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Contributors

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NORTH BORNEO ANNUAL REPORT 1962



Mount Kinabalu from the Kota Belud Road.

COLONY OF NORTH BORNEO
ANNUAL REPORT, 1962



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Sandakan Town and Harbour, 1962.

COLONY OF NORTH BORNEO

ANNUAL REPORT, 1962



LONDON
HER MAJESTY'S STATIONERY OFFICE

1963

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PART I

General Review

1962 will be remembered as the year of the prelude to Malaysia. On the 27th May, 1961, Y.T.M. Tunku Abdul Rahman Putra Al-Haj, the Prime Minister of the Federation of Malaya, had made his by now historic proposal at a press luncheon in Singapore that a Federation of Malaysia should be created, comprising the eleven States of Malaya, Singapore, and the three Borneo territories of Sarawak, North Borneo and Brunei. The progress of events in North Borneo in the succeeding six months of 1961 was described in last year's report. A convenient point at which to resume the narrative is the announcement made in London in November, 1961, at the conclusion of a visit by the Tunku for discussions with the British Prime Minister and other Ministers of Her Majesty's Government, that the British and Malayan Governments had agreed that Malaysia was a desirable aim, but that before coming to a final decision it would be necessary to ascertain the views of the peoples of North Borneo and Sarawak and that a Commission of Enquiry would be set up to carry out this task and make recommendations.

Early in the New Year it was announced that a five-man Commission had been appointed with Lord Cobbold, formerly Governor of the Bank of England, as Chairman, Sir Anthony Abell, a former Governor of Sarawak, and Sir David Watherston, a former Chief Secretary of the Federation of Malaya, as members appointed by the British Government, and 'Che Mohamed Ghazalie bin Shafie, Permanent Secretary to the Ministry of External Affairs, and Dato Wong Pow Nee, Chief Minister of Penang, as members appointed by the Malayan Government.

The terms of reference of the Commission were as follows:

"Having regard to the expressed agreement of the Governments of the United Kingdom and the Federation of Malaya that the inclusion of North Borneo and Sarawak (together with other territories) in the proposed Federation of Malaysia is a desirable aim in the interests of the territories concerned—

- (a) to ascertain the views of the people of North Borneo and Sarawak on this question; and
- (b) in the light of their assessment of these views, to make recommendations."

Thereafter events moved swiftly. The Chairman and British members of the Commission were joined by the Malayan members in Singapore in mid-February. Shortly afterwards the Commission commenced its work in Sarawak, and, a week later, arrived in Jesselton on the 25th February for the first of two projected visits to North Borneo. On this first visit, the Commission was accompanied by Lady Cobbold, whose grace and charm did much to ensure that the Commission commenced its task under the happiest possible auspices.

In the meantime, in preparation for the visit, wide publicity had been given throughout the territory amongst all peoples concerning the purpose of the Commission and the places it would visit. An open invitation to appear before it had been extended to everyone who wished to give oral evidence; in addition the public were invited to submit letters and memoranda either as individuals or as representative groups or associations. A Government Paper "North Borneo and Malaysia" was published at the end of January against a background of strong criticism, much of it analytical and constructive, which had been appearing in sections of the local English and Chinese Press, of the concept of North Borneo joining as a State under the present constitution of the Federation of Malaya. In the final paragraph of the Government Paper it was stated that "the main issue before the people of North Borneo is simply this. They must assess the future advantages of Malaysia; they must weigh up the prospects Malaysia offers of security from external aggression and internal Communist subversion, of stability and prosperity, and they must consider how far they are prepared to give powers to the central Government of Malaysia to achieve these ends. The central Government must be strong and provide security; it must have powers sufficient for its purpose. But local aspirations and needs must also be recognised and safeguarded. The State Governments must be able to protect vital local interests." The Paper concluded with an expression of hope that, after listening to the representatives of the people of North Borneo, and assessing what modifications of the present Federal Constitution were necessary to meet local conditions, the Commission would be able to recommend a plan that would be workable, enduring and acceptable to all the participants, not least the people of North Borneo.

In the course of its first visit the Commission sat in Jesselton and Sandakan. On the 9th March it returned to Sarawak. In the course of its second visit to North Borneo from the 2nd to the 18th April it travelled widely throughout the territory, sitting in Papar, Beaufort, Tenom, Keningau, Tawau, Lahad Datu, Kota Belud, Kudat, Labuan, and at places as far removed as Kolapis and Kampong Tungud on the Labuk River and Sukau on the Kinabatangan River. It succeeded in visiting all the many centres

on its itinerary with the solitary exception of Ranau, where adverse weather conditions made it impossible for its aircraft to land. Special arrangements were made for representatives from Ranau to travel by road to Jesselton to give their evidence there.

The Commission made a favourable impression wherever it went by the patience and thoroughness with which it attended to its task. Altogether, over 4,000 people from the Borneo territories appeared before the Commission, and 600 letters and memoranda were submitted from the people of North Borneo alone. These memoranda were submitted by Town Boards and District Councils, associations of many kinds, political parties, chambers of commerce, trade unions and by individuals, some of them prominent in the community, such as members of Executive and Legislative Councils, native chiefs and community and religious leaders, and other humble folk who wished to have their say.

The report of the Commission, on its completion, was submitted to the British and Malayan Governments by whom it had been appointed. It remained confidential while it was being studied by the two Governments, and talks took place in London to decide what action should be taken on its recommendations. The Governments of North Borneo and Sarawak were not parties to these talks, but the Governors of both territories were in London and were able to advise the British Government on behalf of North Borneo and Sarawak. At the conclusion of the talks in July the report of the Commission was published simultaneously with a statement by the Secretary of State for the Colonies.

The conclusions of the report with regard to the views of the people were, in the assessment of its Chairman, that:

“About one-third of the population in each territory strongly favours early realisation of Malaysia without too much concern about terms and conditions. Another third, many of them favourable to the Malaysia project, ask, with varying degrees of emphasis, for conditions and safeguards varying in nature and extent: the warmth of support among this category would be markedly influenced by a firm expression of opinion by Governments that the detailed arrangements eventually agreed upon are in the best interests of the territories. The remaining third is divided between those who insist on independence before Malaysia is considered and those who would strongly prefer to see British rule continue for some years to come. If the conditions and reservations which they have put forward could be substantially met, the second category referred to above would generally support the proposals. Moreover once a firm decision was taken quite a number of the third category would be likely to abandon their opposition and decide to make the best of a doubtful job. There will remain a hard core, vocal and politically active, which will oppose Malaysia on

any terms unless it is preceded by independence and self-government: this hard core might amount to nearly twenty per cent of the population of Sarawak and somewhat less in North Borneo."

The Commission was unanimously agreed that a Federation of Malaysia was an attractive and workable project and was in the best interests of North Borneo and Sarawak, and that an early decision in principle should be reached.

The Commission was not able to achieve complete unanimity on the more detailed recommendations, although there was a great deal of common ground throughout. The recommendations in the report therefore fell into four parts, first unanimous recommendations on certain general matters, second, recommendations by the British members, third, recommendations by the Malayan members, and fourth, a summary of the recommendations of the British and Malayan members, and comments, by the Chairman. The difference of view between the British and Malayan members of the Commission was not so much about the final form of Malaysia as on the timing and phasing. Broadly, the British members of the Commission advised that the changes to the final form of Malaysia should be gradual with a transitional period spread over from three to seven years. The Malayan members thought that the changes could, and, indeed, should be made more quickly, on the grounds that delay was likely to prejudice the success of Malaysia by leaving the door open to obstruction and argument, which would increase rather than reduce the difficulties.

The Secretary of State for the Colonies, in his statement to the House of Commons on the 1st August announced that the British and Malayan Governments had accepted the unanimous findings of the Commission, first, that a Federation of Malaysia was in the best interests of North Borneo and Sarawak, and second, that, provided certain conditions and reservations could be substantially met, a majority of the people in North Borneo and Sarawak would accept Malaysia. The two Governments had noted in particular the first of the unanimous recommendations in the Commission's Report that a decision of principle about the future of the two territories should be taken as soon as possible, and, in the light of the Report and also of the agreement reached separately between the Governments of the Federation of Malaya and Singapore, had decided that the proposed Government of Malaysia should, subject to the necessary legislation, be brought into being by the 31st August, 1963. The Secretary of State went on to say that, to give effect to this decision, the two Governments intended to conclude within six months a formal agreement which, so far as it concerned North Borneo and Sarawak, would transfer both territories to the new Federation of Malaysia by the 31st August, 1963, and provide for detailed constitutional arrangements, including safeguards for the special interests of North Borneo and Sarawak to be drawn up

after consultation with the Legislative Council in North Borneo and the Council Negri in Sarawak. The Secretary of State specified that these safeguards would cover such matters as religious freedom, education, representation in the Federal Parliament, the position of the indigenous races, control of immigration, citizenship, and state constitutions. So that the introduction of the new Federal system might be effected as smoothly as possible and with the least disturbance to existing administrative arrangements, a transitional period, the duration of which was not specified, was envisaged during which a number of federal constitutional powers would be delegated temporarily to the State Governments of North Borneo and Sarawak. The task of working out the future constitutional arrangements and the form of the necessary safeguards would clearly be a formidable one, and the two Governments decided that it could best be tackled by the establishment of an Inter-Governmental Committee, under the Chairmanship of the Marquess of Lansdowne, the Minister of State for Colonial Affairs, which would include representatives of North Borneo and Sarawak as well as of Britain and Malaya.

No time was lost in implementing these decisions. As a preliminary to establishing the Inter-Governmental Committee, Lord Lansdowne, and the Deputy Prime Minister of Malaya, Tun Razak, the leader of the Malayan delegation on the Committee, decided to pay a visit to North Borneo and Sarawak with the triple object of familiarising themselves with the two territories, their peoples and their problems at first hand before the Committee set to work, of explaining the purpose of the Committee and of setting in train arrangements for its early establishment. The friendly attitude of Lord Lansdowne and Tun Razak, and their frank answers to the many questions put to them ensured that the Committee began its task in an atmosphere of mutual confidence and good-will. During the course of this visit Lord Lansdowne and Tun Razak had talks with members of Executive Council, staff associations, Heads of Departments, representatives of political parties and unofficial members of Jesselton Town Board. The first preparatory meeting of the Committee was held in Jesselton on the 30th August. At its conclusion an announcement was made that five Sub-Committees of the Committee would be set up as follows:

- (1) Constitutional Sub-Committee;
- (2) Fiscal Sub-Committee;
- (3) Public Services Sub-Committee;
- (4) Legal and Judicial Sub-Committee;
- (5) Departmental Organisation Sub-Committee.

On the 12th September the Legislative Council unanimously approved a motion welcoming the decision in principle to establish Malaysia by the 31st August, 1963, provided that the terms of participation and the constitutional arrangements safeguarded the special interests of North Borneo and accordingly authorised the appointment of six members of the Council, under the joint leadership of the Chief Secretary and the Honourable D. A. Stephens, to represent North Borneo on the proposed Inter-Governmental Committee to prepare detailed constitutional arrangements to be laid before the Council. A fortnight later a similar motion was adopted without dissent in Sarawak, and the way was clear for the Inter-Governmental Committee to commence its task.

The headquarters of the Inter-Governmental Committee was established in Jesselton, and part of the recently completed Lands and Surveys offices near the Central Government offices was made available for the use of a Secretariat, consisting of British and Malayan officials, which was set up to service the Committee. In October, Sir John Martin, Deputy Under Secretary of State for the Colonial Office, arrived in Jesselton and presided, as Lord Lansdowne's Deputy, at meetings of the various Sub-Committees. The Committee held three Plenary Sessions in all, the first and second in Jesselton towards the end of October and November respectively, and the third in Kuala Lumpur from the 18th to the 20th December. A communique issued at the conclusion of the third Plenary Session stated that the Committee had agreed on the general terms of a draft report, and that it would not therefore be necessary for any further Plenary meetings to be held. A number of points of detail remained to be drafted, and this work was being delegated to a small *ad hoc* committee of specialists representing the four Governments. The communique went on to say that it was expected that the complete report of the Inter-Governmental Committee would be approved and laid before the legislatures of North Borneo and Sarawak early in the New Year. The year ended therefore with the barometer set fair for the achievement of Malaysia in accordance with the time-table agreed at the London talks.

The position at the beginning of the year in regard to political developments was that five main parties had established themselves, differing mainly in the composition of their membership and in their attitude towards Malaysia. The United National Kadazan Organisation, which had been the first in the field, appealed for its membership to the Kadazans living around Jesselton, and, by extension, to all the Dusun people who as a racial group form approximately one-third of the population. Under the leadership of the Honourable Donald Stephens it favoured Malaysia. The United Sabah National Organisation under the leadership of the Honourable Datu Mustapha bin Datu Harun, O.B.E.,

which was predominantly Muslim, also welcomed Malaysia. The United Party, of which the Honourable Khoo Siak Chiew was the Chairman, although multi-racial, drew its main strength from the Chinese and had its headquarters in Sandakan. The Democratic Party, led by Mr. Peter Chin of Jesselton, was also largely Chinese. Both these parties advocated self-government before Malaysia. The United National Pasok Momogun Organisation, under the Honourable O.K.K. Sundang, M.B.E., also opposed Malaysia; it drew its membership mainly from the Dusun and Murut people of the Interior who disagreed with the views of the United National Kadazan Organisation.

In the early months of the year these parties were actively engaged in strengthening their positions and in winning support from a wider representation in the country. Negotiations also began for the merger of the United and Democratic Parties. Following the publication of the report of the Cobbold Commission and the acceptance by the British and Malayan Governments of the unanimous recommendation of the Commission that a Federation of Malaysia was in the best interests of the peoples of North Borneo and Sarawak, the three parties which had previously opposed Malaysia began to reassess their attitudes. It was a fortunate feature of political life in North Borneo during the middle months of the year that the leaders of the political parties had not allowed their differences of attitude in regard to Malaysia to disturb their harmonious personal relations. There was no intrinsic difficulty, therefore, in the way of their coming together to seek to reach a common front regarding the stand that North Borneo should take in the Inter-Governmental Committee. With leading representatives of the three anti-Malaysia parties agreeing, for the common good, to abandon their opposition to Malaysia it proved possible for representatives of all the five main political parties, at the time of the visit of Lord Lansdowne and Tun Razak in August, to present a joint declaration setting out the basis on which Malaysia would be acceptable in North Borneo and embodying safeguards on twenty points which all parties considered necessary for North Borneo on its entry into Malaysia. The "Twenty Points", as this document has come to be known, are set out at the end of this chapter.

It was also during August that the United Sabah National Organisation and the United National Kadazan Organisation held discussions to examine the formation of a Sabah Alliance Party. These made such favourable progress that in September the two parties were able to agree on the establishment of a national council consisting of twelve members from each party with joint chairmen to preside alternatively. An invitation was extended to all other political parties in North Borneo to join the new alliance. In the meantime the protracted negotiations between the United

Party and the Democratic Party bore fruit, and the merger of the two parties under the name of the Borneo Utara National Party took place in October; in the middle of that month it was announced that the newly created party would join the Sabah Alliance Party. About the same time the United National Pasok Momogun Party (the term Organisation having been discarded in favour of Party), which had previously opposed Malaysia, publicly announced that it had decided to withdraw its opposition and its earlier declared intention of visiting the United Nations jointly with the Sarawak United People's Party to protest against Malaysia, and applied for membership of the Sabah Alliance Party. In the following month the Sabah Indian Congress was formed and was admitted to the Sabah Alliance Party.

In these various ways, the Sabah Alliance Party has come to represent all the major races, and to embrace all the five political parties in the country. The Honourable Datu Mustapha was elected Chairman of its National Council, and the Honourable Donald Stephens is Chairman of its Executive Committee. With Mr. Stephens as joint leader of the North Borneo delegation on the Inter-Governmental Committee, and with Datu Mustapha and Mr. Khoo Siak Chiew as members of the delegation, the Alliance was able to ensure that the views expressed before the Committee were fully representative of the peoples of North Borneo.

In the words of His Excellency the Governor speaking at the meeting of the Legislative Council in December:

"Meanwhile I can assure this Council and the country that our representatives on the Inter-Governmental Committee have been working together as a team under the joint leadership of the Chief Secretary and Mr. Donald Stephens. We are well and ably represented. They speak with the authority of the Sabah Alliance Party behind them, and we can be confident that they will ensure that the arrangements being worked out for Malaysia will be the best that can be devised to safeguard the interests of Malaysia and of its constituent States".

During September political parties began to show considerable interest in electoral procedure, and party officials visited the Federation of Malaya to learn at first hand and improve their knowledge of the conduct of elections.

In October, 1961, the Government had announced its intention to introduce a Local Government Elections Bill during 1962 so that the first elections in North Borneo could take place before the end of 1962. The Local Government Elections Bill was passed by Legislative Council in June, 1962. The Ordinance made all necessary legislative provision for election of members to Local Authorities based upon universal suffrage subject to a short residence qualification. In July, the Secretary for Local Government was appointed Controller of Elections and assumed responsibility

for the organisation and conduct of the elections. It was decided that in the first instance elections should be held in the four Town Boards and in eleven of the existing fourteen District Councils to provide a majority of elected members in all these Local Authorities. Elections for the remaining three District Councils, which were all of recent formation, would take place as soon as possible thereafter. Wards were delineated, each to elect a single member; District Officers were appointed Registering Officers for their districts and arrangements were made for the voluntary registration of voters and preparation of electoral rolls in these areas. The public responded readily and it is estimated that the names of about ninety per cent of those eligible to vote are contained in the electoral rolls. The process of registration was completed within six weeks.

It had been planned to commence polling on the 19th November, 1962 (Nomination Day consequently falling on the 29th October), but at the request of the leaders of the main political parties whose negotiations for the formation of the Alliance were at that time on the point of reaching a successful outcome, the elections were postponed for four weeks. An intensified campaign was carried out through radio, press and the distribution of pamphlets to explain to voters the purposes of the elections and the methods for voting. In order to assist illiterate voters, notices of contested elections and ballot papers contained both the name and registered election symbol of each candidate. Polling began on the 16th December in all districts in which nominations had been received, with the exception of the Sipitang area where the elections were postponed on account of the outbreak of unrest in Brunei Bay, and in one ward in the Kudat area where there was an irregularity in the nomination papers of the sole candidate. In all, 202 candidates stood for election. In fifty-three of the 118 wards unopposed candidates were declared elected; there were contested elections in sixty-five wards. In town areas, the poll was generally carried out in one day; in rural areas, extensive use was made of travelling ballot-boxes to provide the opportunity of voting to as many registered voters as possible. There was a high poll — between eighty per cent and ninety per cent in most wards. A negligible proportion of voters lost their voters' cards and the number of spoiled votes was under two per cent. The election was carried out very smoothly and without a single untoward incident.

By the end of 1962 there were therefore elected majorities in fourteen out of the eighteen existing Local Authorities and approximately seventy-five per cent of the population who qualify as electors have been given the opportunity of exercising their vote.

It is to be noted that in these elections the Sabah Alliance Party returned a large number of candidates unopposed and won a sweeping victory in the contested elections of 86.5 per cent. In

this way it was manifest that public opinion had swung round overwhelmingly in the course of the year in favour of Malaysia.

An event of great social and popular significance in the midst of the deliberations of the Inter-Governmental Committee was the announcement in November of a visit of the Prime Minister of the Federation of Malaya, Tunku Abdul Rahman, to North Borneo and Sarawak, in response to the invitation of the two Governments concerned. A very enthusiastic welcome was given him on his arrival at Jesselton airport on the 17th November. In characteristic manner the Tunku had a word to say to many of the people who had turned up to greet him. An escort of mounted Bajau horsemen in traditional and colourful native costume formed a cavalcade from the airport to the racecourse along the road thronged with spectators. That evening a reception was held at the Community Centre when close on 1,000 members of the public were there to listen to the addresses of welcome by leaders of political parties, and to participate in the entertainment provided by multi-racial dancers representative of North Borneo communities. On the following day, after a drive along the new Papar Road as far as Kinarut and returning by rail, the Tunku left Jesselton for Sandakan, where he was publicly entertained on the padang during the course of the evening, after a reception at the Residency. On the following morning he was taken for a trip round Sandakan harbour before departing for Sarawak. During his all too brief visit to North Borneo he was able to meet leading members of political parties, representatives of the Civil Service, and Heads of Government Departments, and his warm and friendly personality made a most favourable impression on all whom he had the opportunity to meet.

In November, while in North Borneo the advance towards Malaysia was proceeding with hardly a discordant note, information came to hand of the existence of a secret military organisation, Tentara Nasional Kalimantan Utara (T.N.K.U.), in the Lawas district of the Fifth Division of Sarawak in the Brunei Bay area. Two sections of the Police Mobile Force were sent to the Sipitang area as a precautionary measure. At the same time as the armed revolt broke out in the early hours of the 8th December in the State of Brunei and neighbouring areas of Sarawak, about sixty members of the T.N.K.U. from the villages of Kampong Lubok in Sipitang and Gadong Padas, near the mouth of the Padas River in the Klias Peninsula, assembled at Kampong Lubok and, armed with seven shot-guns, four home-made cigarette tin bombs, and parangs, made their way to Weston, the small township on Brunei Bay at the mouth of the Padas river and the rail-head of the branch line from Beaufort. The party relieved the village constable of his Greener gun, collected about

seven more shot-guns, and raised the T.N.K.U. flag. At daylight it was joined by a further small party from Kampong Lubok. The enlarged party advanced a few miles up the railway line to Lingkungan, where contact was made with a small party of Police and fire was exchanged. Unnerved by a mortal wound inflicted on one of their number, which exposed the fallacy of their supposed invulnerability, and discouraged by the failure to arrive of expected reinforcements from Brunei, the party withdrew to Kampong Lubok. Next day the majority surrendered to the Police, without putting up a fight. About twelve took to the jungle, but later surrendered themselves with their arms, and about four left for Brunei.

T.N.K.U. personnel also assembled from other villages in Sipitang District with the purpose of carrying out attacks on Sipitang District and Sindumin, a small village near the border with the Lawas District of Sarawak. In the event these attacks came to nothing, as expected reinforcements of men and arms from Brunei were not forthcoming, and because of the presence in the district of two sections of the Police Mobile Force.

There was no serious trouble in North Borneo and order was restored within two days. In Jesselton and other towns people went about their daily business unflurried and undisturbed.

On the receipt of the news from Brunei and Sipitang, decisions were taken to send one platoon of the Police Mobile Force to Brunei as soon as an airlift could be arranged and to leave the company of Queen's Own Highlanders, which was widely distributed along the East Coast on anti-piracy duties, where it was. The platoon of the Mobile Force reached Brunei in two parties before noon, and helped to hold the airstrip and defend the Power Station there until the arrival of Gurkha troops from Singapore several hours later. In the course of these operations, one constable, P.C. Bitti, well-known in North Borneo athletic circles as a sprinter, lost his life.

Other measures of assistance given included the loan of a police launch to Sarawak, and the despatch to Brunei of water and electricity technicians. A police wireless operator who had been sent to Lawas towards the end of November maintained vital communications between Lawas and North Borneo during a crucial period. Labuan, with possible local disturbances on the part of a Partai Rakyat dominated local organisation not materialising, became the scene of intense activity as the port of arrival for all large R.A.F. aircraft and troop reinforcements for Brunei, and also the reception centre for refugees and casualties.

Sections of the Preservation of Public Security Ordinance and regulations thereunder were brought into force to give the Police essential extra powers and permit the making of detention orders, and these were still in force at the end of the year. Interrogations showed that the leadership and direction of the

T.N.K.U. in North Borneo came from the Partai Rakyat Brunei and that about ninety per cent of those who joined were illiterates of low mental calibre. All were Brunei Malays/Kedayans by race. Their motive seems to have been to recreate the Greater Brunei of ancient times.

It was indicative of the determination of the people of North Borneo not to be put out of their stride by the events of the 8th December and subsequent days, that the Budget meeting of Legislative Council took place on the 11th December as arranged, that the arrangements for the Local Government Elections on the 16th proceeded according to plan, with the solitary exception of Sipitang, where the elections had necessarily to be postponed, and that a full North Borneo delegation left to attend the final Plenary Session of the Inter-Governmental Committee in Kuala Lumpur from the 18th to the 20th. At the meeting of Legislative Council Standing Orders were suspended to enable the introduction of an unofficial motion condemning the Brunei Revolt and Azahari's claim to represent the people of North Borneo. The motion was passed unanimously.

In international relations affecting neighbouring countries mention must be made of the publicity campaign regarding the claim of the Philippine Government to North Borneo which increased, both in the Philippines and in the overseas press as the year progressed. It found no support whatsoever among any racial group or political party in North Borneo, least of all among the very small number of Filipinos living in the country.

Following the approval by Her Majesty's Government of the establishment of an Indonesian Consulate in Jesselton, an Indonesian Consul assumed duty during the course of January, and the Consulate was formally opened on the 1st April. Later in the year an additional Consul was appointed.

The approved Estimates for 1962 were based on a General Revenue balance in the Ordinary Budget of \$16,311,935 at the beginning of the year and \$17,488,263 at the end of the year.

When the accounts for 1961 were closed, the actual General Revenue balance proved to be \$22,202,093, i.e. \$5,890,158 more than estimated. Although the accounts for 1962 have not been finalised, the estimated General Revenue balance at the end of 1962 was \$24,275,515.

Whereas the 1962 Estimates were based on Ordinary Revenue of \$68,586,780, the latest figures show that \$77,484,602 were collected during the year. Ordinary Expenditure, which was estimated to amount to \$67,741,402 (including a contribution of \$10,744,172 to the Development Fund) has proved to be \$73,741,060 (including \$20,044,172 to the Development Fund). The revised figures of revenue and expenditure in 1962 are again the highest in the history of the territory. The more favourable opening

balance and the substantial accruals to revenue enable the Government to contribute \$20,044,172 to the Development Fund instead of the original provision of \$10,744,172 — the largest contribution from general revenue to the Development Fund in any year.

Trade in 1962 reached yet another record level, in spite of adverse trade conditions in world markets. Imports rose considerably, resulting in an unfavourable trade balance of \$4.2 million, compared with a favourable balance of \$5.3 million in the previous year.

External trade in 1962 was valued at \$473.6 million, which exceeded the previous year's record figure by \$38.3 million. The value of imports, including goods delivered into bond, totalled \$238.9 million and exceeded the corresponding figure for the previous year by \$23.9 million. Exports were valued at \$234.7 million, which is the highest export figure yet and exceeded the 1961 total by \$14.4 million.

The free trade area agreement between North Borneo and Sarawak came into force on the 1st January, 1962. Under this agreement not only the produce of either territory is able to be moved freely between the two countries without payment of any import or export duty, but also goods imported from outside the area are similarly able to be moved freely, except in those few cases where rates of import duty differ when adjustments are made.

The production of timber, the country's principal export industry, rose by 6.3 per cent to a total of 77.51 million cubic feet Hoppus, compared with 72.65 million in 1961. The value of the timber exported increased from \$102.8 million in 1961 to \$122.1 million in 1962.

The prodigious growth of the timber industry in recent years is illustrated by comparison with the 1957 figures of 21.9 million cubic feet, valued at \$31.5 million.

Japan continued to be North Borneo's most important market and accepted seventy-three per cent of the total timber exports of the country, with Hong Kong as the next important market, accepting 12.9 per cent. With the rebuilding of the factory operated by Borneo Veneers Limited, which was destroyed by fire early in 1961, the export of veneer sheets, valued at \$635,000/—, increased in importance and enquiries, notably from the United States of America, suggest that during the next few years there may be an increasing and worthwhile demand.

The total acreage of rubber by the end of the year was 218,500 acres (compared with 202,900 acres in 1961), of which some 135,900 acres are owned by smallholders. The area under high yielding clones accounts for forty-six per cent of the total rubber acreage, although much of it is not yet in bearing. The Rubber Fund Board produced 2.26 million clonal seedlings and twenty-seven nurseries were planted for 1963. 167,000 "green-strip budded"

seedlings, produced in the Tuaran nurseries, were distributed to smallholders during the year.

The quantity of rubber exported, the country's second industry, dropped from nearly 24,000 tons to 22,351 tons. This reduction of 1,261 tons was due to prolonged spells of wet weather when tapping was impossible. Prices were lower than in 1961 but remained fairly steady.

Copra exports were the lowest for some years mainly due to reduced trade in re-exports. 44,700 tons were exported, compared with 67,862 tons in 1961. Of this total local production amounted to 16,300 tons. With the establishment of a factory in Kudat exports of coconut oil rose from ten tons in 1961 to 870 tons in 1962.

Both the prices for and the production of hemp fell considerably during the year. Production dwindled from 4,115 tons in 1961, valued at \$4.81 million, to 3,392 tons in 1962, valued at \$3.21 million. This industry still, however, retained its position as the country's fourth most valuable export.

Local production of cheroots and pipe tobacco continued, and it was encouraged towards the end of the year by exemption from tax increases. With the closing of Segama Estate, owned by Darvel Tobacco Plantations Limited, in 1961, the country lost one of its major export commodities.

Some 400 acres of cocoa were planted in the Tawau area, bringing the total acreage in the country to approximately 4,800 acres. Production rose from 119 tons in 1961 to 257 tons in 1962. Comparison with the 1957 figures when the planted acreage was in the region of 300 acres, or with those of 1960, when the acreage had risen to 2,800 acres and the first twenty-one tons were exported, indicates the great strides that have been made in the cultivation of cocoa in recent years.

Oil palm cultivation continued to arouse considerable interest. An Oil Palm Research Station was started, and three estates are now well established. The total acreage planted out by the end of the year was 4,500 acres. Unilever Limited's estate at Tongod in the Labuk Valley, however, suffered severely by the floods which occurred early in 1963.

The 1961/62 padi crop was lower than that of the previous season, with an estimated yield of 73,000 tons, equivalent to 45,000 tons of rice, compared with 47,800 tons of rice for 1961. The 1962/63 crop had grown well with a plentiful supply of rainfall well distributed during the planting season, but incurred damage by floods before harvesting.

The new industry of prawn trawling in the Sandakan Bay area continued during the year, and it is estimated that 400 tons were caught. Following the example of overseas fishing concerns, there has been increased interest and activity by local fishermen in

trawling. This industry is being encouraged by the Fisheries Branch of the Department of Agriculture and a trawler built for the Branch was chartered to selected groups of local fishermen for operations in the Marudu Bay area. The value of all exported marine products totalled \$2.0 million, compared with \$1.9 million in 1961.

The Geological Survey Department completed the reconnaissance geological mapping of the Labuan and Padas Valley areas and continued its surveys of the Dent Peninsula and of igneous rocks in many parts of the country.

Marine drilling for oil continued, but without commercial success, though much geological information was obtained. The Shell Company of North Borneo Limited continued to use the mobile drilling barge "Orient Explorer" in its programme of deep exploration drilling on the Continental Shelf off the West coast of Borneo; prospecting expenditure by the company amounted to nearly \$2.7 million during the year. One mining company continued its geochemical and geophysical surveys for copper and nickel in the Ranau and Labuk areas with some promising results. Another company evaluated by drilling previous discoveries of chromite ore at Porog in the Labuk Valley without great success, and continued its surveys in the Labuk and Lahad Datu areas. A new chromite ore body was found at Mount Silam.

One new prospecting licence for copper in the Labuk area was issued. Oil prospecting licences for two foreign companies were under consideration at the end of the year.

The progress of land settlement projects throughout the country continued to be promising and satisfactory. Of outstanding interest is the technical survey being undertaken of the resources of the Labuk Valley. The cost of this project has been substantially assisted by a United Nations grant of M\$2,330,070 which has enabled large-scale scientific investigations to be undertaken. A Project Manager, formerly the Surveyor-General of New Zealand, arrived late in 1961, and established his headquarters in Jesselton. The first of the specialist officers to undertake a survey of the area was a United Nations Consultant-Hydrologist, who visited the Labuk Valley in 1962, and advised on the extent and type of hydrological data that would have to be obtained to determine meteorological conditions, and the irrigation and hydro-electric potential within the area; his report has been adopted as a basis for subsequent hydrological investigations.

Shortly afterwards six United Nations staff, comprising three Land Surveyors, two Soil Surveyors, and one Agronomist, arrived and commenced their field operations. The surveyors, in collaboration with the Public Works Department, have been engaged on the reconnaissance of road routes between the end of the formation on the proposed Sandakan-Telupid road and Tampias on the Labuk River. The soil surveyors have completed the investigation

of approximately 200 square miles of terrain in the Telupid area and the agronomist has established trial plots and maintained existing trial plots previously established by the Department of Agriculture at selected locations between Telupid and Klagan.

Early in the year the construction of the base camp at Telupid began. Provision was made for quarters for senior officers, technical assistants and labour, as well as ancillary equipment. The supervision of the camp and the logistical support was undertaken by a Camp Manager, and communications were maintained by river boat and weekly charter flights operated by Borneo Airways, which with the increasing build up in traffic and stores had to be increased towards the end of the year. Unfortunately, the disastrous floods which occurred early in 1963, when the Labuk reached the highest levels known since long before the last war, destroyed all but one of the camp buildings. These are now in the course of reconstruction but inevitably the project has suffered a major set-back.

In an area of such magnitude much use must be made of aerial survey. Royal Air Force photography taken between 1947 and 1952 enabled a terrain classification map to be drawn and this proved to be an excellent basis for operational planning. At the same time arrangements were made with the United Nations Bureau of Technical Assistance to enable the whole of the project area to be photographed from the air. By the middle of the year an operation which had to be undertaken in a territory where weather conditions due to cloud coverage are some of the most adverse in the world, was completed, and ninety-six per cent of the total area had been covered. The project is phased for completion at the end of 1964, at which stage the results of the field investigations will be the basis for an overall plan of development of the 5,000 square miles involved.

The Co-operative Branch of the Agricultural Department has continued to be extremely active in its association with the Land Development Schemes. This is particularly so amongst East Coast Schemes where co-operative societies flourish. The Keningau Settlement Scheme continued to make good progress. An additional 493 acres were planted with rubber and the padi irrigation programme was nearing completion by the end of the year. Applications for more than 1,500 acres for the cultivation of oil palm and rubber in the Sandakan Peninsula were approved during the year. This Development Scheme covers some 81,000 acres. Other minor resettlement schemes were started in Kudat, Lohan (Ranau District), Keningau, Tenom, Tawau and Semporna.

In keeping with the all-round increase in productivity and agricultural development the country's road building programme achieved considerable momentum during the year. Whilst ninety miles of roads, much of them constructed through virgin jungle

and passing through hilly and tortuous country, had been completed in 1961, some 126 were constructed in 1962. This serves to illustrate the impetus given to the programme, particularly as a result of overseas aid, both in grants from the Colonial Development and Welfare Fund and in gifts of equipment under the Colombo Plan.

Nineteen miles were added to the Sandakan-Telupid road where the 76th mile was reached with the earth formation; twenty-two miles were gravelled. Bridgework on the Kota Belud-Kudat road was completed and gravelling of the formation commenced. Gravelling of the Mesapol-Lingkungan road was completed and a further ten miles of earth formation were added to the Beaufort-Weston road, thus virtually completing this phase of the work. Formation work on the Jesselton-Papar road reached mile seventeen, but bad weather held up the work towards the end of the year. A grant was received under a Colonial Development Scheme for improvements to a number of major roads at an estimated cost of \$2.8 million and various other sums were granted by the Government for additional road works in Sandakan and on the Tamparuli-Ranau road. Three schemes for the improvement of or extension to feeder roads have been in progress during the year, and a further \$1.5 million provided under the Colonial Development and Welfare Scheme together with an additional sum of \$200,000/- allocated by the Government enabled more roads to be constructed in town areas to keep pace with new building.

Air communications continued to improve. Borneo Airways acquired a Dakota DC3 aircraft and now operates a total fleet of three Scottish Aviation Twin Pioneers and one DC3 aircraft on schedule services to twenty-three aerodromes in the British Borneo Territories. Cathay Pacific Airways Limited of Hong Kong continue to operate a weekly service Hong Kong-Manila-Jesselton and return. The Tawau and Lahad Datu runways were lengthened and strengthened to enable them to be used by Dakotas, and daily services are running to both places. The construction of the aerodrome at Sepulot was also completed and the first scheduled service of Borneo Airways Limited was carried out in the first week of January, 1963. The completion of this airstrip, reducing as it does the time of travel from Keningau from five days or more by pony to not much more than half an hour, will make a world of difference to the remote Murut region of Pensiangan. Frequent visits by officers of the Administration and of the Medical, Agricultural and Education Departments, to mention just a few, can now be arranged in a way that simply was not possible before.

During the Brunei Revolt, civil aviation units and personnel played a vital part in the successful restoration of order. Vastly increased traffic was handled at aerodromes, particularly at Labuan,

and services both military and non-military were operated throughout twenty-four hours daily. Aerodromes aeradio communications facilities became one of the primary means of communication between and within the Borneo Territories for military and civil government purposes.

The tonnage of ships coming into North Borneo ports continued to rise steadily during 1962 and vessels totalling over 11,214,000 tonnage used the fifteen North Borneo ports and timber loading points. 3,053 of the 13,126 vessels were ocean-going vessels of over 500 tons, an average of over eight a day. Port installations continued to improve. In Tawau, the new 650 feet long wharf was completed and was declared open to its full length on the 22nd September; the concrete sea wall on the western side alongside the new metal road to the wharf approach was also completed. Work is now proceeding on new customs offices and godowns. A contract was also signed for a new wharf at Kudat, and consultants briefed to prepare designs for a new wharf and port area at Lahad Datu. Designs were prepared for new wharves at Semporna and Kunak.

