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July, 1907.



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REPORT ON BRUNEI FOR 1906.

THE HIGH COMMISSIONER TO THE SECRETARY OF STATE.

Government House,
Singapore,

30th May, 1907.

MY LORD,

I HAVE the honour to enclose a report on the State of Brunei for the year 1906, which has been drawn up by Mr. S. McArthur, the British Resident.

2. The bare facts recorded in the Report give but little indication of the enormous amount of work performed by Mr. McArthur and his Assistant, or of the tact and patience which had to be displayed in dealing with the state of chaos existing before the establishment of the Residential system.

3. Now that the initial difficulties of clearing the Revenues of the State and introducing a settled administration have been overcome, steady progress and development may be confidently anticipated.

I have, &c.,

JOHN ANDERSON.

The Right Honourable
The Earl of Elgin, K.G.,
&c., &c., &c.,
Colonial Office.

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GENERAL.

1. The State of Brunei comprises an estimated area of about 3,000 square miles, with a coast line of about 100 miles, and lies between Lubok Pulai, the Eastern boundary of the Baram District (Sarawak) and Tanjong Puan, at the mouth of the River Trusan. The Limbang District lies within these limits but no longer forms part of the State, being administered as part of Sarawak. The principal remaining districts of the State are Belait, Tutong, Brunei, Pandaruan, Tamburong and Laboh. Brunei, the capital, with an estimated population of 10,000 Malays, is distant 42 miles from Labuan. Communication between Labuan and the town of Brunei is maintained by launch service and by sailing schooners owned by Chinese traders. These schooners also ply between Labuan and the outlying districts of the State, the nature of the intervening country and the absence of roads making land communication between them and the capital tedious and difficult.

2. During 1905 the Sultan of Brunei, whose relations with His Majesty's Government had hitherto been regulated by a Treaty made on the 17th September, 1888, expressed a desire for a more definite form of British protection. A new treaty was accordingly drawn up on lines similar to those in force with the rulers of the Federated Malay States of the Peninsula, and on the 2nd January, 1906, the High Commissioner and Consul General for Borneo visited Brunei, and signed the treaty with His Highness the Sultan.

3. All the revenues of the State had been for years in the hands of monopolists, chiefly Chinese, who had obtained the right to collect them by the payment of cash to the Sultan or his predecessors. No administration being possible while these monopolies existed, negotiations were commenced with the holders and a loan was obtained to enable the Government to buy them out. Many of them were redeemed, but there remained at the close of the year a number of them affecting outlying districts, in respect of which there was no time to arrive at a settlement.

FINANCIAL.

4. No statistics are available for past years. The revenue for 1906 was 272,115.58 dollars, of which 200,000 dollars was a loan from the Government of the Federated Malay States. The Expenditure for the year was 182,431.01 dollars. Revenue and Expenditure are shown in detail in the accompanying Schedules :—

RECEIPTS.

I.—Revenue Account.

	£	cts.
Loan from Federated Malay States ...	200,000	00
Licences ...	12,210	00
Customs ...	7,720	30
Mines ...	2,850	00
Poll tax ...	1,112	00
Postal revenue ...	1,742	06
Launch fares and freight ...	798	53
Market boat tax ...	625	50
Interest ...	554	05
Court Fees ...	326	74
Over issues refunded ...	234	60
Total Revenue Account ...	228,173	78

II.—Personal Account.

	£	cts.
Loan Account ...	11,015	00
Deposits ...	3,790	44
Tulin Account ...	29,136	36
Total Personal Account ...	43,941	80
Add Total Revenue Account ...	228,173	78
Grand Total ...	272,115	58

Licences.

The figures are made up as follows:—Opium, Spirits, &c. farm, 4,950 dollars; Tobacco import duty, farm, 6,050 dollars; Kerosine and matches import duty farm, 1,210 dollars (all for eleven months only).

Customs.

These figures represent the amount collected on various dutiable articles as the right to impose duties accrued to the Government at different dates on the redemption of trade monopolies.

Poll Tax.

The small amount collected under this head is accounted for by the fact that this tax had been in almost every instance collected in advance.

Postal Revenue.

A postal system was introduced in October. These figures represent the face value of stamps sold during the last three months of the year.

Personal Account.

