

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/4087/Add.1
27 February 1959

ORIGINAL: ENGLISH

Fourteenth session

INFORMATION FROM NON-SELF-GOVERNING TERRITORIES:
SUMMARY AND ANALYSIS OF INFORMATION TRANSMITTED
UNDER ARTICLE 73 e OF THE CHARTER. REPORT OF
THE SECRETARY-GENERAL

Asian Territories

NORTH BORNEO^{1/}

1/ In accordance with General Assembly resolution 1332 (XIII) this summary is also submitted to the Committee on Information from Non-Self-Governing Territories.

NOTE: The following symbols are used:

Three dots (...)	information not available
Dash (-)	magnitude nil or negligible
Slash 1948/1949	crop or financial year
Hyphen 1948-1949	annual average

GENERAL INFORMATION

The Territory is situated at the northern end of the island of Borneo. The total area is 29,388 square miles, including the Island of Labuan (thirty-eight square miles), at the entrance to Brunei Bay. The main topographical feature is the Crocker mountain range, which runs from north to south, some thirty miles inland from the west coast, and splits the country in two; it reaches heights of from 4,000 to 13,000 feet (at Mount Kinabalu). The interior is for the most part covered with tropical forest, while the western coastal area consists of alluvial flats making up the main rubber and rice land. Although deposits of coal, oil, copper, antimony and manganese ores are known to exist, minerals have not been exploited on a commercial scale. Jesselton is the capital.

The climate is tropical. Rivers are numerous and in the eastern part of the country often form the only means of communication.

The population is made up of a diversity of ethnic groups. The indigenous population, representing approximately 70 per cent of the total, comprises three main groups: the Dusuns, an agricultural people inhabiting chiefly the west coast; the Bajaus, generally seafaring and found mainly on the east coast; and the Muruts, living mostly in the inaccessible interior near the Indonesian and Sarawak borders and following the age-long agricultural practice of shifting cultivation. Since the 1951 census there has been a movement of population from the interior to the coast, where employment can be found. The most important minority group is the Chinese community. About two-thirds of the Chinese were born in the Territory according to the census of 1951. Eleven per cent of the entire population were born elsewhere. Over 70 per cent of the inhabitants live in the west coast area. The density of population in 1951 was 11.4 persons per square mile. Most of the indigenous population live in scattered and isolated villages.

Ethnic groups	<u>Population</u> ^{a/}			
	<u>1931</u> (census)	<u>1951</u> (census)	<u>1953</u> (31 December estimates)	<u>1957</u>
Indigenous	205,218	243,009	251,695	268,498
Chinese	50,056	74,374	82,591	97,248
European and Eurasian	647	1,213	1,651	1,981
Others	21,555	15,545	24,675	33,109
Total	<u>277,476</u>	<u>334,141</u>	<u>360,612</u>	<u>400,836</u>

a/ 1947 estimate was 331,000; breakdowns unavailable.

<u>Vital Statistics</u>			
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Birth rate per 1,000 population	20	31.4	37.3
Death rate per 1,000 population	15.5	12.4	9.4
Infantile mortality, rate per 1,000 live births	136	100.7	...

ECONOMIC CONDITIONS

The basis of the economy is agriculture. Minor industries connected chiefly with the main export crops of rubber, timber and copra are still in the development stage. Although there has been a marked expansion of the timber industry, rubber continues to be of prime importance. It is the declared policy of the Government to encourage the enterprise of the Chinese and other immigrant communities, on the one hand, and, on the other hand, to do all that is possible for the progress and welfare of the indigenous peoples.

North Borneo suffered widespread devastation during the war. Out of 890 Government buildings, 614 were destroyed. Ports and railways were also destroyed and many rural areas suffered extensive damage. In 1946, when North Borneo became a Crown Colony and civil government was resumed, the main tasks were reconstruction and expansion. To these ends, the Reconstruction and

/...

velopment Plan (1948-1955) was drawn up. The Plan separated the cost of constructing the country to the pre-war standard from the expenditure required for development. The sums of M\$19,138,989^{2/} and M\$28,382,375 were allocated for construction and development respectively. In 1950 the Plan was revised and extended to 1957 for the purposes of the Colombo Plan. Up to 1957, the total cost of reconstruction was estimated at M\$34.7 million. Development expenditure totalled M\$74.2 million, of which 35.7 per cent was allotted to agriculture, 13.3 per cent to transport and communications, and 32 per cent to social services. A new development plan (1955-1960) was approved in 1955 involving an estimated expenditure of M\$47 million, of which 11.7 per cent was allotted to agriculture, 10.4 per cent to transport and communications, 21 per cent to public utilities and 54.5 per cent to social services. Thus the new plan put more emphasis on projects which will produce an economic return. It was modified in 1956 for the period 1957 to 1960, during which development expenditure will amount to M\$20.2 million including 33 per cent on transport and communications, 19 per cent on municipal services, 9 per cent on education and 3.6 per cent on agriculture.

The shortage of technical personnel, labour and materials and the lack of communications have impeded the work of reconstruction and development. Consequently, the plan of 1948 to complete reconstruction by the end of 1951 could not be fulfilled, and even by 1957 this task had not been entirely finished.

Owing chiefly to the high price of rubber and the increase in timber exports, the value of external trade reached a record for four years in succession (1947-1951). Although the 1952 production was maintained at the 1951 level, the export trade declined because of the fall in the prices of rubber and copra.