Considerable progress was achieved in the Public Works Department's building programme. The new Lands and Surveys Department's headquarters, which are air conditioned throughout, were completed at the close of the year, and the extension to the Secretariat (also air conditioned) to provide accommodation for Members, senior Secretariat officers and conference rooms, was almost ready for occupation. Plans were prepared and construction was in progress on three blocks of senior officers flats, and the first stage of a new Teachers Training College in Jesselton. Other works in hand included an extension to the Forest Office and a new herbarium in Sandakan; the new Customs House and transit shed at Tawau already mentioned; a new hospital at Lahad Datu which was opened towards the end of the year; a new Health Centre which was completed at Labuan and another at Sandakan which was in the course of being extended; a hostel for an additional twenty nurses at Jesselton; a new Secondary Boarding School at Keningau; an extension to Sabah College; and various other primary schools throughout the country.

Housing development continued to achieve substantial progress with assistance from Borneo Housing Development Limited. During the year the company provided loans totalling \$4.25 million to 250 families to purchase their own homes. Terrace houses have been introduced to cater for the lower income groups and these are proving to be popular. Hitherto, the company's assistance has been concentrated in the capital, but considerable expansion of the company's activities can be expected

in Sandakan, Tawau and Labuan. Towards the end of the year the Government's shareholding in the company was increased to \$1 million.

Building in Jesselton by private companies included Ang's Hotel, Seaview Hotel and blocks of offices. The outer shell of the Wing On building, which on completion will be the loftiest office-block in the town, is now in its final stage. Many new housing estates are also springing up.

Reclamation of the Kampong Ayer foreshore was completed, and the reclamation north of Jesselton wharf made progress. It was decided to extend that reclamation to provide thirty-three acres for industrial development and about eighteen and a half acres for residential purposes on top of the hill from whence the filling has been obtained.

The expansion of the country's economy and the entry of capital from abroad have created a demand for the services of skilled workers which the country has been unable to meet from its own resources. The principal trades and industries affected by this demand are building construction, engineering, and timber, but the agricultural development programme has also created a demand for workers skilled in agricultural techniques. The flow of artisans from Hong Kong, admitted initially for limited periods, remains constant and, in view of the continuing demand for these workers, they are normally given the opportunity if they so wish to settle in the country with their wives and families. The main source of agricultural workers continued to be unsponsored Indonesian immigrants from Kalimantan, Celebes, Timor and other islands to the south of Macassar. A number of these immigrants, who had been in the country for several years and who had proved themselves worthy citizens, has been permitted to settle permanently. There is also a steady trickle of temporary immigrants from the neighbouring Philippine islands seeking employment in the many timber camps scattered along the East Coast.

Eight new trade unions were registered during 1962, compared with the registration of ten during the previous five years; their membership is predominantly Chinese. Industrial relations with employers remained good during 1962.

In the field of social services considerable expansion has also taken place. This is particularly noticeable in education. In 1961 the Board of Education had agreed on a policy of expansion to ensure a place in primary school for every child in North Borneo by 1971. At the same time the Board emphasised the need for the provision of the teaching of English, even at primary school level, throughout the country. To meet these requirements English specialist teachers have been appointed through the generosity of organisations such as the Nuffield Foundation and the Colombo Plan. The construction of a new Teachers Training College in

Jesselton in which the medium for instruction will be English has begun as a matter of the highest priority. The Unified Teachers Scheme was put into operation in January, and provided standard scales of salaries for all teachers in grant-aided schools. Teachers are now graded according to their qualifications, length of experience and responsibilities. For the first time teachers employed outside Government schools have been assured of a worthwhile and rewarding career safeguarded by legislation.

At this point it is fitting to acknowledge the considerable assistance being rendered particularly to the needs of education in this country by voluntary organisations sponsored by Governments of other countries. The pioneers in this field have been the students who come from Britain under the auspices of Voluntary Service Overseas. Six of these students are now serving for the fourth year in succession in schools widespread around the country. Two further volunteers on similar terms have been sent by the Royal Commonwealth Society branch in Perth, Western Australia. Augmenting this group of voluntary service personnel have been members of the United States Peace Corps, whose mission in North Borneo commenced during 1962. An administrative headquarters was set up in July. Thirty-five Peace Corps volunteers arrived in Jesselton on the 23rd August, and a further two on the 1st October. These volunteers have been attached to all the main social service Departments of Government; the Medical Department, the Departments of Agriculture and Education, as well as Lands and Surveys and Public Works, and are providing service in all parts of the country.

Emphasis is increasingly placed on the necessity to train local personnel for higher appointment in the Civil Service and in commerce to meet the needs of the rapidly increasing responsibilities arising with the approach of self-government, and every endeavour continues to be made to send, with the advice and guidance of the Scholarship Advisory Committee, as many students as possible on advanced courses of training particularly to Australia, New Zealand, Canada, United Kingdom and Malaya. In 1962, 264 students from North Borneo were studying overseas compared with 201 in the previous year. The Government is very grateful to the international organisations and trusts whose continuing assistance makes it possible for the country's students to receive this higher education. A total of fifty-two scholarships was provided under the Colombo Plan by Australia, New Zealand, Canada, Singapore, Malaya, India, Ceylon and Japan. Scholarships provided by other organisations were: the Sino-British Fellowship Trust, two; the Edwina Mountbatten Fellowship Trust, one; the International Labour Organisation, one; the British Council, one, and the World Health Organisation, two. In addition North Borneo

funds were provided for many Government officers to be sent to the United Kingdom, Singapore and Malaya for training of an in-service nature.

In accordance with the policy to extend wherever possible the schemes for internal training some important additions were made in 1962. The In-service Training Centre for executive and clerical staff was opened in July and a number of courses conducted there during the year. The residential Agricultural School at Tuaran was opened early in the year and one-year courses commenced for Agricultural Assistants; in addition a most successful start was made in three-month home demonstrator courses for junior Agricultural Assistants. Under Education, a Teachers Training Centre for untrained teachers in rural schools was established in Jesselton and a course for forty-eight teachers completed. For the Lands and Surveys Department a Colombo Plan Training Officer arrived from New Zealand in July and a class of twenty-two probationary draftsmen/computers and survey assistants was established with very good results. The scheme for training Survey Assistants, first in Jesselton and later in the new North Borneo/Sarawak Joint Survey School being established in Kuching with assistance from New Zealand under the Colombo Plan, is rapidly nearing completion and the two Licensed Surveyors who will conduct the training arrived from New Zealand at the end of the year; instruction will commence early in 1963.

The Malaria Eradication Programme continued, and two further extensions of operations brought all malarious areas in the country under the campaign, due mainly to the help of the World Health Organisation who thought sufficiently well of the programme to designate this country as a training area. During 1962 fourteen persons came to North Borneo on study courses or fellowships arranged by the World Health Organisation, which also arranged for a number of its experts to visit and advise on various aspects of the malaria programme. It also more than doubled its aid by providing over \$200,000 towards the cost of the campaign, whilst the United Nations Children's Fund also generously increased its contribution.

New ground was also covered in the anti-tuberculosis campaign under Colombo Plan aid from Australia, and it has been decided that progress to date justified the early planning of a country-wide operation.

A most noteworthy landmark in the history of the Anglican Church in North Borneo was reached during the year. When the church came to be established in the Borneo territories in the middle of the last century the diocese of Labuan and Sarawak was created. This name persisted until 1948 when it was changed to that of Borneo. During 1962 a separate diocese of Jesselton was created. The Right Reverend James Chang-Ling Wong, who

was already serving in Jesselton as Assistant Bishop of the composite diocese of Borneo, was enthroned as first Bishop of Jesselton on the 24th July, 1962. No more popular choice could have been made. At the same time All Saints Church was declared to be the Cathedral Church of the diocese of Jesselton.

North Borneo's name has begun to feature prominently in the various athletic meetings which take place from time to time in South-East Asia. Outstanding achievements at the Singapore Amateur Athletic Association meeting on the 20th-21st July were Dilbagh Singh Kler's record of 15m. 35 sec. for the 5,000 metres race, when he finished 400 metres ahead of the field, and that of Ajaib Singh Maan who broke his own Singapore record for the 800 metres, with a record time of 1m. 58.2 sec. Altogether Borneo athletes brought home eleven gold medals, seven silver and one bronze during 1962.

Although the number of reported piracies on the high seas, mainly to the east of the island of Si-Amil in the Tawau Residency, fell off from ninety-seven in 1961 to thirty-nine in 1962, there was a very serious recrudescence of armed raids, from July onwards, on isolated villages and timber camps along the whole long exposed coast-line from the west of Kudat to Tawau. In all, twenty-five armed raids took place in 1962 compared with two in 1961. One raid turned out to be an "inside job", but in almost all the others all the evidence pointed to their having been perpetrated by persons of Filipino origin, operating for the most part in gangs of from about six to fifteen men, from across the territorial border with the Philippines. The most serious raid of all occurred on the 20th July at the small port of Kunak on Darvel Bay when six innocent persons, including a child, were ruthlessly killed by the raiders. This and the other raids which occurred about the same time had a calamitous effect on morale along the long exposed eastern coast-line, and some outlying villages were evacuated by their inhabitants. Losses in goods and cash stolen amounted, in some only of the raids, to several tens of thousands of dollars. One of the most ambitious took place on the island of Si-Amil just before Christmas when the headquarters of the Japanese deep-sea fishing venture was surprised and looted. A corollary of the continued raids was the kindling of a country-wide resentment that will take a very long time to die down.

Suppression of these unlawful acts in a long, sparsely populated coast-line dotted with numerous islands often outside territorial waters and which provided hiding and refuge points for the lurking raiders and pirates presents a task of great magnitude. Following the Kunak raid Standing Finance Committee granted immediate expenditure of \$1.5 million for East Coast defence and anti-piracy measures, involving a substantial strengthening of the Marine branch and Mobile Force units of the North Borneo Police Force

by the recruitment of additional personnel, the purchase of launches, the provision of communications equipment and an increase in the number of fixed police posts. By the end of the year fair progress had been made towards the implementation of the plan, but April, 1963, is the target date for it to be in full operation. The assistance of Her Majesty's Armed Forces was sought and invaluable work by Shackleton and Twin Pioneer patrols of the Royal Air Force and the constant vigilance of the Royal Navy combined with Army land patrols, soon provided a much needed strengthening of defences and, in conjunction with Police patrols, resulted in a considerable reduction of raids in the latter part of the year. Numbers of arrests have been made and in all, some thirty-four pirates — all persons of Filipino origin — have been sentenced to various terms of imprisonment.

In the face of the various and serious threats which faced the country around her borders during, and particularly towards the end of 1962, the people of North Borneo remained calm and steady, loyal to their own leaders and loyal to the Government.

As His Excellency the Governor said to the country in his New Year Broadcast on the 1st January, 1963, after referring to the outbreak of the Brunei Revolt:

"You can be proud of the way this country stood firm at that time of peril, and you can be proud of the help we gave and of those who gave it. You have been through a testing time and you have proved your steadiness and your good sense.

What of next year? Sabah will take its place in Malaysia with Sarawak, Singapore and Malaya. Brunei must decide for herself.

You have seen how exposed we are here to the intrigues of our neighbours. We need the strength and stability which Malaysia can give us. And our neighbours need the strength and stability which we can bring to Malaysia.

We have a prosperous country with a great potential still to be developed. We have a peaceful country, rapidly reaching maturity, a people who can face troubles with calmness and courage, and in the Sabah Alliance we have political leaders fortified by the overwhelming support of the electorate, pledged to work together in mutual understanding and co-operation to secure the peace and happiness and prosperity of all.

These are great assets. With them the people of Sabah can face the future squarely and with quiet confidence".

THE "TWENTY POINTS"

1. *Religion*: While there was no objection to Islam being the national religion of Malaysia there should be no State religion in North Borneo, and the provisions relating to Islam in the present Constitution of Malaya should not apply to North Borneo.

2. *Language*:

(a) Malay should be the national language of the Federation;

(b) English should continue to be used for a period of ten years after Malaysia day;

(c) English should be the official language of North Borneo, for all purposes State or Federal, without limitation of time.

3. *Constitution*: Whilst accepting that the present Constitution of the Federation of Malaya should form the basis of the Constitution of Malaysia the Constitution of Malaysia should be a completely new document drafted and agreed in the light of a free association of States and should not be a series of amendments to a Constitution drafted and agreed by different States in totally different circumstances. A new Constitution for North Borneo was, of course, essential.

4. *Head of the Federation*: The Head of State in North Borneo should not be eligible for election as Head of the Federation.

5. *Name of Federation*: "Malaysia" but not "Melayu Raya".

6. *Immigration*: Control over immigration into any part of Malaysia from outside should rest with the Central Government but entry into North Borneo should also require the approval of the State Government. The Federal Government should not be able to veto the entry of persons into North Borneo for State Government purposes except on strictly security grounds. North Borneo should have unfettered control over the movement of persons, other than those in Federal Government employ, from other parts of Malaysia into North Borneo.

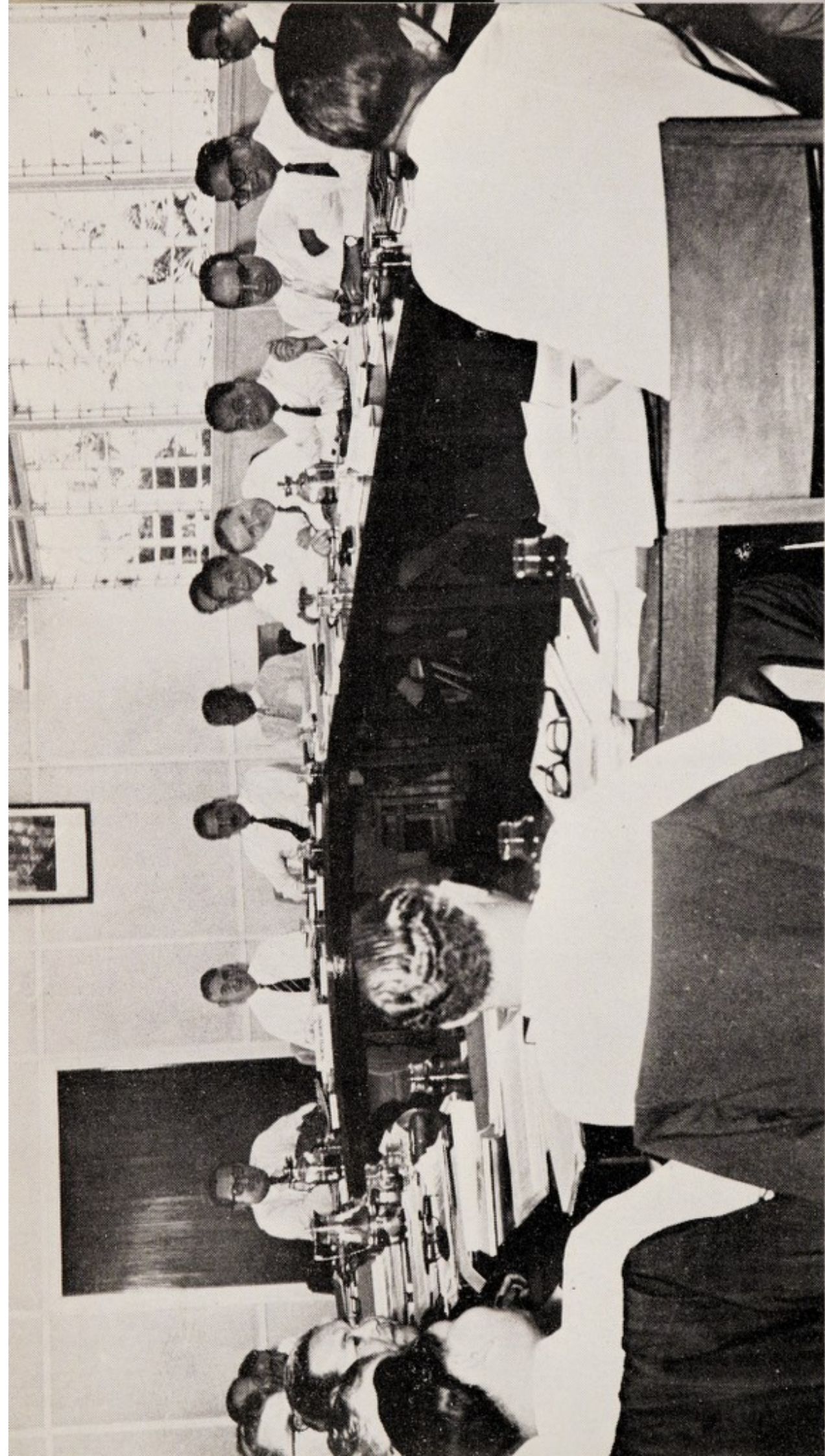
7. *Right of Secession*: There should be no right to secede from the Federation.

8. *Borneonisation* of the public services should proceed as quickly as possible.

9. *British Officers*: Every effort should be made to encourage British Officers to remain in the public services until their places can be taken by suitably qualified people from North Borneo.



The Cobbold Commission in Jesselton. L. to R.—Sir Anthony Abell, K.C.M.G.; Enche Mohammed Ghazali bin Shafie;
The Rt. Hon. Lord Cobbold, P.C.; Dato Wong Pow Nei, P.M.N.; Sir David Watherston, K.B.E., C.M.G.



Members of the Malaysian Inter-Governmental Committee in Jesselton
(Broadcasting and Information Department).

10. *Citizenship*: The recommendations in paragraph 148 (k) of the Report of the Cobbold Commission should govern the citizenship rights in the Federation of North Borneo persons subject to the following amendments:

- (a) subparagraph (1) should not contain the proviso as to five years residence;
- (b) in order to tie up with our law, subparagraph (II) (a) should read "seven out of ten years" instead of "eight out of twelve years";
- (c) subparagraph (iii) should not contain any restriction tied to the citizenship of parents — a person born in North Borneo after Malaysia must be a Federal citizen.

11. *Tariffs and Finance*: North Borneo should have control of its own finance, development funds and tariffs.

12. *Special Position of Indigenous Races*: In principle, the indigenous races of North Borneo should enjoy special rights analogous to those enjoyed by Malays in Malaya, but the present Malaya formula in this regard is not necessarily applicable in North Borneo.

13. *State Government*:

- (a) The Chief Minister should be elected by unofficial members of Legislative Council;
- (b) there should be a proper Ministerial system in North Borneo.

14. *Transitional Period*: This should be seven years and during such period legislative power must be left with the State of North Borneo by the Constitution and not be merely delegated to the State Government by the Federal Government.

15. *Education*: The existing educational system of North Borneo should be maintained and for this reason it should be under State control.

16. *Constitutional Safeguards*: No amendment, modification or withdrawal of any special safeguards granted to North Borneo should be made by the Central Government without the positive concurrence of the Government of the State of North Borneo.

The power of amending the Constitution of the State of North Borneo should belong exclusively to the people in the State.

17. *Representation in Federal Parliament*: This should take account not only of the population of North Borneo but also of its size and potentialities and in any case should not be less than that of Singapore.

18. *Name of Head of State*: Yang di-Pertua Negara.

19. *Name of State*: Sabah.

20. *Lands, Forests, Local Government etc.*: The provisions in the Constitution of the Federation in respect of the powers of the National Land Council should not apply in North Borneo.

Likewise the National Council for Local Government should not apply in North Borneo.

PART II

Chapter 1: Population

General

THE seventh population census was held on the 10th August, 1960, others having been held decennially since 1891 with the exception of 1941 when plans for a census were abandoned due to the likelihood of war.

According to the 1960 census, the total population was 454,421, an increase of 120,280 or thirty-six per cent since the census taken on the 4th June, 1951. If allowance is made for net immigration during this period, the total net increase is 99,713, which represents a rate of natural increase of 2.9 per cent per annum. This is a remarkably high figure when compared with the inclusive rates of 0.9 per cent a year between 1931 and 1951 and 0.5 per cent a year between 1921 and 1931.

Although the population is small it is composed of a variety of races. Indeed the census went so far as to list 11 native tribes, six Chinese tribes and nine other races, while earlier census had listed even more, but for most purposes seven main headings suffice. They appear in the following statement of the racial composition of the population in 1951 and 1960:

Community	1951		1960		Percentage Increase or Decrease 1931-1951	Percentage Increase 1951-1960
	Number	Percentage of total Population	Number	Percentage of total Population		
Dusun	117,867	35.3	145,229	32.0	+ 6.7	+ 23.2
Murut	18,724	5.6	22,138	4.9	-23.4	+ 18.2
Bajau	44,728	13.4	59,710	13.1	+31.2	+ 33.5
Other Indigenous	61,690	18.5	79,421	17.5	+70.5	+ 28.7
Chinese	74,374	22.2	104,542	23.0	+48.6	+ 40.6
European	1,213	0.4	1,896	0.4	+87.5	+ 56.3
Others	15,545	4.6	41,485	9.1	-27.9	+166.9
All Communities	334,141	100	454,421	100	+20.4	+ 36.0

The Dusuns are the largest racial group, constituting almost one-third of the total population. They inhabit chiefly the West Coast and the plains of Tambunan and Ranau in the Interior, where they are rice growers, prosperous and stable.

The Bajaus, a Muslim people, are found on both the East and West Coasts. They, together with the Illanuns, Sulus, Obians, Binadans and kindred tribes, are the descendants of the notorious pirates who terrorised the local waters until well into the 19th century. Now their energies are chiefly confined to fishing, rice planting and cattle farming, the last of which is probably their most important contribution to the country's economy.

Among the Other Indigenous communities the most important are the Bruneis and the Kedayans. Both are Muslim peoples originating probably from Malaya—Java—Sumatra. They are in general rice planters, sea-farers and fishermen and inhabit the West Coast fringe from Brunei Bay to Jesselton.

The Muruts have lived in the past, and still live to some extent, in the more inaccessible parts of the Interior. They have not yet adopted a system of settled agriculture but follow instead the age long practice of shifting cultivation, using what is usually a seven-year cycle and obtaining by this means a normally adequate supply of tapioca and hill rice. They are great hunters, using spears, blow-pipes with poisoned darts and dogs. For ready cash they rely on the collection of jungle produce and on periods of work at the rubber estates and smallholdings along the road-railway route from Keningau to Papar. From 1921 and possibly earlier this community decreased in numbers, but since 1951 they have increased by eighteen per cent, an increase associated almost entirely with natural causes—greater proportions of married women and of fertile marriages, a moderate rise in the level of fertility and a fall in mortality among children.

The Chinese are the largest immigrant community. Mainly engaged in agriculture and commerce they also supply most of the artisans for industry and large proportions of the clerks and technicians employed in the civil service and commerce. The business and shopkeeping communities, particularly on the East Coast, are mostly Cantonese and have long established connections with Hong Kong, while in the West Coast towns many are Hokkiens and tend to look rather towards Singapore.

Grouped under Others are natives of Indonesia, the Philippines, India and Ceylon, Sarawak, the Cocos Islands, Singapore, Malaya etc. Among the Indonesians, who are in an overall majority in this group, are many who came to the country in the twenties and thirties as estate workers and who have since chosen to settle, while many more have immigrated recently and probably temporarily from Indonesian Borneo, Timor and the Celebes in search of work.

Density of Population

North Borneo, with its population of 454,421, has a density of sixteen persons per square mile, slightly more than in Sarawak and less than half the density in Brunei. Among the districts, it varies greatly: in Jesselton administrative district there are as many as 168 persons per square mile, but in the most outlying districts, Kinabatangan and Pensiangan, where large areas are still under jungle, it is only two persons per square mile. The most concentrated area is the West Coast where over forty per cent of the population lives with a density of sixty-six persons per square mile.

Age Distribution

As a result of the much increased natural growth of the population in recent years, the present population of North Borneo is very much on the young side. According to the 1960 census about eighteen per cent of the population was aged under five years and fifty per cent under nineteen years.

Sex Ratio

In the indigenous section of the population there has always been a slight excess of females over males; the ratio in 1960 was 1,005 females per 1,000 males. Among the Chinese, for every 1,000 males there were 881 females in 1960, compared with 795 in 1951 and 565 in 1931; this community is apparently becoming more stable.

Fertility

Fertility is apparently increasing, as the following figures show:

AVERAGE NUMBER OF CHILDREN
BORN PER MOTHER, 1951 AND 1960

Year	Age Group			
	15-24	25-34	35-44	45 and over
1951	1.9	3.4	4.9	5.3
1960	2.1	4.0	5.6	5.7

Also more people are married now than in 1951, more marriages become fertile and fewer children die.

Birthplace

The following statement shows the percentage of the population who were locally born in the years 1951 and 1960:

<i>Community</i>	1951		1960	
	<i>Total Population</i>	<i>Percentage locally born</i>	<i>Total Population</i>	<i>Percentage locally born</i>
European	1,213	34.8	1,896	35.9
Indigenous	243,009	99.0	306,498	99.4
Chinese	74,374	65.7	104,542	76.8
Others	15,545	51.2	41,485	36.1
All Communities	334,141	89.1	454,421	88.1

Naturally nearly all the indigenous people were born in North Borneo; the Chinese, owing to a slackening in immigration, are becoming more settled; while the Others include many recent immigrants from Indonesia.

Religion

Over one-third of the population are Muslims, seventeen per cent are Christians and the remainder have other religions (mainly paganism and the Chinese religion). Most of the Muslims are to be found in the Bajau, Malay, Sulu and Kedayan communities, while numbers of all the remaining communities are Christians.

Vital Statistics

The following is a summary of registered births and deaths during the period 1st January to 31st December, 1962:

			<i>Births</i>	<i>Deaths</i>
Indigenous	...	...	9,637	2,465
Chinese	...	...	4,431	675
European (including Eurasian)	...	...	74	5
Others	...	...	1,740	149
			15,882	3,294

It is not claimed that registration is complete.

Immigration

The following is a summary of arrivals and departures through the ports and airports of North Borneo between the 1st January and the 31st December, 1962:

			<i>Arrivals</i>	<i>Departures</i>
Indigenous	...	...	3,903	3,859
Chinese	...	...	9,945	9,839
European (including Eurasian)			3,645	3,381
Others	...	...	11,035	9,087
			<u>28,528</u>	<u>26,166</u>

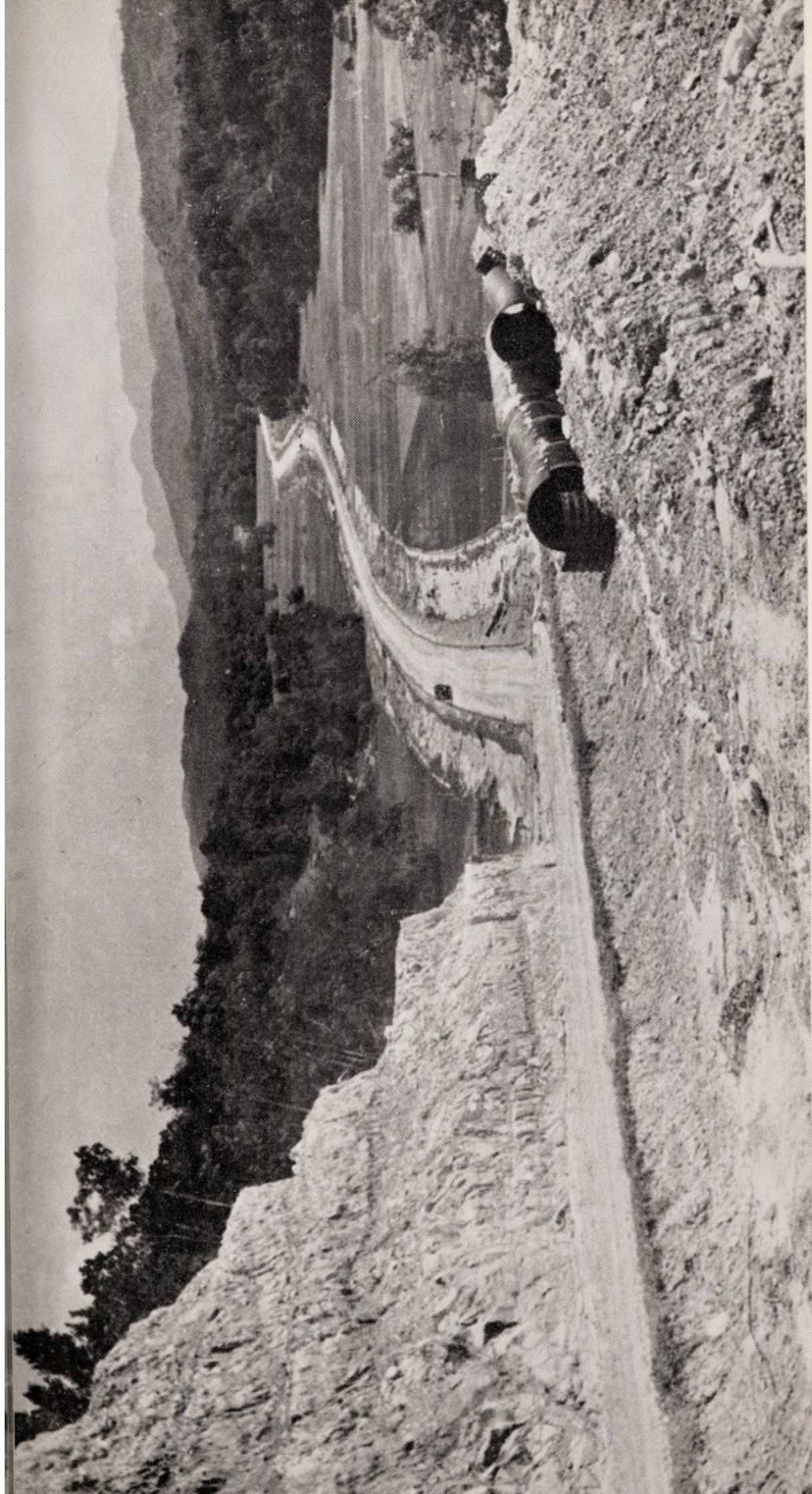
Chapter 2: Occupation, Wages and Labour Organisation

Industrial Structure

THE foundation of the economy of North Borneo is agricultural. Three-fifths of its economically active population are engaged in homestead farming on holdings of fifteen to twenty acres or less, operated by families with occasional hired help, producing rice and mixed crops for subsistence, and export crops such as rubber or copra to provide a cash income. Superimposed on this foundation of homestead farming are the plantation industries, comprising estates of all sizes up to a maximum of about 20,000 acres. The principal export industry, however, is timber. Most of the production is by large-scale firms operating under long-term concession agreements, but there are also a number of smaller concerns operating under annual licences. Other minor forest industries, the production of firewood and the harvesting of jungle produce, are worked mainly by small groups of individuals. The only other rural occupation of any significance is fishing which, apart from one or two companies, is generally carried on by individuals. Factory industries are for the most part processing industries connected with the activities of the timber companies (sawmilling) and estates (e.g. hemp stripping and oil milling). There is also a growing volume of light industry being carried on in the towns, for the manufacture of articles such as furniture, soap, food-stuffs and aerated waters for local consumption. Factories engaged in these industries are all on a small scale and seldom employ more than twenty people. Finally there is a multiplicity of services demanded by a growing and prosperous community, e.g. building, transport, public utilities and commerce.

Employment

According to the 1960 census, a total of 176,626 persons are engaged in some form of economic activity. This represents just under two-fifths of the total population of the country, and 68.8 per cent (91.3 male and 43.9 female) of the population over the age of fifteen years. The following table shows the occupational



(Broadcasting and Information Department).

The Jesselton-Papar Road.



status of the economically active, and how they are distributed between industries:

	<i>Employers</i>	<i>Employees</i>	<i>Self-employed and family workers</i>	<i>Total</i>	<i>Percentage</i>
Agriculture, forestry, fishing ...	976	34,417	106,720	142,113	80.5
Services ...	318	9,029	730	10,077	5.7
Commerce ...	830	3,785	3,119	7,734	4.4
Manufacturing ...	319	4,056	2,362	6,737	3.8
Transport, Com- munications ...	48	4,246	363	4,657	2.6
Building Con- struction ...	121	4,285	82	4,488	2.5
Other Industries ...	8	763	49	820	0.5
All Industries ...	2,620	60,581	113,425	176,626	100

The above table shows 60,581 persons as having been engaged in wage-earning employment, in one form or another, on Census Day (10th August, 1960). By comparison the statistics produced by the Labour Department show that on the 31st December, 1962, there were 37,116 manual labourers on places of employment where twenty or more workers were employed. Of these 13,522 were employed on agricultural estates, 16,605 in industry and 6,989 by the Government.

Although the number of indigenous people in wage-earning employment has risen steadily since the war, it still constitutes only a fifth of the economically active indigenous population. The great majority are employed in homestead agriculture, principally rice-growing, and fishing. Over two-thirds of the Chinese who are economically active are engaged in agriculture or the timber industry, and they are predominant in the fields of crafts, artisan employment and industry. The proportion of employees compared with self-employed and family workers is also much higher than in the case of the indigenous peoples.

Immigrant Labour

The expansion of the country's economy over the last ten years and the entry of capital from abroad have created a demand for the services of skilled workers which North Borneo has been unable to meet from its own resources of manpower. The principal trades and industries affected by this demand are building construction, engineering and timber, but the territory's agricultural development programme has also created a demand for workers skilled in agricultural techniques. This need has had to be met by the entry of workers from abroad. They have come from several Asian countries, but the chief source of supply is Hong Kong,

where workers are recruited with the agreement and under the supervision of the Hong Kong Government, under conditions which comply with international obligations. Skilled immigrant workers are normally permitted to bring their families and settle here.

Besides the entry of skilled workers from Hong Kong and elsewhere, there is a constant movement of migrants from Indonesia and the Philippines, who make their own way across to the East Coast to seek work. Although the great majority of these entrants are unskilled they have made an essential contribution towards the development of the plantation and timber industries on the East Coast. It has been observed during the last eighteen months that an increasing number of these migrants is tending to settle permanently in North Borneo.

Wages and Conditions of Employment

Almost all workers in the plantation and timber industries are paid at piece rates, which are inevitably governed to some extent by the world market prices of the commodities produced. Thus wages in the timber industry are generally higher than in agriculture, and in the towns and districts of the East Coast, where this industry predominates, both wage rates and the cost-of-living are generally higher than in other localities.

Under the labour code workers living at their places of employment are provided with housing, according to approved standards, in addition to their wages. Medical attention and, where necessary, hospital treatment are also provided free of charge to certain categories.

All hours of employment are based upon an eight-hour day and six-day week laid down by the labour code. Work in excess is paid for at overtime rates. Prescribed holidays with pay are also laid down under the code.

The statistics prepared by the Labour Department, which are derived from the prices of certain basic commodities consumed by all sections of the community, showed some rise in the cost of living during the year, especially in East Coast districts. Figures for an average monthly budget for workers of various races are as follows:

WORKERS' MONTHLY BUDGETS

(% Increase +; Decrease -)

		JESSELTON		SANDAKAN			
		1961	1962	1961		1962	
CHINESE							
Foodstuffs	...	\$35.93	\$39.05	+ 9.68%	\$38.64	\$42.71	+ 10.53%
Clothing and							
Bedding	...	4.90	4.86	- 0.82%	4.45	4.20	- 5.62%
Miscellaneous	...	14.22	16.10	+ 13.22%	15.23	17.45	+ 14.57%
		\$55.05	\$60.01	+ 9.01%	\$58.32	\$64.36	+ 10.34%

		JESSELTON			SANDAKAN		
		1961	1962		1961	1962	
NATIVES							
Foodstuffs	...	\$31.48	\$35.83	+ 13.82 %	\$35.89	\$39.66	+ 10.52 %
Clothing and Bedding	...	3.59	3.44	- 4.18 %	2.90	3.40	+ 17.24 %
Miscellaneous	...	14.65	17.32	+ 18.23 %	16.00	18.06	+ 12.88 %
		\$49.72	\$56.59	+ 13.82 %	\$54.79	\$61.12	+ 11.55 %

A table showing the middle and end of year prices of certain basic foodstuffs in Jesselton and Sandakan is given below:

MIDDLE AND END OF YEAR PRICES OF BASIC FOODSTUFFS
IN JESSELTON AND SANDAKAN

		1961		1962	
		June	December	June	December
JESSELTON					
Rice (per gantang) ...	\$2.10	\$1.90	\$2.20	\$2.20	
Rice (per gantang) local	1.60	1.60	1.90	1.90	
Flour (per kati) ...	.25	.25	.25	.25	
White Sugar (per kati) ...	.35	.25	.25	.30	
Meat (per kati) ...	1.80	1.80	1.80	2.00	
Fish (per kati) ...	1.50	1.60	1.20	1.60	
Vegetables (per kati) ...	.60	.80	.60	.80	
Milk (per 14 oz. tin) ...	.70	.65	.65	.65	
Hen's eggs (each) ...	.15	.15	.15	.15	
Tea (per lb.) ...	4.30	4.30	2.40	2.40	
Coffee (per kati) ...	.85	.80	.90	.90	
SANDAKAN					
Rice (per gantang) ...	\$2.10	\$2.10	\$2.20	\$2.30	
Flour (per kati) ...	.25	.25	.25	.25	
White Sugar (per kati) ...	.30	.30	.30	.30	
Meat (per kati) ...	2.00	2.00	2.00	2.00	
Fish (per kati) ...	1.20	1.20	1.00	1.20	
Vegetables (per kati) ...	.90	.90	.60	1.00	
Milk (per 14 oz. tin) ...	.70	.65	.65	.65	
Hen's eggs (each) ...	.17	.17	.15	.18	
Tea (per lb.) ...	4.30	4.30	2.00	2.40	
Coffee (per kati) ...	2.30	2.30	1.30	1.50	

The Labour and Welfare Department

Besides its headquarters office in Jesselton, the Department maintains two branch offices in Sandakan and Tawau, in charge of Assistant Commissioners. In addition to the Commissioner and the two Assistant Commissioners, other executive staff include a Chinese Assistant Officer, two Labour Officers and five Labour Inspectors.

