party with a definite programme. In effect, the MIC became a vehicle for distributing privileges to supporters (i.e. senate and legislative votes, nominations for

\(^4\) The grand coalition also consists of several other political parties. The Parti Islam Se Malaysia (PAS), the main opposition party of Malaysia was part of the ruling coalition before it opted out of the alliance in 1978.
decorations and awards, licences etc.), furnishing the Indian vote and providing an instrument through which the leadership could entrench its role. This in turn spawned linguistic, cultural and religious tensions within the Indian community. The polarisation between the Indian political and professional elite resulted distancing itself from the MIC, and the reduced political influence of the professionals in the country. It also saw increased participation in multiracial opposition parties and the formation of sub-regional communal parties (Sandhu and Mani 2008; T.M. Ramachandran the Founder of Hindu Rights Action Force (HINDRAF) interview on 22 May 2008).

2.9.: From Malaysian Federation of 1963 to Racial Riots of 1969

The formal formation of Malaysia in 1963, a federation incorporating Malaya (Peninsular Malaysia), Singapore, North Borneo (Sabah) and Sarawak, suffered from a sharp division of wealth between the Chinese, who were perceived to control a large portion of the Malaysian economy, and the Malays, who were perceived to be more poor and rural. This was the common perception even though the British left all of their conglomerates (mostly plantation sectors) into the hands of the ruling Malays. The 1964 Race Riots in Singapore contributed to the expulsion of that state from Malaysia on 9 August 1965, and racial tension continued to simmer, with many Malays dissatisfied by their newly independent government's perceived willingness to placate the Chinese at their expense. Tunku Abdul Rahman⁵, then Prime Minister of Malaysia, and his apathetic attitude in race relations and his compromises were causing distrust and uncertainty among people of all races. The Malays continued to lose faith in Tunku Abdul Rahman’s leadership, as he was perceived to be too conceding to non-Malays. Malay “young Turks” especially disagreed with his stand of “Let the Chinese be traders and Malays be politicians” (Maidin 1994: 17).

This unrest among the Malays culminated in the racial riots in Malaysia began on May 13, 1969, especially between the Chinese and the Malays. The riots led to a declaration of a state of national emergency and suspension of Parliament by the Malaysian government, while the National Operations Council (NOC) was established to temporarily govern the country between 1969 and 1971. Officially, 196

⁵ The first Prime Minister after independence was the main architect of the racial compromise.
people were killed between May 13 and July 31 as a result of the riots, although journalists and other observers have stated much higher figures. Other reports at the time suggest over 2,000 were killed by rioters, police and Malaysian Army rangers, mainly in Kuala Lumpur. Many of the dead were quickly buried in unmarked graves in the Kuala Lumpur General Hospital grounds by soldiers of Malaysian Engineers (Gomez 2004: 157-193).

The government cited the riots as the main cause of its more aggressive affirmative action policies, such as the New Economic Policy (NEP), after 1969. Following the 13 May 1969 racial riots many Indians realised that the MIC was not only the weakest link, but that it had sacrificed the greater good of Indians for the larger good of UMNO. Eventually, this rising dissatisfaction with Sambanthan led to a prolonged leadership crisis in the MIC. When Tun Abdul Razak succeeded Tunku Abdul Rahman as prime minister, the MIC was forced to become much more responsive to the dictates of UMNO. Sambanthan was forced to retire in favour of V. Manickavasagam in 1973. Since 1969, Malaysian leaders have emphasised the forging of a truly united nation and the establishment of a national culture that would transcend separate ethnic identities. This policy emphasises that the national culture has to be based on the dominant Malay culture, with suitable elements included from other cultures. Islam is regarded as an important component in the moulding of a national culture. These considerations have been incorporated into the National Cultural Policy. This has affected non-Muslims in such matters as obtaining building permits for temples and churches. Islamisation is manifested in symbolic gestures: parliamentary prayers, the Islamic University and the Islamic Bank. The net result of these developments has been that the Indians as a community have been reduced to political inconsequence. This loss of political power and patronage was followed by a further deterioration in the economic position of the Indians in the country. Changes in citizenship and employment acts in 1968 and 1969 resulted in more than 60,000 Indians returning to India and around 50,000 plantation workers living in constant fear of eviction through non renewal of work permits (Suryanarayan 2003: 67-85; Mr. Waytha Moorthy, Chairman of HINDRAF 22 January 2009).

13 May 1969 riot, was a watershed in political history of Malaysia. It signaled the rise of Malay middle class. The interests and aspirations of this class are embodied in the
present Malay ruling elite's philosophy. The deep impact of this class on Socio-cultural, economic, and political system clearly visible even today. Cultural policies, for instance, receive their support from the political position of the middle class. It is perhaps predictable that a class asserting its power vis-a-vis a traditional leadership that has intimate ties to the culture of the former colonial overlord would insist upon an uncompromising adherence to the national identity. The emerging Malay middle class sought and obtained immediate implementation of Malay as the main medium of education. Similarly, they succeeded in getting the government to give much more emphasis to Malay elements in the national culture. The more pervasive role of the Malay language and Malay culture has, without doubt, affected the status and prestige of those non-Malay elite whose facility in English was one of the advantages they had over some Malay elite. The Indian elite in education, the professions, administration, and politics suddenly became aware that a cultural world it had taken for granted was fast disappearing. The change caused much heartburning but hope was not given up in the belief that unity in diversity was the only way for Malaysia to progress into a successful developing nation. The post-1969 language policy continued to provide for Tamil primary schools. It may have been a concession to Tamil language champions but it had the effect of entrapping a substantial segment of the Indian poor, especially those from the plantations, in a dead-end education system that perpetuated their marginality (Muzaffar 2008: 224-225).