A favourable trade balance was not restored until 1954, when trade figures resumed an upward trend. On account of the increase in trade in timber and copra the value of 1957 exports was maintained at the 1956 level although prices for primary commodities fell during 1957. The improved economic and financial conditions resulted in 1955 in the suspension of the outright grants with which the United Kingdom of Great Britain and Northern Ireland had been making up the annual deficits. However, North Borneo continued to receive assistance for its

^{2/} The local currency is the Malayan dollar (M\$) which is equal to 2s.4d., or US\$0.327.

development from Colonial Development and Welfare funds, the Colombo Plan, the International Cooperation Administration and from proceeds derived from realization of former Japanese assets.

During 1955, two measures were introduced to stimulate economic development by private investment. Under the Credit Corporation Ordinance, 1955, a corporation was established to provide loans for agricultural and industrial development and for housing and building. It also provided for a loans scheme for financing the building of shophouses to encourage retail trading. The Pioneer Industries Ordinance, 1956, encourages the establishment of new industrial and commercial enterprises by means of relief from income tax. The relaxation of the regulations affecting the entry of Chinese immigrants from Hong Kong in 1957 is expected to improve further the supply of labour.

LAND, AGRICULTURE AND LIVESTOCK

Two forms of land tenure exist under the Land Ordinance, 1953: (1) ordinary lease-hold available to everyone and (2) title by entry in the Register of Native Titles, which is confined to indigenes, who are given grants in perpetuity. This title cannot be alienated to non-indigenous persons without the prior consent of the resident. In 1957, the area under Native title, excluding Native reserves, was about 150,000 acres; non-indigenous inhabitants held leases for about 570,000 acres excluding urban areas. Of this area, 281,700 acres were owned by Europeans, the balance being occupied by Asians. Indigenous people practising shifting cultivation do not hold titles under the Land Ordinance. To induce them to adopt a more settled form of agriculture, a number of settlement schemes were introduced during 1956 and, under the Colombo Plan, a surveyor was engaged on resettlement survey work in the interior.

The aim of the agricultural policy is to make North Borneo self-sufficient in foodstuffs and to develop cash crops in addition to rubber. In implementing this policy the Department of Agriculture has directed its activities towards investigation of new crops and methods of cultivation; multiplication of planting material or breeding stock, control of pests and diseases, the demonstration of new techniques to farmers, and dissemination of agricultural information. The work of the Department has been handicapped by the lack of technical personnel with the aid of the Colombo Plan, recruitment of trained staff improved in 1956.

The principal crops for local consumption are rice, sago, coconuts, coffee, tapioca, maize, ground-nuts, sugar cane, bananas and vegetables. In good crop years about four-fifths of North Borneo's requirements of rice are produced locally. In 1950, a combined drainage and irrigation project for 5,000 acres of rice land was started and a pilot scheme for the mechanical cultivation of rice was introduced. The Territory produces sufficient quantities of other food crops to meet the local demand. A certain degree of diversification has been achieved in that, in addition to the main export crops (rubber and copra), two minor export crops (hemp and tobacco) are grown. There is an increasing interest in growing coffee, and cocoa experiments have been encouraging. Owing to the large proportion of old rubber trees and to the labour shortage, yields have been relatively low. In an effort to improve the industry's position, the Rubber Industry Replanting Fund Ordinance was enacted in 1954 providing for the establishment of a fund into which money collected as cess on rubber exports is paid, to finance various schemes for the replanting of rubber. The Rubber Fund Board maintains eighteen nurseries, which, in 1957, produced over 1.5 million rubber stumps for distribution.

The total area under crops is estimated at 310,000 acres, of which rubber accounts for over one-third. In 1957, the area under rubber was 137,000 acres, an increase of 8,523 acres over 1956. This increase represented 7,145 acres newly planted by small holders and 832 acres newly planted by estates. About 1,500 acres were replanted in 1957.

Principal Crops

	<u>Area</u>			<u>Production</u>		
	<u>1947</u>	<u>1953</u> (thousand acres)	<u>1957</u>	<u>1947</u>	<u>1953</u> (thousand long tons)	<u>1957</u>
Rubber	125	119	137	18	17	20 ^{a/}
Rice	90	82	75	23	30	34
Copra	53	46	48	18	15 ^{a/}	64 ^{a/}
Hemp	1	4	4	0.8	1 ^{a/}	3 ^{a/}

a/ Exports only.

Livestock

Livestock suffered great losses during the war. In the following decade, measures were adopted to prevent and eliminate animal diseases, to raise standards of husbandry and management, and to improve local stock. Under a Colonial Development and Welfare scheme, a new laboratory and quarantine station was built in 1954. The veterinary investigation service was strengthened in 1956 with a technician lent by the Australian Government under the Colombo Plan. Veterinary stations are being established in various districts of the Territory. The Government cattle farm and station conducts experimental work for the improvement of pasture and livestock. A widespread immunization campaign against Ranikhet disease resulted in an increase in the number of poultry from 250,000 in 1948 to 4.5 million in 1957. Between 1947 and 1957, the number of buffaloes increased from 46,000 to 100,000; cattle from 9,000 to 26,000; horses from 1,500 to 3,900; and pigs from 30,000 to 150,000.

FORESTRY

Approximately 23,000 square miles, or 80 per cent of the total area, are under forest; the known and accessible timber areas are situated on the east and south-east coast. It is estimated that about 10,000 square miles are a potential source of timber, the export of which is second in importance only to rubber. The largest consumers are Hong Kong and Japan.