Employment Service

All problems of employment have to be considered against the background of an expanding economy. Unemployment as it is known in industrially developed and densely populated countries does not occur in North Borneo. An employment exchange was opened at Tawau during 1958 to assist the Indonesian migrants arriving in the country in search of employment, and in 1961 the service was enlarged by opening two more exchanges in Jesselton and Sandakan. Although the numbers using these exchanges are relatively small they serve a useful purpose, and it is to be expected that more use will be made of the service as employers and job-seekers become more aware of its advantages. The following tables show the numbers of applications and vacancies registered at the exchanges, and the numbers successfully placed in employment during 1962. Separate figures are given for general users and for unsponsored (Indonesian and Filipino) immigrants; it will be seen that the Tawau exchange is concerned almost entirely with the second category:

			Jesselton	Sandakan	Tawau	Total
(1) <i>Persons other than unsponsored immigrants.</i>						
Applicants registered for employment	...	...	691	280	24	995
Vacancies notified	...	...	384	119	51	554
Persons placed in employment	...	...	171	64	6	241
(2) <i>Unsponsored immigrants</i>						
Applicants registered for employment	...	...	135	3,055	6,620	9,810
Persons placed in employment	...	...	105	1,930	3,014	5,049

Industrial Relations

Until quite recently trade unionism was virtually non-existent in North Borneo. The chief reasons for this state of affairs have been the comparatively high wage rates prevailing for skilled and semi-skilled workers, the low degree of industrialisation, and the fact that only about a third of the economically active population are full-time wage earners.

Industrial relations have been based on close personal contact between individual employers and their employees, and have proved generally satisfactory. There are already clear signs, however, that the establishment of Malaysia will hasten the inevitable change-over to a system of industrial unions and collective bargaining. During 1962, eight new trade unions have been registered, compared with only five during the preceding ten years, making thirteen in all. Of the eight new unions, one, the Jesselton Teachers' Association, is a "white collar" union; the remainder include unions of vehicle drivers, shop assistants and airline staff.

All these unions are established in the towns, and their membership is predominantly Chinese. There are as yet no indications of any move on the part of indigenous and Indonesian workers in the plantation and timber industries to organise unions.

As regards consultative machinery, Whitley Councils have been set up for the conduct of staff relations in the civil service. Several private employers have also established consultative committees, with varying terms of reference, at their places of employment. Machinery for the settlement of disputes in essential services (e.g. public utilities, hospital and health services) is provided for by the Essential Services Arbitration Ordinance, 1959. There is also a Labour Advisory Board, containing equal representation by the Government, employers and workers, which considers proposed legislation and generally advises Government on labour matters.

Labour Legislation

The principal legislation affecting labour administration consists of the Labour Ordinance (enacted in 1949), the Workmen's Compensation Ordinance (enacted in 1955) and the Trade Unions and Trade Disputes Ordinance (enacted in 1949). Several amendments have been made to these Ordinances since they were first enacted.

International Labour Conventions

The position in regard to the application of International Labour Conventions is as follows:

- (a) applied without modification, twenty-four conventions;
- (b) applied with modification, five conventions;
- (c) decision reserved pending the enactment of legislation, ten conventions;
- (d) inapplicable owing to local conditions, thirteen conventions.

Annual reports on the application of International Labour Conventions are submitted to the International Labour Office.

Safety, Health and Welfare

The provision of certain standards of housing, health and safety is required by the Labour Department under the Labour Ordinance (Cap. 67) and in addition there are provisions in the Machinery Ordinance (Cap. 75) governing the safety of workers. These standards are, where necessary, enforced by the officers of the Department. At most large places of employment additional welfare activities are carried on by the management.

The Department of Labour and Welfare is responsible for the administration of the Workmen's Compensation Ordinance. 810 accidents were reported in 1962 as compared with 854 accidents in 1961 and 752 in 1960. In 469 of this year's cases already settled agreements covering compensation amounting to \$181,312 were registered.

Industrial Training

Training and apprenticeship continue to engage attention as the best means of increasing the productivity of the territory's limited manpower. Several employers and Government Departments follow a policy of training workers within their employment though there is little formal apprenticeship. Such training schemes are in some cases of considerable value. Pre-apprenticeship courses are provided by the Government Trade School.

Chapter 3: Public Finance and Taxation

THE Approved Estimates for 1962 were based on a General Revenue balance in the Ordinary Budget of \$16,311,935 at the beginning of the year and \$17,488,263 at the end of the year.

When the accounts for 1961 were closed, the actual General Revenue balance proved to be \$22,202,093 i.e. \$5,890,158 more than estimated. Although the accounts for 1962 have not been finalised, the estimated General Revenue balance at the end of 1962 was \$24,275,515.

Whereas the 1962 Estimates were based on Ordinary Revenue of \$68,586,780, the latest figures show that \$77,484,602 were collected during the year. Ordinary Expenditure, which was estimated to amount to \$67,741,402 (including a contribution of \$10,744,172 to the Development Fund) has proved to be \$73,741,060 (including \$20,044,172 to the Development Fund). The revised figures of revenue and expenditure in 1962 are again the highest in the history of the territory. The more favourable opening balance and the substantial accruals to revenue enable the Government to contribute \$20,044,172 to the Development Fund instead of the original provision of \$10,744,172—the largest contribution from general revenue to the Development Fund in any year.

ORDINARY REVENUE

	Actual 1960 \$	Actual 1961 \$	Estimated 1962 \$	Provisional 1962 \$
Customs	27,704,888	26,298,127	26,342,000	26,967,416
Forests	6,192,794	9,570,904	9,128,000	11,339,672
Lands	1,464,161	1,530,774	1,650,000	1,618,660
Licences and Internal Revenue	8,403,078	11,642,120	11,016,335	13,319,020
Fees of Court or Office, payments for specific services ..	1,806,792	2,363,521	2,029,335	2,572,307
Townships	60,507	5,422	1,550	1,951
Light, water, etc.	1,088,195	1,403,091	1,589,000	1,325,202
Posts	1,233,730	1,705,182	1,432,100	1,430,629
Telegraphs	1,762,623	1,989,804	2,097,000	2,362,642
Railways	9,741	78,756	64,800	218,991
Interest and dividends ..	1,081,249	1,765,793	1,367,500	2,323,971
Rents — Government buildings	916,319	1,003,241	1,075,000	1,111,204
Ports and harbours .. }	1,824,946	2,739,511	1,865,000	3,752,586
Navigational Aids .. }			500,000	676,003
Miscellaneous	5,499,090	6,009,213	6,329,160	6,648,606
Reimbursements by Her Majesty's Government ..	—	—	2,100,000	1,815,742
TOTAL ..	59,048,113	83,692,077	68,586,780	77,484,602

DEVELOPMENT REVENUE

	Actual 1960 \$	Actual 1961 \$	Estimated 1962 \$	Revised 1962 \$
Appropriation from Ordinary Budget ...	15,000,000	16,041,394	10,744,172	20,044,172
Colonial Development and Welfare Grants ...	5,311,922	5,266,851	7,856,214	5,100,000
Contribution from Ordinary Budget towards recurrent expenditure under Colonial and Welfare Schemes ...	169,442	131,731	134,057	148,533
Loan Funds ...	3,859,449	1,138,799	937,624	262,288
Repayment of Loans ...	66,127	13,947	135,334	18,300
Grant from Royal Air Force towards cost of reconstruction of Labuan Airfield ...	—	475,003	—	—
Grant from New Zealand Government under the Colombo Plan ...	51,540	44,752	—	—
Premia from land sales ...	761,058	1,151,338	1,200,000	1,846,780
Hire charges for Twin Pioneer Aircrafts ...	35,867	59,023	34,093	34,093
Sewerage scheme rentals	—	—	41,392	—
Sale of shoplots — Kampong Ayer ...	—	152,888	—	465,803
	25,255,405	24,475,766	21,082,886	27,919,969

ORDINARY EXPENDITURE

	Actual 1960 \$	Actual 1961 \$	Estimated 1962 \$	Provisional 1962 \$
Charges on account of Public Debt ...	2,225,524	2,270,251	2,370,278	2,270,251
Pensions, Retiring allowances, Gratuities ...	1,991,538	2,083,552	2,423,148	2,101,248
Governor ...	260,464	227,088	189,651	176,272
Accountant-General ...	164,307	222,141	231,323	201,647
Agriculture ...	1,085,360	1,262,412	1,529,215	1,612,579
Audit ...	138,910	150,517	154,174	147,339
Broadcasting and Information ...	432,399	551,226	824,550	665,920
Civil Aviation ...	689,774	920,059	903,123	842,738
Contribution to Development Fund ...	15,000,000	16,041,394	10,744,172	20,044,172
Education ...	3,243,276	4,255,820	5,432,772	5,095,662
Forests ...	1,421,037	1,541,591	1,846,590	1,728,592
General Clerical Service	1,223,216	1,254,874	1,497,770	1,372,569
Geological Survey ...	159,745	170,746	194,898	155,468
Inland Revenue ...	164,994	169,397	201,987	163,025
Judicial ...	174,548	216,029	240,437	203,012
Labour and Welfare ...	128,515	136,958	154,950	141,409
Lands and Surveys ...	1,185,959	1,445,490	1,803,435	1,607,253
Legal ...	95,033	114,978	100,600	93,024
Local Authorities ...	—	—	897,404	872,434
Marine ...	612,912	795,127	1,029,644	1,139,634
Medical ...	4,009,587	4,596,066	5,137,560	5,266,420
Miscellaneous Services ...	1,969,805	1,717,277	2,596,220	2,503,494
Overseas Service Aid Scheme ...	—	—	2,287,150	1,936,906
Police ...	2,885,529	3,123,783	3,424,390	3,431,352
Posts and Telegraphs ...	2,129,366	2,343,675	2,418,075	2,280,188
Printing ...	399,888	594,699	470,745	526,481
Prisons ...	258,569	311,187	293,771	320,354
Public Works Department	1,334,679	2,205,509	2,504,348	2,398,519
Public Works Recurrent	8,798,650	9,549,164	11,921,000	10,787,612
Residencies and District Offices ...	2,848,919	2,651,093	1,796,033	1,692,742
Secretariat ...	528,377	646,535	557,275	605,918
Trade and Customs ...	673,440	769,172	785,262	829,333
Training ...	—	331,093	779,452	527,493
Township Authorities ...	17,688	1,436	—	—
TOTAL EXPENDITURE	56,252,008	62,670,339	67,741,402	73,741,060

DEVELOPMENT EXPENDITURE

			Actual		Estimated	Revised
			1960	1961	1962	1962
			\$	\$	\$	\$
Agriculture	...	...	812,838	948,180	1,919,607	1,718,171
Broadcasting and Information	..	...	80,158	485,558	76,538	136,480
Civil Aviation	...	...	1,162,578	650,993	542,000	592,609
Education	...	...	2,052,594	1,531,116	5,444,741	3,344,265
Electricity	...	...	1,700,003	8,460	—	1,900,000
Forests	...	...	39,602	40,879	38,113	49,982
Harbours	...	...	1,352,559	941,834	1,855,431	625,622
Housing	...	...	50,000	400,000	100,000	500,000
Labuk Natural Resources Surveys	...	...	—	31,046	451,826	427,403
Lands and Surveys	...	...	374,119	904,886	2,937,776	906,368
Marine	...	...	70,451	756,656	772,802	423,762
Medical	...	...	388,474	238,826	792,143	432,481
Miscellaneous Services	...	...	312,384	257,936	507,798	403,809
Posts and Telegraphs	...	...	439,713	426,551	1,145,625	605,646
Public Works	...	...	7,379,576	11,107,104	19,391,822	14,102,768
Railways	...	...	175,019	719,184	440,000	242,749
Training	...	...	—	46,917	416,000	138,238
TOTAL DEVELOPMENT EXPENDITURE	...	...	16,390,068	19,496,126	36,832,222	26,550,353

LOCAL AUTHORITIES

	Actual 1960 \$	Actual 1961 \$	Estimated 1962 \$	Revised 1962 \$
Jesselton Town Board:				
Revenue ...	999,107	1,282,328	1,184,236	1,308,071
Expenditure ...	1,022,164	1,158,439	1,306,177	1,197,387
Sandakan Town Board:				
Revenue ...	1,047,432	919,156	908,186	906,027
Expenditure ...	755,097	644,524	1,025,744	1,112,925
Labuan Town Board:				
Revenue ...	243,224	276,780	248,731	275,915
Expenditure ...	296,504	282,067	243,165	264,975
Tawau Town Board:				
Revenue ...	401,140	459,855	329,930	336,270
Expenditure ...	365,961	452,753	337,402	358,476
Beaufort District Council:				
Revenue—general ...	80,815	89,059	158,116	154,881
Government Grant ...	106,000	41,090	66,950	66,795
Total Revenue ...	186,815	130,149	225,066	221,676
Expenditure ...	175,719	102,734	221,822	195,407
Jesselton Rural District Council:				
Revenue—general ...	45,469	43,020	59,848	60,700
Government Grant ...	17,500	39,500	35,280	35,357
Total Revenue ...	62,969	82,520	95,128	96,057
Expenditure ...	56,374	67,969	91,811	97,753
Keningau District Council:				
Revenue—general ...	—	59,273	35,615	34,889
Government Grant ...	—	13,490	17,060	17,838
Total Revenue ...	—	72,763	52,675	52,727
Expenditure ...	—	47,649	77,801	63,431
Kota Belud District Council:				
Revenue—general ...	69,455	99,062	81,659	81,019
Government Grant ...	67,272	38,800	26,200	25,579
Total Revenue ...	136,727	137,862	107,859	106,598
Expenditure ...	146,712	145,702	123,836	124,912
Kuala Penyu District Council:				
Revenue—general ...	—	10,142	12,507	11,845
Government Grant ...	—	18,570	8,910	8,994
Total Revenue ...	—	28,712	21,417	20,839
Expenditure ...	—	25,051	17,942	17,727
Kudat District Council:				
Revenue—general ...	90,587	108,636	127,393	133,685
Government Grant ...	4,000	64,920	57,780	57,814
Total Revenue ...	94,587	173,556	185,173	191,499
Expenditure ...	89,667	165,796	178,901	174,088

LOCAL AUTHORITIES— (cont.)

	Actual 1960 \$	1961 \$	Estimated 1962 \$	Revised 1962 \$
Lahad Datu District Council:				
Revenue—general ...	15,674	52,985	71,597	73,352
Government Grant ...	9,760	30,310	26,420	27,214
Total Revenue ...	25,434	83,295	98,017	100,566
Expenditure ...	18,878	64,473	77,421	88,361
Papar District Council:				
Revenue—general ...	63,548	61,616	67,886	73,706
Government Grant ...	104,046	40,550	32,050	34,822
Total Revenue ...	167,594	102,166	99,936	108,528
Expenditure ...	163,872	71,128	144,269	146,439
Ranau District Council:				
Revenue—general ...	—	—	20,913	—
Government Grant ...	—	—	13,350	—
Total revenue ...	—	—	34,263	—
Expenditure ...	—	—	32,732	—
Semporna District Council:				
Revenue—general ...	16,070	35,576	36,002	32,753
Government Grant ...	32,075	15,562	16,760	15,886
Total Revenue ...	48,145	51,138	52,762	48,639
Expenditure ...	41,127	34,449	51,738	50,647
Sipitang District Council:				
Revenue—general ...	31,005	38,302	38,157	38,192
Government Grant ...	55,850	29,030	19,040	20,109
Total Revenue ...	86,855	67,332	57,197	58,301
Expenditure ...	83,508	63,508	52,832	54,730
Tambunan District Council:				
Revenue—general ...	—	7,227	8,592	9,496
Government Grant ...	—	18,160	8,440	8,601
Total Revenue ...	—	25,387	17,032	18,097
Expenditure ...	—	21,343	15,720	15,141
Tenom District Council:				
Revenue—general ...	42,201	57,996	77,152	81,051
Government Grant ...	20,000	32,260	31,630	32,129
Total Revenue ...	62,201	90,256	108,782	113,180
Expenditure ...	50,705	83,031	107,804	108,228
Tuaran District Council:				
Revenue—general ...	88,124	103,083	84,965	97,150
Government Grant ...	58,072	45,373	35,740	35,474
Total Revenue ...	146,196	148,456	120,705	132,624
Expenditure ...	144,665	129,648	112,328	132,505

Public Debt

The Public Debt of North Borneo at the end of 1962 was \$35,351,311. Apart from \$413,865 representing Colonial Development and Welfare Loans, this comprised the following loans:

	<i>Issue price for £100 stock</i>
4 % North Borneo Inter-Colonial Loan, 1964/69 ...	£ 97.15.0.
5½% North Borneo Inter-Colonial Loan, 1966/71 ...	£ 98. 0.0.
5¾% North Borneo Inter-Colonial Loan, 1967/72 ...	£ 98.10.0.
6¼% North Borneo Inter-Colonial Loan, 1968/73 ...	£ 98. 0.0.
5½% North Borneo Development Loan, 1965/67 ...	£100. 0.0.
6 % North Borneo Development Loan, 1974/76 ...	£100. 0.0.

The total amount of the Sinking Funds provided for the redemption of the loans as at the 31st December, 1962, was \$2,045,868.

TAXATION

Customs Tariff

The principal import duties are those levied on cigarettes, cigars and tobacco; spirits, wines and beer; petroleum products, perfumery and cosmetics; confectionery, sugar, tea and coffee; machinery, metal manufactures, bicycles and motor vehicles, parts and accessories; and textiles and wearing apparel.

Certain types of goods produced or manufactured in the Scheduled Territories are admitted at preferential rates of duty.

Items not specifically mentioned in the Customs Duties Order are free of import duty, the more important of these are rice, meat, flour, and salt.

The Customs Duties (Exemption) Order exempts certain goods which might otherwise be liable to import duty, such as goods for the use of the Government, educational materials, basic building materials, hospital requisites, some materials for the packing of local produce, fertilisers and manures, disinfectants, insecticides, weedkillers and fungicides.

Export duties are charged on birdsnests, coconut products, fish, forest produce, hemp, pepper and rubber.

The Customs Duties (Exemption) Order also provides for the duty free exportation of certain goods.

Goods not specifically mentioned in the Customs Duties Order are free of export duty.

On the 1st January, 1962, the Free Trade Area Agreement between the territories of British North Borneo and Sarawak came into effect whereby not only the produce of either territory is able to be moved freely (without payment of any import or export duty) into or out of the territory of the other, but also goods imported from outside the two territories are similarly able to be

moved freely between the two territories, except that in the few cases where the rates of import duty differ, only the difference in duty is collected or refunded (as the case may be) on the movement of the imported goods from one territory to the other.

Stamp Duties

Stamp duties are imposed on all documents required to be stamped under the provisions of the Stamp Ordinance (Cap. 137). The documents which require stamping represent a wide range of commercial and legal documents and include affidavits, statutory declarations, appraisements, articles of association of a company, bills of exchange, bonds, charges, mortgages, contract notes, debentures, leases, insurance policies, powers of attorney, receipts and bank cheques. In all cases ordinary postage stamps can be used.

Poll Tax

It was decided during the year that Poll Tax should be abolished from the 1st January, 1962. To give effect to this decision, the Poll Tax (Repeal) Ordinance, 1962, was passed by the Legislative Council on the 13th September, 1962.

Income Tax

The Income Tax (Amendment) Ordinance, 1963, was passed during the year. This involved the rates of tax on higher individual incomes, made new charges in the rates of personal allowances and allowed, subject to certain conditions, deductions in respect of parents maintained by a tax-payer.

Income tax is levied on chargeable income accruing in, derived from or received in North Borneo and the rates are as follows:

Companies—

- | | |
|--|------------|
| (a) if they elect to be taxed on undistributed exempt trading profits and a further 20% is payable when the exempt trading profits are distributed | 20% |
| (b) on all other chargeable income | 40% |

Individuals—

Persons not resident in North Borneo ...	40%
--	-----

(Non-residents who are British subjects or British-protected persons or Government pensioners are eligible for proportionate personal reliefs and allowances at the rates applicable to residents and also the rates of tax applied to the chargeable incomes are the same as those for residents).

Persons resident in North Borneo—

On the first \$12,000 of chargeable income	3½%
On the next \$12,000	5 %
On the next \$10,000	10 %
On the next \$10,000	20 %
On the next \$10,000	30 %
On all chargeable income in excess of \$54,000	40 %

Personal allowances—

Individual	3,000
Additional for wife	2,400

Additional for children—

first child	600
second child	600
third child	400
fourth child	300
fifth child and subsequent child ...	200

each. The allowance may be increased by \$600 for each child educated outside the Borneo Territories.

Deductions are also allowed, subject to certain limits, in respect of life assurance premiums and contributions to approved pension or provident funds.

The maximum allowance for a wife, children and life assurance cannot exceed one-half of assessable income. This maximum allowance is in addition to the personal allowance of \$3,000.

Double taxation arrangements are in force with the United Kingdom, Sweden, Denmark and Norway.

Legislation also exists for allowing certain company pioneer undertakings to be granted a tax-free holiday for a period of two years and the period may be extended by a further two years if fixed capital expenditure of not less than \$100,000 has been incurred.

Trade Licence Fees—

Apart from ordinary forms of direct taxation, traders are required to take out annual licences and to pay the prescribed fees. The fees payable vary according to the nature of the business and range (in the principal towns) from an annual fee of \$1,000 for the business of a builder employing more than twenty-five persons at one time to fifty dollars for the business of a shipper engaged only in the carriage coastwise of passengers or cargo. Fees are levied on a lower scale in rural areas and small towns.

Estate Duty—

The rates of Estate Duty now in force are quoted in Appendix III.

STATEMENT SHOWING THE ACTUAL ASSETS AND LIABILITIES ON THE 31st DECEMBER, 1961
AND THE PROVISIONAL ASSETS AND LIABILITIES ON THE 31st DECEMBER, 1962

LIABILITIES	Actual as at 31st December, 1961	Provisional as at 31st December, 1962	ASSETS	Actual as at 31st December, 1961	Provisional as at 31st December, 1962
Drafts and Remittances	\$ 8,318	\$ 3,304	CASH:—	\$	\$
Deposits	3,010,289	3,434,561	With Banks — Cur- rent Account ..	3,326,502	960,463
Special Funds ..	3,456,970	3,558,562	With Treasuries ..	727,927	677,635
North Borneo 4% In- ter-Colonial Loan ..	6,532,543	6,532,543	With Agents ..	60,529	170,893
1964/69 ..			In Transit ..	171,898	205,614
Less Payments — 1954/ 60 (1961/62 Nil) ..	6,524,212	6,524,212	Joint Consolidated Fund ..	4,286,856	2,014,605
DEVELOPMENT ACCOUNT:—			Special Funds In- vestments ..	5,665,714	13,517,143
Balance at 1st January ..	12,711,242	17,690,846	Surplus Funds In- vestment Sterling ..	2,548,684	3,229,466
Add: Surplus for the year ..	4,979,604	1,000,216	On deposit with local Banks ..	22,310,238	18,456,329
GENERAL REVENUE			Advances ..	7,000,000	9,400,000
BALANCE:—			Other Governments and Administra- tions ..	4,390,568	5,413,824
Balance as at 1st January ..	16,707,222	22,202,093		174,787	252,942
Add surplus and Deficit Account ..	5,435,120	3,529,875			
	22,142,342	25,731,968			
Add appreciation of investments ..	59,751	856,521			
	46,376,847	26,588,489			
		52,284,309		46,376,847	52,284,309



Y. T. M. Tunku Abdul Rahman Putra Al-Haj inspecting the Guard of Honour at Jesselton Airport.
(Broadcasting and Information Department).

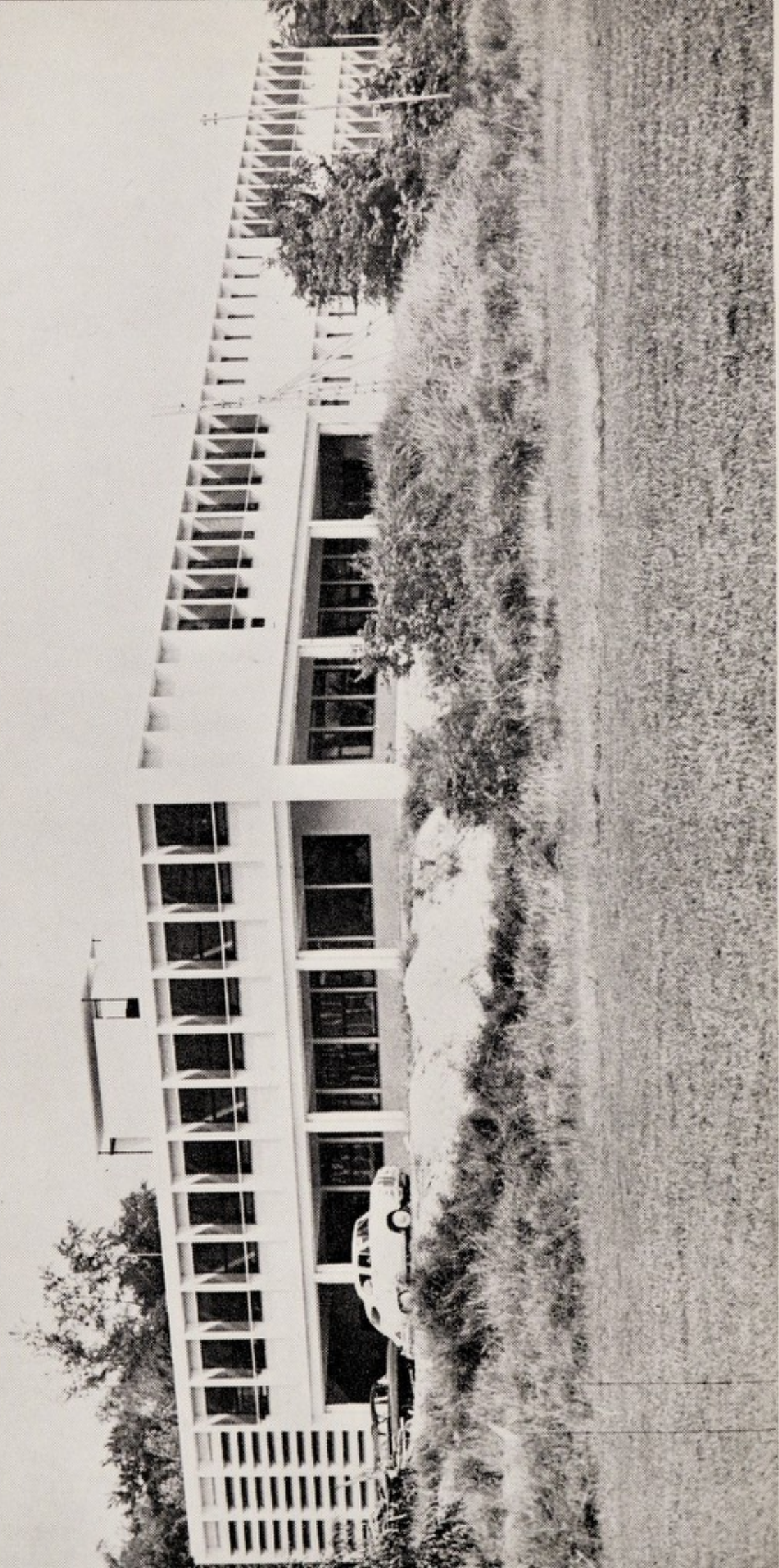


(Broadcasting and Information Department)



Broadcasting House, Jesselton.

(Broadcasting and Information Department).



(Broadcasting and Information Department).

Chapter 4: Currency and Banking

THE currency in circulation in North Borneo is Malayan currency consisting of:

- (a) currency notes issued by the Board of Commissioners of Currency, Malaya and British Borneo, dated not earlier than the 1st July, 1941, in denominations of 1, 5, 10, 20, and 50 cents; and \$1, \$5, \$10, \$50, \$100, \$1,000. Of the above, the notes of denominations of from one to fifty cents are being withdrawn from circulation as and when handed into the Treasury, but they are still legal tender;
- (b) silver coins in denominations of 5, 10 and 20 cents which are being withdrawn from circulation;
- (c) cupro-nickel coins in denominations of 5, 10, 20 and 50 cents;
- (d) copper and bronze coins in denominations of one cent.

British Borneo (Chartered) Company currency ceased to be legal tender as from the 1st September, 1953, but when handed into banks or treasuries it is still redeemable at its face value for Malayan currency.

The amount of currency estimated as being in circulation at the end of 1962 was \$130,955,889.

The buying and selling rates of the Malayan dollar fluctuate slightly in accordance with the Singapore market, but for the purpose of converting Malayan dollars into sterling the value of the dollar is taken as 2s. 4d. The following are useful conversion formulae:

- (a) dollars a month $\times 7/5$ = pounds a year;
- (b) dollar into pounds: divide by 10 and add one-sixth to the resultant figure;
- (c) pounds into dollars: multiply by 10 and subtract one-seventh;
- (d) \$9 = 1 guinea;
- (e) \$60 = £7.

Banking

There were five banks operating in North Borneo during the year —

The Chartered Bank

The Hongkong and Shanghai Banking Corporation

Hock Hua Bank (North Borneo) Limited

Chung Khiaw Bank Limited

Malayan Banking Limited.

Malayan Banking Limited opened offices during the year in Sandakan, Jesselton and Tawau. The Chartered Bank has branches in Jesselton, Sandakan, Tawau, Labuan, Kudat, Lahad Datu and Tenom. The Hongkong and Shanghai Bank has branches at Jesselton, Sandakan, Tawau, Labuan, Beaufort and Papar.

The Hock Hua Bank and the Chung Khiaw Bank have branches in Sandakan and Jesselton respectively.

All banks operating in North Borneo provide savings bank facilities.

Chapter 5: Commerce

External Trade

EXTERNAL trade in 1962 was valued at \$473.6 million which exceed the previous year's record figure by \$38.3 million. The value of imports, including goods delivered into bond, totalled \$238.9 million and exceeded the corresponding figure for the previous year by \$23.9 million. Exports, including re-exports and exports from bond, aggregated \$234.7 million which is the highest export figure yet and exceeded the 1961 total by \$14.4 million.

There was an unfavourable balance of \$4.2 million compared with a favourable balance of \$5.3 million in the previous year.

The trade figures since 1938 in millions of dollars are:

Year	Total	Imports	Exports (including re-exports)	Balance of Trade (+) (-)	
1938 ...	16.2	6.4	9.8	+	3.4
1939 ...	20.0	6.5	13.5	+	7.0
1940 ...	30.3	10.0	20.3	+	10.3
1941-46 ...	Not available				
1947 ...	37.5	20.5	17.0	-	3.5
1948 ...	55.1	25.4	29.7	+	4.3
1949 ...	72.5	34.0	38.5	+	4.5
1950 ...	139.0	46.0	93.0	+	47.0
1951 ...	193.1	70.2	122.9	+	52.7
1952 ...	137.2	70.3	66.9	-	3.4
1953 ...	130.3	70.0	60.3	-	9.7
*1954 ...	151.5	74.3	77.2	+	2.9
1955 ...	192.4	87.6	104.8	+	17.2
1956 ...	238.3	117.4	120.9	+	3.5
1957 ...	242.5	121.6	120.9	-	.7
1958 ...	258.8	128.4	130.4	+	2.0
1959 ...	333.1	155.5	177.6	+	22.1
1960 ...	418.5	195.9	222.6	+	26.7
1961 ...	435.3	215.0	220.3	+	5.3
1962 ...	473.6	238.9	234.7	-	4.2

* In 1954 the compilation of trade statistics on the basis of the Standard International Trade Classification was commenced.

EXPORTS

The following is a statement of the main exports during the last five years:

MAIN EXPORTS

		1958	1959	1960	1961	1962
Timber (Logs and Sawn)	(mil. cu. ft.)	26.3	39.5	50.2	63.1	68.8
	(million \$)	36.4	61.1	90.7	102.8	122.1
Rubber	(000 tons)	20.2	22.9	22.0	23.6	22.4
	(million \$)	32.8	47.0	49.5	41.2	36.7
Copra*	(000 tons)	67.2	59.4	79.6	67.9	44.7
	(million \$)	32.2	35.1	40.2	27.1	18.5
Hemp	(000 tons)	2.4	2.7	3.7	4.1	3.4
	(million \$)	2.6	3.8	5.2	4.8	3.2
Tobacco	(000 lbs.)	307.8	530.8	475.8	326.6	195.5
	(million \$)	3.6	5.6	5.3	3.7	2.2
Dried and Salt Fish	(000 tons)	.6	.6	.6	1.3	1.4
	(million \$)	.6	.5	.7	1.9	2.0
Firewood	(000 tons)	13.3	35.8	28.0	32.8	18.9
	(million \$)	.2	.7	.6	.6	.3
Cutch	(000 tons)	3.7	3.7	4.0	3.0	—
	(million \$)	1.5	1.5	1.6	1.1	—

* Includes re-exports.