The items under this heading call for little comment, but it should be explained that a "Tulin" account is kept showing

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receipts of Cession Money from the Governments of British North Borneo and Sarawak, and the payment of corresponding amounts to the chiefs entitled thereto. The excess of receipts over payments in this account is due to the fact that a large sum of Cession Money was received too late for distribution during the year under review.

EXPENDITURE.

I.—Revenue Account.

	\$	cts.
Special payments	21,331	08
Expenses of Mission	5,984	23
Stationery	142	53*
Public Works	7,630	91*
Roads and Bridges	1,054	24*
Maintenance of launch	2,185	52*
Civil list	24,000	00*
Salaries	14,127	14*
Telegrams	214	75*
Redemption of monopolies	61,105	58
Customs	144	20*
Transport	442	83*
Police Stores	291	32*
Miscellaneous services	685	89*
Office contingencies	400	98*
Collection of Poll Tax	47	20*
Post Office	56	25*
Redemption of Tulin property... ..	400	00
Total Revenue Account	140,244	65

II.—Personal Account.

	\$	cts.
Loan Account	18,690	00
Deposits	1,560	00
Tulin Account	21,936	36
Total Personal Account	42,186	36
Add Total Revenue Account	140,244	65
Grand Total	182,431	01

Special Payments.

This heading includes purchase of a launch (20,000 dollars), and a grant to His Highness the Sultan to defray the expenses of the late Sultan's funeral, and his own marriage.

Expenses of Mission.

These expenses were incurred at the end of 1905, when the presence of two European Officers in the State was necessary to

settle the preliminary arrangements for the new Treaty. The payments were made in 1906.

Redemption of Monopolies.

The following Schedule shows the monopolies dealt with and the compensation paid in respect of each.

Monopolies Redeemed.	Compensation paid.
	\$ cts.
Market boat tax	2,238 35
Spirits	100
Opium	9,952 50
Sundry goods (10 per cent. import duties)	11,699 54
Borneo tobacco	1,301 64
Three per cent. import duties	3,750
Flour... ..	144 50
Kajang (thatch) export	520
Cattle export	1,480
Terubu (fish liver) import... ..	69 75
Kerosine	1,672 67
Bark extract... ..	440
Tamburong export (part)	216
Tamburong and Batu Apoi import	216
Tamburong import and export	1,600
Bark extract	1,100
Kerosine storage	87 50
Kerosine import	625
Brass import duty	392 50
Belait import and export and opium, etc. (part)	2,848 47
Chinese tobacco	960
General export (Tamburong)	330
General import and export (Tutong)	9,000
Sugar... ..	1,110
Getah export (Tutong)	46 16
Spices and Java Tobacco	9,000
Hides (part payment)	5

The other items of the statement of expenditure call for no special comment.

5. The State being practically bankrupt at the beginning of the year, every attempt was made to restrict expenditure, and the only large payments were those necessarily incident to the paying off of mortgages on State revenue and the first organization of a simple system of administration. A reference to the statements of receipts and payments will show that the actual revenue collected during the year amounted to 28,173 dollars 78 cents, and that the actual current expenditure (marked *) amounted to 51,423 dollars 76 cents, of which almost half was absorbed in the payment of allowances to the Sultan and his ministers. Considering how many sources of revenue still

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remained in the hands of private speculators, these figures seem to augur well for the financial position of the State in the near future.

ASSETS AND LIABILITIES.

6. The following statement shows the assets and liabilities of the State on the 31st December, 1906 :—

	\$	cts.
Total receipts, 1906 (Revenue and Personal Account).	272,115	58
Total expenditure, 1906 (Revenue and Personal Account).	182,431	01
Balance to credit on 1st Jan., 1907.	89,684	57
<i>Liabilities.</i>		
To amount of Federated Malay States Loan.	200,000	00
	200,000	00
	89,684	57
Excess of liabilities over assets	110,315	43

TRADE, AGRICULTURE, AND INDUSTRIES.