The forest policy adopted in 1948 remains basically unchanged and aims at (1) reservation of forest land to meet local requirements of forest produce for agricultural, industrial and domestic purposes and for the safeguarding of water supplies and soil fertility; and (2) the production of timber as a source of revenue. The senior posts of the Forest Department increased from two in 1947 to eight in 1957. The area of forest reserves was 653 square miles, or about 2 per cent of the total land area, in 1947, and 2,079 square miles or 7 per cent of the land area, at the end of 1957. Four forest guards attended the training course at the Forest Research Institute in the Federation of Malaya in 1957 and two assistant forest officers studied forestry in Australia under Colombo Plan scholarships.

/...

Negotiations led in 1952 to the termination of the exclusive exploitation licence held by the British Borneo Timber Company. In return, the Company received £400,000 sterling compensation and a twenty-one-year concession for an area of 1,000 square miles. Since then the industry has developed rapidly. Similar concession agreements have been concluded with three other companies. In addition, twenty-seven local firms were working in 1957 under annual licences. Fifty-four sawmills were in operation in that year, compared with nineteen in 1947. Timber exports increased from 1.8 million cubic feet, valued at M\$1.6 million, in 1947 to 5.7 million cubic feet, valued at M\$12.2 million, in 1953 and to 20.8 million cubic feet, valued at M\$27.5 million, in 1957.

Production

(thousand units)

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Timber (cu. ft.)	3,847	10,216	26,646
Firewood (piculs) ^{a/}	595 ^{b/}	2,144	1,090
Charcoal (piculs)	8.5	34	21
Gutch (tons)	-	5.6	3.4

^{a/} One picul is equal to 133.33 lbs.

^{b/} Exports only.

FISHERIES

The fishing industry was severely disrupted as a result of the war. Under a Colonial Development and Welfare scheme, a separate Fisheries Department was formed to reorganize and reconstruct the industry. In 1953, the Department became a branch of the Agricultural Department for reasons of economy. Under a Colonial Development and Welfare scheme, its activities have been directed mainly to the culture of fresh-water fish. In 1947, there were four fresh water fish ponds, confined to the raising of carp. Between 1948 and 1952, eleven new ponds were established and three additional species were introduced. By 1957, the culture of fresh-water fish was well established in the inland districts;

/...

twenty-eight new ponds were constructed that year, bringing the total to 617, with an aggregate area of nearly thirty-five acres.

Marine fishing is confined primarily to inshore waters and estuaries. To encourage the use of powered boats, the annual licence fee on outboard motors was removed at the end of 1955. The seed pearl industry, which brought M\$22,698 in royalties to the Government in 1947, has declined. The annual production of prawn fisheries increased to some 250 tons in 1957, part of which was exported as a dried or frozen product. The export of marine products was 819 tons, valued at M\$582,649, in 1947; 1,003 tons, with a value of M\$938,419, in 1952; and 600 tons, valued at M\$500,000 in 1957.

POWER

During the war, power stations sustained severe damage. After the liberation, the Public Works Department supplied Jesselton, Labuan and Tuaran with electricity, while other towns were supplied by private companies. In 1949, a programme of construction and reconstruction was started. At Kudat, the supply previously operated by private enterprise was taken over by the Government in 1956. Under the Electricity Board Ordinance, 1956, the North Borneo Electricity Board took over all public electricity undertakings from 1 January 1957 and assumed responsibility for the licensing of private concerns. During 1957, new generators were installed in Jesselton and new installations in Labuan and Tuaran were completed. Small stations are being built by private enterprises in a number of small towns. The generating capacity of the Government station in Jesselton increased from 159 kw. in 1948 to 1,485 kw. in 1957.

TRANSPORT AND COMMUNICATIONS

Notwithstanding the high priority given in development plans to road construction, the small mileage of roads has impeded economic development, and leaves various centres isolated. On the west coast, a system of earth roads and bridle paths suitable for four wheel vehicles (jeep tracks) has been developed. This programme was commenced in 1954 and aims at the opening up of new land for agricultural purposes. On the east coast, communications are largely by sea, river and air. Following the war the Government-owned railway of 116 miles,

which serves much of the west coast and part of the interior, was rehabilitated; in 1953, a major programme for reconstruction and development was drawn up which, by 1957, had not yet been completed.

The main harbour on the west coast is on the island of Labuan, which was designated as a free port in 1956; on the east coast is the excellent harbour of Sandakan. Another important port is Jesselton. A project to replace the main wharves in these three ports was started in 1954 with the financial assistance of the International Cooperation Administration; the work was completed in 1957. Several shipping lines call regularly at the principal ports, while a number of miscellaneous vessels load timber at the east coast ports.

Aviation has become firmly established as a mode of transportation. With the improvement of the principal aerodrome in Labuan and the completion of the secondary fields in Sandakan and Jesselton, the Territory was ready in 1950 to be linked in a network of regular air services with neighbouring countries and territories (Sarawak, Brunei, Singapore, Hong Kong, Indonesia and the Philippines). Sabah Airways was formed in 1953, as a joint venture with the Government, to provide internal communications, and air strips were built in five smaller towns for this purpose. In 1957, the Government, jointly with the Governments of Sarawak and Borneo, participated in the organization of Borneo Airways, to replace Sabah Airways, for the internal air services of the three Borneo territories. During 1957, this service carried over 12,000 passengers and 285 tons of freight in North Borneo. The Government also took part in the reorganization of Malaya Airways, which maintains a service between the Borneo Territories and Singapore.

Roads and vehicles
(miles)

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Metalled roads with bituminized surface	130	172	217
Other metalled roads	23	52	148
Earth roads	225	213	345
	<u>378</u>	<u>437</u>	<u>710</u>
Total	378	437	710
Motor vehicles (number)	...	2,677	5,019

/...