The following table shows the percentage changes in respect of the quantity, value and average price of the principal exports during 1962 compared with the figures for 1961:

		Quantity per cent	Value per cent	Price per cent
Rubber	...	— 5.34	— 10.92	— 5.89
Timber	...	+ 9.03	+ 18.79	+ 8.95
Copra	...	— 34.14	— 31.75	+ 3.63
Hemp	...	— 15.58	— 33.35	— 19.14
Tobacco	...	— 40.13	— 39.17	+ 1.59
Firewood	...	— 42.45	— 55.06	— 21.94
Dried and Salt Fish	...	+ 10.78	+ 4.24	— 5.90

As in previous years timber, rubber and copra continued to be North Borneo's principal exports, and of these commodities exports of timber increased in quantity by 9.03 per cent compared with 1961, while the price obtained in overseas markets also increased by an average of 8.9 per cent. This brought a welcome boost to the country's economy. Exports of rubber, on the other hand, fell by 5.3 per cent in quantity and the average price obtained over the year fell by 5.8 per cent. The quantity of copra exported also fell by the considerable figure of 34.1 per cent but this was entirely due to less copra being imported for re-export. Two factors brought about this situation. First, the strengthening

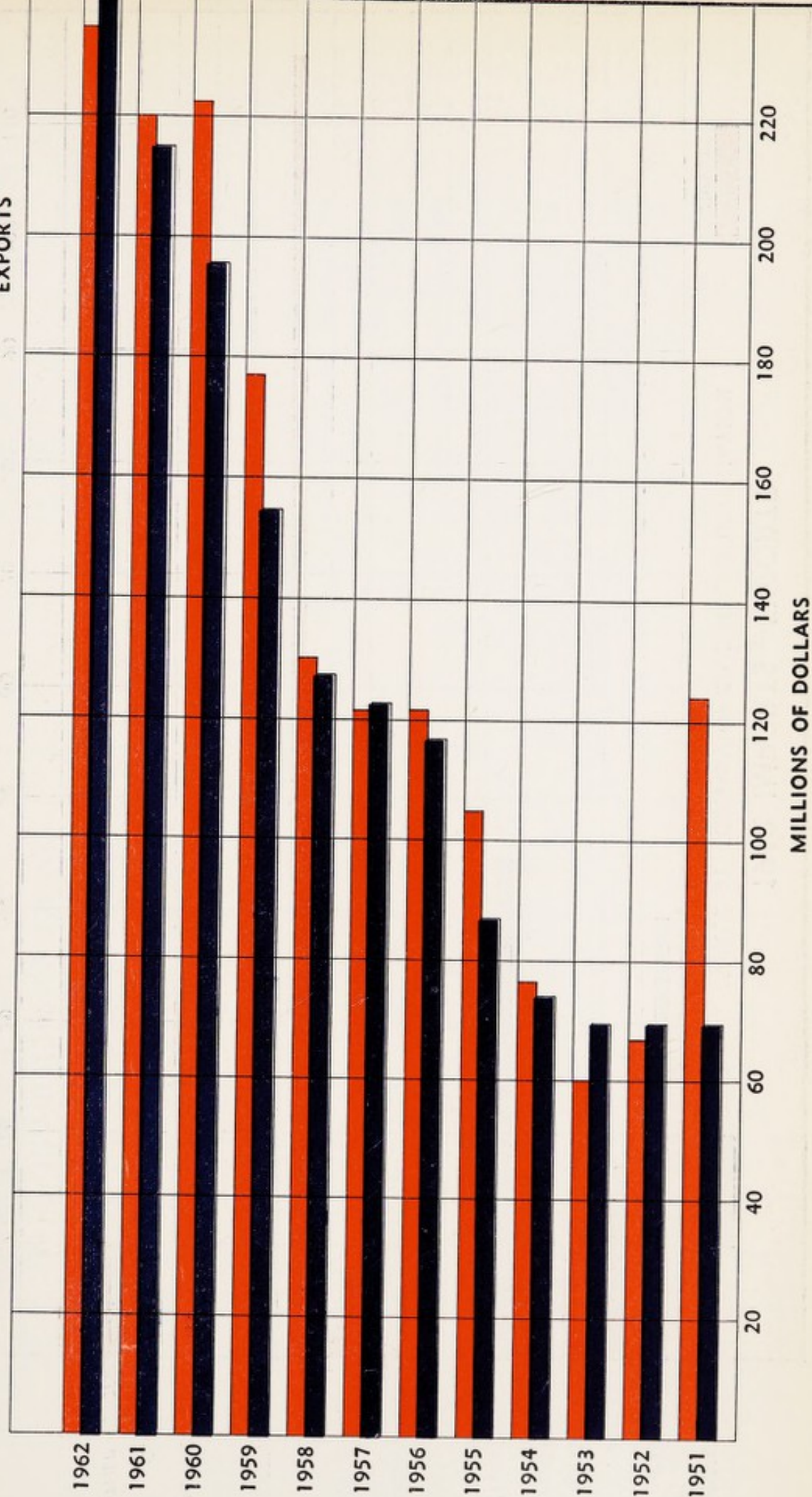
IMPORTS AND EXPORTS

1951—1962

(INCLUDING RE-EXPORTS)

IMPORTS

EXPORTS



1962 IMPORTS—EXPORTS

VALUE BY COUNTRY OF ORIGIN AND DESTINATION

IMPORTS

EXPORTS

COMMONWEALTH COUNTRIES

HONG KONG

MALAYA

OTHER ASIA

AUSTRALIA &
NEW ZEALAND

UNITED KINGDOM

NON-COMMONWEALTH COUNTRIES

CHINA & MACAO

JAPAN

OTHER ASIA

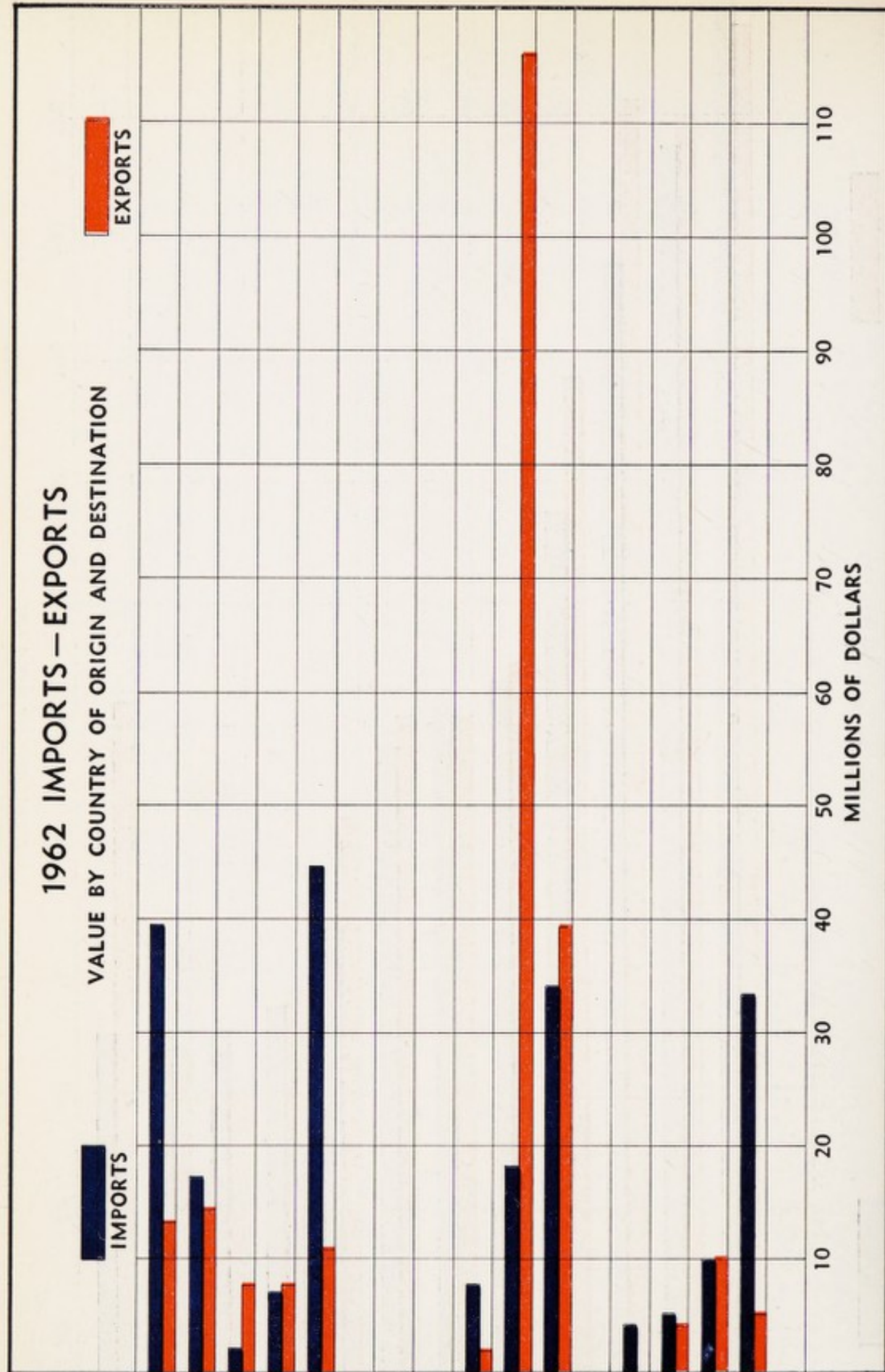
NETHERLANDS

GERMANY

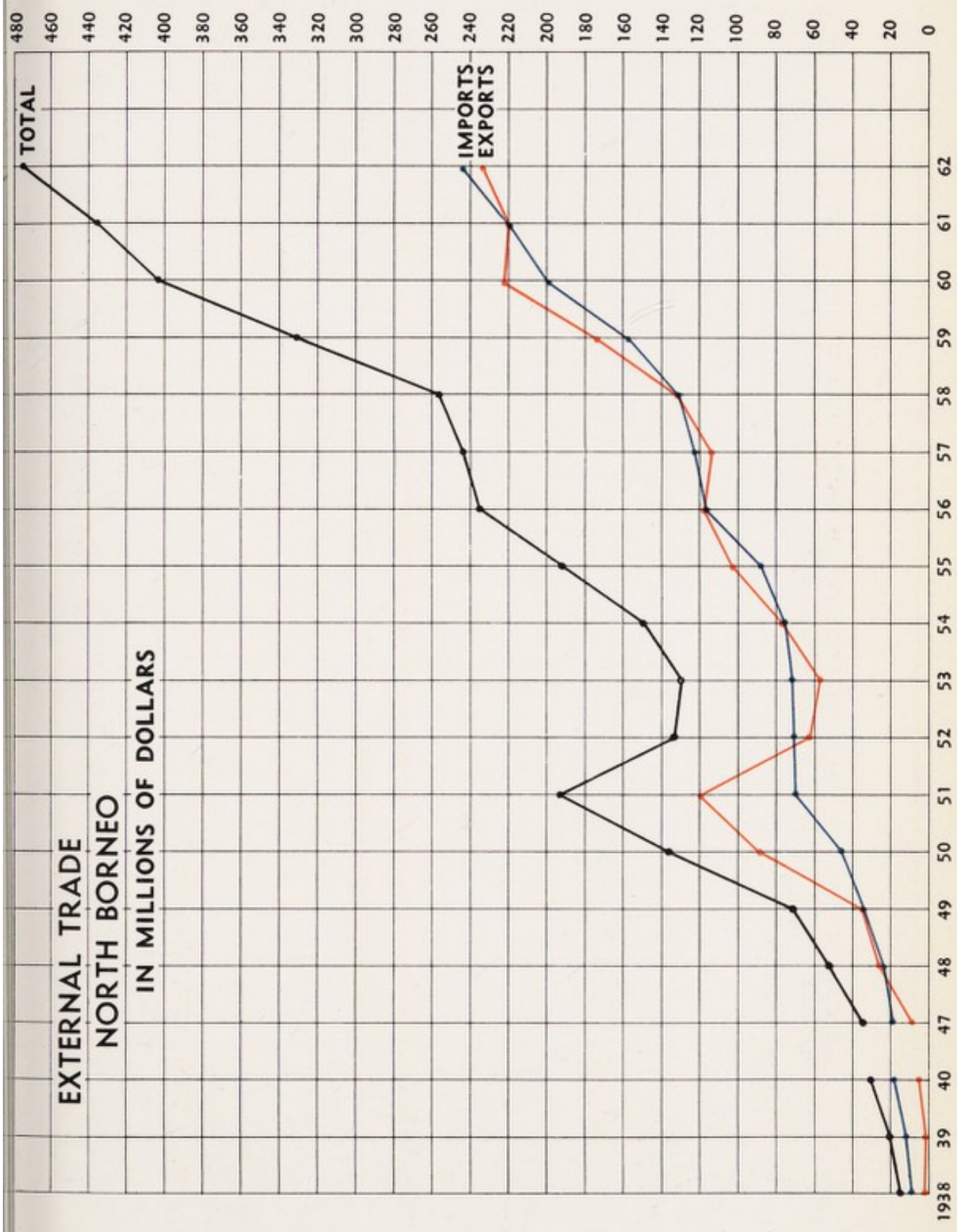
OTHER EUROPE

U.S.A.

MILLIONS OF DOLLARS



EXTERNAL TRADE NORTH BORNEO IN MILLIONS OF DOLLARS



of the Philippines peso during the year resulted in dealers in the Southern Philippines being able to obtain better real prices locally for their copra than by transporting it to North Borneo for sale. Secondly, the continued activity of pirates well outside North Borneo territorial waters preying on the small vessels bringing copra for sale from the Celebes to the East Coast ports of North Borneo has had a naturally depressing effect on this trade. Increased sea patrols by units of H. M. Navy undoubtedly saved the situation from becoming much worse than it is. Of the copra imported from the Philippines most of it went direct to the Free Port of Labuan in spite of the relative remoteness of this port.

Of the other main commodities exported, exports of hemp decreased by 15.5 per cent due mainly to one of the hemp growing estates being replanted with oil palms; plant diseases also had a detrimental effect on the production of hemp fibre during the year. The industry encountered difficulty in obtaining the full advantage of rising prices of this commodity when the American Government began to release some of their stock-pile of fibre in order to check the rising price of hemp on the American market. Exports of tobacco fell considerably as a result of the only estate in the territory specialising in the production of fine wrapping leaves closing down in 1961. The bulk of the value of tobacco exported in 1962 consisted of the unexported balance of the 1961 crop from this estate: in future, exports of unmanufactured tobacco will consist solely of the produce of native smallholdings. The quantity of firewood exported fell by 42.45 per cent and this is due to the increasing use of alternative fuels (particularly oil) in the only market for North Borneo firewood, which is Hong Kong. In an effort to assist the depressed firewood industry the export duty of ten per cent *ad valorem* on firewood was removed entirely towards the end of 1962.

In general, of the country's traditional export commodities only timber and to a lesser extent dried and salted fish showed any improvement on the previous years' figures: all other commodities fared less well. In order to escape from having to rely on too restricted a range of export commodities for North Borneo's prosperity, it is the policy of the Government to diversify the economy as much as possible and to ensure that the right crop is planted in the correct type of soil. Considerable efforts have been made in carrying out soil surveys in the past few years towards this end, and during 1962 the Labuk Valley on the East Coast of North Borneo received special attention under the auspices of a team of experts from the United Nations. Encouragement is still being given to the planting of cocoa in the fertile volcanic soils of the Tawau Residency and of oil palms in that and other areas. Both these are new crops to North Borneo and the indications are that these crops will do well here. They will become important additions to the range of export commodities. Plans have already

been made for the construction of bulk storage and pumping installations at the point of shipment for a principal oil palm growing area but commercial shipments of this commodity have not yet commenced. Exports of cocoa beans totalled 246 tons for 1962 compared with 102 tons for 1961. The quality was of high standard and obtained standard Accra prices.

Encouragement continues to be given to the planting of high yielding rubber in all areas so that there will be a better chance for those who depend on the production of natural rubber for their livelihood being able to survive in the competition with synthetically produced rubber substitutes.

Destination of Exports

The following table shows the value and percentage of the total value of exports by country of destination:

TOTAL EXPORTS BY COUNTRY OF DESTINATION					
		1961		1962	
		Value by Country of Destination	Percentage of Total	Value by Country of Destination	Percentage of Total
Japan ...	...	\$105,014,731	47.98	\$116,277,273	49.93
Philippine Islands ...	...	19,667,714	8.99	32,670,533	14.03
Malaya ...	...	19,103,343	8.73	13,802,280	5.93
Hong Kong ...	...	9,974,828	4.56	12,935,658	5.55
United Kingdom ...	...	16,839,273	7.69	10,752,416	4.62
Other European Non-Commonwealth countries ...	...	11,680,441	5.34	9,508,230	4.08
Other Asian Commonwealth countries ...	...	6,491,390	2.97	8,244,351	3.54
Australia and New Zealand ...	...	5,588,229	2.55	7,509,678	3.22
Other Asian Non-Commonwealth countries ...	...	1,078,256	.49	5,292,688	2.27
Germany ...	...	3,922,685	1.79	4,257,307	1.83
U. S. A. ...	...	5,262,573	2.40	3,624,689	1.56
Other American Non-Commonwealth countries ...	...	5,769,833	2.64	1,512,052	.65
China and Macao ...	...	2,136,115	.98	1,519,910	.65
Canada and British West Indies ...	...	687,202	.32	1,225,491	.53
African Commonwealth countries ...	...	388,482	.18	1,191,108	.51
Indonesia ...	...	1,203,641	.55	1,171,381	.50
Netherlands ...	...	4,027,851	1.84	833,893	.36
India and Pakistan ...	...	5,265	—	553,606	.24
Thailand ...	...	1,200	—	120	—
Other European Commonwealth countries ...	...	690	—	2,035	—
African Non-Commonwealth countries ...	...	15	—	—	—
		218,843,757	100.00	232,884,699	100.00
Postal Articles ...	...	51,788		75,693	
Ship and Aircraft Bunkers and Stores ...	...	1,419,278		1,768,762	
		\$220,314,823		\$234,729,154	

Once more both the value and percentage of the total value of exports to Japan increased at the expense of other countries and Japan now takes almost half the total value of all exports from North Borneo. This is largely accounted for by the fact that Japan takes 74.5 per cent of the value of all timber exported and, as recorded earlier, exports of timber increased by 9.3 per cent in 1962. Timber accounts for almost half the total value of exports from North Borneo. A moderate decline in exports to the United Kingdom and Malaya was recorded. Other changes were insignificant.

The following tables show the percentage by value of each of the principal exports taken by several countries of destination over the past three years:

	1960 <i>per cent</i>	1961 <i>per cent</i>	1962 <i>per cent</i>
<i>Timber</i>			
Japan	64.7	80.2	74.5
Hong Kong	11.8	6.3	8.1
Australia	15.7	4.9	5.7
Other Asian Non-Commonwealth countries ... ..	.5	.1	4.4
Other European Non-Commonwealth countries	2.5	5.1	3.6
Formosa	1.8	.5	1.5
China and Macao ... ..	.1	.6	1.0
U. S. A. ... ..	.8	.9	.6
United Kingdom	1.2	.7	.3
African Commonwealth countries ... ..	.6	.3	.2
New Zealand ... ..	.2	.4	.1
Malaya ... ..	.1	—	—
	100.00	100.00	100.00
<i>Rubber</i>			
Japan	21.1	27.1	31.4
Malaya	35.0	28.5	23.3
United Kingdom	16.6	18.0	12.9
Germany	7.8	6.4	9.3
Other European Non-Commonwealth countries	9.9	9.3	8.2
U. S. A.	2.7	3.1	5.8
Hong Kong	5.1	4.4	4.7
Canada and British West Indies	1.1	1.4	3.1
Netherlands ... ..	.3	.6	.7
Other Asian Non-Commonwealth countries ... ..	.4	1.2	.6
	100.00	100.00	100.00
<i>Firewood</i>			
Hong Kong	99.1	100.00	100.00
Brunei ... ..	.9	—	—
	100.00	100.00	100.00

				1960 per cent	1961 per cent	1962 per cent
<i>Copra</i>						
Japan	...	...	...	62.1	38.6	68.6
Other European Non-Commonwealth countries	...	...	...	13.4	8.3	9.7
Other American Non-Commonwealth countries	...	...	...	10.8	21.3	8.0
United Kingdom	...	...	...	4.5	9.4	4.8
Malaya	...	...	...	.9	1.7	3.2
India and Pakistan	...	...	...	—	—	3.0
China and Macao	...	...	...	3.4	5.5	1.4
Netherlands	...	...	...	3.3	12.5	1.1
Germany	...	...	...	1.6	2.7	.2
U. S. A.	...	...	...	—	—	—
				100.00	100.00	100.00
<i>Hemp</i>						
United Kingdom	...	...	...	30.0	37.4	37.9
U. S. A.	...	...	...	36.0	47.7	20.4
Japan	...	...	...	29.3	9.5	16.7
Other European Non-Commonwealth countries	...	...	...	3.5	4.2	14.8
Netherlands	...	...	...	1.2	—	4.3
Canada	...	...	...	—	.9	2.4
Australia and New Zealand	...	...	...	—	—	2.2
China and Macao	...	...	...	—	.2	.9
Union of South Africa	...	...	...	—	.1	.4
				100.00	100.00	100.00

The tables show that Japan took three quarters of the timber exported but exports to Hong Kong, Australia and other Asian non-Commonwealth countries also increased slightly. Exports of copra to Japan also increased while exports to South America, the Netherlands, Germany, United Kingdom and China all showed decreases. Japan also took more rubber whilst exports to the United Kingdom and Malaya decreased. Small increases of rubber exported to the United States of America, Hong Kong, Canada and Germany were recorded.

IMPORTS

The following is a statement of the main imports during the last five years:

		MAIN IMPORTS				
		1958	1959	1960	1961	1962
Machinery	... (—)	—	—	—	—	—
	(million \$)	11.7	20.1	30.0	31.1	40.4
Tobacco, cigars and cigarettes	... (000 lbs.)	1,806.1	2,022.2	2,793.6	6,527.0	11,277.2
	(million \$)	9.8	9.7	12.8	24.6	39.2
Provisions	... (000 tons)	18.9	20.5	23.6	24.8	30.3
	(million \$)	16.5	17.3	22.3	24.3	27.4
Oils	... (—)	—	—	—	—	—
	(million \$)	4.5	16.7	15.8	14.2	18.4
Metals	... (000 tons)	8.9	11.3	14.9	15.5	17.5
	(million \$)	8.3	10.2	12.1	15.9	13.4
Rice	... (000 tons)	21.9	18.6	21.0	24.0	24.5
	(million \$)	10.0	7.9	8.4	10.3	11.8
Textiles and Apparel	... (—)	—	—	—	—	—
	(million \$)	5.3	6.1	9.2	10.8	10.6
Vehicles	... (Nos.)	4,340	5,786	8,017	8,632	7,799
	(million \$)	4.2	4.8	7.4	8.7	10.2
Sugar	... (000 tons)	8.5	8.6	10.1	11.7	11.5
	(million \$)	3.3	3.0	3.5	3.6	2.9
Building Materials	(000 tons)	29.0	26.9	25.7	27.8	28.1
	(million \$)	3.1	2.8	2.8	2.8	2.8

The value of machinery imported increased by over thirty per cent above the previous year's record figure and is an indication that development is continuing, despite the fact that it was not a very good year as far as export commodity prices were concerned. The number of vehicles imported fell slightly but the value of the vehicles imported was greater than ever before and this is due to the fact that better quality and more expensive vehicles are now being imported. The import of petroleum products increased by twenty per cent as might be expected in order to keep pace with increased imports of machinery and the number of vehicles on the roads. Imports of foodstuffs (including rice) showed appreciable increases while imports of textiles and building materials remained at a steady rate indicating that the standard of living is being more than maintained. The quantity and value of tobacco and cigarettes imported showed a very high rate of increase but imports of these commodities are mostly for re-export and not for home consumption.

Sources of Imports

The following table shows the value and percentage of the total value of imports by countries of origin:

TOTAL IMPORTS BY COUNTRY OF ORIGIN

	1961		1962	
	<i>Value by Country of Origin</i>	<i>Percentage of Total</i>	<i>Value by Country of Origin</i>	<i>Percentage of Total</i>
United Kingdom ...	\$ 44,988,526	21.50	\$ 44,298,957	18.96
Hong Kong ...	24,937,720	11.92	39,051,518	16.72
U. S. A. ...	22,862,029	10.93	32,507,945	13.92
Indonesia ...	22,293,430	10.65	22,631,522	9.69
Japan ...	16,072,754	7.68	18,418,657	7.88
Malaya ...	14,315,823	6.84	16,920,003	7.24
Thailand ...	11,740,685	5.61	13,244,498	5.67
Other European Non-Commonwealth countries ...	8,438,629	4.03	7,788,693	3.33
China and Macao ...	6,414,579	3.07	7,554,202	3.23
Australia and New Zealand ...	5,220,641	2.49	7,041,148	3.01
Philippine Islands ...	12,664,077	6.05	6,511,278	2.79
Germany ...	4,526,021	2.17	4,490,426	1.92
Netherlands ...	3,411,135	1.63	3,757,448	1.61
Formosa ...	4,280,698	2.05	2,838,920	1.22
India and Pakistan ...	3,171,899	1.52	2,071,591	.89
Other Asian Commonwealth countries ...	1,232,663	.59	2,011,071	.86
Canada and British West Indies ...	1,246,419	.60	879,596	.38
African Commonwealth countries ...	601,666	.29	872,164	.37
Other Asian Non-Commonwealth countries ...	426,486	.20	370,302	.16
Indo-China ...	130,420	.06	212,008	.09
Other American Non-Commonwealth countries ...	86,756	.04	108,216	.05
Other European Commonwealth countries ...	22,661	.01	27,250	.01
African Non-Commonwealth countries ...	155,091	.07	45	—
	209,250,808	100.00	233,607,458	100.00
Postal Articles ...	5,498,319		4,529,792	
Ships Stores and Specie	247,296		747,694	
	<u>\$214,996,423</u>		<u>\$238,884,944</u>	

The most notable trend in the pattern of imports is again the increasing share of the North Borneo import market obtained by Hong Kong exporters and manufacturers who now hold second place only to the United Kingdom. The United States of America lies a fairly close third and also increased her share appreciably.

Otherwise, there was little change in the pattern for the previous years except that imports from the Philippines fell sharply. This is however entirely due to less copra being imported from the Philippines for re-export and has already been commented on elsewhere in this report.

Transit Trade

The transit trade along the whole coast of North Borneo during the year totalled approximately 41,758 tons compared with approximately 51,083 tons for 1961.

The trade is restricted mainly to Labuan and the principal items are oil field equipment and supplies for Brunei and Northern Sarawak, and timber from Sarawak. The further drop in tonnages in transit compared with recent years is due to the "running down" of the oil fields in the area.

GENERAL

Control of Imports and Exports

In the middle of the year a new Customs (Control of Imports) Order became law, superseding all previous legislation on the prohibition or licensing of imports. Under the new Order, import licences issued by the Commissioner of Trade and Customs are required only in respect of imports of any goods manufactured wholly or mainly in the Communist Block countries, rice from any country, wheat flour from countries other than Argentina, Australia, Canada, France, Italy, Mexico, Spain, Sweden and the United States of America, and any goods manufactured wholly or mainly in and consigned from Japan. Imports from Japan are treated on a quota basis but the funds available were such that no restriction in the issuing of licences was necessary. Imports from the United States of America are now completely free from import licensing control.

Licences for the importation of rice are issued by the Commissioner of Trade and Customs under a quota scheme administered by the Food Controller. Restrictions on the importation of wheat were further released and import licences are now required only if the wheat is imported from countries other than those mentioned in the previous paragraph. No other foodstuff is subject to import licensing.

A number of goods remain subject to absolute prohibition from importation and the export of certain commodities, particularly strategic materials, is prohibited except under a licence issued by the Commissioner of Trade and Customs.

Customs Administration

The Department of Trade and Customs is administered by the Commissioner of Trade and Customs and has its headquarters at the Customs House, Jesselton. The Commissioner of Trade and Customs is assisted at Headquarters by the Deputy Commissioner of Trade and Customs, an Inspector and an Assistant Commissioner of Customs.

Assistant Commissioners of Customs control stations at Labuan, Jesselton, Sandakan and Tawau. At Lahad Datu, a Superintendent of Customs supervises the operations of the Customs Stations at Lahad Datu, Semporna and Tanjong Bakapit. At Kudat, a Customs Officer (Special Grade) runs the station, and at Sipitang, Weston, Bakapit and Wallace Bay, the stations are run by one Customs Officer at each place. At Sindumin and Mempakul, District Clerks undertook the Customs work.

Sufferance Wharves

Sufferance wharves are in use at Morrell Bluff, Kunak, Bohayan Island, Silam Anchorage, Salibokan, Tanjong Sakar, Pulau Berhala, Pavitt Point, Jambongan Harbour, Shell Jetty at Sandakan, Karamunting, Kuala Bombalai, Tagassan and Batu Batu (Weston).

The object of declaring sufferance wharves is to facilitate the export of timber and the import of oil by allowing the loading and discharging respectively of these commodities at places which are not legal ports of entry.

Customs Officers from the nearest Customs station attend ships working at these places.

Legislation

The Department of Trade and Customs continued to be responsible for the administration of the Customs Ordinance (Cap. 33), the Liquors Revenue Ordinance (Cap. 73) and the Excise Ordinance (No. 18 of 1959), and the Regulations and Orders thereunder.

The Customs and Liquors Revenue Ordinances are fully operative, but no Excise licence has yet been taken out in North Borneo.

Labuan

Since September, 1956, the island of Labuan has enjoyed the privileges of Free Port status, under which no export duty and no import duty is paid except on intoxicating liquors, tobacco, cigars, cigarettes and petroleum products, and, as from the end of 1962, matches. Merchants on the island, headed by the Free Port Guild of Labuan, continued their endeavours to increase the importance and usefulness of the island as an entrepot port.

Less copra from the Philippines arrived in Labuan than during the previous year due to the hardening of the Philippine *peso* during the year, resulting in less copra being shipped to North Borneo for re-sale to the world markets. After inspection and re-drying, if necessary, it is bagged and re-exported along with the local production.

Barter Trade

The Barter Trade continued throughout the year at Sandakan and Tawau at a reduced level. Kudat similarly was quiet and Jesselton benefited very little from the trade. Some of the trade which was lost to the established Barter Trade Ports found its way to Labuan, attracted there by the Free Port benefits. Lahad Datu was moderately successful but Semporna showed the greatest gain during the year. Port facilities there were found to be insufficient to cope with the increase but extra warehouse accommodation was built during the year.

The main commodity imported is copra but seashells, sugar, coffee, rice, rubber, jelutong, pepper, nutmeg and other items of native produce are also imported. Cigarettes, textiles, wearing apparel, mangrove bark, engines, machinery and various other manufactures and consumer goods are exported in exchange.

Originally the craft used to carry the Barter Trade goods were all native sail boats, but are now almost all power driven vessels specially built for the trade.

One of the principal reasons for the reduction of the Barter Trade during 1962 was the continued presence at the approaches, particularly to Tawau, of an increasing number of pirates. The Royal Navy sent vessels from time to time to assist in suppressing piracy. The results of their operations have been most gratifying, but piracy is not dead yet.

Chapter 6: Production

LAND UTILISATION AND OWNERSHIP

Land Utilisation

THE area of North Borneo is 29,388 square miles, of which the greater part is covered with jungle, unpopulated and without communications other than jungle tracks and rivers negotiated with difficulty. The greater part of the population is settled in the West Coast and Interior Residencies. The East Coast, apart from the centres of Sandakan, Tawau, Lahad Datu, Semporna and its islands, and the riverine villages of the Labuk and Kinabatangan rivers, is largely uninhabited.

All unalienated land is the property of the Crown. Forest reserves at present constitute 8,744 square miles, but will in due course be increased to approximately 10,880 square miles when the present programme of reservation is completed. Land reserved for use by natives as communal grazing grounds, village sites, burial grounds and other purpose amount to 47,087 acres and includes the Bingkor Provisional Native Reservation of 35,150 acres in the Interior. Reserves for public purposes total 15,062 acres. Concessions for oil and certain mineral rights cover the island of Labuan and 1,000 square miles of the mainland. Oil exploration rights have also been granted over territorial waters and the continental shelf off the West Coast.

A table at Appendix IV gives details by Districts of the planted acreages of the main crops. These figures, particularly that of hill padi in the Interior, are not based on a full and detailed survey and entire accuracy is not claimed for them. Extensive pasture areas for cattle and buffalo exist in the Kota Belud district and in the Keningau plain. Large areas of land, which were alienated under the British North Borneo (Chartered) Company's early policy of encouraging the entry of capital by granting large concessions (but without the safe-guard of cultivation clauses) remain uncultivated. During the year, legislation was enacted giving power to the Government, through a special committee, to require cultivation of the land comprised in the leases concerned and failing that to acquire the land or require its disposal to persons willing to cultivate it.

The problem of shifting cultivation, involving as it does the destruction of appreciable areas of valuable timber and, in over populated areas, the progressive erosion of the top-soil, still remains. In the long term the solution is clearly to induce those hill

natives who still practise shifting cultivation to adopt a more settled form of agriculture in the lowlands. This must necessarily be a slow progress, but there are indications, particularly among the Dusuns and Lundayas of the Interior, that, given forceful leadership and Government assistance, hill peoples are willing to adopt a more settled form of agriculture.

Land development at local level is handled by Land Utilisation Committees which have been set up in all districts. These committees on which all interested Government Departments are represented, ensure that land development is properly planned in the early stages, and that land is put to the best possible use. District Land Utilisation Committees are subject to general direction by the Natural Resources Committee.

Land Settlement

The Keningau settlement scheme continued to make progress. An additional 493 acres were planted with rubber and the padi irrigation programme was nearing completion by the end of the year.

Applications totalling more than 15,000 acres for the cultivation of oil palm and rubber in the Sandakan Peninsula were approved during the year. The Sandakan Peninsula Development scheme covers some 81,000 acres in which provision is made for large holdings by individuals and companies, holdings by co-operative societies, smallholdings and reserves.

Minor resettlement schemes, financed from funds allocated to Residencies for rural development and from the proceeds of timber growing on the land, played a valuable part in progress made during the year. In the Kudat District 500 families were assisted to take up land for wet padi and coconut cultivation. At Lohan, in the Ranau District, 310 lots were surveyed from the air and 277 families are already in occupation. Schemes to benefit over 1,000 families were put in hand in the Keningau and Tenom Districts of the Interior. In Tawau eight schemes were in progress catering for 350 families and covering over 5,700 acres. In Semporna 239 smallholdings have been made available for landless Bajaus.

The programme for reducing the backlog of land applications by means of aerial survey continued. 3,000 pre-marked lots were surveyed by this method in the Tenom, Ranau, Tuaran, Jesselton and Penampang Districts. During the year 7,379 land applications covering 48,710 acres were surveyed. The number of applications for land awaiting survey at the end of the year was 12,652, which shows a reduction of 3,934 on the corresponding figure for 1961.

Lands and Surveys Department

The Lands and Surveys Department is headed by a Director, assisted by a Deputy, with headquarters in Jesselton. District Survey Offices under the control of District Surveyors were maintained during the year at Jesselton, Sandakan, Tawau, Keningau, Beaufort and Labuan.

At the end of 1962 the staff of the Department, in addition to the Director and the Deputy Director included eleven District Surveyors, five Assistant District Surveyors, ten Senior Survey Assistants and sixty-six Survey Assistants. Office staff included one Survey Superintendent, one Chief Draughtsman, one Chief Computer and eighty-two Draughtsmen/Computers.

The field staff of the Survey Assistant Grade are mostly prismatic compass surveyors and probationers under departmental training prior to being sent out to the field.

One of the three Survey Assistants training in Australia and New Zealand under the Colombo Plan returned to take up an appointment as District Surveyor. At the end of the year arrangements were completed for four Survey Assistants to undertake degree courses in surveying in New Zealand, also under the Colombo Plan. Other Colombo Plan assistance from New Zealand included the secondment of a Senior Draughtsman to train departmental staff in draughting and computing. A five months' course for twenty students was completed during the course of the year.

Mapping

The flying programme for the year included sixteen sorties covering 1,945 square miles and acceptable cover was obtained in each case. 5,000 square miles of the Labuk Valley were covered by Huntings Surveys Ltd., who had tendered successfully for the aerial photography of the Labuk Valley Project.

The emphasis has been on cadastral mapping and the arrival and installation of two B. 8 instruments greatly increased the section's plotting capacity. Work during the year included the mapping of 215,980 acres at scales ranging from one chain to an inch for precision A. 8 plots for the Public Works Department, to 1/50,000 photo plots for land development purposes. Field control parties, who included two Peace Corps surveyors, carried out control surveys in the Labuk, Kiulu, Kota Belud and Kudat areas.

A detachment of the Royal Engineers was engaged during the year on ground control in Tawau for the army series of 1:50,000 maps. Two parties from the Directorate of Overseas Surveys continued ground control work on the East Coast.

Land System

The land system derives, broadly speaking, from the Torrens system of registration of titles to and dealings in land. The main activity of the Survey Branch is the execution of cadastral surveys in support of titles to Crown land alienated to lessees. Other activities include the preparation of town and village plans, the planning of land development schemes, surveys connected with projected road building programmes and topographical mapping. The Land Branch supervises the administration of the Land Ordinance and the collection of land revenue.

The total land revenue collected by the Department during the year was \$4,517,047 compared with \$3,410,055 in 1961. This revenue was derived principally from land rents (\$1,472,676) and premia on leases (\$2,293,547). The total expenditure of the Department, including special expenditure, was \$1,607,830, as compared with \$1,446,717.

Legislation

The land law is contained in the Land Ordinance (Cap. 68), which since February, 1953, has also been applied to the island of Labuan. There are two forms of tenure: ordinary leasehold available to anybody, and title by entry in the Register of Native Titles confined to Natives. The Residents are Collectors of Land Revenue within their Residencies and District Officers and Assistant District Officers are Assistant Collectors of Land Revenue and Deputy Registrar of Titles in their districts.

All dealings in land are required to be registered. Registration of dealings in land held by entry in the District Register of Native Titles and Field Registers is done locally by the Assistant Collectors of Land Revenue but dealings in all other forms of title must be registered by the Registrar of Titles at Jesselton.

Natives are normally granted title to their lands by entry in the District Register of Native Titles. Title by entry in the Register of Native Titles confers upon the registered owner a permanent, heritable and transferable right of use and occupancy in his land, subject only to the general provisions of the Land Ordinance and to the duty of preparing his padi fields and of participation in the performance of works of common benefit. Dealings in land held by entry in the Register of Native Titles between natives and non-natives are prohibited. Land held by entry in the Register of Native Titles may, however, be sold to a non-native with the prior consent of the Resident.

Leases for Town or Country lands are not now granted for more than ninety-nine years. Rent on land held under Native Title is fifty cents per acre per annum. Rent on Country Leases is one dollar per acre per annum for the first six years, four dollars per acre per annum for the next four years and six dollars per acre

per annum thereafter. In the case of land expressly alienated for wet rice cultivation, rebates are so arranged that, provided the land is planted with rice during the year, the rent per acre payable by the owner of the land is only fifty cents.

The Colombo Plan expert on land registration produced towards the end of the year draft legislation on title registration for consideration by Government.

Legislation providing for title survey work to be carried out by private surveyors came into force at the beginning of the year. By the end of the year a total of six private surveyors had been registered.

Land Ownership

The area held under Native Title, excluding Native Reserves is approximately 220,415 acres. Generally speaking, the land occupied by Natives is rice land, land carrying fruit trees interspersed with secondary undergrowth, bamboo, sago, coconuts or rubber, or land bearing coarse grass or any combination of these.

Natives living in the hills and practising shifting cultivation do not hold titles to the land they occupy and cultivate. The Land Ordinance makes provision for the settlement of Native customary rights to land, but, in fact, all littoral districts have long been settled.

Excluding town areas, non-indigenous inhabitants hold leases for approximately 628,682 acres. Of this approximately 215,000 are European owned, the balance being occupied by Asians, the majority of whom are of Chinese descent. The European owned land is generally used for such large scale commercial crops as rubber, Manila hemp and, more recently, cocoa and oil-palms but a substantial proportion of the total area remains unplanted. The land occupied by Asians is generally used for rubber, coconuts, rice, fruit and vegetable gardens.

AGRICULTURE

The weather during 1962 was uncertain and abnormal. In spite of adequate rainfall towards the end of 1961 and in early 1962 the rice crop in the 1961/62 season never recovered from the early drought and was below average. Rubber production was also affected by inclement weather as the prolonged rainfall reduced the number of tapping days and there was an unusually long wintering period.

