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### THE CENTENARY (2006) OF THE BRITISH RESIDENCY IN BRUNEI

AVM Horton

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The purpose of this short article is to sketch how Brunei changed in the five decades or so following January 1906. The passage of time allows us a better sense of historical perspective; not only is it now one hundred years since the Residency began, but it is also not far short of half a century since it ended in September 1959. After an intermediate stage of internal self-government, Negara Brunei Darussalam achieved full independence on 1 January 1984 and assumed its rightful place in the international community.

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by

AVM Horton

## INTRODUCTION

The start of 2006 will mark the centenary of the British Residential Era in Brunei, the seminal event in the sultanate's modern history. The installation of Mr MSH McArthur (1872-1934) as the first British Resident in January 1906 remains a fundamental point of departure, marking the conclusion of a prolonged period of relative and absolute decline which had begun in the sixteenth century and seemed certain to culminate in the country's disappearance from the map of nations. Having at one time controlled extensive coastal areas in Borneo along with the southern Philippines (including Sulu), and even parts of Luzon,<sup>1</sup> Brunei on the eve of the Residential Era had been reduced to a small, rump state surrounded by Sarawak territory except along the coast.

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All the former British Residents are now deceased: the last to die was *Dato Setia* Sir William John Peel, the first post-war incumbent (1946-8), who departed this life at his London home on Saturday 8 May 2004 aged nearly ninety-two. The longest-lived Resident, however, was Mr LHN Davis CMG (in office between January and August 1948), who had attained the age of ninety-four

years at his demise on 16 June 2003<sup>2</sup>. The last person to hold the post, Sir Dennis White, expired in 1983, a few months before *Merdeka*<sup>3</sup>. The sultans and viziers from those days have also exited the stage. Some of the former Assistant Residents were still alive as at August 2004, however. The first (and last) Commissioner of Development during the Residential Era, Mr ER Bevington CMG (1914-2004), died on Friday 30 April 2004. The Managing Directors of the BMPC/BSPC<sup>4</sup> from before 1959 are all no longer with us. Curiously enough one of the strongest living connections with that bygone age seems to be the former leaders of the *Partai Rakyat Brunei*, although the most famous of them, Sheikh Ahmad Azahari bin Sheikh Mahmud (1928-2002), began the afterlife on Thursday 30 May 2002.

Before proceeding any further, a word on currency is necessary here. The Straits' dollar (renamed the Malayan dollar in 1938), which was the money of Brunei as well, stood at 2s 4d (just under £0.12) throughout the Residential Era; or, to put matters in reverse, Str\$8.57 were worth one pound sterling and there were nine dollars to the guinea (£1.05). Currency issued by the 'Board of Commissioners of Currency, Malaya and British Borneo' ceased to be legal tender in Brunei on 16 January 1969. Meanwhile, the Brunei dollar had been introduced on 12 June 1967;<sup>5</sup> throughout its history it has remained at par with the Singapore dollar and the two currencies are (or should be, at any rate<sup>6</sup>) interchangeable in either country. The Singapore dollar has subsequently appreciated against sterling: hence at start of trading on 17 March 2005 there were S\$3.12 to the pound at inter-bank rates.<sup>7</sup> For its part, sterling deteriorated markedly in relation to the US dollar during the twentieth century; fixed at US\$4.86 against the gold standard prior to the Great War and again from 1925-31,<sup>8</sup> it was devalued from US\$4.03 to US\$2.80 in 1949 and from US\$2.80 to US\$2.40 in 1967. As at 17 March 2005 £1.00 bought US\$1.93. Using these figures, it can be calculated that one US dollar would have been worth 1.76 Straits' dollars in 1914 and 1.62 Singapore dollars in 2005: hence, although both the US and Straits'/Singapore dollars have gained considerably against sterling, they have remained comparatively stable against each other.

In 1904 a Straits' government officer, MSH McArthur, spent six months in the sultanate trying to establish the facts and to gauge local opinion (see Appendix I). His report, submitted to his superiors on 5 December 1904, directed them to the idea that the appointment of a British Resident to Brunei on the Malayan model was the only realistic choice available. There were three telling arguments. First, by revealing the depth of opposition in Brunei to Raja Sir Charles Brooke, it convinced the British Government not to transfer the sultanate to Sarawak (which had been their preferred option hitherto). Those in the Colonial Office who had argued thus for some time were strengthened in their case; whilst the Foreign Office (formerly disposed strongly to the raja and most reluctant to appoint a Resident) caved in. Secondly, the "Report" disclosed that Brunei was far more valuable than had been supposed in London; and by suggesting that, after an initial loan, the country might become self-supporting, it removed the principal objection to a Residential System. Finally, by highlighting the alleged maladministration of Labuan since 1890 by the British North Borneo (Chartered) Company, McArthur furnished Whitehall with a pretext for resuming control of the island and amalgamating its administration with that of Brunei. When this proposal had been first mooted, in 1903, it was abandoned because of opposition from the BNBC. Armed now with McArthur's evidence, such resistance could be overridden.

It might seem unsurprising that a Straits' officer like McArthur should have advised the extension of the Malayan model to Brunei. But this overlooks the fact that two previous consuls – NP Trevenen (1890-8) and AL Keyser (1898-1900) – also had Malayan backgrounds, yet neither of them had recommended a Residential System<sup>9</sup>. McArthur's immediate superiors – namely, Sir John Anderson (the High Commissioner) and the Foreign Office – had tended to prefer the Sarawak settlement.

If the crucial immediate concern behind the appointment of a Resident was a desire to inaugurate a more enlightened form of administration and to ameliorate the lot of the Brunei people, there is no evidence to suggest that pressure from local business interests

had the slightest effect on the decision. The most important capitalist in Brunei at the time, indeed, was Sir Charles Brooke himself. The other main European concern, the Island Trading Syndicate, also made representations to the Foreign Office on behalf of the Raja. In 1902, and again in 1906, Sir Charles received backing even from the BNBC. Furthermore, the incoming regime's experience in its early years was one of attempting, with scant success, to encourage outside investors to risk capital in the sultanate so that government revenue might be increased and a better standard of administration provided.

During 1905 negotiations proceeded with the BNBC for the recovery of Labuan, which reverted to Crown Colony status. In December 1905 Sultan Hashim agreed (in a 'Supplementary Agreement' to the Brunei-UK Protectorate Treaty of 1888) to accept a British Resident to run the administration of his country. Arrangements were made for the Federated Malay States to loan two hundred thousand Straits' dollars to Brunei to redeem mortgaged revenues. As Professor Tarling (1971: 519) comments, "Malayan prosperity gave the Colonial Office a means to carry out its Brunei policy without [UK] Treasury obstruction". It was hoped that the administration, which was to be of 'a very simple character', would soon become self-supporting.

## THE RESIDENTIAL ERA (1906-59)

On the eve of the Residential Era Brunei had been, in the words of Dr Graham Saunders (2002: 97, 106), teetering 'on the brink of oblivion'.<sup>10</sup> All but a small remnant of the sultanate's former territory had been lost; the country was bankrupt; disaffection was general in the outdistricts; population was declining; and the powerful Raja of Sarawak was poised to deliver the final blow. Brunei was hamstrung during the second half of the nineteenth century by Whitehall's control (from 1847) over its foreign relations. In 1959, by contrast, the country had an annual revenue of M\$130 million and reserves to the extent of M\$600 million. The