Railway traffic

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Passengers	123,311	418,000	621,518
Freight (tons)	22,068	32,750	46,747

Vessels, cargo and passengers

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Total gross tonnage of vessels entered and cleared	1,958,508	3,342,394	5,918,374
Cargo handled in tons			
Wharf	223,559	250,955	387,538
Total	500,784	580,126	1,147,244
Passengers			
Disembarked	...	42,787	54,601
Embarked	...	31,398	45,875

International air traffic^{a/}

	<u>1952</u>	<u>1953</u>	<u>1957</u>
Passengers			
Embarked	13,389	17,002	17,650
Disembarked	14,644	16,963	18,289
Freight			
Picked up	197,555	375,958	328,110
Delivered	323,019	633,038	679,625

^{a/} Scheduled services of international airlines began operation in North Borneo at the end of 1950; available traffic figures for 1951 were incomplete.

Telecommunications

The telephone system, which suffered severe damage during the war, has been gradually re-established and modernized. The number of telephones installed increased from 578 in 1950 to 965 in 1953. In 1957, the number of working automatic telephones was 1,709 (1,314 in 1956). Although the services have been

/...

which serves much of the west coast and part of the interior, was rehabilitated; in 1953, a major programme for reconstruction and development was drawn up which, by 1957, had not yet been completed.

The main harbour on the west coast is on the island of Labuan, which was designated as a free port in 1956; on the east coast is the excellent harbour of Sandakan. Another important port is Jesselton. A project to replace the main wharves in these three ports was started in 1954 with the financial assistance of the International Cooperation Administration; the work was completed in 1957. Several shipping lines call regularly at the principal ports, while a number of miscellaneous vessels load timber at the east coast ports.

Aviation has become firmly established as a mode of transportation. With the improvement of the principal aerodrome in Labuan and the completion of the secondary fields in Sandakan and Jesselton, the Territory was ready in 1950 to be linked in a network of regular air services with neighbouring countries and territories (Sarawak, Brunei, Singapore, Hong Kong, Indonesia and the Philippines). Sahah Airways was formed in 1953, as a joint venture with the Government, to provide internal communications, and air strips were built in five smaller towns for this purpose. In 1957, the Government, jointly with the Governments of Sarawak and Borneo, participated in the organization of Borneo Airways, to replace Sabah Airways, for the internal air services of the three Borneo territories. During 1957, this service carried over 12,000 passengers and 285 tons of freight in North Borneo. The Government also took part in the reorganization of Malaya Airways, which maintains a service between the Borneo Territories and Singapore.

Roads and vehicles
(miles)

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Metalled roads with bituminized surface	130	172	217
Other metalled roads	23	52	148
Earth roads	225	213	345
	<u> </u>	<u> </u>	<u> </u>
Total	378	437	710
Motor vehicles (number)	...	2,677	5,019

/...

Railway traffic

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Passengers	123,311	418,000	621,518
Freight (tons)	22,068	32,750	46,747

Vessels, cargo and passengers

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Total gross tonnage of vessels entered and cleared	1,958,508	3,342,394	5,918,374
Cargo handled in tons			
Wharf	223,559	250,955	387,538
Total	500,784	580,126	1,147,244
Passengers			
Disembarked	...	42,787	54,601
Embarked	...	31,398	45,875

International air traffic^{a/}

	<u>1952</u>	<u>1953</u>	<u>1957</u>
Passengers			
Embarked	13,389	17,002	17,650
Disembarked	14,644	16,963	18,289
Freight			
Picked up	197,555	375,958	328,110
Delivered	323,019	633,038	679,625

^{a/} Scheduled services of international airlines began operation in North Borneo at the end of 1950; available traffic figures for 1951 were incomplete.

Telecommunications

The telephone system, which suffered severe damage during the war, has been gradually re-established and modernized. The number of telephones installed increased from 578 in 1950 to 965 in 1953. In 1957, the number of working automatic telephones was 1,709 (1,314 in 1956). Although the services have been

/...

expanded, demand still exceeds supply. Work has begun on a plan to install automatic exchanges in all towns and major villages, which will be linked by very high frequency radio. The Post and Telegraph Department operates all telegraph circuits within the Territory; the overseas telegraph is operated by a private company.

PUBLIC FINANCE

North Borneo's finances depend largely on its exports. Although local revenue has exceeded recurrent expenditure since 1947, so that reconstruction and development could be financed to a large extent from territorial funds, the Territory, particularly in the early post-war years, relied on external assistance to help meet these heavy costs. From the surplus of ordinary revenue over ordinary expenditure the territory contributed over M\$70 million to its reconstruction and development budget between 1947 and 1957. Up to 1955, deficits were met, by grants-in-aid from the United Kingdom of Great Britain and Northern Ireland totalling M\$20.8 million, of which M\$2.7 million was subsequently repaid. Loans-in-aid totalling M\$2 million and a contribution of M\$4.7 derived from the realization of former Japanese assets were also provided by the United Kingdom for reconstruction and development. A contribution from the International Cooperation Administration towards the cost of reconstructing wharves amounted to about M\$2 million. Because of the higher price of rubber and the increase in foreign trade, the territory's financial position improved to such an extent that in 1955 it was able to dispense with grants-in-aid from the United Kingdom, and in 1956 its finances were released from the control of the United Kingdom Treasury. The territory continues to receive Colonial and Development Welfare grants for development schemes. Including the allocation for the period 1955 to 1960, the total sum granted since 1947 from Colonial Development and Welfare funds amounts to M\$32.8 million.^{3/} Up to the end of 1956, actual expenditure under the Colonial Development and Welfare schemes

^{3/} This total will probably be changed as a result of a modification of the 1955 to 1960 scheme, which came into effect in 1957.

amounted to M\$19.7 million, while the (revised) estimate for expenditure under the schemes in 1957 was M\$5.4 million.