The acreage of perennial crops continued to expand. Rubber is still the main crop planted, followed by coconuts. The planting of oil palms on the East Coast estates has continued but the rate of planting cocoa slackened. Land Utilisation Committees continued to plan development in all districts throughout the year.

Considerable impetus was given to rural development this year by the allocation of funds for settlement schemes and the planting of padi and coconuts (in addition to rubber which is assisted under the Rubber Industry Replanting Fund). Many minor settlement schemes for smallholders were started and many have been planned.

As communications gradually improved, applications were received from private companies for large tracts of what is at present uninhabited forest for estate development. These agricultural projects included the commercial production of oil palms, cocoa, pineapples and bananas.

Rice

The 1961/62 padi crop was, as forecast, lower than the previous season with an estimated yield of 73,000 tons (equivalent to 45,000 tons of rice). The total acreage of wet padi remains unchanged at approximately 66,000 acres, although there are a number of small wet padi irrigation schemes which are now coming into production. The 1962/63 crop has grown well with a plentiful supply of rainfall well distributed during the planting season.

Rubber

Most of North Borneo's rubber is grown in the West Coast and Interior Residencies. The total acreage by the end of the year was 218,500 acres of which some 135,900 acres were owned by smallholders and the remainder by estates. This includes the planting of 14,980 acres by smallholders and some 3,130 acres by estates in 1962. The area under high-yielding clones, although much of it is not yet in bearing, now accounts for forty-six per cent of the total rubber acreage.

Exports in 1962 totalled 22,351 tons. This reduction of 1,261 tons from the 1961 figure was due to prolonged spells of wet weather when tapping was impossible and to the unusually long wintering. Relatively little new rubber came into tapping to make good this loss. Prices were lower than in 1961 but remained fairly steady. The average price over the whole year was 73.2 cents (20.5 pence) per lb.

The Rubber Fund Board, with funds derived from a cess on all exported rubber, continued to produce high-yielding material for issue to smallholders and estates. This year 24 seedling nurseries produced 2.26 million clonal seedlings and 27 nurseries were planted up for 1963. Large supplies of budwood were available for those who bud their own seedling rubber in the field. "Green-strip budded" seedlings were produced in Tuaran nurseries and 167,600 distributed to smallholders. Weather conditions were ideal for planting during the last few months of 1962.

Coconuts

A scheme to provide free planting material, fencing and fertilizers in suitable areas stimulated interest in coconut cultivation on the West Coast. Provided maintenance is adequate and pests and diseases can be kept under control the local production of coconuts and coconut products should increase steadily over the years.

Copra exports were the lowest for six years, largely due to reduced trade in re-exports from neighbouring countries. Of the total 44,700 tons exported, local production amounted to 16,300 tons. A new oil mill in Kudat processed increasing quantities of local copra and coconut oil exports rose from ten tons in 1961 to 870 tons in 1962.

Tobacco

Local production of cheroots and pipe tobacco in Interior and West Coast districts by smallholders continued. This local production was encouraged towards the end of the year by exemption from tax increases.

Abaca

Abaca prices fell considerably during the year. There was no significant change in the total acreage of this crop, all of which is grown on estates in the Tawau Residency. Production fell from 4,115 tons in 1961 valued at \$4.81 million to 3,392 tons in 1962 valued at \$3.21 million. Control measures over disease were further relaxed during the year in the light of evidence that the virus disease causing leaf streak is not particularly dangerous.

Coffee

With prices low and worldwide over-production there was little incentive for new planting. Well managed smallholdings can, however, still show a small profit by producing good quality coffee. A number of smallholdings are now being abandoned and smallholders are looking for other more profitable and economic crops.

Cocoa

Some 400 acres of cocoa were planted in the Tawau area during the year bringing the total to approximately 4,200 acres out of a total of some 4,800 acres in the country. Climatic conditions were generally favourable and despite some trouble from insect pests production rose from 119 tons in 1961 to 257 tons in 1962.

Oil Palms

Considerable interest has been aroused by this crop which is comparatively new to North Borneo. An Oil Palm Research Station has been started near Sandakan for long term experiments

and breeding work and also with the object of supplying planting material to smallholders. Three estates are now well established and the total acreage planted out by the end of 1962 was approximately 4,500 acres. Schemes are in hand for smallholders to start planting in 1963 on the East Coast near Sandakan, Tawau and Mostyn and on the West Coast near Beaufort.

Fruit and Vegetables

Vegetables are produced on the outskirts of all the large towns, but are still not widely grown in the remote areas. Prices vary considerably according to the district. The vegetables (mainly cabbage, tomatoes and leeks) produced in the highlands at about the 4,000 feet level near Mount Kinabalu sell readily in Jesselton, but communications will have to improve still further if other towns are to benefit.

Limited quantities of fruit are grown as a 'back-yard' crop but there are very few orchards and quality fruit is scarce. Young budded fruit trees are produced for sale at all agricultural stations and the demand is keen. During the year proposals were made for establishing both pineapple and banana plantations for the export trade.

Staff and Policy

The establishment of the Department of Agriculture during the year consisted of the Director, Assistant Director, Agricultural Officer and an Administrative Assistant at Headquarters with eight Agricultural Officers, one Assistant Agricultural Officer, seven Senior Agricultural Assistants, twenty Agricultural Assistants, twenty-five Junior Agricultural Assistants in addition to clerical staff, messengers, drivers and ten women Junior Agricultural Assistants. The Agricultural Research Branch consisted of one Senior Research Officer, seven Research Officers, four Senior Agricultural Assistants, eleven Agricultural Assistants, fifteen Junior Agricultural Assistants in addition to office staff, messengers, drivers and laboratory boys. The Animal Husbandry Branch consisted of one Senior Veterinary Officer, two Veterinary Officers, six Senior Veterinary Assistants, three Veterinary Assistants and sixteen Junior Veterinary Assistants. The Co-operative Branch consisted of one Co-operative Officer, one Senior Co-operative Assistant and eight Co-operative Assistants. The Fisheries Branch consisted of one Fisheries Officer, three Fisheries Assistants and three Junior Fisheries Assistants.

Under the Colombo Plan the Australian Government supplied the services of a Laboratory Technician who worked all the year at the Veterinary Laboratory. Eight volunteers of the American Peace Corps who arrived in August were attached to the Department; six were engaged on extension work (including 4-H Club activities) and two assisted in livestock development.

There was no change in agriculture and livestock policy, which aims at increasing the production of economic crops, foodstuffs and livestock. Implementation of this policy depends, in addition to general extension work and propaganda in developed areas, on soil service crop trials and land planning in undeveloped areas, the control of pests and diseases and research into all branches of local agriculture, animal husbandry and fisheries to provide the knowledge for sound future development.

Agricultural Stations

The Central Research Station at Tuaran and the Cocoa Research Station at Quoin Hill, financed largely by Colonial Development and Welfare funds, have made satisfactory progress. At Tuaran all staff housing was completed by the end of the year and the large office and laboratory block had reached the stage of interior fittings; road work is still in progress. At the Cocoa Research Station a new electrically-operated cocoa drier was installed and brought into operation. A further grant was made from Colonial Development and Welfare Funds for the establishment of an Oil Palm Station at Ulu Dusun, thirty-two miles from Sandakan on the new Labuk road. The area of some 1,200 acres has been surveyed, temporary buildings erected for staff, nurseries established and a ten-acre plot of oil palms planted.

District "extension" stations were opened at Labuan, Tambunan, Sipitang and Binaong in the Keningau plain during the year, making a total of fifteen such stations in addition to the three Research Stations. A start was made in opening two more stations at Kolapis (near Beluran) and Pintasan (on the Kinabatangan).

Investigations continued throughout the year with trial plots of cocoa, oil palms, rubber and coconuts on different soil types. Small plots of potential shade and timber trees were laid down in the Keningau plain.

Agricultural Education

Rural training courses were curtailed during the year as the emphasis was on the training of Departmental staff. Courses, however, continued to be run in Tuaran, Tawau, Kundasang, Keningau and Limbawang and for the first time at Sandakan. Courses lasted two to four weeks with intakes of from six to twenty smallholders at a time. A total of 231 smallholders and forty school-leavers underwent training. The newly opened Sipitang Agricultural Station will provide additional facilities for training in 1963. Work is in hand for a further training centre at Labuan in the near future. The present Tuaran Farm School is being transferred to Sungei Damit where training should start again in 1969. 116

young people were trained by the Rubber Fund Board in bud-grafting and visits by students and parties of school children to Agricultural Stations were frequent during the year.

Illustrated advisory booklets, leaflets and posters are now prepared in colour at headquarters. These cover nearly all the basic work of all branches of the Department of Agriculture. New pamphlets produced in 1962 included monographs on rubber planting and tapping, fresh water fish culture, coconut cultivation and fruit production.

A new School of Agriculture for the training of Agricultural Assistants was completed at Tuaran early in 1962. It comprises a hostel and a teaching block including lecture room and laboratories. The first course started in March with eight Agricultural Assistants from North Borneo and six from Sarawak.

In-service training was provided at Tuaran for twelve Junior Agricultural Assistants and eight Home Demonstrators (girls) in a three-month course and short refresher courses were operated later in the year. A short course was also organised for eight Peace Corps Volunteers who arrived in August.

Under the auspices of the Colombo Plan, two more members of the staff were granted university scholarships in Australia and New Zealand respectively, making a total of eight. One Senior Assistant proceeded to Britain for further university training under a Commonwealth scholarship and another proceeded to Australia for a course in cattle management. Four Junior Agricultural Assistants received training in Sarawak in basic agriculture and extension work.

Pests and Diseases

Campaigns against rats in padi areas were again organised in the West Coast and Interior Residencies, using poison baits. Advice and assistance was given in dealing with small outbreaks of locusts in the Kudat, Tenom, Kota Belud and Tuaran districts, which were brought under control with insecticides and sprayers on loan from the Department.

Study of the life history of pests and diseases of coconuts, cocoa and oil palm continued, particular attention being given to biological control of pests by their natural enemies. This included observations on the introduction of a snail from the West Indies which is predacious on the Giant African Snail.

Soil Surveys

Further Soil Surveys were undertaken in the Labuk Valley during the year, but this work was gradually taken over by the United Nations Survey Project whose staff includes two Soil Surveyors and an Agronomist. With the arrival of a new Soil Scientist,

a survey covering some 30,000 acres in the Lahad Datu district was started. *Ad hoc* surveys were also undertaken in the Tawau, Sipitang and Tuaran districts.

Agricultural Census

Using the figures obtained from the 1961 Agricultural Census as a guide, a detailed programme was prepared for Agricultural development projects for all areas. With more funds likely to become available in 1963 and more emphasis being placed on rural development, considerable expansion of acreages under coconuts, oil palms, cocoa and fruit is expected in the future.

Settlement Schemes

Many new settlement schemes were planned and started in 1962 primarily with the object of raising the standard of living of the relatively backward natives of the country, whose traditional form of agriculture is shifting cultivation. Where soil and topography permits, the stabilisation of the community is encouraged by developing an area of wet padi, under irrigation or some simple form of water control, around which the people can plant an economic crop — usually rubber or coconuts, depending on soils. In some areas there is little or no scope for wet padi, where the “settlers” rely for subsistence on hill padi, maize and other catch crops, usually interplanted in young rubber or coconuts, until the crop provides an adequate income.

Existing schemes at Keningau, Tawau, Limbawang (Beaufort) and Tomani (Tenom) have made satisfactory progress. A further 500 acres of rubber were planted by the 500 settlers in the Keningau scheme and new padi land under irrigation was opened up. The Tawau scheme, assisted by a grant of \$328,700/- from Colonial Development and Welfare Funds, aims at settling fifty families from other Residencies on a fertile area near Quoin Hill; by the end of 1962, thirty-six families were living on their own plots of some fifteen acres each, growing short term crops for sale and food while the rubber they have started to plant comes into bearing. At Tomani where irrigation is available, the padi area increased to 200 acres this year and the settlers are planting rubber in the surrounding land. At Limbawang where over 2,000 acres of alluvium have been drained and subdivided into plots, a further sixty-seven ten-acre plots and fifteen five-acre plots were taken up this year.

Government provided \$1 million under the Development budget this year for “planting and minor settlement schemes”. A good start has been made with many small settlement projects involving



Kadazan Girls from Penampang.



the free provision of planting materials, fertilizers, tools, fencing and a certain amount of assistance with house construction and food. Ten schemes have been planned in the Keningau/Tenom area of which a start has been made with seven. In the Beaufort/Labuan area five new settlement schemes are planned and a start made with two of them, involving wet padi. To improve the lot of depressed coastal villages, coconut planting schemes have been started in the Tuaran, Kota Belud and Papar districts; about 100 acres in each having been planted in 1962 with seedlings, fertilizers and fencing provided by Government. In the Ranau district plans were made for seven settlement areas and a start made with four of them, of which a proposed irrigated padi scheme (with rubber as cash crop) in the Lohan Valley has already attracted 302 families who have cleared nearly 600 acres of land. In the Tawau Residency twelve settlement schemes have been planned; these are financed by a cess paid by timber contractors who prepare land and plant part of it with the crops to be grown by the settlers. There are twelve such schemes, involving some 12,000 acres in all and catering for 900 families. The promising start made in the Kudat district in 1961 in assisting natives to turn from shifting cultivation to wet padi and tree crops has progress well in 1962. Settlement schemes are planned in seven depressed areas on Banggi Island in all of which work has started, there are five main areas of settlement in the Bengkoka peninsula, eight in the Kudat peninsula and five in the Bandau plain. These aim at helping some 1,200 families in all and assistance to date has taken the form of layout of wet padi areas, the free issue of fencing material and tools and preparation for the issue of planting material from nurseries. Development work has been supported in some cases by the free issue of food rations to those in need.

There are also a number of co-operative land development schemes whereby land for settlement is acquired, cleared and planting started in the name of the co-operative often with a view later to subdivision into the individual holdings of members.

Co-operative Development

Priority attention is given to rural areas and to the promotion of co-operative activities which can effectively improve living standards.

Interest continues to increase; the limiting factor being the small trained staff available to guide and audit societies.

During the year, forty-two new primary societies (and one secondary federation) were registered with 3,365 founder-members. One society (with thirty-one members) was dissolved. The following

figures indicate development since legislation became operative in 1959:

	1959	1960	1961	1962
No. of registered co-operatives ...	14	34	61	102
Total membership ...	901	2,458	5,430	9,803
	\$	\$	\$	\$
Paid up share capital ...	23,743	52,523	100,153	333,330
Members deposits ...	1,692	10,355	18,686	61,600
Reserve Funds ...	—	1,933	4,372	5,113
Business Turnover ...	69,764	271,327	497,188	1,121,685*
Cost of Co-operative Service to Government ...	34,717	40,202	47,877	65,441

* 1962 business turnover was made up of:—60% on sales of goods to members; 35% on sales of members produce; and 5% for services provided (e.g. transport, milling, tractor ploughing etc.).

Co-operative Activities Include

General purpose village stores for consumer needs and sale of produce; milling of rice and coffee; rubber curing and sale; padi savings and storage; buffalo rearing and grazing; sale of meat, vegetables and fish; transport; tractor ploughing; labour contracting; land purchase and land development. Most societies are multi-purpose in character and tend to become rural centres for economic community development.

Broadly, most West Coast and Interior Societies are general purpose (some forty stores in operation with a further twenty or so under formation) whilst East Coast societies are land development. The main centres of co-operative activity are Sandakan, Kudat, Penampang, Ranau and Beluran Districts — comprising seventy-five of the total number of registered societies. Many districts have so far had to be left untouched although requests have been received and considerable scope exists.

Twenty-four of the newly registered societies were land development projects making a total of forty-five societies which have applied for blocks of land totalling 46,000 acres for development and ultimate sub-division amongst 2,500 members. Twenty-three of these societies (26,000 acres) are incorporated in the Sandakan Peninsula Development Scheme which was drafted towards the end of the year. One society had begun work extracting timber and others are expected to start early in 1963. In Kudat district ten Land Development Societies cleared and planted some 975 acres with rubber. At Kolapis in Beluran district some 800 acres were logged, cleared and planted with rubber by contractors for three societies. Members (fishermen) worked for the contractors on some

of the operations. Commission on timber extracted is deposited in society savings accounts to help finance maintenance of rubber to maturity. Several of the Sandakan Societies plan to plant oil palm and a Co-operative Federation is being organised to assist member-societies in their projects and, eventually, with processing and marketing.

Sub-division of the 2,093 acre 999 year Country Lease near Sandakan, purchased jointly by two land-purchase societies, is almost complete. On completion some 278 members, most of whom have occupied their plots as tenants for many years, will receive individual 999 year titles. Already permanent crops, access tracks and better houses can be seen in the area which previously had a rather derelict air.

At the beginning of the year the Registrar had a staff of five Assistants. Additional posts were authorised and four new trainees were appointed in February with three more in September.

During the year three Trainee-Assistants took a four months basic training course in Sarawak; one Assistant took a five months Colombo Plan Course in Canada and another a three months Colombo Plan course in Japan. The Senior Assistant went to Europe in October to begin a one-year higher training course and study tour financed by the International Labour Organisation.

The Registrar continued to serve on the Credit Corporation. To date, loans totalling some \$130,000 have been issued to ten societies to help towards purchase of land, transport, rice mills, live-stock and insecticides. The ten societies have a total membership of about 1,000 all rural smallholders.

Management of many societies leaves much room for improvement. But considering the low standard of education in rural areas, and the relatively ambitious activities being tackled by inexperienced co-operatives with only limited guidance and supervision, progress is generally encouraging. Noteworthy is the growth of multi-racial activity and the moves towards secondary organisation.

ANIMAL HUSBANDRY

The total domestic livestock population remained substantially the same as in the previous year, when the Agricultural Census showed the following numbers:-

Ponies	...	...	...	...	4,520
Cattle	...	...	...	...	14,500
Buffaloes	...	...	...	...	66,800
Pigs	...	...	...	...	81,100
Goats	...	...	...	...	17,600
Sheep	...	...	...	...	350
Poultry	...	...	...	...	1,000,000*

*Includes estimate of poultry in urban areas not covered by Agricultural Census.

The number of animals slaughtered in local abattoirs has varied little in the last few years, the figures for 1962 being:

Cattle	...	...	...	...	1,472
Buffaloes	...	...	...	...	4,840
Pigs	...	...	...	...	37,083

Considerable numbers of pigs and to a lesser extent cattle and buffaloes are also slaughtered in the villages in addition to the above figures.

Export of livestock continued at about the same level as in previous years, the number exported in 1962 being:

			Number	Value \$
Ponies	...	...	22	15,790
Cattle	...	...	79	22,730
Buffaloes	...	...	1,245	474,515
Pigs	...	...	89	5,261
Goats	...	...	187	5,175

There has been a considerable demand for cross-bred Berkshire pigs from Departmental stations, some eighty having been sold for breeding during the year. Young poultry and fertile eggs for breeding are also popular from flocks on these stations, the most popular breeds with the more progressive farmers being White Leghorn, Rhode Island and, more recently, Barred Plymouth Rock.

With assistance from the Australian Government, a programme of introducing Aberdeen Angus blood into the local cattle was carried out in 1960-61 using imported deep-frozen semen for artificial insemination. By the end of 1962, out of twenty-three calves born, twelve cross-breed progeny remained alive and under observation. Australia provided further assistance this year by the gift of three half-bred Arab stallions which have been at stud at Kota Belud, Jesselton and Keningau respectively.

Disease

North Borneo remained free of the major epizootics such as rinderpest, foot-and-mouth disease, contagious pleuro-pneumonia, anthrax, rabies and swine fever. No case of surra has been encountered in ponies since 1956, although routine testing continues. During the latter part of the year several cases of disease believed to be meliodosis occurred in pigs.

Ranikhet, fowl pox and coccidiosis continue to be the main diseases of poultry, with fowl cholera, B.W.D., pullorum disease and fowl coryza also common. During the year 255,000 birds were vaccinated against ranikhet and over 45,000 against fowl pox. Diagnostic and investigational work at the Veterinary Laboratory was intensified as a result of the service given by a Laboratory Technician provided by Australia under the Colombo Plan.

DRAINAGE AND IRRIGATION

Irrigation works, generally for the assistance of the rice cultivation, together with drainage and river control whether in town or country are the responsibility of the Public Works Department.

Surveys, planning and design are carried out by the specialist Drainage and Irrigation Branch at the Headquarters of the Department, and works execution and operation are supervised by the Divisional Engineers.

The existing schemes at Papar and Tuaran and Kota Belud operated successfully and a good start was made in the scheme constructed in 1961 at Tomani. At Kota Belud a substantial extension to the scheme was brought about through the joint efforts of the local people and the Department.

At Keningau a further two and half miles of main irrigation channels were completed.

The drainage schemes at Papar—Benoni and Klias operated successfully, the latter being considerably improved by the overdue clearing of the outfall, the Sungei Klias, between Tabul and the railway line.

A town drainage and outfall scheme was completed at Tenom, and at Tawau the main collecting drain through the town was constructed to the outfall, for the construction of which a contract has just been placed.

The demands for small irrigation schemes continue to increase and three survey parties were set up in the Interior and West Coast Residencies to investigate these proposals.

FORESTS

(NOTE: — Corresponding 1961 figures are shown in brackets).

The Forest Estate

No reassessment of the forested area of North Borneo was made during the year, but approximately eighty per cent of the land surface remained under forest; of this, some 11,300 square miles, or nearly half, is productive or potentially productive forest.

The following new Forest Reserves were constituted during the year:

Tawau Hills	...	...	58,880	acres
Binuang-Tengkayu	...	...	31,360	"
Kuamut	...	...	271,360	"
Paitan	...	...	174,080	"
Kelawat	...	...	490	"
Mt. Mendalom	...	...	46,080	"
Trus Madi	...	...	186,880	"
Ulu Segama	...	...	673,280	"
Tangkulap	...	...	64,000	"
			<hr/>	
			1,506,410	acres

The following forests were preliminarily notified as Forest Reserves, pending enquiry by the Residents and a decision by the Governor in Council:

Kalabakan Extension No. 3	...	...	1,000	acres
Tagaroh	...	...	3,840	"
Mesapol	...	...	78	"
Kinabalu National Memorial,				
Extension	...	...	178,560	"
Bandau	...	...	8	"
			<hr/>	
			183,486	acres

The Sugut Forest Reserve, 113,280 acres, remained under preliminary notification throughout the year. Proposals for further reservation, amounting to some 1,671 square miles, were under consideration by the end of the year; some 626 square miles of these proposals covered protective forest.

Progress in reservation was satisfactory and the position at the end of the year was as follows:

	Area in		Percentage of	
	Square Miles		total area of	
	1961	1962	1961	1962
1. Constituted Reserves ...	6,454	8,760	22.0	29.8
2. Notified Reserves ...	2,417	464	8.2	1.6
3. Proposed Reserves ...	998	1,672	3.4	5.7
	<hr/>	<hr/>		
	9,869	10,896	33.6	37.1

The group of islands, consisting of Mantanani Kechil, Mantanani Besar and Langisan was declared a bird sanctuary on the 1st October.

Forest Policy and Legislation

The forest policy of North Borneo is as follows:

- (a) to reserve permanently for the benefit of the present and future inhabitants of the country, forest land sufficient—
 - (i) for the maintenance of the climatic and physical condition of the country, the safe-guarding of water supplies and soil fertility and the prevention of damage to rivers and agricultural land by flooding and erosion;
 - (ii) for the supply in perpetuity at reasonable rates of all forms of forest produce required by the people for agricultural, domestic and industrial purposes;
- (b) to manage the Forest Estate with the object of obtaining the highest revenue compatible with sustained yield, in so far as this is consistent with the two primary objects set out above;
- (c) to provide the technically trained staff necessary for forest management and revenue collection, and for research into such problems as can be investigated locally;
- (d) to support and co-operate with all appropriate schemes of regional forest research;
- (e) to accept the principle that security of tenure and long-term planning are essential for the successful management of the Forest Estate;
- (f) to foster, by education and propaganda, a real understanding among the people of North Borneo of the value of forests to them and their descendants.

The Forests Ordinance (Cap. 169) and Forests Rules, 1954, remained in force throughout the year. A number of amendments to the Forests Rules was gazetted; these concerned Schedules I and II and Rules 3, 14, 18 (2), 19 and 22. In addition each quarterly revision of the royalty rates for different classes of timber was published in the *Gazette*.

Forest Management

The inland permanent Forest Estate continued to be worked on a sustained yield basis under a uniform system with natural regeneration from seedling advance growth. The rotation is eighty years, the yield control being by area, and each timber concession is constituted as a separate felling series. Final fellings in these forests were carried out, in general, under twenty-one year concession agreements or special licences issued as a preliminary step towards the finalisation of concession agreements.

The Forest Cartographer's branch was mainly occupied with the production of detailed 1:25,000 control maps for all areas being worked in Forest Reserve and for this work some 1,700 square miles were covered by slotted Template Assemblies, some 700 square miles photo-interpreted, 250 square miles form lined and some 350 square miles fair-drawn. Compilation of maps for forest reservation was also a considerable task (over 1½ million acres of new Forest Reserves were constituted during the year) and the use of the branch to supply scattered information for land alienation enquiries had to be severely curtailed.

Protection

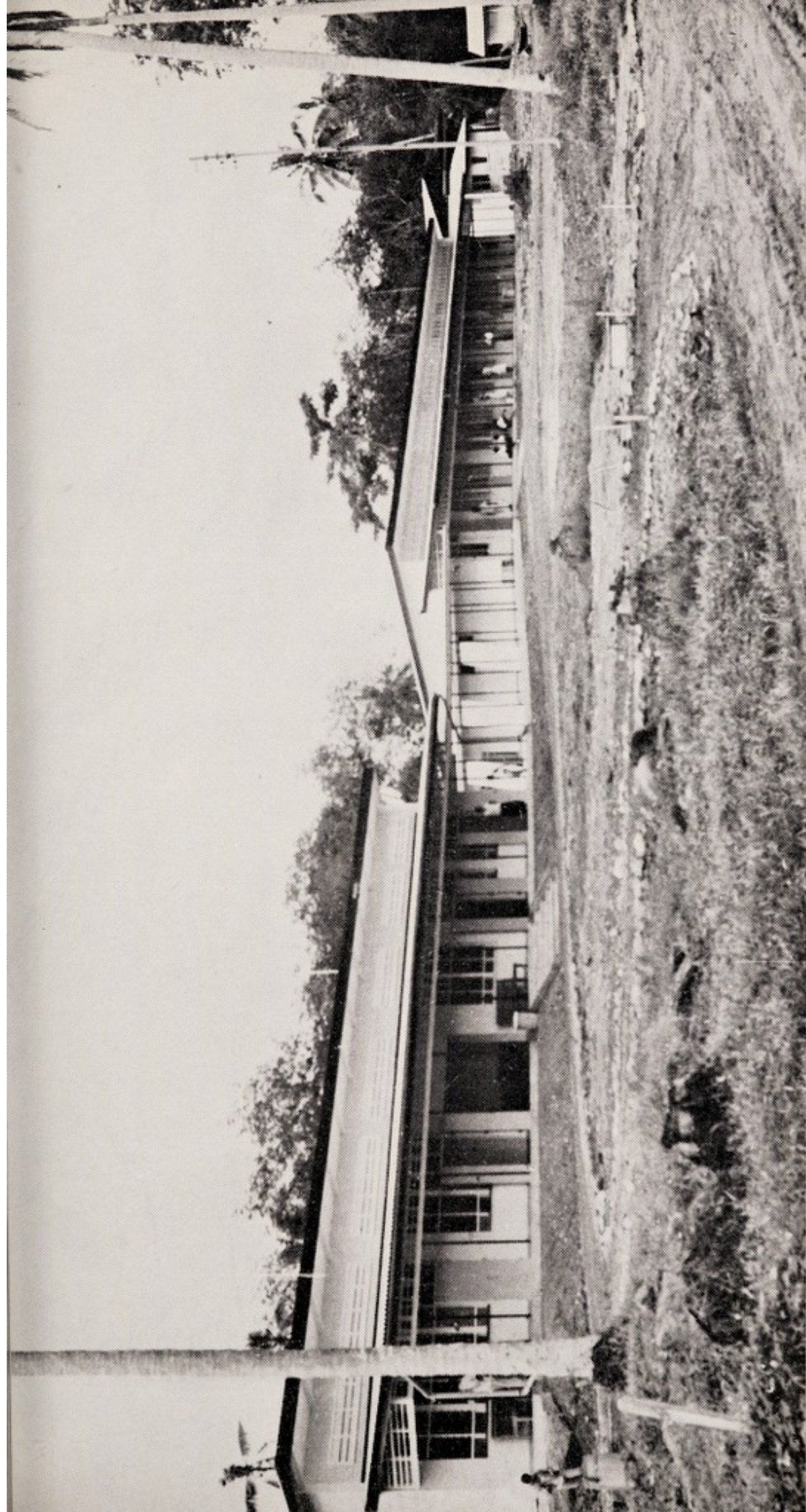
A total of 138 (178) cases was dealt with departmentally and 8 (9) cases were taken to Court, convictions being obtained in seven cases. Fines totalling \$252.00 (\$805.00) were imposed and compensation amounted to \$13,672.76 (\$29,231.65).

Exploitation

The production of timber during the year rose by 6.3 (21.8) per cent to a total of 77,517,976 (72,658,159) cubic feet Hoppus. Over ninety-two per cent of the production was from timbers of the family Dipterocarpaceae, including red and yellow serayas (*Shorea* spp.), white seraya (*Parashorea malaanonan*), Kapur (*Dryobalanops* spp.), Keruing (*Dipterocarpus* spp.) and selangan batu (hardwooded *Shorea* and *Hopea* spp.). Of the non-Dipterocarps, belian (*Eusideroxylon zwageri*), merbau (*Intsia* sp.) ramin (*Gonystylus* spp.) and jongkong (*Dactylocladus stenostachys*) are worthy of mention, but the total volume produced was relatively small.

The timber industry consisted at the end of the year of eleven concessionaires, one firm working on special licence as a preliminary to the conclusion of concession agreements and some sixty firms working under annual licence. In addition, special licences were on issue for five areas under logging as a preliminary to agricultural development, and many other licences were issued to cover the removal of timber from land destined for agriculture; some of these forests were disposed of by tender and stumpage rates amounted to, in certain cases, five times the Crown Land royalty rates. Control over the opening of Crown Land forests which are scheduled for ultimate alienation passed out of the hands of the Department during the year. Approximately 64.7 (72.3) per cent of the total timber production during the year came from the existing and prospective concession holders.

Tractor extraction is the general rule, although hand logging still continues for the extraction of small accessible pockets of timber and in most licences on the West Coast. Cable yarding systems are used in broken and difficult terrain by two of the



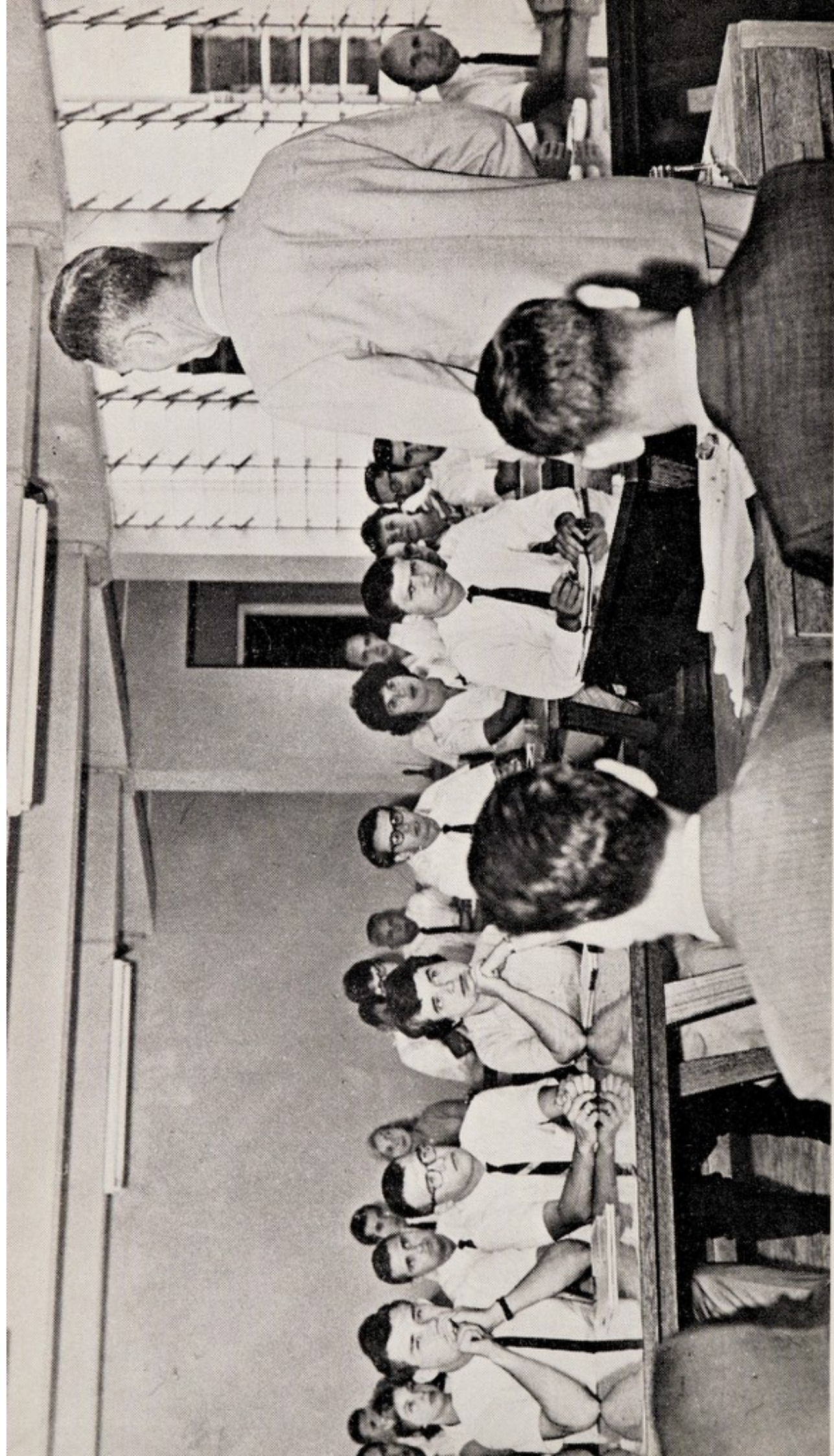
The new Hospital at Lahad Datu.

(Broadcasting and Information Department).





(Broadcasting and Information Department).
The Rt. Rev. James Chang-Ling Wong outside the Cathedral before his
Enthronement as the First Bishop of Jesselton.



(Broadcasting and Information Department).

biggest operators. In all some 310 (206) heavy tractors and 147 (104) light tractors were in use in the industry.

Eighty-six sawmills were licensed and cut 3,623,476 (4,280,580) cubic feet of logs to produce 1,905,281 (2,192,114) cubic feet of converted timber. Details of mill production by districts were as follows:

<i>District</i>	<i>No. of Mills</i>	<i>Input (cu. ft. Hoppus)</i>	<i>Outturn (cu. ft. as measured)</i>	<i>Recovery (per cent)</i>
Tawau ...	12	1,344,247	684,796	51
Lahad Datu ...	12	530,620	225,120	42
Sandakan South	22	1,080,581	589,965	55
Sandakan North				
Lamag				
West Coast ...	40	668,028	405,400	61
TOTAL ...	86	3,623,476	1,905,281	53

The Borneo Veneers Limited Factory, which was destroyed by fire early in 1961, was rebuilt and started operations in March, and 111,609 cubic feet of veneer were produced.

The production of forest produce other than timber was as follows:

<i>Class of Produce</i>	1961	1962
Firewood ...	1,030,509 pikuls	730,540
Charcoal ...	41,759 pikuls	74,529
Cutch ...	2,601 tons	65
Birds' Nests ...	319 pikuls	282

Exports of minor forest produce were as follows:

<i>Class of Produce</i>	1961		1962	
	<i>Quantity</i>	<i>Value \$</i>	<i>Quantity</i>	<i>Value \$</i>
Veneer Sheets (cu. ft.) ...	9,096	64,541	89,214	635,327
Firewood (pikuls) ...	550,543	627,105	316,829	281,839
Charcoal (pikuls) ...	—	—	—	—
Cutch (tons) ...	2,961	1,131,315	65	25,395
Damar (tons) ...	2,803	1,172,640	2,430	944,897
Birds' nests (pikuls) ...	270	163,225	245	106,495
Illipe nuts (tons) ...	54	37,753	846	239,154
Other minor forest produce (tons) ...	—	266,804	1,247	114,499

Firewood and charcoal were produced almost entirely from the mangrove forests, using the species bakau and bangkita (*Rhizophora* spp.), beus (*Bruguiera* spp.) and tengar (*Ceriops* spp.).

The affairs of the Bakau and Kenya Extract Company Limited were finally wound up early in the year when the factory and other assets together with the balance of stock of manufactured cutch were sold.