7. At the beginning of the year the trade of each district of the State was in the hands of separate rings of monopolists. In some cases the sole monopoly of trading in certain articles had been granted, and in other cases the right of charging duty on import or export had been sold outright, no limit being fixed for the rates to be charged. The only article not thus exploited was rice, the staple food of the people. The monopolies affecting the import trade of the capital were cleared off, by payment of compensation to the holders, as soon as possible, and Customs Regulations were then introduced, substituting a fixed and moderate scale of import duties for the restrictions hitherto in force. These regulations were extended to the Tutong district as soon as the monopolies in existence there had been similarly dealt with. Time did not admit of the clearing off of the import monopolies in the other districts, while no export monopolies were redeemed until the last two months of the year. It is therefore impossible to give any reliable trade figures for the whole State during the year under review, no information being available as to the value of goods imported or exported under monopolies.

8. The total declared value of dutiable goods imported, chiefly into Brunei town, under the Customs Regulations was 60,878

dollars, and the total value of similarly declared exports was, for two months, 1,560 dollars.

9. The principal articles of import were, as far as can be ascertained, rice, piece goods, coconut oil, sugar, spices, and tobacco. Paucity of staff made it impossible to institute a general system of registration of imports and exports and no figures are obtainable as to the import of goods not affected by the Customs Law.

Rice.

Large cargoes are brought in by every schooner, although the soil of the country is capable, were it only cultivated, of supplying all the needs of its inhabitants in this respect.

Piece Goods.

Cloth, chiefly of inferior German manufacture, and silk, from China, were imported into Brunei town, during six months, to a declared value of 27,384 dollars.

Coconut Oil.

The declared value of imports of this commodity into Brunei town was, for six months, 3,740 dollars.

Sugar.

The declared value of imports into Brunei town was, for six months, slightly over 9,600 dollars.

Spices.

The monopolies affecting the import of these were cleared off late in the year and a very low rate of import duty, calculated per kati (1½ lb. avoirdupois), instituted. Spices vary in value and the importation of mixed consignments makes it impossible to assess the value. That the trade is considerable is proved by the comparatively high prices paid for the monopolies of import in the past.

Opium and Spirits.

The import of opium and spirits was let out as a farm. The value of opium imported was declared at 6,480 dollars. The amount of spirits imported is at present almost negligible.

EXPORT TRADE.

Jungle Produce.

10. There is a growing volume of export trade, comprising rotans, damar, getah, and jungle produce of all kinds; but the fact that it was entirely in the hands of monopolists and that the exports were from outlying districts, where the Government had no trained staff, makes it impossible to offer any reliable figures regarding the trade during 1906.

Coal.

14,533 tons of coal were exported from the Raja of Sarawak's coal mines at Brooketon (Muara) and Buang Tawer.

Cutch.

The Island Trading Syndicate exported 30,982 cwt. during the year under review.

AGRICULTURE.

11. Very little cultivation has been attempted during late years, the natives of the country having contented themselves with growing occasional crops of padi. There are, however, many traces of earlier cultivation in the form of abandoned fruit plantations, and a number of these have been cleared and reoccupied during 1906. The soil is generally fertile, especially in the Tutong district, and it is to be hoped that as soon as road communications can be established, the people who at present earn a casual livelihood by the collection of jungle produce will realise the natural advantages of their country, and will recommence permanent cultivation of the soil.

12. Four applications by Europeans for large areas of land for rubber planting were received during the year. Three of them appear to have been speculative and were not proceeded with. In the other instance satisfactory terms were arranged, and a large block of land was selected and demarcated towards the close of the year.

OTHER INDUSTRIES.

13. The main industries of the native population are the collection of jungle produce in the outlying districts, and fishing and the collection of mangrove bark for cutch manufacture in the Brunei river. A few Malays are also employed in the Brooketon coal mines and at Buang Tawer.

14. A certain amount of boat and Tongkang building is carried on in the Tutong and Balait rivers, and considerable skill is shown in the construction of these vessels. They are, however, only built to meet local demands.

15. A factory for the manufacture of cutch has been established in Brunei town since 1901. Mangrove bark is collected in all the creeks of the Brunei estuary under the terms of a monopoly granted by the late Sultan, and this bark is brought up river by native boats to the factory. The industry employs some hundreds of Malays.

16. Coal, oil, and iron are known, and gold and antimony are said, to exist in the State, but though various concessions have been granted in the past, none have been worked and none are now operative, except those of the Raja of Sarawak, purchased from Mr. Cowie, the original concessionaire. His Highness has worked a coal mine at a place named Brooketon,

in the Muara district, at the mouth of the Brunei river, for over twenty years, and has also more recently commenced mining for coal at a place called Buang Tawer, on the Brunei river, about three miles below the town of Brunei. The output of coal is stated to have been seriously interfered with during the latter part of the year by the flooding of one shaft of the Brooketon mine and the outbreak of fire in the other.