At the end of 1957, the public debt amounted to M\$14.8 million, including loans raised for financing the development of electricity, water supplies, the railway, and internal air services, and for compensating the British Borneo Timber Company. The total amount of the sinking funds covering these loans was M\$296,366.

The main sources of taxation are customs duties and income tax, which was introduced in 1949. Under the Income Tax Ordinance, 1949, company tax was at the rate of 20 per cent of taxable income. It was raised to 30 per cent in 1951 and subsequently to 40 per cent. The amount of currency estimated as being in circulation at the end of 1957 was M\$63.6 million, compared with M\$7 million in 1947.

The fiscal year coincides with the calendar year. In order to present a clearer picture of the financial position a double-budget system was adopted in 1949, one portion containing ordinary revenue and recurrent as well as normal capital expenditure, the other portion showing the special and extraordinary revenue and expenditure connected chiefly with reconstruction and development.

Revenue and Expenditure

(thousand Malayan dollars)

	<u>1947</u> (actual)	<u>1953</u> (actual)	<u>1957</u> (estimate)
Revenue			
Ordinary	7,171	23,042	35,535
Extraordinary	...	7,173	13,075 ^{b/}
Total	...	30,215	48,610
Expenditure			
Ordinary	4,979	15,624	29,123 ^{b/}
Reconstruction and development	6,940	12,504	16,212
Total	11,919	28,128	45,335

/...

(Revenue and Expenditure)(continued)

	<u>1947</u> (actual)	<u>1953</u> (actual)	<u>1957</u> (estimate)
Major heads of revenue			
Customs	4,590	11,255	18,861
Licences and internal revenue	209	5,791	4,810
Forests	125	1,144	2,637
Lands	656	709	911
C.D. and W. grants	...	3,000	7,351
Grants-in-aid from the United Kingdom	4,000	1,500	-
Major heads of expenditure			
Public works non-recurrent	...	8,431	5,748
Public works recurrent	...	1,460	4,684
Medical	777 ^{a/}	1,935	3,222
Education	135 ^{a/}	938	1,863
C.D. and W. schemes	...	2,998	6,047

a/ Estimates.

b/ Excluding M\$6 million which was transferred from ordinary revenue to the development budget during 1957.

INTERNATIONAL TRADE

The economy depends on the export of primary commodities, especially rubber, timber and copra. Certain types of goods produced or manufactured in Commonwealth countries are admitted at preferential rates of duty, while the goods imported directly from the United States of America and Japan are subject to quota. However, goods of United States and Japanese origin may be imported freely from Singapore, and under licence from Hong Kong. The export of strategic materials is prohibited, except under licence.

North Borneo experienced a favourable balance of visible trade for the years 1949 to 1951 and for 1954 to 1956, inclusive. The high 1947 import figures reflected the difficult period of rehabilitation, while the adverse balance of

/...

trade for 1952 and 1953 was mainly the result of the fall in the prices of rubber and copra. In 1957, the value of external trade reached M\$242.5 million, the highest recorded; the unfavourable balance of M\$0.7 million was due mainly to a change in statistical procedure affecting cigarettes imported into bond for subsequent re-export.

Imports and exports
(million Malayan dollars)

	<u>1947</u>	<u>1953</u>	<u>1957</u>
Total imports	20.5	70.0	121.6
Total exports (including re-exports)	17.0	60.3	120.9
Principal imports			
Provisions	3.6	10.0	15.3
Tobacco, cigars and cigarettes	1.9	4.0	8.9
Rice	3.0	5.9	8.0
Textiles and apparel	2.8	4.5	6.1
Machinery	-	8.4	11.7
Building materials	-	2.3	3.3
Principal exports			
Rubber	11.2	23.4	37.0
Timber (logs and sawn)	1.5	12.3	31.5
Copra (including re-exports)	0.5	8.7	24.0
Hemp	0.5	1.6	3.4
Tobacco	-	0.6	2.9
Cutch	-	2.4	1.4

	<u>Direction of trade</u> (percentage of value)		
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Origin of imports (principal countries)			
United Kingdom	20.0	31.0	24.5
Malaya, Federation of	-	12.9	7.4
Hong Kong	6.0	9.4	7.2
Philippines	6.0	3.1	10.3
Japan	-	5.4	7.0
Thailand	10.0	8.3	7.9
United States	1.0	6.1	9.7
Destination of exports (principal countries)			
Rubber: United Kingdom	25.0	37.9	31.4
Singapore	50.0	38.3	35.6
Hong Kong	-	7.5	8.1
Timber: United Kingdom	13.0	20.0	7.5
Japan	-	26.3	45.3
Hong Kong	35.0	26.0	21.2
Australia	-	17.9	20.0
Copra: United Kingdom	50.0	...	17.5
Singapore	15.0	12.2	17.0
Netherlands	-	23.8	6.7

SOCIAL CONDITIONS

No serious problem of race or cultural relations exists despite the diverse ethnic composition of the population. Among the indigenous peoples there are differences in language, religion, economic pattern and social custom. In some areas Native reservations have been set up for their protection.