Trade

Timber exports continued to rise during the year, as the following figures show:

EXPORT OF LOGS AND BAULKS FROM NORTH BORNEO COMPARATIVE QUANTITIES AND VALUE BY DESTINATION

Destination	1961		1962	
	Quantity (cu. ft. Hoppus)	Value (F. O. B.) \$	Quantity (cu. ft. Hoppus)	Value (F. O. B.) \$
Australia ...	1,715,536	4,151,793	2,545,785	6,026,500
China ...	310,702	631,190	594,360	1,226,409
Denmark ...	59,223	144,142	143,830	361,921
Formosa ...	406,980	553,258	948,831	1,827,770
France ...	1,006,302	2,383,212	328,825	771,404
Hong Kong ...	7,144,708	6,279,857	8,768,510	9,700,440
Italy ...	1,270,788	2,501,708	1,052,591	1,959,477
Japan ...	49,918,515	82,330,480	50,485,205	90,947,271
Korea ...	25,221	53,151	2,486,763	5,243,902
New Zealand ...	155,651	373,238	63,599	154,125
South Africa ...	127,299	270,467	97,292	209,042
Spain ...	108,536	243,456	534,624	1,236,895
United Kingdom ...	200,842	524,246	109,591	280,837
U.S.A. ...	59,445	170,718	209,303	621,538
Others* ...	19,632	57,131	17,938	30,469
TOTAL ...	62,529,380	100,668,047	68,387,047	120,598,000
Average price per cubic foot		\$1.61		\$1.76

*Includes — Brunei, Germany, Indonesia and Singapore.

EXPORT OF SAWN TIMBER FROM NORTH BORNEO COMPARATIVE QUANTITIES AND VALUES BY DESTINATION

Destination	1961		1962	
	Quantity (cu. ft. as measured)	Value (F. O. B.) \$	Quantity (cu. ft. as measured)	Value (F. O. B.) \$
Australia ...	185,746	869,361	230,724	956,106
Hong Kong ...	122,203	175,869	76,025	136,568
Japan ...	28,341	66,415	32,457	76,249
New Zealand ...	3,533	22,579	1,938	12,427
South Africa ...	10,046	37,355	7,788	26,493
United Kingdom ...	29,221	162,276	21,411	91,109
U.S.A. ...	207,991	764,673	55,658	169,001
Others* ...	3,918	25,004	7,831	36,828
TOTAL ...	590,999	2,123,532	433,832	1,504,781
Average price per cubic foot		\$3.59		\$3.47

*Includes — Brunei, Denmark, France, Germany, Indonesia, Pakistan, Persia, Philippines, Singapore, Spain and other America.

*Export of Timber—Logs and Sawn—In Terms of Sawn Timber.
Thousands of Cubic Feet.*

1947	...	...	...	...	1,567
1948	...	...	...	...	2,860
1949	...	...	...	...	3,064
1950	...	...	...	...	3,265
1951	...	...	...	...	2,535
1952	...	...	...	...	2,741
1953	...	...	...	...	4,512
1954	...	...	...	...	9,202
1955	...	...	...	...	11,403
1956	...	...	...	...	13,566
1957	...	...	...	...	18,913
1958	...	...	...	...	22,672
1959	...	...	...	...	34,015
1960	...	...	...	...	43,169
1961	...	...	...	...	54,188
1962	...	...	...	...	59,485

The timber grading and inspection branch of the Forest Department measured, graded or inspected over 33 million cubic feet of timber for export during the year, a rise of 1 million cubic feet compared with 1961. Total fees collected for these services amounted to \$196,620 (\$206,154).

Export Markets

Japan seventy-three per cent (78.5) and Hong Kong 12.9 per cent (11.6) were the two main importers of North Borneo timbers. Other countries taking appreciable quantities were Australia 4.3 per cent (3.3), Korea 3.6 per cent (Nil), Italy 1.5 per cent (2.0), Formosa 1.4 per cent (0.6), China mainland 0.9 per cent (0.5) and Spain 0.8 per cent (0.2).

Prices were firm throughout the year with an upward trend during the last quarter. Exports continued to expand (8.7 per cent over 1961) but not to the same extent as in previous years; production was somewhat curtailed by the prolonged N.E. monsoon.

In general 1962 was a good year with developing markets in Korea, Formosa, China and Spain.

Enquiries, notably from the United States of America, suggest that during the next few years there may be an increasing and worthwhile demand for veneers.

The prospects for 1963 are bright with the likelihood of a continuing sellers' market.

Research and Silviculture

Experiments were continued on the mortality and recruitment of Dipterocarp seedlings under differing conditions, and so were observations of virgin jungle plots. Arboricide trials were continued but no satisfactory substitute for sodium arsenite has yet

been found. Treatment plots to determine the response of advance growth to various silvicultural treatments were expanded and sampling carried out in connection with the study of timing of regeneration operations. The plantations at Mile 8, Sandakan were extended and several new exotic species introduced. Small trial plots, mostly of conifers, were established, especially on the West Coast, over a wide range of sites from 4,200 feet to sea level.

There was only sporadic flowering and fruiting of *Dipterocarps* throughout the country.

Training

Three courses for field staff involving twenty-three students were held at the Sandakan Forest School.

Six Forest Guards and Rangers attended the annual course at the Forest School, Kepong, Malaya; all passed successfully and one, who was placed third, was awarded the "Malayan Forester" prize.

One Timber Inspector proceeded in September to Kepong on a three-month Colombo Plan course in the treatment of timber to be followed by a further one-month course in the identification of timber.

Administration

Two additional posts of Assistant Conservator were approved with effect from the 1st January to take charge of the new forest districts of Lamag (formerly part of Sandakan South) and Mostyn/Semporna (formerly included in Lahad Datu and Tawau). The first post was filled by promotion; the second remained vacant at the end of the year and the new district did not come into operation.

The post of Ecologist was made permanent and pensionable.

Plans were finally approved, and the contract signed, for the construction of the new Herbarium, Research and District Forest Offices at the Headquarters site; work commenced in November.

Game

A revised Game Ordinance was drafted and Government accepted the principle that Game and Wild Life Conservation should come under the jurisdiction of the Forest Department. Elephant damage was reported from Mostyn Estate and from the Sandakan Peninsula but due to lack of staff and equipment no effective control measures were possible.

FISHERIES

Marine Fisheries

Following the example of overseas fishing concerns established at Kudat and Sandakan, there has been increased activity by local fishermen in trawling. The first trawler built for the Fisheries Branch of the Department of Agriculture was chartered to selected groups of local fishermen in the Marudu Bay area as an encouragement towards more modern fishing methods. This vessel has operated efficiently within depths of ten fathoms and using an otter trawl averaged over thirty-five katis of fish per hour of trawling. A second trawler for the Fisheries Branch was laid down and neared completion at the end of the year.

Prawn trawling continued on the East Coast during the year, an estimated 400 tons of fresh prawns being caught in 1962 in that area. Tuna fishing continued, based on Si-amil Island and production increased over the previous year despite a set-back from a pirate raid in which two fishermen were killed.

Investigations on pearl culture were made by a local fishing firm with the assistance of Japanese technicians, and a site at Bohidulong Island (Darvel Bay) was selected for commercial trials in 1963.

The export of chilled, frozen and dried fish amounted to 1,400 tons in 1962. The value of all marine produce exported totalled \$2.0 million.

Chapter 7: Social Services

EDUCATION

THIS year has been notable for the amount of development that has been achieved. In January, arrangements were introduced to provide standard scales of salaries for all teachers in grant-aided schools. Teachers are now graded according to their qualifications, length of experience and responsibilities. They are assured by legislation that they will receive the salaries to which they are thereby eligible and the means have been made to enable them to appeal to a specially appointed committee of the Board of Education in the event of dissatisfaction with their assessment or if they believe that they have been wrongfully dismissed from their posts.

Primary schools in receipt of grants are now maintained from a Central Education Fund which is financed conjointly from an education rate on land or property and from a substantial contribution by the Government. This fund provides for the payment of grant-aid based on the cost of salaries less the amount of fees collected. It also provides for a ten per cent remission of fees to assist needy pupils, makes grants toward the purchase of special school equipment, and enables the employment of clerical assistance. A grant-in-aid is paid, based on attendance, to assist in meeting annual running costs.

Secondary schools are assisted in the same manner, the funds, however, being provided entirely from a Government contribution. The rate of fees that may be charged in schools is now regulated by legislation, and it is possible for schools to charge, in addition to monthly fees, certain special fees to meet the costs of maintaining libraries, conducting sports and providing science materials. They may also collect special funds for building development.

The advance in enrolments has been more than maintained. A total of 58,046 children attended primary schools, this number representing just over seventy per cent of the estimated number of children in the country within the age-group of six to thirteen years. Enrolments in secondary schools increased by approximately thirty-three per cent to 5,515 which represents some thirteen per cent of children within the age-group of fourteen to eighteen years. Through the opening of a greater number of Bridge Classes to facilitate a larger transfer of children from primary schools conducted in another language to secondary schools conducted in English, the enrolment of native children in secondary schools

has increased to approximately 1,050, representing a quarter of all children in these secondary schools. It is expected that this trend will be much accelerated in future years.

Another innovation has been a programme for the rapid erection of modified school buildings and teachers' quarters in rural areas. Funds are supplied to the District Administrations which engage local workmen to build the schools. This has enabled the Public Works Department to concentrate on other essential needs, and has resulted, during the year, in conjunction with other school building schemes, in the completion of some 330 new classrooms and 140 teachers' quarters, providing school places for some 13,000 children. This compares with some 5,600 new places provided in 1961.

A new Government Secondary School was opened in Keningau at the beginning of the year, and the Government took over from the District Council responsibility for running the school hostel at Kota Belud.

Shortage of textbooks in Government Primary and Native Voluntary Schools was tackled and almost 100,000 new books were selected and distributed in the course of the year, representing an average of five books for each pupil. A generous supply of reading books has also been received from the English Speaking Union, and these are being distributed to various schools, public libraries and youth clubs throughout the country.

The programme for the extension of a sound method of English language teaching has continued to make outstanding progress, and will be dealt with in greater detail elsewhere in this report. A most encouraging feature of this programme is the number of teachers who until a year or two ago had little knowledge of English and perhaps little expectation of advancement but who have now made such fine progress in learning English that they are able to qualify for further training overseas as teachers of English, as specialists and as educational administrators.

The seven posts provided, through the generosity of the Nuffield Foundation, for specialists in English language teaching have now been filled, and the programme has been augmented by the arrival, in September, of twelve United States Peace Corps Volunteers. Other Peace Corps Volunteers have been attached to Mission schools. Some recruitment has also been made, with very satisfactory results, from the Philippines. In addition to the Peace Corps, the Department continues to receive assistance from a further six young British students sent under the auspices of Voluntary Service Overseas, and this year two additional volunteers were sent by the Royal Commonwealth Society branch of Perth, Western Australia.

Teacher training has received considerable attention during the year. Kent College, for primary teachers, was filled to capacity. A course was started to provide students with experience in community development. A new Emergency Training Centre was opened in Jesselton to provide for the training of teachers engaged by the community to teach in Native Voluntary Schools. A fuller report on this is given below. Progress has also been made in the construction of a new Teacher Training College in Jesselton, which is expected to open early in 1963. This College will train general purpose teachers for primary and junior secondary classes and also specialist teachers of English.

One of the most gratifying features has been the continued rise in standards, both in primary and in secondary schools, and much credit must be accorded to the principals and teachers in these schools for what they are now able to achieve. A Sixth Form Arts course was opened at All Saints' School, Jesselton, at the beginning of the year.

Another very gratifying feature has been the absence, during the year, of controversy in relation to the educational policy of the country. This is entirely due to the continued good work of the Board of Education over the past six years. [The Board, which was established in 1956, comprises a large majority of unofficial members who represent all interests, creeds and parts of the community. It discusses every aspect of educational policy and development and makes recommendations direct to the Governor.] During the year, the Board met on two occasions, and dealt with much important business. Recommendations were made regarding the siting of new secondary schools with particular emphasis on rural districts. Salary incentives were proposed for teachers of English who had undertaken training courses and mastered the skill and techniques of teaching English as a second language. Certain adjustments were recommended mainly in respect of the salaries of graduate teachers employed in grant-aided schools. A number of allowances were also recommended to improve conditions of service for teachers in these schools, and the Government was requested to introduce a retiring benefits scheme for these teachers as early as possible. Two new school areas were recommended, at Kuala Penyu and Tambunan. The Board also discussed the proposals for education contained in the Report of the Commission of Enquiry, 1962, under the Chairmanship of Lord Cobbold, relating to the proposed formation of the Federation of Malaysia, and tendered its advice to the Government on the provisions to be sought in the Constitution of Malaysia.

The Appeals Committee of the Board met on three occasions to consider complaints from grant-aid school teachers concerning salary assessments or the refusal of the Director to issue a permit to teach, and dealt with nine complaints.

The fifteen Local Education Committees, each of which advises the Director and the Board on matters concerned with the promotion and administration of education in its own school area, met regularly during the year and put forward many recommendations, particularly with regard to the opening of new schools. During the year, legislation was passed to arrange for these Committees to contain a majority of District Council members, augmented by members nominated by the Governor after consultation with the Board of Education.

The Department was also assisted by the North Borneo Examinations Board and the North Borneo Syllabuses Board, both of which comprise majorities of members nominated to represent the voluntary agency schools.

The 1960 Census of Population showed that fifty-two per cent of the population of North Borneo is under the age of twenty. There are approximately 80,000 children of primary school age. As has already been stated, enrolment in primary schools now represents a provision of primary school places for seventy per cent of this group. The directions of the Board of Education on limiting the age of entry to primary schools have helped to reduce the problem of over-age pupils in these schools particularly in the rural areas. The secondary school age group is estimated at about 43,500 of whom approximately thirteen per cent are in school.

Literacy

As expected, the literacy rates given in the 1960 Census of Population show a substantial advance, especially in the case of women. The 1960 rate per thousand is based on persons aged ten years and over and is compared with the 1951 figures of those aged fifteen years and over.

			<i>Males</i>	<i>Females</i>	<i>Total</i>
1951	...	...	277	58	160
1960	...	...	342	133	243

Physical Conditions in Schools

There has been a steady improvement in physical conditions in schools. Some class rooms and teachers' quarters have been built by the District Administration. In addition, fifty-one classrooms and sixteen quarters have been completed by the Public Works Department.

With the heavy burden of salaries removed, school authorities in grant-aided schools have been freer to undertake rebuilding and to improve standards, particularly of sanitation. Voluntary agencies built 105 class rooms and six quarters and Native Voluntary Schools sixteen class rooms and one quarter. Government paid grants of up to fifty per cent towards these projects —

\$513,625 to voluntary agencies and \$28,625 to Native Voluntary Schools, in the latter cases usually accepting assessed labour costs as the community's own contribution.

PRIMARY EDUCATION

There is a six-year primary school course, using English, Malay or Chinese as the medium of instruction. All schools work to a common syllabus. The policy in the schools using Malay or Chinese as a medium of instruction is to provide, as far as possible, for the effective teaching of English as a second language. At the same time, Malay is a compulsory subject in English and Chinese schools, although the lack of suitable teachers has so far made it exceedingly difficult to implement this policy. Promotion to secondary schools is controlled by a departmental examination and conducted at the end of the sixth year.

Details of the number and type of primary schools registered in 1962 are as follows:

(a) Government Primary Schools	...	110
(b) Mission Schools	... ..	99
(c) Schools run by local Committees	...	87
(d) Native Voluntary Schools	... ..	129
(e) Estate and Private Schools	... ..	29

GOVERNMENT PRIMARY SCHOOLS

The English programme was continued in Government Primary Schools and a report on progress is given below. Rebuilding and extension of these schools went ahead rapidly under the District Administration programme and in addition to this, one Domestic Science room, one general science room and three carpentry workshops were completed under a Colonial Development and Welfare Scheme.

PRIMARY VI EXAMINATION — (MALAY)

With five exceptions, Government Primary Schools present candidates for the Primary VI Examination in Malay. Figures for this examination from 1956 to 1962 are as follows:

	<i>Entries</i>	<i>Distinctions</i>	<i>Credits</i>	<i>Passes</i>
1956	216	—	37	148
1957	340	—	7	220
1958	561	33	116	184
1959	814	32	175	367
1960	840	25	81	520
1961	913	11	171	515
1962	1,238	12	222	526

Of those who entered in 1962, 1,170 sat for the examination. These results show that the steady increase in the numbers of native pupils completing primary education is being maintained. The standard of this examination has been raised over the years and is now almost equal to the English and Chinese examinations at Primary VI level. The number of successes in this examination also continues to rise and, when physical conditions in the schools concerned are considered, it compares favourably with the successes in the Chinese and English examinations. The schools taking these examinations are mainly in the rural areas. With the increasing amount of money now being made available for education by the legislature, it has been possible to provide more books and materials for Government Primary schools, as mentioned above. This has undoubtedly had an effect on the standards of education in these schools. The Department of Education in co-operation with the Teachers Training College has, during 1962, issued a series of leaflets for the guidance of teachers. These dealt with problems of administration as well as teaching topics. It has also been possible, because of staff increases, to maintain closer supervision of the work of teachers in Government Primary Schools, even though an experienced Supervisor had to be diverted to Teacher Training as Chief Instructor at the Native Teachers Training Centre. There is still need for a greater staff of Supervisors, and six men were selected and sent to Britain in 1962 for a two-year course of training to fit them for this work.

MISSION PRIMARY SCHOOLS

The majority of Mission Primary Schools offer education in English, though a few offer education in Chinese. These schools, because of the increasing demand for English education, continued to expand in 1962. With the help of Government grants some sixty-five new classrooms and two quarters were built for which the Government paid \$326,755.

All Mission primary schools, with the exception of those run by the Seventh Day Adventists, receive grant aid from the Central Education Fund. The Seventh Day Adventists, by their own choice, remain outside the scheme.

PRIMARY VI EXAMINATION (ENGLISH)

Most of the candidates for this examination came from Mission schools. Figures for this examination are as follows:

		<i>Entries</i>	<i>Distinctions</i>	<i>Credits</i>	<i>Passes</i>
1956	...	795	—	107	282
1957	...	865	15	301	222
1958	...	965	37	486	172
1959	...	1,078	1	289	545
1960	...	1,225	2	79	783
1961	...	1,481	5	105	1,039
1962	...	1,893	19	292	825

There has been a slight increase in the standards required for passing this examination. Of those who entered, 1,501 sat. These figures include 161 pupils from Bridge classes who had previously passed Primary VI either in Chinese or Malay and who now succeeded in passing papers in English and Arithmetic and so qualified for entry into Secondary Schools in Form 1.

SCHOOLS RUN BY LOCAL COMMITTEES

The majority of the Committees who run these schools are groups of Chinese businessmen. In the past they have given freely from their own resources to build schools and pay teachers' salaries but with rare exceptions were never able to afford adequate salaries or expensive buildings. The introduction of the Unified Scheme for teachers has given the Committees welcome relief and enabled them to offer more stable terms and to recruit better qualified teachers.

With the aid of building grants from the Government thirty new classrooms and four quarters were built by these schools. Government grants amounted to \$146,870.

NATIVE VOLUNTARY SCHOOLS

Native Voluntary Schools are supported by villages where the Government, because of limited resources in money and trained teachers, has not yet been able to open schools. The local community provides the buildings and staff and in former years received grants from the Government. Since the 1st January, 1962, however, these schools have received 100% grants for salaries from the Central Education Fund and pupils are exempted from paying schools fees. They have also received a regular supply of textbooks and materials from Government sources. In 1962 the Teacher Training Centre at Jesselton was opened to train teachers for these schools (a fuller report on the Centre is given below) and as a result, thirty of these schools, now staffed by trained teachers, have been taken over as Government Schools.

ESTATE AND PRIVATE SCHOOLS

The Estate schools are run by estate managements mainly for children of their employees. They receive full grant from the Central Education Fund. Private schools are mainly kindergarten classes for children under six years of age.

PRIMARY VI EXAMINATION—(CHINESE)

Many pupils from Non-Government schools enter for the Primary VI examination in Chinese. Figures for this examination are as follows:

		<i>Entries</i>	<i>Distinctions</i>	<i>Credits</i>	<i>Passes</i>
1956	...	733	23	77	318
1957	...	767	40	94	370
1958	...	818	—	8	434
1959	...	820	20	81	462
1960	...	862	11	125	572
1961	...	1,136	22	186	601
1962	...	1,453	15	277	579

Of those who entered 1,442 sat. These results reflect a steady rise in standards in those schools.

THE TEACHING OF ENGLISH IN PRIMARY SCHOOLS

English Language Programmes

Since 1960, the Education Department has operated a large-scale English language programme. In 1962, the programme was directed by five experts in the teaching of English as a second language; two of these experts were provided by Australia under the Colombo Plan. The main responsibility of the scheme is for the teaching of English in Government Primary schools. Two experts were provided by Canada with a primary responsibility for the English teaching in Chinese schools. An Assistant Director was recruited to take overall responsibility for the co-ordination of the programme.

The aims of the programme are, firstly, the teaching of the English language by modern, scientific methods in an ever increasing number of schools; secondly, the training of local teachers to assume positions of greater responsibility within the programme until, it is hoped by 1965, the assistance of European experts will no longer be necessary; and thirdly, the ultimate conversion of Malay primary schools to English schools in those communities where the majority of parents desire such conversion.

Four Specialist Teachers, fourteen local Malay school teachers, and six local Chinese school teachers are expected to study in Australia; twelve local Malay school teachers in New Zealand; and ten local Malay school teachers in the United Kingdom, the latter for a one-year course in English, followed by one year of work in administration. As the three-year contracts of the Nuffield Supervisors expire, beginning in 1963, teachers who have studied abroad should be able to take over their functions.

Conversion to English Medium

The conversion of the first Malay medium schools, the Government Primary School, Semporna, to English was begun in 1962 when instruction in English was adopted in the first three primary classes. The teachers of these three classes, as well as the Headmaster of the school, have been trained in modern language methods and subject matter teaching is closely integrated with language teaching.

Conference on the Teaching of English as a Second Language

In September, the North Borneo Government was host to a Conference in Jesselton on the teaching of English as a second language. This Conference was opened by the Governor and was attended by delegates from the Federation of Malaya, Singapore, Hong Kong, the Republic of the Philippines, Sarawak and Brunei, and by representatives of the British Council.

Discussions were held on many professional aspects of the teaching of English as a second language, and visits were paid to schools to examine on the spot the techniques being used in North Borneo and to assess the progress being made. A report was submitted to the Governments represented, and to the Conference of Directors of Education in South-East Asia who sponsored the Conference with recommendations that (a) similar conferences should be held annually in the area, and (b) an English Language Institute should be established within the area.

Secondary Schools

Enrolment figures for Secondary Schools in 1962 were as follows:

	Boys	Girls	Total
Government ...	822	353	1,235
Mission ...	2,133	988	3,121
Local Committee	686	427	1,113
Independent (S.D.A.)	33	13	46
TOTALS: ...	3,734	1,781	5,515

Corresponding totals for 1961 were:

	Boys	Girls	Total
Government ...	721	293	1,014
Mission ...	1,643	1,030	2,673
Local Committee ...	416	223	639
Independent (S.D.A.)	17	6	23
TOTALS: ...	2,797	1,552	4,349

Work was started on the new Government Secondary School at Keningau. In the meantime, pupils were selected for a Bridge class and housed temporarily.

The Kota Belud Government Junior Secondary School, the first of its kind to be opened by the Education Department to serve a rural community, continues to make progress. Domestic Science was firmly established as a subject in 1962. In addition to school work, classes in Home Economics were run for adults.

The Holy Trinity School in Tawau grew to a full secondary school (to Form V) in 1962, and for the first time entered pupils for the Cambridge Overseas School Certificate. The majority of secondary schools offer courses in English, leading either to the North Borneo Junior Certificate or the Cambridge Overseas School Certificate. There are twenty-five such schools. Seven are full secondary schools in which the Junior Certificate is taken at Form III level and the School Certificate at Form V. There are two schools with Sixth Forms — Sabah College which is a Government school with a Science Sixth and All Saints' School, which is Anglican, with an Arts Sixth. These schools prepare pupils for the Cambridge Higher School Certificate. There are thirteen secondary schools which offer courses up to Form III. Three of these will open Form IV classes in 1963. Of the remaining schools, one, Kudat Secondary School, a Government School, offers courses in both English and Chinese to Form III, and prepares pupils for the North Borneo Junior Certificate in either English or Chinese.

There are three schools which offer six years of secondary education in Chinese and present pupils for the North Borneo Junior Certificate and the North Borneo Senior Certificate in Chinese. These schools, however, also enter pupils voluntarily for the Cambridge Overseas School Certificate, aiming, at a General Certificate of Education. There are three other secondary schools which offer three-year courses in Chinese, leading to the North Borneo Junior Certificate in Chinese.

SECONDARY SCHOOL EXAMINATION RESULTS, 1962

Senior Certificate (Chinese)

<i>Entered</i>	<i>Sat</i>	<i>Grade I</i>	<i>Grade II</i>	<i>Grade III</i>
93	91	9	14	32

Junior Certificate (Chinese)

<i>Entered</i>	<i>Sat</i>	<i>Grade I</i>	<i>Grade II</i>	<i>Grade III</i>
310	309	18	63	119

Junior Certificate (English)

<i>Entered</i>	<i>Sat</i>	<i>Grade I</i>	<i>Grade II</i>	<i>Grade III</i>
771	756	57	186	324

COMPARATIVE LISTS OF ENTRIES AND PASSES

Junior Certificate (Chinese)

			Entries	Passes
1957	...	...	191	113
1958	...	...	270	148
1959	...	...	294	175
1960	...	...	305	175
1961	...	...	308	197
1962	...	...	310	200

Junior Certificate (English)

			Entries	Passes
1957	...	...	24	17
1958	...	...	287	159
1959	...	...	305	211
1960	...	...	547	414
1961	...	...	649	490
1962	...	...	771	567

CAMBRIDGE OVERSEAS SCHOOL
CERTIFICATE, 1962

FULL CERTIFICATE

No. of Candidates	Grade 1	Grade 2	Grade 3	Passed G. C. E.	Failed
261 ...	42	105	46	38	30

GENERAL CERTIFICATE OF EDUCATION

No. of Candidates	Passed	Failed
71 ...	32	39

CAMBRIDGE HIGHER SCHOOL CERTIFICATE, 1962

No. of Candidates	Passed	Failed
39 ...	35	4

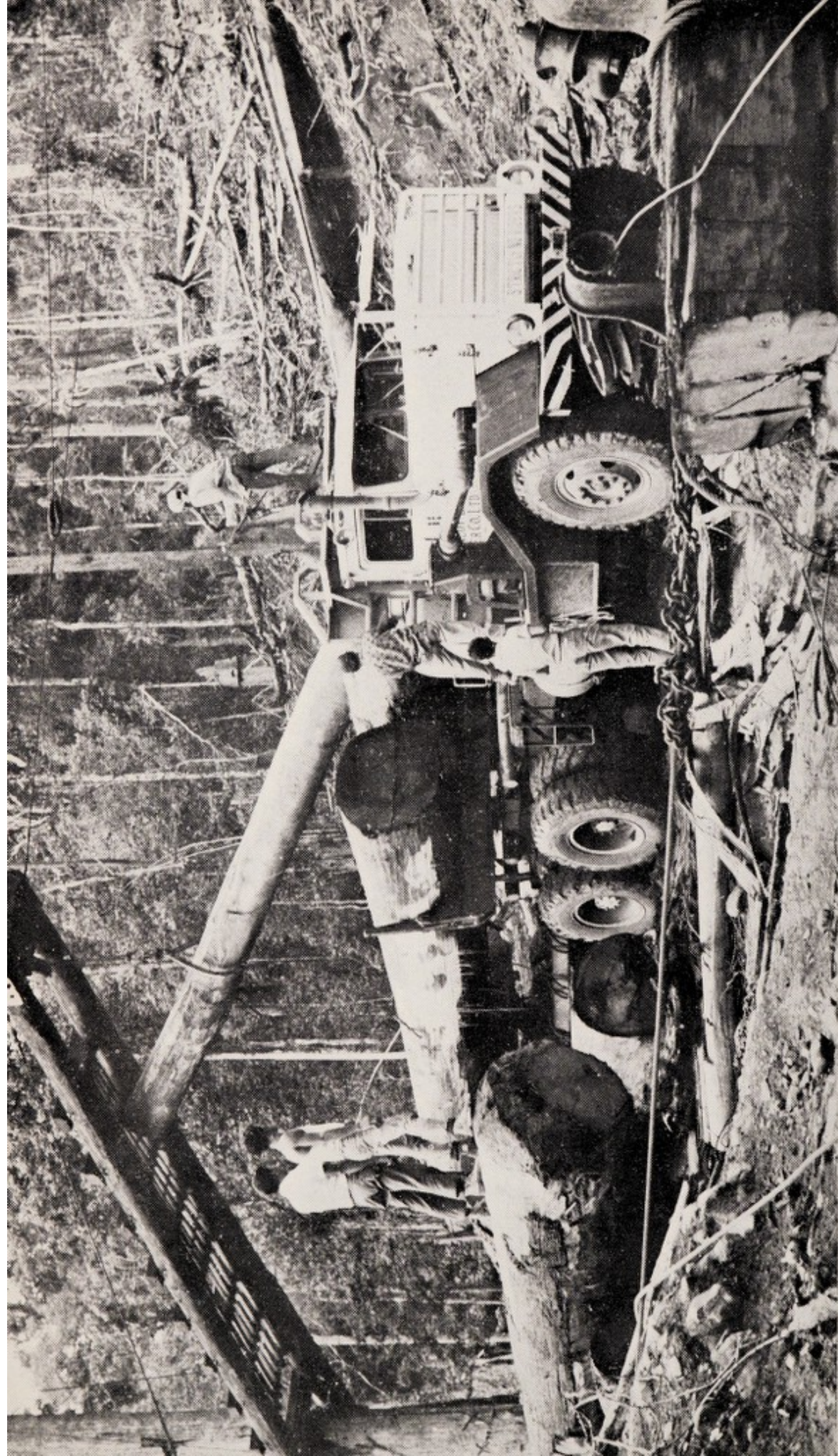
Higher Education

There are no facilities for post-secondary education in North Borneo as yet. Students requiring university and similar courses have to seek places overseas. Much aid is given to North Borneo in this field under the Colombo Plan. The total number of students who went abroad for study in 1962 was 111. Of these seventy were sponsored under the Colombo Plan and other Scholarship Schemes, while the others made their own private arrangements under the sponsorship of the Department.



Logging Operations at Kennedy Bay.

(Broadcasting and Information Department).

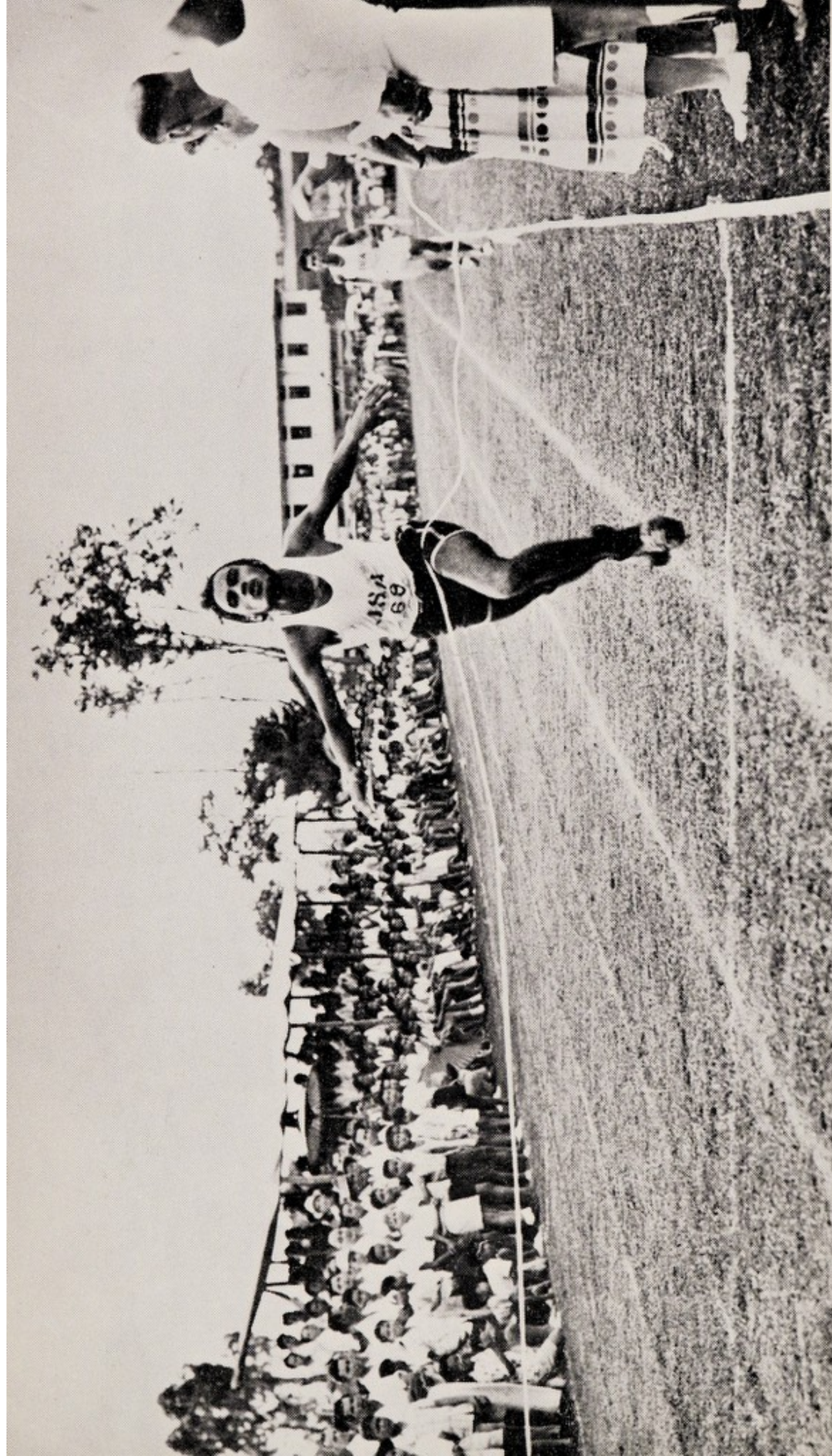


The Scar Tree High Load is action, the only making of its kind in C. F. A. (Broadcasting and Information Department).



Kadazan Harvest Festival at the Community Centre, Jesselton.

(Broadcasting and Information Department).



(Broadcasting and Information Department).

Colony Athletics — Dilbagh Singh Kler.

Adult Education

Evening classes in various subjects are arranged by Divisional Education Officers or Principals of Schools. Most popular are classes in Book-keeping, Shorthand, Accountancy, English, Mathematics and Malay. In Jesselton, classes were organised by the Department in Book-keeping at three stages, in Shorthand, both Gregg and Pitman, and in Malay. The Jesselton Branch of the North Borneo Chinese Association ran classes in Chinese, English, Arithmetic, Cookery, and Dressmaking. In Tuaran District two literacy classes were organised and the Kudat Hokkien Association ran literacy classes in Chinese. In Sandakan, the local branch of the North Borneo Chinese Association organised classes in Malay, Literacy, Sewing and English for adults whose education, because of poverty or other hardship, had been neglected. The Min Sing Evening School in Sandakan ran classes in English, Chinese and Malay and the Hakka Association classes in English, Chinese Malay and Book-keeping.

The Correspondence Course for beginners in English — "I Can Speak English" — continued to be popular. This course is designed for adults with at least a primary education and some knowledge of English. It is useful to teachers in non-English schools who are not able to attend formal classes in English. As it is based on the same approach as that used in the English Teaching Programme, it is used extensively by the English Specialists in their work.

Home Science

In 1962 the number of Home Science Centres was twelve and the number of schools using the Centres, both primary and secondary, was eighteen. Teaching was conducted in three languages, English, Malay and Chinese. Five schools entered candidates in Home Science in the Junior Certificate Examination and three schools entered candidates for the Home Science papers in the Cambridge Overseas School Certificate Examination.

The number of Government Primary Schools where needlework is taught to Primary VI level increased to thirty.

Extension classes for women in Home Science were organised at four centres during 1962. The Education Department also has co-operated closely with the Department of Agriculture in the training of Women Junior Agricultural Assistants who work in the villages, encouraging the people to improve their diet and other aspects of home economics.

Two fully-trained North Borneo teachers are already at work in the territory. Two North Borneo students are at present taking a course in Home Science in the University of Otago, New Zealand. Four Kent College trained teachers completed a year's course at the Specialist Teachers' Training Institute, Kuala Lumpur, and returned to North Borneo in 1962.

Teacher Training

In October, 1952 Kent Teachers Training College was formally opened by H. R. H. Duchess of Kent at Tuaran, twenty-two miles from Jesselton. The original intention was to train teachers for Government Malay Primary schools and the College was started in improvised premises at Menggatal near Jesselton. The first intake was of untrained but experienced teachers who were given a one-year special course. The special course was continued until December, 1956. At the same time a two-year course for students with at least a primary education was opened. In 1953 a two-year course for teachers in Chinese schools began. Candidates for this course were required to have had at least three years of secondary education.

In 1958 a Course was started for teachers in English schools. This was of two years' duration and candidates were required to have at least a North Borneo Junior Certificate or its equivalent. At the same time, however, a special one-year course was opened for older experienced but untrained teachers in English Schools. Between 1959 and 1961 Special In-Service Courses were organised during vacations. They were designed for experienced teachers who had not been able, for various reasons, to take advantage of residential training. There were two courses, one in English and one in Chinese. Successful teachers were given the status of Trained Teacher.