According to Tridib Chakarborti (2004), the social and political situation of the Indians in Malaysia has been overshadowed by the ethnic conflict between the politically-dominated Malays and the economically-dominant Chinese. The political transition following Malayan independence in 1957 was a difficult period for communal relations in Malaysia. After independence in 1957, due to their historical exclusion from the full participation in the economic development of the country, a shared sense of relative deprivation rapidly emerged among the Malays. By the mid-1960s, Malay feelings of being economically deprived had widened markedly, especially among the upwardly ambitious Malay civil servants and petty businessmen. The emerging Malay sentiment felt that circumstances were not providing the opportunities and benefits to which Malays were justly entitled as Bumiputeras (sons of the soil). Increasing numbers of Malays gradually became disenchanted with and blamed the Alliance government for not providing adequate assistance and
opportunities to improve their life chances. While the Malaysian Constitution did
stress that the socio-economic development of Malaysia was to be promoted active
government intervention in the economy to help the Malays were not effectively
implemented. As a result, towards the end of 1960s, about half of the population
(mostly Malays) was living under poverty (Guan 2000: 16).

From 1957 to 1970, there was a reduction in the poverty among the Malays, although
they remained at the bottom of the ladder. In 1970, 65.9 percent of the Malays were
poor, compared to only 27.5 and 40.2 percent respectively of the Chinese and Indians.
Besides, poverty incidence was more serious in the rural than in the urban areas.
Furthermore, in 1970, the average monthly per capita income of the Chinese
community approximated 68 Malaysian (M) dollars, whereas that of the Indians and
the Malays approximated M 57 and M 34 dollars respectively (Bandyopadhyaya
1990: 142). In 1970 40.3 percent of Malay households in Peninsular Malaysia had a
monthly income of less than M 100 dollars, whereas 74 percent had less than M 200
dollars. Among the Chinese people, only 8.3 percent of all households had a monthly
income of less than M 100 dollars, whereas 33.3 percent had a monthly income of less
than M 200 dollars. In the Indian community, only 11.6 percent had less than M 100
dollars, whereas 50.9 percent had less than M 200 dollars (Mid-Term Review of the
Second Malaysia Plan: 1971-75). This weak economic condition of the Malays, as
compared to that of the Chinese, Indians and the other foreigners, was mainly due to
their poor participation in the industrial and commercial sectors. The inequality was
clearly evident among different communities in 1970 in average income; especially in
Malays remaining most subdued (Chakarborti 2004: 200).

<table>
<thead>
<tr>
<th>TABLE: 2.2. Malaysia: Inequality and Ethnicity</th>
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<tbody>
<tr>
<td><strong>Average Income (in M$)</strong></td>
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<tr>
<td>Year 1957 1970</td>
</tr>
<tr>
<td>Malays 140 171</td>
</tr>
<tr>
<td>Chinese 302 381</td>
</tr>
<tr>
<td>Indians 243 301</td>
</tr>
<tr>
<td>All (others) 215 246</td>
</tr>
<tr>
<td>Sources: Mehmet, Ozay (1986), Development in Malaysia, Croom Helm: London.</td>
</tr>
</tbody>
</table>

Through education and employment, the Indian Community was able to achieve inter­
service mobility mainly in the Federal Public Service. By 1970 the ethnic composition
of the higher civil services showed that Indians and others made up 1,245 out of 4,743 or 26.2 percent of the total staff in the higher civil services far in excess of their proportion in the population which was 11.3 percent in 1970. The over-representation of the Indians in the higher civil services was even more dramatically demonstrated in certain technical and professional services. The Indians represented 54.1 percent of the medical services, 43.3 percent of the veterinary services, 26.9 percent of the telecommunication services, 25.8 percent of the police services and 28.6 percent of the geology services (Mid-Term Review of the Second Malaysia Plan: 1971-75; Esman 1972: 76). Chakraborti (2004) argues that the Indians share in higher civil service jobs was greater than their population. However, this well-placed position of the Malaysian Indians in the higher civil services had begun to decline when the New Economic Policy (NEP) hastened the process of reducing Indian employment opportunities in this public service sector. In addition, there was also a significant imbalance in terms of wealth (equity) ownerships between the Malays and the Chinese.

The racial riots of 1969 marked a point of Malaysia's development policy as they paved the way for the advent of affirmative action policies in favour of the Malays. It was realised by the government that political stability and national unity were contingent upon the elimination of poverty among Malays who consulted the major electoral base of the government.