The status of Moslem and, to some extent, of Chinese women, is affected by religious and traditional considerations.

...
/...

LABOUR AND EMPLOYMENT

The demand for both skilled and unskilled workers is still greater than the local supply. There are no problems of unemployment or seasonal fluctuation in employment, nor is there any emigration. A post-war trend is the increased interest of indigenous persons in wage employment. In 1957 indigenous workers constituted about half the total labour force. About 1,500 inhabitants of the Cocos (Keeling) Islands were brought to North Borneo for settlement between 1949 and 1952 and were engaged as workers on the hemp and tobacco plantations. Since 1950, permits have been issued for the temporary entry of skilled and semi-skilled workers from Hong Kong and Singapore, primarily for employment with construction and engineering firms. In recent years their number has averaged about 1,100 annually. In 1955 an agreement was concluded with the Government of the Philippines to facilitate the recruitment of workers and settlers. However, the increase in the labour force during the past two years has been due chiefly to Indonesia migrant workers from Timor and the Celebes.

The application of International Labour Conventions to North Borneo was extended in 1957 to twenty-nine conventions, five of which were applied with modification. The Workmen's Compensation Ordinance, 1955, came into effect in 1956 and increased the compensation payable to injured workmen and the dependants of deceased workmen. Payments to workmen or their dependants amounted to M\$117,268 in 1956 and M\$81,266 in 1957. By a 1957 amendment, the Ordinance was extended to cover domestic service. Effective 1 January 1957, employers in the timber and firewood industries, where the incidence of accidents is relatively high, were required to take insurance for their workers.

Employment situation

The 1951 census showed that 140,629 persons or 42.1 per cent of the population (334,141) were gainfully employed. Of these persons, 119,639 were engaged in primary production and the remainder were employed in manufacturing, commerce, and public and domestic services. Between 1947 and 1957, the number of workers employed by registered employers in the principal occupations increased from 15,501 (8,963 on agricultural estates; 3,933 in industry and

/...

commerce; 2,605 in public services) to 27,217 (12,408 on estates; 11,419 in industry and commerce; 3,390 in public services). In general, agricultural and industrial jobs are performed at piece-rates. The daily wage level of unskilled workers increased from M\$1.50 in 1947 to M\$3.50 in 1956. For the period 1953 to 1956, general daily wages were M\$3.50 to 7.00 for semi-skilled workers; and M\$7.00 to 12.00 for skilled workers. During 1957, the daily average earnings were M\$4.04 for unskilled workers; M\$5.43 for semi-skilled workers and M\$8.25 for skilled workers.

Workers' and employers' organizations

The trade union movement is still in its infancy. At the end of 1957, there were five registered trade unions with a total membership of some 700. Labour disputes have been of a minor nature.

CO-OPERATIVE SOCIETIES

Attempts made in 1948 to start a co-operative movement were not successful; only a few societies came into existence. In September 1957 a co-operative officer was appointed and provision was made for posts for two co-operative assistants in 1958.

STANDARD OF LIVING

Although accurate indices of the cost of living do not exist, since 1949 the Department of Labour and Welfare has collected and published figures for an average monthly budget of workers.

Average monthly budget of wage-earners
(Malayan dollars)

	<u>1949</u>	<u>1953</u>	<u>1957</u>
Indigenous workers			
Foodstuffs	20.81	29.70	33.73
Clothing and bedding	4.26	5.29	4.92
Miscellaneous	<u>4.55</u>	<u>11.02</u>	<u>15.46</u>
Total	29.62	46.01	54.11
Chinese workers			
Foodstuffs	24.98	35.75	36.79
Clothing and bedding	4.94	6.63	5.61
Miscellaneous	<u>8.38</u>	<u>11.60</u>	<u>13.11</u>
Total	38.30	53.98	55.51

TOWN AND RURAL PLANNING AND HOUSING

Labuan and Sanakan were destroyed during the war, Jesselton was severely damaged, and many buildings in other towns were devastated. Before town plans could be adopted, temporary settlements had sprung up on the old building sites. The Town and Country Planning Ordinance, 1950, established a central board to deal with town plans for the seven most important centres. In several of the smaller towns, plans were drawn up by administrative arrangement. Reconstruction was undertaken in all centres, but was hampered by the shortage of technical personnel, labour and materials. Although the building programmes in several smaller towns had been completed by the end of 1951 and major works in the larger centres were well advanced, it was estimated in 1957 that the replacement of temporary structures in the principal towns would take several years. The construction in the commercial field and for government purposes has been less affected by the high cost of building than has construction for private housing which has proceeded more slowly. House building has been encouraged since 1955 with loans made available from the government-sponsored Credit Corporation and from the Malaya Borneo Building Society. Localities of sub-standard housing in the main towns are being replaced as the implementation of town plans proceed. The Government has built extensive quarters for its officers and employees.

/...

SOCIAL SECURITY AND WELFARE

It is the Government's policy to foster the efforts of the voluntary organizations in the promotion of social welfare. In 1954, a Social Welfare Council consisting of nine persons prominent in social welfare work was formed to review and co-ordinate the work of the voluntary organizations with that of the Government and to advise the Government on matters of policy and administration in social welfare.

The Paupers Ordinance, 1924, established a fund to maintain institutes in Jesselton and Sandakan for aged and indigent persons. An institute to accommodate 100 old persons was completed in Sandakan in 1956, and the construction of another institute in Jesselton, to accommodate 120 inmates, was begun in December 1957. Under the North Borneo War Victims Fund Ordinance, 1947, a fund totalling M\$303,408 was established in 1948, financed from voluntary contributions and government appropriations. Since its inauguration in 1949, the fund has received continuing support from the public. Under this fund, which supports incapacitated persons and their dependents and assists with rehabilitation, some M\$41,000 was paid in 1957 in relief and assistance to children.