In 1960 the length of the course for Malay school teachers was increased to three years. This has achieved the object of raising academic standards in this course.

The Kent College Advisory Committee which advises the Director of Education on matters of student welfare, met twice during 1962, and its members paid routine visits of inspection to the College to meet students and discuss current problems.

Reports of the visits were submitted to the Director of Education.

A Red Cross Field Officer arrived during the year to take up the post of Lady Warden. She is responsible for the welfare of women students as well as for health education and taking a share in the Community Development work which has now become an important activity in the College.

During 1962 a young local teacher, trained in Community Development work in the Philippines joined the staff of the College. Later, the services of an expert in this field were obtained from the Philippines, through the generosity of the Asia Foundation.

TEACHERS' CERTIFICATE EXAMINATION
RESULTS, 1962

English Course	...	30 passed — 1 referred in practical teaching.
Chinese Course	...	29 passed — 2 referred in Chinese.
Native Course	...	26 passed — 1 referred in Malay.

Two English Course students who were referred in mathematics in 1961 passed the supplementary examination in 1962.

The first project in Community Development, centred around Topokoon in the Tuaran District, was concluded in November, 1962, with the opening of a Community Centre.

In June, 1962, a training centre for teachers in Native Voluntary Schools was opened in Jesselton. The centre is planned to provide intensive courses of six months in basic teaching skills to teachers who were originally recruited by local committees to teach in schools mainly in rural areas. The courses are designed around the prescribed curriculum and the textbooks and materials now provided from Government sources for use in schools. It includes periods of supervised Teaching Practice. The instructors are experienced teachers, supervisors or organisers, three of whom are full-time. The first course was completed in December, 1962, and of the fifty students, forty-eight passed the examinations in theory and practice, one failed—and one was referred in practical teaching. The successful teachers were taken into Government Service and posted to the schools from which they had come, these schools then becoming Government schools.

Some progress has been made in the new Teacher Training College in Jesselton, planned late in 1961. This College will accommodate 240 residential students for a two-year course and will train them for work both in primary schools and in Junior Secondary Schools. Part of the college will specialise in the training of specialist teachers of English as a second language, and it is hoped that it will prove possible to undertake some research, on a modest scale, into language teaching problems. It is expected that it will be possible to recruit the first intake of students fairly early in 1963.

All English course students will, from now, be enrolled in the new College so as to reduce the difficulties which have, hitherto, faced Kent College in endeavouring to provide a wide diversity of training courses.

Technical Education

The Government Trade School at Jesselton which was originally intended to train native boys as carpenters and opened at Mengattal in 1948 with twenty boys, now offers various trade courses to boys of all races. In 1962 the number of courses was increased from three to five and the range is now Carpentry, Motor Mechanics, Electrical Installation, Fitting and Turning, Welding and Blacksmithing. The teaching staff was augmented by two instructors for the new courses, and two full-time teachers of English and of technical mathematics and basic science.

New entrants in 1962 numbered seventy-eight and the total numbers in the various courses were:

Carpentry twenty-six — Motor Mechanics twenty-seven — Electrical fifteen — Welding and Blacksmithing eighteen — Fitting and Turning fourteen.

Twenty-two boys sat for the new Trade School Certificate and fourteen were successful. The remaining boys were awarded Leaving Certificates. Employment was available for all leavers. For the first time three native carpenters were offered employment as apprentices in a privately-owned furniture factory in Jesselton, while two became woodwork instructors in Government Primary Schools.

Part-time evening courses were continued in 1962. The enrolment in the Motor Mechanics Course was thirty-five — and in the Electrical Course twenty-two. Metal Work instruction was given to seventy-five boys from Sabah College.

The Trade School Advisory Committee met on the 28th November, 1962, and commented on the progress the school had made.

Physical Education

Since the return to New Zealand of Mr. J. Rothwell, Colombo Plan Physical Education Advisor, in mid-1960, the organisation and supervision of Physical Education for schools has been under the control of a local officer who was trained in Physical Education in New Zealand and worked closely with Mr. Rothwell during his stay in North Borneo.

In early 1961 another organiser in this subject also trained in New Zealand, was appointed and attached to the Education Officer (East) in Sandakan. Also, in 1962, six promising teachers were sent for short courses in New Zealand under the Colombo Plan. On their return, one of these was posted to Kent College and one late in 1962 was appointed as a Physical Education Organiser and attached to the Education Officer (West) in Jesselton. The remaining four are working in schools and assisting in training teachers in their districts.

The interest in this aspect of education has increased considerably, and many schools are making good progress in building up

sound programmes of physical education and games. No school is equipped with a gymnasium but normally fair weather enables physical education classes to function out-of-doors with minimum interruption.

In all areas Schools Sports Councils have been instituted. These organise competitions in athletics and in various popular games among both primary and secondary schools within these groups.

Scholarships

During 1962, seventy students were sent overseas for further studies on Colombo Plan and other scholarships. A table showing the numbers of scholars studying abroad is given as an Appendix.

Various forms of scholarships are available to assist needy pupils to study in secondary schools. The Liberation Education Trust assisted 289 pupils at a cost of \$86,750. Scholarships offered through the generosity of the Shell Company of North Borneo supported eighty-seven pupils at a cost of \$49,000. Government assistance to native pupils maintained 635 boys and girls in schools at a cost of \$240,000. In addition, there is a small number of privately-founded scholarship schemes available.

The War Victims Fund, created after the War from Japanese assets to assist children orphaned as a result of enemy action, continued to support some forty-two boys and girls in their schooling.

Staff

The administrative and supervisory staff of the Department in 1962 consisted of:

The Director of Education.

The Deputy Director of Education.

The Assistant Director of Education.

Eight Education Officers.

One Home Science Organiser.

Two Supervisors of Chinese Schools.

Five Supervisors of Malay Schools.

Seven Supervisors of Specialist English Schools.

Two Physical Education Organisers.

In addition, four Specialists in the teaching of English — two from Australia — and two from Canada, whose services were provided under Colombo Plan arrangements, worked as supervisors and lecturers in this particular field. Education Officers and Supervisors visited and inspected the majority of schools during the year.

Expenditure

A table of expenditure is attached to this report in Appendix VI.

Expenditure from the Ordinary Budget was \$5,101,418 in 1962.

Expenditure from the Development Budget both from North Borneo and Colonial Development and Welfare sources was \$3,344,265 during 1962.

Conditions of Service for Teachers

As a result of legislation passed in 1961, the Unified Scheme for teachers' salaries came into being. This applies to teachers outside Government Service. The new salaries are fixed according to qualifications, experience, and the type of teaching undertaken. Under this legislation grants representing the full assessed salaries of teachers in primary schools, less the fees collected, are now paid to the school authorities from a Central Education Fund. This Fund is financed by Education rates and cesses and by Government contributions. Capitation grants are also paid to the schools from this source. Similar grants are paid to secondary schools direct from Government sources.

Agreement was reached late in 1962 on other improvements in conditions for teachers, including retirement benefits, leave benefits, child allowances and inducement pay, all benefits to be introduced in 1963.

Teachers in aided schools in the Jesselton area formed an Association during the year and had their Association registered as a trade union. Groups of teachers in other areas, notably Kudat, Sandakan and Tawau, took steps to form similar Associations. Discussion is now proceeding on the possibility of building these movements into some form of National Association for aided school teachers. One group of Government Teachers has also held a meeting with a view to establishing their own Association.

Social Welfare

The distribution of powdered milk provided by U.N.I.C.E.F. continued. Inspection shows that this milk is much appreciated and put to proper use.

The Department co-operated with organisations such as the British Red Cross Society — St. John Ambulance Brigade and Association — and the North Borneo Anti-Tuberculosis Association, undertaking social welfare, and the Director of Education continued to serve as a member of the Social Welfare Council. Co-operation was also given when required to youth organisations such as Boy Scouts, Girl Guides and the various Youth Clubs.

Assistance from outside Agencies

Aid through the services of volunteers from Britain through Voluntary Service Overseas, from the United States Peace Corps and the Royal Commonwealth Society of Western Australia has already been mentioned, as has also assistance from the Nuffield Foundation, the Asia Foundation and the English Speaking Union. Apart from Colombo Plan assistance with scholarships, the Australian Government has agreed to supply equipment for science and trade training and this can be expected to arrive early in 1963.

The New Zealand Government has also undertaken to supply physical education equipment for Native Voluntary Schools.

The Government of the Federation of Malaya made four places available for local women teachers to study Home Science in the Specialist Teachers' Training Centre, Kuala Lumpur, and has promised to continue this assistance in 1963.

The Hong Kong Government continued to support six students in Northcote Training College.

Co-operation with other Government Departments

Mention has already been made of co-operation with the Department of Agriculture in the training of Women Agricultural Assistants. One of the local teachers trained at Kuala Lumpur will be seconded to the Department of Agriculture to work at the Agricultural Training Centre at Tuaran, training the women assistants in Home Economics. Close liaison was maintained with this Department in extension and Community Development work.

There has also been co-operation with the Medical Department in the sphere of malaria eradication, dental care of school children and Health Education — the schools tuberculosis survey and prophylaxis against Cholera El Tor. Assistance was also given to the Police in the teaching of English by modern methods, and considerable assistance was received from District Administrations in the building of classrooms and quarters in 1962.

Youth Organisations

Boy Scouts. The year under review was a period of consolidation as well as steady progress for scouting in North Borneo. Special emphasis was given to cubbing and there has been an increase of 400 per cent in the number of cubs in 1962, as compared with the number five years ago.

In June, Kudat, which had been part of the West Coast Local Association, became a separate District. There are now seven districts where a few years previously there were only three.

More progress has been made in training local leaders. At the Commissioners' Conference, held in Jesselton in June, fifteen out of a possible twenty were able to attend; and two local Scouters were privileged to go to Manila in November for the Eighth Far

East Training-the-Team Course conducted by the Camp Chief of the World.

Gray Park has been the scene of much activity. Leadership courses have been made available there. In August, twenty-five Cubmasters took advantage of the first Cub Wood Badge Course to be held in North Borneo, and in December there was a second Scout Wood Badge Course attended by thirty-five Scoutmasters. The Guides have also used the permanent Camp site for a number of training courses.

Some of the results of these efforts can be seen in the increasing number of scouts who reach the higher standards. There are now over thirty First Class Scouts in the West Coast District alone, and four more have become Queen's Scouts — the highest attainment in scouting.

The sound foundation formed by those who have given much hard work to the movement in this country was recognised by the award of Long Service Ribbons to four Commissioners. These are given after sixteen years of service as a Scoutmaster.

The new generation showed itself still ready to seek adventure when eight Senior Scouts eagerly accepted the opportunity to join the Royal Society's expedition to the slopes of Mount Kinabalu early in the year, and camps and "hikes" have been numerous, with a high standard of scouting always maintained.

Girl Guides

Guiding in North Borneo in 1962 made steady progress, with a welcome increase in the number of local women and girls coming forward as Guiders. These Guiders required preliminary training courses and intensive week-end courses were held during the year in Jesselton, Sandakan and Tawau, run by Miss Wheeler, the resident Trainer. Miss Wheeler made training visits during the year to smaller districts throughout the Territory. The Asia Foundation made these trainings possible by a generous grant, which helped to pay the travelling expenses of Guiders wishing to attend the courses.

Lady Goode, the President, very kindly invited members of the public to Government House, so that Guiders could introduce the movement to them. A similar function was held in Sandakan, under the auspices of the local Vice-President.

The Colony Commissioner, Mrs. Jeans, represented the North Borneo Girl Guide Association at a garden party held at Buckingham Palace. It was with regret that her resignation had to be accepted at the end of the year owing to her ill-health.

Camp training was given throughout the year in Jesselton, Sandakan and Tawau. Four Camper's Licences were issued as a result, and five Quartermaster Certificates.



Bajau Horseman from Kota Belud.

The 1st Jesselton Land Rangers were revived in November and it has become a lively group of responsible young women.

The four Local Associations, Jesselton, Sandakan, Tawau and Kudat, all had fund raising campaigns during the year. The highlight in Sandakan was the opening of the new Guide Hut, built with some of the proceeds.

Guide Earning Week in September produced \$2,000.00. A representative attended the "Asian Area National Leaders Conference" held in Kuala Lumpur in December. The Girl Guide Association also took part in parades, church services and public functions held during the year.

At the end of 1962 there were in the Territory:

18 Companies of Guides.

12 Packs of Brownies.

1 Cadet Company.

1 Ranger Company.

PUBLIC HEALTH

General Health

During 1962, North Borneo suffered its first outbreak of a major epidemic disease for many years; *para-cholera*. On the 17th January, 1962, the first case in North Borneo was diagnosed at Sandakan. Thereafter a number of outbreaks occurred at places in the north and east of the country until July; the peak of the epidemic being recorded during the second week of March. The Malaria Eradication Programme continued, and two further expansions of operations, commencing in January and July brought all malarious areas in the country under the campaign. The scheme to control tuberculosis has reached the stage when planning for a more comprehensive operation can be undertaken. Maternal and child health services have again been expanded, and during the year, the health inspectorate was increased by nearly twenty-five per cent.

The most common diseases throughout the country are still malaria, tuberculosis, and intestinal infections or infestations, though the first named has been steadily, and often dramatically reduced by the work of the eradication programme. In 1962, only 14,827 cases were diagnosed on clinical grounds at hospitals and dispensaries compared with over 45,000 five years ago, in 1957. These figures are more striking when expressed as a percentage of all patients seen at Government medical institutions viz:

Year	Total of all new cases at hospitals/ dispensaries	Total of Malaria cases	% Malaria Cases
1957 ...	259,244	45,343	17.5
1962 ...	424,900	14,827	3.4

In the course of the year 1,871 cases of tuberculosis were diagnosed, the very large majority of which were pulmonary infections. Intestinal infections and infestations again accounted for about ten per cent of all cases of illness recorded at medical institutions. Annual reports from Sandakan and Tawau gave prominence to the large number of accident cases treated during the year, particularly in employees of timber camps.

During the recent emergency in Brunei, Labuan was made a military casualty clearing station, and the Medical Officer was assisted by a substantial number of Army and Air Force doctors. Part of the hospital was used for military casualties, and an additional departmental ambulance was flown to the island. The brief civil disturbance at Weston did not involve the Medical Department, and anti-malaria operations in that area proceeded unhindered.

Administration and Finance

The Department is administered by a Director assisted by a Deputy Director of Medical Services, (the latter also acting as a Medical Officer of Health) with a Principal Matron, a Medical Accountant/Storekeeper and a Chief Health Inspector at headquarters in Jesselton. There are eight medical areas each including one or more administrative districts, and in the charge of a medical officer who is also the appointed health officer to the local authorities therein. Each area is based on a hospital, and contains a number of dispensaries, and, in two areas, additional hospitals. Medical area headquarters are sited at Jesselton, Sandakan, Tawau, Labuan, Lahad Datu, Kudat, Keningau and Beaufort. Maternal and child health and environmental sanitation services are fully integrated with the general area services. The work of tuberculosis control is partly so integrated, but the malaria service is still largely autonomous from the area services though, in the set plan for the eradication programme, integration is an essential part of the campaign's development.

The provision for expenditure on medical services from Government funds in the 1962 Estimates, including personal emoluments, amounted to \$5,137,560; an increase of \$691,432 or 15½ per cent on the previous year. Revised expenditure in 1962 totalled \$5,275,620 or \$11.10 per head of population. These figures refer to recurrent Medical Department expenditure only, and do not include expenditure by Local Authorities on measures such as construction of latrines, scavenging, and removal of night-soil. Neither do the figures include capital expenditure on new buildings, water supplies, nor the generous aid which the country continued to receive from Colonial Development and Welfare Funds, the World Health Organisation; the United Nations Children's Fund, and the Colombo Plan. During the year, the

World Health Organisation more than doubled its aid by providing a sum of over \$200,000 from its Malaria Eradication Special Account towards the payment of local malaria eradication personnel, for training, and for the assignment of a second sanitarian; whilst the United Nations Children's Fund also increased substantially its generous contribution to the Malaria Eradication Programme.

Staff

With effect from the 1st January, two medical officers were promoted to the new posts of Principal Medical Officer at Jesselton and Sandakan. The Medical Officer (Ophthalmology) arrived early in the year, since when he has conducted a regular clinic and operating service at all hospitals, and a clinic service at a number of rural dispensaries in the country. An additional Specialist Surgeon's post for Sandakan was also created and filled during the year. This was greatly appreciated by the inhabitants of the East Coast. The surgeon concerned has spent much of his time on orthopaedic work, consequent on accidents. At the close of the year one post for a Medical Officer remained unfilled, despite two recent resignations.

Recruitment of nursing sisters has been satisfactory this year; all vacant posts and one supernumerary post being filled. Nor has there been any difficulty in recruiting to those cadres of the Service which are reserved for local personnel.

In September, six United States Peace Corps Volunteers were assigned to the Medical Department — three nurses, two laboratory technicians and an occupational therapist/social worker.

Training of Nurses and Auxiliary Personnel

(a) Local Training

There were fifty-four nurses or hospital assistants in training at the Nurses Training School during the year.

Examination results were as follows:

(i) Final

Candidates	...	...	8
Passed	...	...	8

(ii) Preliminary

Candidates	...	...	25
Passed	...	...	24
Referred	...	...	1 (one subject only)

Nurses continued to receive training in midwifery at the school.

In 1962, twenty-five girls completed the local two-year training course for rural health nurses. At qualifying examinations, sixteen passed and two were referred.

Thirty-five malaria technicians and assistant malaria technicians took the local basic malaria eradication course. A further thirty-two participated in short refresher, parasitological and entomological courses.

(b) *Overseas Training*

In 1962, twenty-nine members of the Department were engaged on courses overseas, as follows:

<i>Course</i>	<i>Number</i>	<i>Place</i>	<i>Sponsorship</i>
Medical Degree ...	2	Australia	Colombo Plan
Pharmacy ...	1	Australia	Colombo Plan
Midwifery (S.C.M.) ...	8 (4)	United Kingdom	7 Government 1 Red Cross
Operating Theatre Nursing ...	1 (1)	United Kingdom	Sino British Fellowship Trust
Ophthalmic Nursing ...	1	United Kingdom	Edwina Mountbatten Trust Fund
Outpatient Nursing ...	1	United Kingdom	Sino British Fellowship Trust
Mental Nursing ...	2	United Kingdom	Government
Dental Nursing ...	4	New Zealand	Colombo Plan
Diploma Royal Society of Health for Health Inspectors ...	2 (2)	Singapore	Colombo Plan
Tuberculosis Nursing ...	1 (1)	United Kingdom	Chest and Heart Association
Health Visitors ...	3	Singapore (1) India (2)	Colombo Plan U.N.I.C.E.F.
Diploma in Radiology	1	Australia	Colombo Plan
Malaria Eradication ...	2 (2)	Philippine Republic	World Health Organisation

NOTE:—Numbers who returned during the year are shown in brackets.

In addition, one North Bornean doctor passed the Primary Examination for the Fellowship of the Royal College of Surgeons of England, and fifteen other local men and women were at various stages of the medical degree course in Australia (14) and Canada (1). Twenty-two local girls were also under training as nurses in the United Kingdom (20) and Australia (2).

Vital Statistics

The estimated mid-year population in 1962 was 480,185. The total number of births and deaths registered in 1961 and 1962 were:

	1961	1962
Births registered ...	15,898	15,882
Crude birth rate ...	33.5	33.03
Deaths registered ...	3,324	3,294
Crude death rate ...	7.0	6.86
Excess of births over deaths	12,574	12,588

Accurate figures for infant mortality and maternal mortality are not available. The trend of the former appears, however, to be a falling one. The general picture conveyed by the somewhat limited vital statistics available, is one of a slowly falling mortality rate, with the birth rate either rising, or remaining at its usual high level. This is a common trend in South-East Asia, and makes for a young population, with a high proportion of dependants.

ENDEMIC AND EPIDEMIC DISEASES

(a) *Malaria — The Eradication Programme*

The World Health Organisation/United Nations Children's Fund assisted Malaria Eradication Programme continued, and, by virtue of two expansions on the 1st January and the 1st July, the whole country, other than the non-malarious parts of the Jesselton and Sandakan urban areas, is now under the campaign. Progress, judged by assessment, is six months ahead of schedule in a large area containing over 100,000 people from Sipitang district in the extreme south-west to the northern boundary of the Jesselton Rural District. Throughout this area, the infant parasite rate does not exceed 0.1 per cent, and the parasite rate of the 2-10 age group is only a little higher. Arrangements have therefore been completed to begin case detection in all age groups bringing this area into the stage of pre-consolidation. In the Interior Residency, east of the Crocker Range, where additional measures have been necessary to check and treat infective immigrants from Kalimantan, progress is behind schedule. This area, containing about 50,000 people, should now have been in consolidation, but assessment to date shows that the criteria for the interruption of general spraying and mass chemotherapy have not yet been met. It is anticipated that part of this area will enter consolidation (cessation of spraying) during 1963; though, until such time as the Republic of Indonesia's proposed campaign across the border in Kalimantan is under way, spraying will have to be continued in the North Borneo border area of some 400 square miles containing some 6,000 people. No cases of indigenous malaria have been detected on Labuan island for almost two years. At the turn of the year the total populations in the various phases of the campaign compared with the position twelve months ago was as follows:

	End of 1962	End of 1961
Attack Phase only (Spraying and Mass Treatment) ...	255,656	189,383
Pre-consolidation (Attack plus Surveillance) ...	151,888	49,337
Consolidation ...	15,421	15,961
TOTAL ...	422,965	254,681

From July onwards the insecticide DDT was used throughout the country, replacing dieldrin in a small number of areas where the latter had been used since the days of the control scheme. This change, planned a year previously, was fortuitous in the event, since during the last few days of June, the World Health Organisation Entomologist found the first signs of resistance to dieldrin by one of the mosquito vectors; *A. sudaicus*. It had previously been ascertained that *A. sudaicus* is susceptible to DDT, a cheaper and less toxic insecticide, than dieldrin.

During two six month cycles completed in 1962, 210,074 dwellings were sprayed.

The programme has been sufficiently well thought of by the World Health Organisation for this country to be designated as a training area. During 1962, fourteen persons came here on study courses or fellowships including the Directors of the National Malaria Services of Malaya and South Korea; the Chief Medical Officer, British Solomon Islands Protectorate, seven World Health Organisation Malaria Advisers, and technical personnel of the Sarawak and New Guinea malaria programmes.

Their studies were arranged by the resident World Health Organisation senior malaria staff, assisted by staff from the Western Pacific Regional Office at Manila.

The World Health Organisation also arranged for a number of their experts to visit and advise on various aspects of the malaria programme. These included the Chief of the Epidemiological Assessment Branch, Malaria Eradication Division, World Health Organisation, Geneva, the Senior Regional Malaria Adviser, and the Regional Sanitary Engineer (Malaria), World Health Organisation, Manila.

The programme was also visited by an officer of the United States Overseas Mission from South Vietnam, together with the Director of the Malaria Programme of that country.

(b) *Tuberculosis*

The extension of the Colombo Plan (Australia) assisted control scheme was limited to the first six months of the year, when the Tuberculosis Control Medical Officer went on leave. Since July, emphasis was placed on consolidating progress achieved. Before July, the campaign was extended to children in the Semporna, Kota Belud and Tenom districts; to the Kiulu area of Tuaran district; and to school-children along the railway line between Papar and Beaufort. In these areas tuberculin testing surveys, BCG inoculations, and treatment of active cases was undertaken.

Other new ground covered included a mass X-ray campaign along and near the road from Jesselton to Kota Belud, with treatment of active cases so found. Routine case finding, treatment and follow-up were continued in other areas previously surveyed.

The increase in the number of cases under treatment as a result, has been accompanied by a heavier demand for social welfare, especially to aid dependants.

An additional grant was therefore made to the North Borneo Anti-Tuberculosis Association (NOBATA) for this purpose. That voluntary agency continued its excellent work, complementary to the control programme, including the dissemination of health propaganda designed to prevent the disease, and to encourage sufferers to report early for, and continue, treatment; and the provision of relief and welfare measures for sufferers and their dependants.

In April/May, Sir Harry Wunderly visited North Borneo under the auspices of the Colombo Plan (Australia) to review and advise on the programme. It has been decided that progress to date justified the early planning of a country-wide operation, to be closely integrated with the development of area health services.

(c) *Para-cholera El Tor*

This disease, which had occurred in Sarawak, Macao, and Hong Kong in the second half of 1961, spread to the Philippines where it advanced southward. Counter measures were taken in the form of vaccination, but the dangers were somewhat masked by a lack of information about what was going on in the Philippines. At the time, though cholera was a quarantinable disease under the International Sanitary Regulations — and therefore subject to all the measures of notification involved — *para-cholera* was not.

The first case in North Borneo was diagnosed at Sandakan on the 17th January when a Philippine male who, taken ill on a small boat, died shortly after admission to the Duchess of Kent Hospital. From then until the end of April, cases and deaths from the disease occurred in twelve different locations in the north and east of the country mainly in coastal areas, and amongst persons in the lower social and economic groups. The outbreak in Semporna district was the most severe, involving, in a few weeks, forty per cent of its kampongs, including sixty-five per cent of the kampongs on Bum Bum island, and half the cases and deaths recorded throughout the country.

In all, a total of forty-seven cases, six of whom died, were seen and treated by members of the Medical Department. In addition, 119 cases of which 102 resulted in deaths, were reported to have occurred in remoter places before help could be received. Most of these reports were confirmed on investigation as highly probable. The spread of infection was combated mainly by mass inoculation with anti-cholera vaccine, for which purpose mobile units were formed, and transported to exposed areas. These operations, mostly marine and riverine, were often carried out under conditions of great hardship, some teams having to work round-the-clock for long periods to give protection in time. Those taking part included medical officers, health visitors, nurses, hospital assistants, health inspectors, tuberculosis control technicians, rural health nurses and attendants. Over 325,000 inoculations or re-inoculations were given during the year, including some 60,000 since mid-July in a re-vaccination campaign for north and east coast areas.

When the first case occurred in January, *para-cholera* was made notifiable under the Public Health Ordinance, and the Quarantine Ordinance was amended to include it as a dangerous infectious disease. Thereupon the Quarantine Rules were enforced, even for health ships.

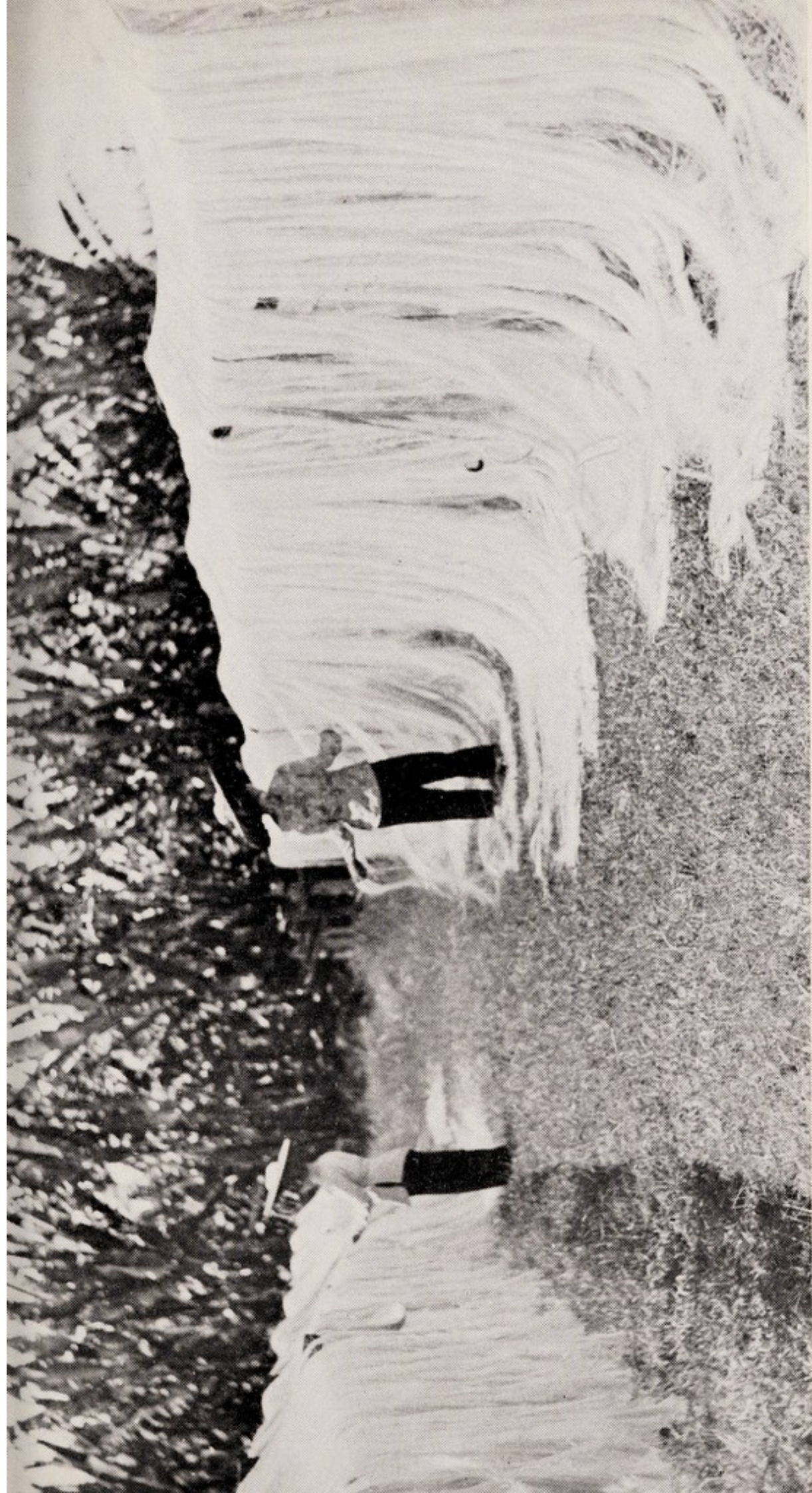
Outbreaks of the disease reached a peak during the second week in March, and by the middle of April the main attack was virtually over. All areas were finally declared free from infection on the 30th June, though six more deaths, probably due to the disease, occurred in a remote area of the Sandakan Residency early in July.

The cost of meeting the outbreaks was approximately \$59,000. This includes supply and transport costs, but not the salaries of regular staff. The sum would have been considerably more but for generous gifts of vaccine from the Governments of Malaya and Hong Kong, and supplies at reduced prices from the Commonwealth Serum Laboratory, Australia.

During April, a medical officer attended a special meeting at Manila on *para-cholera* El Tor organised by the World Health Organisation.

(d) *Diphtheria*

Sporadic outbreaks continued to occur though the total number of cases recorded was smaller than last year thirty-one compared with forty-three. Progress of the inoculation campaign against this disease was hampered by the



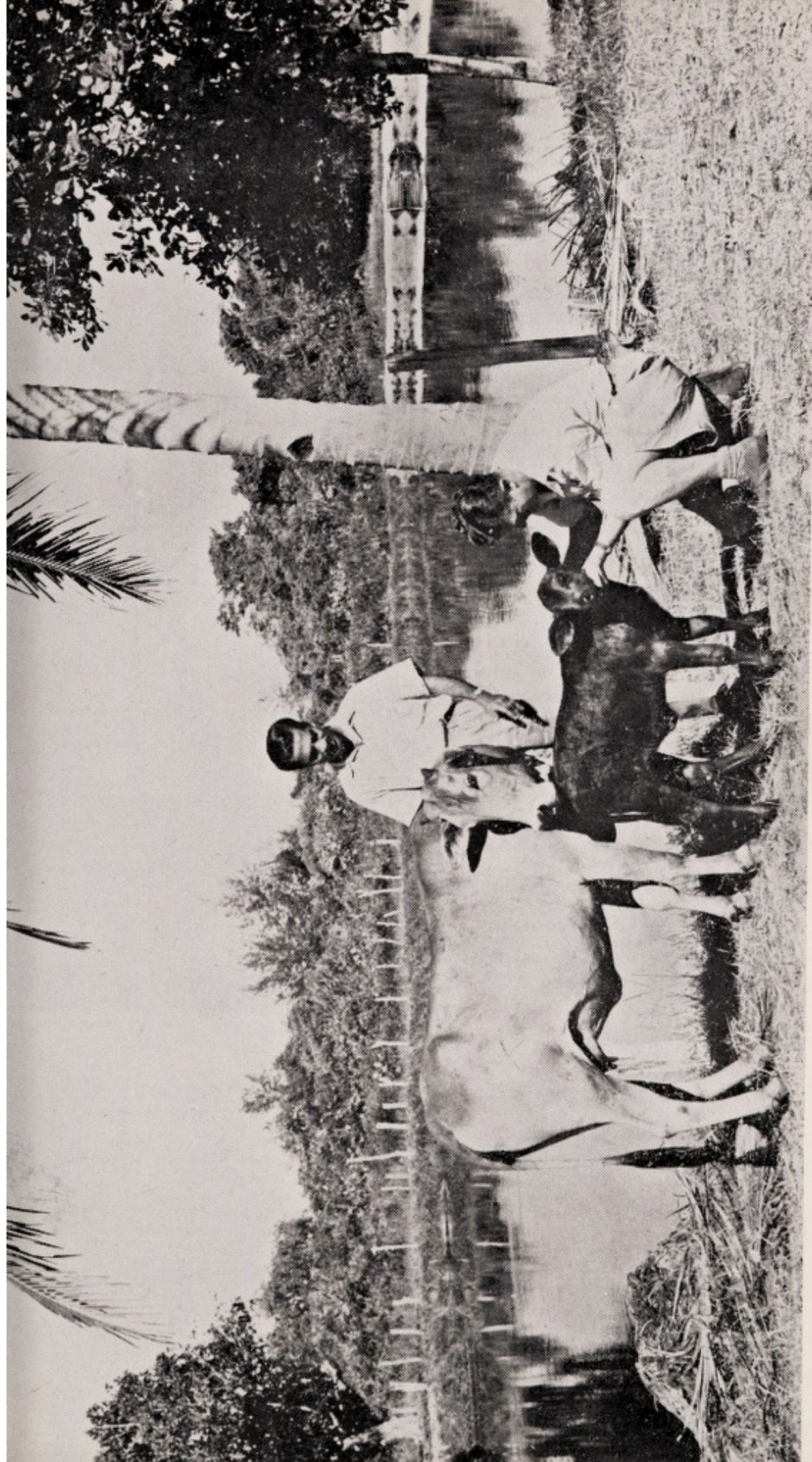
Drying Hemp at Borneo Abaca Ltd.

(Broadcasting and Information Department).



(Broadcasting and Information Department).

Oil Palms.



One of the first Aberdeen-Angus Calves born in North Borneo, crossbred by Artificial Insemination from Australia.
(Broadcasting and Information Department).



"Casbah" donated under the Colombo Plan by the Australian Government.
(Broadcasting and Information Department).

large number of anti-cholera inoculations and re-inoculations given, the people considering that their children had received sufficient injections for one year. It is anyway proving difficult to persuade parents to bring their children for the full course of three triple antigen injections, let alone boosters. More health education is clearly necessary before this campaign can develop really successfully.

(e) *Influenza*

Mild cases were notified fairly consistently throughout the year. Recently, however, a definite outbreak of the disease occurred in the Beaufort area, where 776 cases occurred during the first three weeks of December. The infection was a fairly severe one, bronchitis being a not infrequent complication, several cases of bronchopneumonia also occurring.

(f) *Leprosy*

Cases diagnosed were sent for treatment to the Rajah Sir Charles Brooke Memorial Hospital, at Kuching, Sarawak. There was no significant increase in the number of cases found. With the help of the Superintendent of the Memorial Hospital, a leprosy register has been compiled here, and contacts of cases admitted to Kuching are followed up. Leprosy is not, on the surface, a serious public health problem, though so long as new cases continue to occur, there must be some conjecture about how many others exist undetected. The Leprosy Welfare Relief Committee again assisted in the resettlement of cured patients who returned from Kuching. At the end of the year, there were eighty-two North Bornean patients under treatment there. During the year twelve were returned home either fully cured or on the final stages of maintenance therapy.

(g) *Other Epidemic Diseases*

Minor outbreaks of measles, chickenpox, mumps, and whooping cough were recorded, and there were twenty-four sporadic cases of enteric fever.

(h) *Intestinal infections and infestations*

Dysenteries and helminthic infestations occurred with the usual rather depressing frequency — about ten per cent of all illnesses diagnosed at medical institutions. Prevention, especially in the rural areas, is a long term task involving much education of the public. In the larger centres, development and extension of piped water supplies, and water carriage systems has continued.

PREVENTIVE MEDICINE

(a) General

Apart from the malaria eradication and the tuberculosis control programmes which have already been mentioned, the main services provided in preventive medicine are for maternal and child health, and to improve the sanitation of the environment.

There is no schools medical service as such, the demands on medical officers being too great to allow any system of routine medical examination of schoolchildren. A number of young primary schoolchildren in Jesselton and Sandakan benefit from the dental nurses' clinics conducted there, and in the work of tuberculosis control, schoolchildren are amongst the main beneficiaries, notably by BCG inoculation. The Department has no health education branch but the subject is a routine part of the work done for maternal and child health, malaria eradication, tuberculosis control and by health inspectors.