17. Six prospecting licences for oil were issued during the year, but it is as yet uncertain what success will attend the efforts of the prospectors to find oil in paying quantities.

SHIPPING.

18. A steam launch owned by the Labuan Coalfields Company, Limited, made periodical trips to Brunei, carrying cargoes of sundries. A Government launch was also maintained and served the trade of the town of Brunei as far as its special duties permitted. The Sabah Company's steamship "Labuan" entered the Port of Brunei at various dates early in the year, with shipments of timber from Sandakan for Government works. The Raja of Sarawak's steam collier from Brooketon made fortnightly trips between Brunei and Labuan, carrying cutch for the Island Trading Syndicate. Monthly communication between Kuching and Brooketon was kept up by Sarawak Government steamers. A certain number of steamers also touched at Brooketon and took away cargoes of coal, but owing to the nature of the concession held by the Raja of Sarawak, the Government of Brunei has no information as to the movements of ships there. A number of native-owned sailing schooners were engaged in local and coastal trade during the year.

19. H.M.S. "Flora," H.M.S. "Thistle," H.M.S. "Clio," and the Raja of Sarawak's yacht "Zahora" visited Brunei during the year.

20. Beacons were put up at the mouth of the Brunei river, and were maintained during the year. The State is also indebted to His Highness, the Raja of Sarawak, for the establishment and maintenance of a lighthouse at the mouth of the Brunei river, which is useful to ships making Brooketon or Labuan.

LEGISLATION.

21. Customs Regulations were framed in April to provide for the collection of reduced import duties on the abolition of certain of the monopolies previously in existence in the Brunei river. These regulations, which were tentative and temporary, were repealed at the end of the year, when a new Customs enactment was passed and made applicable to the whole State.

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An Enactment was also passed by the Sultan in Council providing for the establishment of Civil and Criminal Courts and for the administration of justice throughout the State as far as possible on the lines in force in the Federated Malay States.

The only other legislation during the year was a proclamation by His Highness the Sultan demonetizing the British and Mexican dollar and the nickel coinage of North Borneo, with which the country is flooded, and making Straits Settlements currency the only legal tender. A period was fixed during which the Brunei Treasury exchanged the old currency for the new at a discount of five per cent. Although this discount compared favourably with that charged by private traders in the neighbouring Colony of Labuan, where the prevailing rate was 10 per cent., few of the natives of the State, some of whom possess hoards of silver, took advantage of the facilities offered them, the general idea being apparently that the Government was not disinterested in its action and that they would be wiser to wait for a more favourable rate of exchange. Approximately 42,000 dollars were received and exchanged during the three weeks fixed for the purpose. Probably as much remains in the country in private hoards.

JUDICIAL STATISTICS.

22. The year was marked by an absence of reported crime, except in the Muara District, where there was a case of gang robbery and murder in September, a murder in October, and an "amok" in November.

Only 10 criminal cases were tried, all of which, with the exception of those referred to above, were of a petty character.

Eleven civil cases were brought before the courts, of which 10 were dealt with. The total of the claims amounted to 5,610 dollars 48 cents. and, of awards, to 399 dollars 98 cents.

Two inquests were held.

Six persons were imprisoned during the year. They were employed on outdoor labour, clearing and levelling the site round the temporary prison, which is a part of the police station buildings.

23. For the first four months of the year the police force consisted of one Pathan and one Sikh. During the year arrangements were made to establish a combined police force for Labuan and Brunei, and as soon as barracks and accommodation were ready nine Sikhs were stationed in Brunei. Later, three Malay police were engaged, but the difficulty of recruiting and the lack of suitable candidates made it impossible to bring the force up to reasonable limits during the year. In the circumstances, it is a matter for congratulation that the services of the

police were not required for anything except routine guard duties. No police were stationed in the outlying districts during the year, except at Brooketon, where the Raja of Sarawak had a police station. The Bengalis stationed there were not under the orders of the Brunei Government.

POSTAL SERVICE.