There are no general provisions for social security and for old-age benefits.

PREVENTION OF CRIME AND TREATMENT OF OFFENDERS

The incidence of serious crime is small. However, there was an outbreak of piracy on the east coast in 1951. For the period 1947 to 1957, offences against the person and property showed a downward trend.

Crime statistics

	<u>Number of cases</u>		
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Offences against the person	216	62	124
Offences against property	951	533	554

/...

Juvenile delinquency is not a serious problem. By an agreement with the Sarawak Government, hardened offenders who need corrective training may be sent to the Boy's Home at Kuching. The increase in the number of juveniles admitted on remand (eight boys in 1956 and twenty-three in 1957) caused some concern.

PUBLIC HEALTH

There has been no outbreak since the war of such epidemic diseases as smallpox, cholera, plague or typhus. Although 25,000 cases of influenza were reported in 1957, no deaths were directly attributed to it.

Intestinal infestations, tuberculosis and malaria remain the most serious diseases. A pilot scheme for the control of malaria, sponsored jointly by the Government, the World Health Organization and the United Nations Children's Fund was begun in July 1955. By the end of 1957, the whole of the Interior Residency, including Labuan, had been sprayed at least once with insecticide. In spite of difficulties encountered by the control team, it was proposed that residual spraying should eventually be extended to the whole Territory.

Pulmonary tuberculosis is a serious problem but progress has been made in providing more treatment facilities. The North Borneo Anti-Tuberculosis Association was formed in 1953, and under the Colombo Plan the Director of the Australian Department of Health visited North Borneo in 1957 to investigate the problem. Upon his advice, the Government planned a campaign to isolate infectious patients and introduce preventive measures, including BCG vaccination, in appropriate areas. Tuberculin testing began in December 1957 in all the major stations. It was proposed to offer BCG vaccination to priority groups including school children. The construction of a tuberculosis hospital in Jesselton was almost completed in 1957 and special wards for tuberculosis patients have now been built in association with most of the hospitals.

Medical and health services improved in 1957 with the opening of a general hospital in Jesselton and a new cottage hospital at Keningau. Medical facilities were brought to the more remote communities by means of mobile dispensaries. Attendance at maternity and child welfare clinics in 1957 totalled 57,000, more than double that of 1953.

/...

The lack of trained staff has handicapped the work of the Medical Department. The staff of fifteen medical officers and two dental officers was brought to full strength for the first time in 1955. An additional post of medical officer was established in 1957, but at the end of the year it was still vacant.

Under a WHO Sister-tutor project, a full course of training for dressers and nurses was instituted in 1953 at Sandakan. Although the WHO tutors' assignment was completed in 1955, the training course was continued and by the end of 1957 the training school had fifty-one students. With the help of UNICEF, a training scheme, begun in 1955, of bringing in practising midwives for a period of training was also continued, and by the end of 1957 fifty-seven practising midwives had received additional training. Under the Colombo Plan and the auspices of other organizations, overseas training opportunities have been granted to a number of the staff of the Medical Department. For instance, in 1957 four health inspectors were taking a training course in Singapore leading to the examination for the Certificate of the Royal Society of Health.

The state of nutrition has improved. Water supplies and other types of environmental sanitation are still not adequate, however. With the assistance of WHO, the planning of sewage systems for the major towns was completed in 1956; environmental sanitation work in the main centres began in 1957.

The recurrent expenditure of the Medical Department increased from M\$776,700 in 1947 to M\$3,222,000 in 1957. Medical expenditures from Colonial Development and Welfare funds increased from M\$690,000 in 1953 to an estimated M\$1,237,900 in 1957.

Medical and health staff

	<u>1947</u>	<u>1953</u>			<u>1957</u>		
		<u>Gov.</u>	<u>Missions</u>	<u>Priv.</u>	<u>Gov.</u>	<u>Missions</u>	<u>Priv.</u>
Registered physicians	28 ^{a/}	15	1	16	16	1	33
Nurses of senior training	-	7	3	1	6	3	1
Certificated nurses	8	117	-	52	140	-	53
Partially trained nurses	37	62	-	-	70	-	-
Certified midwives	25	33	3	42	64	3	49
Health inspectors grade I	-	2	-	-	1	-	-
Other health inspectors	-	11	-	-	12	-	-
Total	98	247	7	111	309	7	136 ^{b/}

a/ Seven in private practice.

b/ Excluding fifty-seven Kampong midwives.

Government institutions

	<u>Number</u>			<u>Number of beds</u>		
	1947	1953	1957	1947	1953	1957
General hospitals	2	2	2	255	313	360
Cottage hospitals	5	5	5	...	173	349
Mental hospital	1	1	1	40	100	146
Dispensaries:						
for out-patients)		...	18	-	-	-
with beds)	30	9	12	...	77	170

Mobile units include a river dispensary launch, motor ambulance dispensaries and a railway travelling dispensary. A leprosarium has had an average of forty-five patients for the last few years. Largely because of financial stringency the construction of a new mental hospital was delayed in 1957.

EDUCATIONAL CONDITIONS

Education is not compulsory and is free only in government schools. To eradicate illiteracy and to enrol every child of school age in a basic primary school with a six-year course are the main objectives of educational policy. The 1951 census showed that 117 per thousand of the total population and 170 per thousand of the population of fifteen years of age and over were literate. During 1957 two children in seven of school age actually attended school.