24. A postal system was introduced in October, and a post office was established in Brunei town. A Sarawak branch post office, established at Brooketon some years previously, continued to be used throughout the year. The number of letters, post cards, and other articles dealt with by the Brunei post office was 575, of which 37 were registered. No statistics are available for the Brooketon post office.

The revenue collected was 1,742 dollars 06 cents and the expenditure was 56 dollars 25 cents. This latter figure does not include the cost of the Brunei stamps, the account for which had not been received by the end of the year.

VITAL STATISTICS.

25. The total population of the State may be roughly estimated at 25,000, made up as follows:—

Malays	...	...	...	...	12,000
Kadayans	...	...	...	...	7,000
Bisayas	...	...	...	...	4,000
Muruts	...	...	...	...	1,000
Chinese	...	...	...	...	500
Other nationalities	...	...	...	...	500

No census has ever been taken and no system of registration of births and deaths has ever been introduced. The Kadayans, like the Malays, profess Muhammadanism. The Bisayas and Muruts are pagans. The bulk of the Malay and Kadayan population live in or about the capital. The Bisayas are chiefly to be found on the head waters of the Tutong and Belait rivers.

No medical institutions and no sanitary measures have ever been introduced. Neither would be understood or appreciated by the native population.

There was no epidemic during the year and the general health of the population was, as far as can be ascertained, good.

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PUBLIC WORKS.

26. The difficulty of obtaining material and skilled labour seriously interfered with the carrying out of projected works. The site of the old consulate was cleared of jungle and a temporary building was put up to accommodate the European Officers of the State. A road was opened from this site to the plain behind the town, a distance of about $1\frac{1}{2}$ miles. The road had to be taken along the banks of the Brunei river and the broken nature of the country necessitated the erection of a number of bridges. These are only temporary and will have shortly to be replaced by permanent structures. A wharf was built at the site of the Residency. The old consular agent's house over the water was bought and adapted to form a temporary office and Court house. The hill side above the Residency site was cleared and levelled and temporary police barracks, lock-up, police station, and clerk's quarters built on the site thus obtained. A temporary Customs office was put up on the island in the centre of the town, where the Chinese shops are. The plain at the back of the Sultan's Palace was opened up and measured off with a view to laying out a township there. Timber for these works and for the proposed Residency was procured from Sandakan as opportunity offered. Work was commenced on the permanent Residency in December, and good progress was made, the timbers having been cut and squared and all preliminary work having been done on them, as they were delivered.

The following Schedule shows the cost of the works, mostly of a temporary character, carried out during the year :—

	\$	cts.
Timber for buildings	3,870	96
Temporary Residency	771	36
Clerk's Quarters (labour)	202	45
Police Barracks	1,037	79
Court and Office	451	95
Wharf	111	05
Residency (commenced)	740	02
Minor Works	445	33
Total	7,630	91

GENERAL OBSERVATIONS.

27. Sultan Hashim Jalilulalam Akammadin died at an advanced age in May. He was succeeded by his eldest legitimate son and nominated successor, Sultan Muhammad Jemalulalam, a youth about 17 years old. The two surviving ministers of State, the Pengirans Bendahara and Pemancha, were nominated by will joint Regents during the minority of the

new Sultan. The illness and death of the Sultan gave an opportunity for a certain amount of intrigue, but it was of an unimportant character, the Sultan's nomination of a successor being generally welcomed by the inhabitants of the State.

28. The death of Sultan Hashim was most inopportune as far as the new administration was concerned. He had reigned for over twenty years, and, in the absence of any written records, his knowledge of what had been done in the past and the weight of his authority were of great assistance in the peaceable introduction of reforms and changes. The confusion consequent upon his illness and death, and the conflicting interests of his surviving ministers and successor, retarded the work of reorganizing the administration.

29. Mr. M. S. H. McArthur held the appointment of British Resident throughout the year, and Mr. F. A. S. McClelland was Assistant Resident from May. Mr. E. Roberts, who had previously acted as an assistant to the Resident, became Superintendent of Works and Surveys on the appointment of Mr. McClelland. No other European Officers were employed during the year. Native chiefs were placed in charge of the outlying districts as soon as the redemption of monopolies provided employment for Government Officers, but their general ignorance and inexperience made it impossible to entrust any very important administrative duties to them.

M. S. H. MCARTHUR,
Resident.

Brunei,
18th May, 1907.

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