Until recently, the three facets of the educational system were largely unrelated: education in Malay at government schools, education in English in mission schools, and education in Chinese in schools provided by local Chinese communities. A special committee, including representatives of the mission and Chinese schools, was set up in 1955 to review the whole educational system. In its 1956 report, the committee recommended the establishment of a widely representative central board of education and of local education committees covering the various districts of the Territory. The Education (Amendment) Ordinance, 1956, established the Board of Education, with a majority of unofficial members, and local education committees in the fourteen school districts advising

/...

the Director and the Board of Education on any matters concerned with the promotion and administration of education. These organizations have given greater responsibility to the people themselves in developing an educational system based on a more or less uniform standard. A comprehensive system of public examinations built up by the Department of Education in recent years as a means of checking current efficiency in the schools, as well as syllabuses prepared and issued by the Department for use in all schools, have also been instrumental in the promotion of uniform standards. In 1957, the Government accepted the recommendation of the Board of Education to extend financial aid to all non-government schools.

The educational system now provides for six years of primary education in any of the three languages, followed by up to six years of secondary education in English or Chinese. The problems of the language of instruction are being met by moving towards bilingualism as more teachers can be found or trained. English is becoming the second language of the Chinese and Malay schools, while either Malay or Chinese is becoming the second language in the English schools. Many government primary schools and Native voluntary schools, aided and equipped by the Government to fill the gap until government schools can be established, have been opened to meet the increasing demand for education amongst the indigenous population. Local Chinese school committees remain responsible for the education of one-third of the school population. The number of pupils receiving secondary education increased from ninety-three in 1947 to 2,359 in 1957. Facilities for secondary education are still provided chiefly by mission and Chinese schools. The first government Secondary (Technical) School was opened in 1957, increasing the government schools to two out of a total of twenty-five secondary schools or sections.

The lack of trained teachers has impeded the development of education. With Colonial Development and Welfare funds, a teachers' training college (Kent) was built in 1952 at Tuaran for indigenous students. In 1953, provision was made for admitting Chinese students. During 1957, courses for teachers in English schools were about to begin. Kent College had 137 students in 1957 of whom eighty-eight were men and forty-seven were women.

The government Trade School was attended in 1957 by seventeen boys taking the carpenters' course and twenty taking the course for mechanics.

Apart from Kent College, no institutions for higher education exist, but scholarships to study overseas are offered through territorial funds, Colonial Development Welfare schemes, the Colombo Plan, the British Council, the Asia Foundation and the Rockefeller Foundation. In 1947 there were no students with the necessary educational qualifications to take advantage of scholarships. In 1957 ninety students from North Borneo studied under scholarships in higher institutions in Australia, New Zealand, the United Kingdom, Hong Kong and the United States.

Recurrent expenditure of the Department of Education was: M\$135,098 in 1947 and M\$1,863,000 in 1957. In addition, a sum of M\$1,195,982 was provided in 1957 from the development budget for capital expenditure. Of this amount, M\$835,000 came from Colonial Development and Welfare funds (M\$284,000 in 1953). A sum of M\$1,141,000 was set aside in 1957 for grants-in-aid to all non-governmental schools.

	<u>Schools</u>		
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Government	60	70	87 ^{a/}
Mission	45	68	70
Chinese	52	81	82
Others	8	14	49
Total	<u>165</u>	<u>233</u>	<u>288^{b/}</u>

a/ Including Kent College and the Trade School.

b/ In the majority of cases both primary and secondary classes are in one school.

	<u>Pupils</u>		
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Primary	13,959	22,498	31,720
Secondary	93	1,607	2,359
Total	<u>14,052</u>	<u>24,105</u>	<u>34,079^{a/}</u>
Boys	10,579	16,879	22,955
Girls	<u>3,473</u>	<u>7,226</u>	<u>11,296</u>
Total	<u>14,052</u>	<u>24,105</u>	<u>34,251</u>

^{a/} Excluding Kent College and the Trade School.

	<u>Registered Teachers</u>		
	<u>1947</u>	<u>1953</u>	<u>1957</u>
Men	409	987	752
Women	<u>129</u>	<u>538</u>	<u>500</u>
Total	<u>538</u>	<u>1,525</u>	<u>1,122</u>

CULTURAL INSTITUTIONS AND MASS COMMUNICATIONS

The Information Department, established in 1950, contributes to educational and cultural development through the library, press, films and broadcasting. Increasing use has been made of the public libraries and reading rooms maintained in seven towns by the Department. Mobile cinema units operated in and around the main towns show educational films. In 1957, the Department began to produce its own film newsreels.

In 1947, only one Chinese daily newspaper was published, with a circulation of about 200 limited to Jesselton, and there were no Malay language newspapers. One English language newspaper suspending during the war resumed publication in 1948. In 1957, four daily newspapers (three in Chinese and one in English, Malay and Dusun) and two magazines (one in English and the other in English, Chinese, Malay and Dusun) were published.

/...

A government radio broadcasting station, which in 1951 began regular news broadcasts at lunch time, has become an important instrument in linking scattered and isolated communities. With the installation in 1955 of a new transmitter, purchased under a Colonial Development and Welfare scheme, it became possible to transmit programmes seven days a week, in English, Malay, Chinese and Dusun. Emphasis is on live programmes, using local talent as extensively as possible. An adult education course is broadcast four days a week. The number of licence-holders increased from 1,611 in 1951 to 9,645 in 1957.