(b) Maternal and Child Health

A new Maternal and Child Health Centre was completed at Labuan bringing the total of such centres in the country to four. During 1962, the number of places where maternal and child health clinics are held was increased from fifty-eight to sixty-eight. Most of this development occurred in the two Residencies on the East Coast in whose rural areas, hitherto, little had been possible.

The posting of a health sister and two rural health nurses to Tawau stimulated progress, enabling more work to be done in that area, and releasing the health sister at Sandakan for opening up services in the riverine areas of the Sandakan Residency.

The number of ante-natal and child welfare attendances again increased, the total of new and repeat cases recorded being 137,715 compared with 137,125 in 1961. Other activities such as home deliveries, domiciliary visits and health education sessions have also been increased. The United Nations Children's Fund continued to support this service generously with supplies of "triple antigen", clinic and midwives' equipment, and skimmed milk.

(c) Environmental Sanitation

The approved health inspectorate for the country was increased from fifteen to nineteen. This small body of men continued to do good work in general sanitation, port and airport health, and disease control. In the first named they have given much help to local authorities, and several

more senior inspectors have served on health committees in an advisory capacity.

Particular attention has again been given to improving the hygiene of catering establishments, and in the West Coast Residency this work has been extended from Jesselton to several rural districts.

Administration of the Public Health Ordinance and its Regulations has presented few difficulties, prosecutions being the exception rather than the rule. The small health inspectorate is, however, unable to give as much attention as is necessary to rural kampongs, where the state of hygiene remains very backward. Much health education is necessary in these areas, before the inhabitants can be expected to understand that much ill health could be prevented by relatively simple sanitary measures. Here is an important and urgent field of endeavour towards which the development of local authority health committees is a beginning.

Nutrition

Although the nutritional state is above the average for rural countries in South-East Asia conditions of malnutrition, mainly beri-beri and iron deficiency anaemia are by no means uncommon, the former being associated with pregnancy, labour and lactation, and other kinds of physiological stress. Indeed, beri-beri during labour or lactation has been reported from most areas of the country, suggesting a border-line state of aneurin deficiency possibly partly related to the overmilling of rice. A number of cases were admitted to the Duchess of Kent Hospital Sandakan from certain timber camps in the area. On investigation, it was revealed that the diet of many of these workers consisted of boiled rice and tinned sardines only. In contrast, other timber camp managements have gone to great lengths to ensure an adequate diet for their employees, and the Government Agricultural Station near Sandakan, engaged several persons to shoot fresh meat and look after a small vegetable garden for the labour force. None of the employees attending hospital from these places has been found to be suffering from malnutrition. There are still some areas in the country where the general nutritional state is below average. These are, with few exceptions, in remoter parts, and are invariably associated with poor soil, a staple of tapioca or sago and lower socio-economic status. The last named is also associated with an absence of sanitation, resulting in helminthic infestations and intestinal infections which themselves contribute to malnutrition. Ignorance also contributes as many of the population do not take advantage of certain vegetables and fruits which are comparatively

readily available or could be grown without great difficulty. Efforts have been made improve knowledge of these foods, and to encourage their use.

CURATIVE SERVICES

(a) *Government Hospitals and Dispensaries*

Details of Government medical institutions are given at Appendix VII.

The new 50-bed cottage hospital at Lahad Datu was opened at the end of October, and the resident Medical Officer arrived early in November. A new dispensary with twelve rest-beds was completed at Penangah in September.

Plans for the new major hospital at Tawau are now well advanced, and it is hoped to begin construction next year, test piling having already been done. This institution will have 292 beds, with provision for a further 350 in the future. Plans are also well advanced for the new out-patients department at Jesselton. As the development of roads increases, it will be possible to operate more travelling dispensaries. The extensive marine and riverine inoculation campaigns against *para-cholera* emphasised the need for, and the feasibility of, marine and riverine dispensaries to serve remote populations in such areas.

Once again, the staff of medical institutions all over the country treated large numbers of patients. There were 25,031 new in-patients compared with 22,237 in 1961. Total outpatient attendances numbered 645,335 (new cases 398,869; repeat visits 246,466) compared with 572,228 in 1961.

Annual returns from Sandakan and Tawau merit special comment on the high rate of accidents occurring in the two Residencies on the East Coast. For example, Tawau hospital treated 910 accidents during the year, of which thirty-seven were fatal, and 209 considered serious. Some of these were road accidents, but a large number could fairly be classified as industrial, the timber industry being affected predominantly.

Arrangements have been made with the Department of Labour and Welfare for an improved system of notification of industrial accidents. The travelling dispensaries saw 100,023 new cases compared with 80,666 in 1961.

(b) *Mental Hospitals*

A firm of architects has been engaged to prepare plans for the proposed new mental hospital at Jesselton. A good site of over 100 acres has been earmarked for this institution, which will accommodate a total of 275 after the

first building stage has been completed and 450 patients by 1970. Meantime, at the old mental hospital in Sandakan, the compound has been enlarged to give more outdoor space for female patients, whose indoor accommodation has also been improved.

Occupational therapy remained a major factor in treatment. Female patients worked at laundering, sewing and gardening, whilst male patients were engaged in grass cutting, kitchen work and the cutting of firewood. More male patients were able to earn a wage, working for a contractor in the town.

There were 171 patients under treatment at the end of 1962 as compared with 152 at the same time in 1961. 166 patients were admitted for treatment and 140 were discharged as cured, or sufficiently recovered to be cared for by their relatives.

(c) Dental Services and Dental Health

At the close of 1962, there were two dental officers, and four school dental nurses in the Department, and four more school dental nurses were in training overseas. Such is the demand for dental treatment that the Dental Officer, Jesselton, now has a four month waiting list. A third dental officer's post has been provided for in the 1963 Estimates.

During the year, further consideration has been given to the fluoridation of water supplies as a measure to improve dental health. The Public Works Department arranged for a number of supplies to be analysed for fluoride content, all of which were found to contain sub-normal amounts. Fluoridation was supported by the Chief Dental Health Officer, World Health Organisation, Geneva, when he reviewed the position during a visit to North Borneo in November.

The United States Peace Corps

Two of the three Peace Corps nurses were assigned to the Department for work in rural areas, one at Kuala Tongod in the Kinabatangan, and the other at Sensuran in Tambunan district. Their duties in these areas are of a general nature with emphasis on child welfare. The third nurse was posted to the Duchess of Kent Hospital, Sandakan, to help with the training of assistant nurses. A Peace Corps social welfare worker was assigned to Sandakan to assist the Department with the resettlement of patients after long residence in hospital, with occupational therapy, and with the organisation of the developing blood transfusion service. Two Peace Corps laboratory technicians were assigned to the Queen Elizabeth Hospital's laboratory, where they have

taken part in the teaching of laboratory personnel. New equipment on order will enable them to improve the scope of laboratory diagnosis at this hospital.

Medical Services provided by Missions

The Anglican Mission continued to operate a dispensary and small Maternity Home at Kuala Tongod in the Kinabatangan. The Mission's Health Visitor who recently went on leave, was replaced by a Peace Corps Volunteer nurse. The same Mission operates a medical station at Sapi on the Labuk river in the Sandakan Residency and a third small dispensary at Telupid.

The Roman Catholic Mission continued to operate out-patient clinics and maternity home services at Penampang, and also at Toboh near Tambunan. The Rotary Club of Jesselton has undertaken to increase accommodation at the Penampang Maternity Home during its project year 1962-63.

The Basel Mission again provided an expatriate nurse to work at the dispensary and small maternity home in Sequati near Kudat. The dispensary building is provided by the British Red Cross Society, the Medical Department supplying drugs. The Borneo Evangelical Mission operated a small dispensary at Meligan in the Sipitang District.

Medical Services provided by Estates and Companies

One hospital, one modern urban clinic and fifty dispensaries, some of them with rest-beds, are maintained by estates and companies under the Labour Ordinance for the medical care of employees and their families.

Staff employed included four registered medical practitioners, of whom one was in charge of the medical services of Borneo Abaca Limited, Tawau; two were with the Sandakan Medical Group and one with the Beaufort Medical Group. Other companies retained the services of private practitioners for supervising the medical needs of their employees. Two nursing sisters and fifty-five nurses, hospital assistants or dressers were employed by estates and companies during the year. During 1962, 2,698 in-patient and 90,301 out-patients were treated at estate and company medical institutions.

Development

Several additional major projects were added to those previously approved for the present development period which runs until the end of 1964. These include five new major rural dispensaries; two sea going cabin launch/dispensaries; an operating theatre block for Tenom Cottage Hospital, and a training school for rural health nurses. Outstanding projects previously approved for the present development period include the new hospital at

Tawau, the new mental hospital, and a new out-patient department at Jesselton. The last named has now been increased to include a new central laboratory, extensions to the Nurses Training School, a new administrative section, an ophthalmic theatre, and an enlarged dental centre.

During the year, a Development Plan for major improvements to medical services throughout the country was drafted. This covers the period 1963-70, and places special emphasis on rural area hospital and health services, but also provides for substantial improvements in all other aspects of medical and public health facilities.

Visits

The Chief Medical Officer to the Department of Technical Co-operation, Dr. J. M. Liston, C.M.G., visited Jesselton, Sandakan, Tawau, and Beaufort during October. He was preceded by Professor Sir Dugald Baird making his second journey to North Borneo under the Secretary for Technical Co-operation's Medical Visitors Scheme. Sir Dugald spent twelve days in the country at Jesselton, Sandakan, Tawau, Beaufort and Keningau.

Sir Harry Wunderly visited Jesselton and Tawau in April to review and advise on the Colombo Plan Assisted Tuberculosis Campaign.

The Area Representative of the World Health Organisation came to Jesselton and also travelled to Tawau, Sandakan and Keningau in January, and the Resident Representative, U.N.I.C.E.F. Thai Area Mission, Bangkok, spent four days in Jesselton discussing the programmes assisted by his organisation during November. He was followed by the Chief Dental Health Officer, World Health Organisation, Geneva, who came to advise on dental services and dental health. Professor Ritchie Calder, of Edinburgh University, accompanied by Mr. Jack Ling, Public Information Officer, U.N.I.C.E.F., Bangkok, spent two days here in June on a United Nations Information Mission, and saw aspects of the maternal and child health and malaria programmes. Mr. Majeed Malik, of the Information Office, Colombo Plan Bureau, and Mr. Lance Joseph, Third Secretary, Australian Commission, Singapore, called to discuss aspects of the Colombo Plan Assisted Tuberculosis Control Scheme.

The Acting Director of Medical Services, Sarawak, came to Jesselton in January to discuss matters of mutual interest to the two medical services, a return visit being made to Kuching during June. Other visitors to the Department included Professor E. E. Rich of Cambridge University; Professor N. A. Milone of Cornell University, United States of America; Miss Zella Bryant, Chief of the United States Public Health Nursing Service; Dr. C. J. S. Macdonald, Assistant Director of the Ross Institute, London School of Hygiene and Tropical Medicine; Dr. D. Tovar, Medical

Officer-in-Charge Central Pathological Laboratory, Kuching and Dr. S. Sayampanathan, Port Health Officer, Singapore. Including those persons who visited the malaria programme, who have been listed under the report on that programme, a total of thirty-seven persons was received by the Medical Department during the year. Four doctors of the Medical Department travelled overseas under the sponsorship of the World Health Organisation. Three of them participated in seminars on Smallpox, Japanese B. Encephalitis and Rural Health Services, held respectively in India, Ceylon, Tokyo and Taiwan. A health nurse also attended the last named seminar.

The fourth doctor was awarded a fellowship to study malaria eradication programmes in Ceylon, Taiwan, Mexico and Venezuela and travelled to these places during his leave.

HOUSING AND TOWN PLANNING

Government Building Programme

Government housing developments were confined to the housing of its own staff which is a continuing problem due to the scarcity of private house building. A substantial share of the Public Works Department's building effort was devoted to this sector and 108 new quarters were completed during the year. These varied from reinforced concrete and brick houses for senior officers costing \$48,000 to timber houses for junior clerks and artisans costing \$12,000 and \$4,000 respectively.

There was little development during the year on low-cost housing but Sandakan, Tawau and Labuan Town Boards were all actively pursuing plans for schemes in their areas.

Private and Commercial

Reconstruction of the main towns is nearing completion and comparatively few buildings were built in the actual town areas, mainly due to lack of sites. Nevertheless plans were received by the Local Authorities, for nearly 200 shophouses and office blocks, mainly in Jesselton and Sandakan on newly reclaimed areas, and construction is now beginning.

In Sandakan, a veneer mill was built to replace that destroyed by fire during the previous year. A prawn freezing plant and a tractor and heavy plant maintenance shop were also completed in that town to form the first modest beginnings of industry.

Small housing estates, particularly in Jesselton, where land with public services is available on the fringes of the town, have shown good progress, though the majority of houses are individually designed for owner occupancy on single plots. A much higher percentage than previously is being constructed of permanent materials since with high timber prices there is little cost

difference and the maintenance cost, insurance cover etc. of the former is less. The increase in the construction of private houses can be attributed in part to the decision by the Government to pay a housing allowance to those officers, above the lowest grades, who were not provided with accommodation. Further, the opening of an office in North Borneo by Borneo Housing Development Limited, a Colonial Development Corporation subsidiary in which the Government has invested, provided the means for financing home ownership on an increasing scale throughout the country. The overall result is greatly to decrease the pressure on the Public Works Department to provide housing for Government staff.

There has also been a notable increase in the number of schools—mainly for the various Missions—being built as a result of the provision of Government grants for such buildings.

Building Materials

With a marked increase in the overall building productivity the prices of imported materials have generally been held steady due to increasing competition. Australian products have entered the market and Japan has been ousted by Taiwan as the major source for cement. Essential local materials, timber, crushed stone aggregate and bricks, have increased in price. Delivery times from both the United Kingdom and Japan have been disappointing and limit the speed at which buildings can be completed.

Town Planning

The Central Town and Country Planning Board which is constituted under the Town and Country Planning Ordinance (Cap. 141) enacted in 1950, consists of five *ex-officio* members and five other persons nominated by the Governor. The Secretary for Local Government is Chairman of the Board with the Director of Lands and Surveys acting as Technical Adviser and Executive Officer in his capacity as Town Planner. Local Authorities are responsible under the Ordinance for initiating and enforcing town plans. The Central Board held three meetings during the year. Town planning under the Ordinance completed during the year included a large extension of the Jesselton Town Plan covering the swamp area to the south of the town, including two kampong areas, to provide for balanced development. Draft extension schemes were also prepared for Sandakan, Tawau, Kudat and Beaufort.

The eight principal towns in the country have been planned and their development is controlled under the Town and Country Planning Ordinance. In addition, the smaller towns and townships, not scheduled under the Ordinance, are planned administratively with the approval of the Resident of the Residency in which the town or township is constituted. During the year new town plans were prepared for Kota Belud, Bandau, Kunak, Telipok, Lahad Datu and Donggongon.

A new long-range zone plan for Jesselton was prepared by the Town Planner in consultation with the Jesselton Town Board. This scheme which covers approximately twenty square miles divided into thirteen land-use zones is designed to control land use and development in the rapidly developing area surrounding Jesselton. Similar schemes were also put in hand for Sandakan, Tawau and Labuan and by the end of the year much of the preliminary work of collecting data and preparing large scale topographical maps had been completed.

SOCIAL WELFARE

Social Welfare Council

The Social Welfare Council, which was first appointed in 1954, met twice during the year. The Council consists of the Commissioner of Labour as Chairman, with nine members chosen for their interest in and knowledge of social welfare. Its terms of reference are as follows:

- (i) to co-ordinate the social welfare work organisations *inter se* and of such organisations with that of the Government;
- (ii) to review the social welfare work being done in the Colony from time to time and to bring to the notice of Government any particular matters which it considers require attention, including the necessity for the development of social welfare work in any given direction;
- (iii) to advise Government on particular issues connected with social welfare which may be referred to it by Government;
- (iv) to advise on the appropriate distribution among the various social welfare organisations in the Colony of any funds which may become available for welfare purposes from Government revenue, social welfare lotteries or any other source.

Funds available to assist voluntary welfare organisations came from two sources; firstly, from the proceeds of social welfare lotteries organised by the Royal North Borneo Turf Club under licence and secondly, from direct votes from the Government. The total amount of money paid from these sources to various voluntary welfare organisations during 1962 was \$150,759. The Council does much useful work in advising the Commissioner of Labour and Welfare on distribution of these funds, and in advising the Government generally on matters of policy and administration in all fields of social welfare.

Welfare of Children and Young Persons

The Commissioner of Labour and Welfare is the Protector under the Women and Girls Protection Ordinance (Cap. 159), but cases of children and young persons in moral danger or requiring protection are rare in this country. Destitution of children is also rare.

Relief of the Destitute and Disabled

Public assistance for the care of the aged is provided for by the Paupers Ordinance, which is administered by the Commissioner of Labour and Welfare with the help and advice of statutory Boards. The Ordinance provides for the maintenance of a Pauper Fund, which derives its income from poor rates paid by employers of labour, from rates levied on immovable property in urban areas, and from a land rate. The fund maintains three Homes for the Aged in Jesselton, Sandakan and Tawau, besides providing outdoor assistance. Charitable assistance is also received from the public in the way of amenities as gifts to inmates of the institutes. The institute in Sandakan was rebuilt in 1956 to accommodate 100 persons and that in Jesselton, which was built in 1958, has accommodation for 120 persons. During 1962 a third Home, with accommodation for 100 persons was opened in Tawau.

War Victims Fund

The North Borneo War Victims Fund Ordinance (Cap. 88) authorised the establishment of a fund to be known as the North Borneo War Victims Fund to be financed from voluntary contributions and such appropriations as may be made available from time to time by Government. The object of the fund is to give assistance towards the maintenance, education, benefit or advancement of any inhabitants of the former State of North Borneo who were incapacitated as a direct result of the war, and their dependants. The fund is administered by a Board of Trustees under the chairmanship of the Commissioner of Labour and Welfare.

Most of the children requiring assistance from the fund have now grown up and have completed their education. In consequence it is now being run down by drawing on the capital assets to meet its annual commitments, though it is likely to be a few years yet before it can be finally wound up. During 1962 the Board approved subsistence relief totalling \$15,540 which sum included both monthly allowances and food. At the end of the year some 115 persons were receiving such assistance. The fund contributed also towards the cost of educating the children of War Victims who cannot afford their school fees in full; in special cases the entire maintenance of children at boarding schools was paid. In 1962 \$10,437 was spent in assisting children.

Juvenile Delinquency

Under the Prisons Ordinance (Cap. 108) the Governor is empowered to transfer any juvenile delinquent or young offender to an approved school or to a place of detention in Sarawak or Singapore, subject to the approval of the Government of the receiving territory. Cases of juvenile delinquency coming before the Courts are now, whenever communications and other condition permit, investigated by the Department of Labour and Welfare with the co-operation of the police and appropriate recommendations are made to the Court. During the year four young offenders were sent to the Boys' Home in Kuching and two returned to North Borneo on being released on probation. Both were found employment and are being kept under observation by the Department of Labour and Welfare. In addition, advice or attendance by a member of the Department was given in twenty-eight Court cases.

Prison Welfare

All prisons and lock-ups are visited regularly by Prison Justices and Prison Visiting Committees. For further details see under Prisons.

The British Red Cross Society

The North Borneo Branch has two Divisions, Sandakan and the West Coast Division. Throughout the rest of North Borneo there are fourteen centres, two of which, Tenom and Bundu Tuhan, were formed during the year.

The Junior Red Cross, which exists in schools, has thirty-one links, ten more than last year. The greater part of their time is spent in training and in First Aid. They also exchange news and information with links in other parts of the world. They collect and sell stamps and take a very active part in fund-raising throughout the country.

There are two detachments, in Sandakan and Jesselton. The members are given training in First Aid and Home Nursing. They visit the sick in hospitals, and the Old People's Home and also help in fund-raising and welfare work.

The older members, who very often have had some specialised training, are able to help in the hospitals with recreational therapy, teaching the patients different types of handwork. They are mainly responsible for the welfare work in the country, and fund-raising, and organise the blood donor panels for the benefit of the hospitals. One donor received a silver medal.

Most of the energies of the Red Cross are spent in welfare work. In 1962 \$58,000 was spent in welfare, helping hundreds of people financially incapacitated by sickness, accident, or other tragedy. Food, clothing and advice are given and if a house is

lost, the essentials for furnishing a new one are provided. For people who have to go to hospitals or schools outside North Borneo, the Red Cross makes the travel arrangements and often pays for their fare and expenses while they are away. The Red Cross aims at enabling people to become self-supporting and much time is spent on investigation to achieve this aim.

This year a new venture has been started by arranging for disabled boys to be allowed to learn typing at the in-service training centre. They are housed at the Branch Headquarters and assisted financially when necessary. There is already a waiting list, and it is hoped to develop more training facilities for the disabled along these lines.

Milk powder provided by U.N.I.C.E.F. is distributed to all centres for pregnant women and young children.

Welfare work amongst the blind has greatly increased. The Wallace Training Centre at Tuaran, at which the blind are taught market gardening, animal husbandry, simple carpentry and rattan work, was opened in June. It was built with money given by the Jesselton Rotary Club and the Red Cross. In August the Blind Welfare Adviser from the Royal Commonwealth Society for the Blind arrived and he is training both the staff and trainees. The running expenses for 1962 were provided by subventions from the Royal Commonwealth Society for the Blind, the North Borneo Government, and the Red Cross. Three blind boys are attending schools for the blind in Penang and Singapore. The Red Cross makes their travel arrangements and pays for an annual visit home.

\$59,000 were raised in 1962 against \$65,000 in 1961. \$21,000 of this was raised by a country-wide raffle. Thanks to special donations in Sandakan, an ambulance and a van were bought for Red Cross use. A Landrover ambulance was bought for the Tenom District Council as there is no Medical Department vehicle available for bringing the sick into hospital. \$500 was sent to the Tongud Mission to help to cover the cost of fuel needed to transport supplies up the Kinabatangan River. A hut for Red Cross use is being built at Tuaran and two more, at Sipitang and Tenghilan, are being built by the local people with funds sent by Branch Headquarters.

During the Brunei revolt the Red Cross members in Labuan did magnificent work, assisting in a canteen for evacuees and providing stretcher bearers for the wounded passing through Labuan airport. All expenses for the canteen were provided by the people of Labuan.

Two Certificates of Honour were presented and fourteen new life members were recruited.

The value to the public of the work of the Red Cross is shown by their increasing membership and the amount of willing assistance obtained from people in all walks of life throughout North Borneo.

St. John Ambulance Association and Brigade

At the beginning of the year the St. John Ambulance Association was administered by a Central Colony Committee which met periodically in Jesselton, and had local committees for the Jesselton, Papar, Beaufort and Sandakan areas. During 1962 two more local committees came into being, one in Tawau and another in Tuaran.

The St. John Ambulance Brigade, the headquarters of which is also in Jesselton, consists of Ambulance and Nursing Divisions at Jesselton, Sembulan, Papar, Penampang, Beaufort, Labuan and Sandakan. Training prior to the formation of a Division is also taking place at Tawau.

There are altogether six ambulances now in North Borneo, supplied by the St. John Ambulance Association and manned by Brigade members. They are stationed at Jesselton, Papar, Tuaran, Beaufort, Sandakan and Lahad Datu, the two latter having been obtained during 1962.

The aim of the Brigade is to provide an efficient ambulance service at those centres where this does not already exist. During 1962 all these ambulances were regularly called upon to carry injured and serious sick cases from towns and villages to hospitals and have rendered both the hospitals and the public a great service.

The Brigade was particularly active in Labuan in the provision of first aid treatment for the casualties which were evacuated from Brunei during the uprising there; in Tuaran during the disastrous floods in January, 1963; and in Sandakan, again during the floods and a particularly disastrous landslide on the Leila Road. The Brigade have also continued to attend sports meetings, football matches and fires.

There are nine First Aid Class Centres, operated by the St. John Ambulance Association, at Jesselton, Penampang, Papar, Beaufort, Telipok and Tuaran on the West Coast, Sandakan and Tawau on the East Coast and on Labuan Island.

A Lay Lecturers Course was held by the Association at the Police Headquarters, Kapayan, Jesselton, and four candidates qualified as Lay Lecturers. In addition two members of the Government Medical Department were appointed Lay Lecturers.

Life Saving Classes were also held during 1962, and frequent use was made of new life-like resuscitation model equipment for teaching and demonstration purposes.

First Aid Kits were presented by the Association to the Community Centre, Kent College, the Jesselton Trade School, the Jesselton Airport Fire Service, Police Headquarters, Kapayan, and the Jesselton Customs House for emergency use.

Great encouragement was given to the Association and Brigade by the visit in February, 1962, of the Countess of Brecknock, the Superintendent-in-Chief of the St. John Ambulance Brigade Headquarters in London.

North Borneo Anti-Tuberculosis Association (NOBATA)

The North Borneo Anti-Tuberculosis Association was formed in Jesselton in 1953 as a North Borneo voluntary organisation to help to spread information about the symptoms, effects and treatment of tuberculosis, to provide a welfare organisation to assist the families of tuberculosis patients while the breadwinner is unfit for work, and to provide amenities for those in hospital.

During 1962 all parts of this work have been continued on an ever increasing scale by the eighteen branches throughout the country. A new branch has been formed at Kiulu and there are also representatives at Bundu Tuhan, Tandek and for Borneo Abaca Estates, who distribute U.N.I.C.E.F. supplies to tuberculosis families. U.N.I.C.E.F. have given large supplies of dried skimmed milk and vitamin capsules which have been distributed by almost all branches and these make a most valuable addition to the often inadequate diet of the families in which there is a case of tuberculosis.

The work of the Government Tuberculosis Control team has brought to notice more and more families in need of welfare assistance and the continued emphasis on out-patient treatment has vastly increased the number of people who need their fares paid in order to get their regular treatment. The need for, and the extent of NOBATA's work is very great and is limited by the availability of money and voluntary workers. The Government has further increased the subvention to help cover the work. The generosity of the members of the public who contribute to all the branch funds is still of vital importance as the size of the Social Welfare Council's grant of a dollar for each dollar collected depends on branch collections. The Council has given NOBATA full support throughout the year.

Wherever there are hospitals with tuberculosis patients the branches have helped to provide occupation, given extra food and arranged Christmas parties for the in-patients. Some branches provide accommodation for out-patients coming in for review by the doctor. At Kota Belud the Army and the District Council have put up a hut in which out-patients may stay; this is a valuable addition in a district where out-patients may have to come many miles from their kampongs for treatment.

Greetings stamps have been successfully produced and sold. In 1961 there were designs of Borneo birds and in 1962 of four butterflies. These stamps have been sold throughout North Borneo and to many collectors of stamps in overseas countries.

Certificates of Commendation were awarded to eight people who have been working in various parts of the country to further the work of NOBATA.

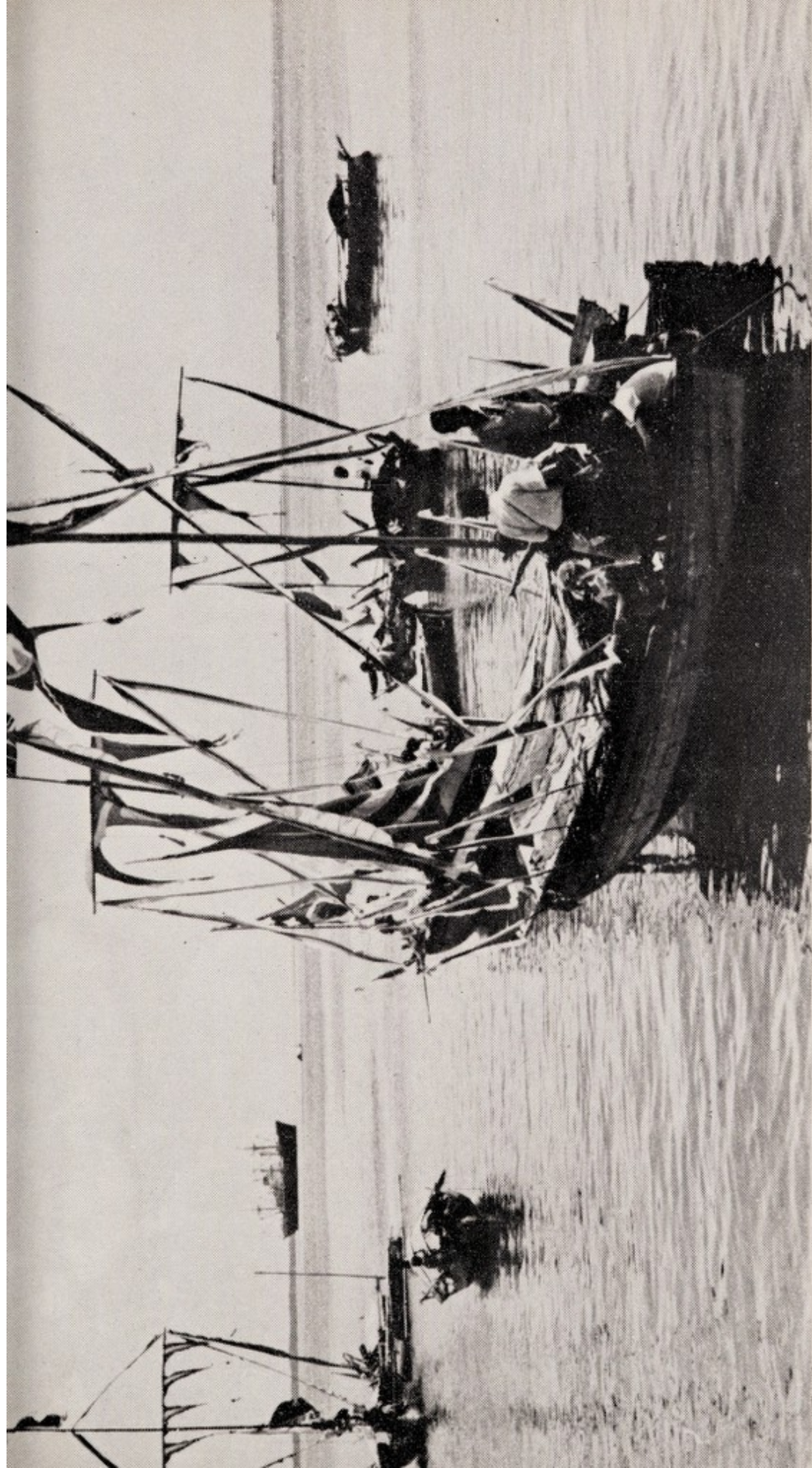
Rotary

The Jesselton Rotary Club continued and expanded its activities in community, vocational, and international service during the year.

Its major project was the addition of a Rural Clinic consisting of a ward, a dispensary and an examination room, to the Penampang Maternity Home which was itself Rotary's project for 1957/58, and which is of great value to the native people of the Penampang District.

Lectures on careers are regularly given to schools and assistance in obtaining jobs is given to prisoners discharged from the Kapayan Prison.

Regular communication is maintained with Rotary Clubs throughout the world, and donations were sent to the Persian earthquake Fund Teheran and to International Students House, Queensland.



Semporna Tamu Besar, September 1962. Decorated Bajau Boats with a Straits Steamship Boat in the background.

(District Officer, Semporna).



A Bajau Family (formerly fishermen) with new Land under the Semporna Development Scheme

(District Officer, Semporna).



Villagers waiting to cast their Vote at Tamaruli.

(Broadcasting and Information Department).



(Broadcasting and Information Department).
Voting in Progress at Telipok.

Chapter 8: Legislation

Laws Applicable in North Borneo

NORTH Borneo comprises the former State of North Borneo and the Settlement of Labuan, which were governed respectively by the laws of the former State and the laws of the Straits Settlements. The laws applicable to the whole of North Borneo were revised and published in a Revised Edition, 1953, which with one supplementary volume and annual volumes published every year now comprise the Laws of North Borneo.

Legislation

During the year 1962, twenty-one Ordinances were enacted. A Preservation of Public Security Ordinance (No. 6) completed a series of Ordinances enacted for normal purposes of public security. This was brought into force in December for the purpose of dealing with the repercussions in North Borneo of the revolt in the State of Brunei. At the same time a Detention of Persons (Special Provisions) Ordinance (No. 21) was enacted to make possible the detention of persons in North Borneo who had participated in the revolt in either Brunei or Sarawak; this Ordinance is of a temporary nature and will expire six months after its enactment unless renewed by the Legislative Council. Another Ordinance relating to public security was the National Registration Ordinance (No. 4) which has, however, not yet been brought into force.

An important group of Ordinances passed during 1962 relate to the development of natural resources. A National Parks Ordinance (No. 5) was enacted to make possible the establishment in North Borneo of national parks. The Country Land Utilisation Ordinance (No. 8) was enacted to secure the proper utilisation of alienated land in rural areas. An Animals Ordinance (No. 16) was passed to consolidate the law for preventing the introduction into and the spreading into North Borneo of diseases of animals and birds and for the improvement of animals. There was also an amendment to the Pearl Oysters Shell Fisheries Ordinance (No. 11) designed to facilitate pearl culture and two amendments to the Land Ordinance (No. 2 and No. 12).

There were two other comprehensive Ordinances passed during 1962. A new Immigration Ordinance (No. 1) was enacted which, in many of its provisions, follows closely that in force in the Federation of Malaya. A Local Government Elections Ordinance (No. 2) was passed to make possible the election of members to Local Government Bodies.

Other Ordinances enacted during the year were:

Income Tax (Amendment) (No. 7), Commissioners for Oaths (No. 9), Widows' and Orphans' Pension (Amendment) (No. 10), Local Government (Amendment) (No. 13), Poll Tax (Repeal) (No. 14), Education (Amendment) (No. 15), Appropriation (1963) (No. 17), Copyright (Repeal) (No. 18), Criminal Procedure Code (Amendment) (No. 19), Customs (Amendment) (No. 20).

Chapter 9: Justice, Police and Prisons

JUSTICE

THE main structure of the North Borneo system of law consists, apart from Orders of the Queen in Council, of Ordinances enacted by the Governor with the advice and consent of the Legislative Council, North Borneo. The basis of the criminal law is the Indian Penal Code with certain modifications. By the Application of Laws Ordinance (Cap. 6) it is provided that, save in so far as other provision is made by the written law in force in the Colony, the common law of England and the doctrines of Equity, together with statutes of general application as administered or in force in England at the commencement of the Ordinance, shall be in force in the Colony, but only so far as local circumstances permit.

The Courts functioning throughout the Colony for the administration of civil and criminal law are as follows:

- (1) The Supreme Court of Sarawak, North Borneo and Brunei, comprising—
 - (a) The Court of Appeal;
 - (b) The High Court, and
- (2) The Magistrates' Courts comprising Courts of—
 - (a) Magistrates of the First Class;
 - (b) Magistrates of the Second Class, and
 - (c) Magistrates of the Third Class.
- (3) The Native Courts.

The Supreme Court of Sarawak, North Borneo and Brunei was established by the Sarawak, North Borneo and Brunei (Courts) Order in Council, 1951. The Chief Justice, head of the Supreme Court of Sarawak, North Borneo and Brunei has his seat in Kuching, Sarawak, and pays periodical visits to North Borneo. The Judges of the Supreme Court have jurisdiction over the three territories and are appointed by the Governors on behalf of Her Majesty and His Highness the Sultan of Brunei by Letters Patent under the Public Seal.

During the year 1962, three Sessions of the Court of Appeal were held at Jesselton in April, August and October. The Judge resident in North Borneo sits mainly in Jesselton, but visits other centres on circuit.

The Registrar of the High Court is concurrently the Administrator-General. In his work in the High Court Registry he is assisted by a Deputy Registrar.

There are two full-time professional Magistrates, known as Stipendiary Magistrates, with enhanced jurisdiction in certain criminal and civil matters. One Stipendiary Magistrate is stationed in Jesselton, travelling on circuit throughout the West Coast and Interior Residencies to hear cases. The other is stationed in Sandakan and deals with the criminal and civil work on the East Coast.

In addition to the Stipendiary Magistrates, other Magistrates are drawn from the Administration. There are thirty-three gazetted Magistrates of the First Class, thirteen Magistrates of the Second Class and twenty-four Magistrates of the Third Class, most of whom are either District Officers or Assistant District Officers. Some, however, are seldom called upon to exercise magisterial functions.

In the year under review nine advocates were practising, of whom four were resident in Jesselton, two in Sandakan and one in Labuan. The remainder came from the neighbouring Colony of Sarawak. Since the amendment in 1960 of the Advocates Ordinance (Cap. 2 of the Laws of North Borneo) admission of non-resident advocates, other than those practising in Sarawak and Brunei and members of registered partnerships, has been severely restricted to foster the development of a local legal profession.

In the High Court civil litigation, in the main, consisted of actions for the recovery of money lent, or money for goods received. There were, however, numerous cases of disputes over titles to land, as well as five Petitions under the Insolvency Ordinance (Cap. 62). Many applications were received under the Guardianship of Infants Ordinance (Cap. 54) and under the Probate and Administration Ordinance (Cap. 109) for the disposal of the property of infants. Twelve Petitions for adoption of children were received under the Adoption Ordinance, No. 23 of 1960, which came into force on the 1st November, 1961.

Native Courts

Quite distinct from the magisterial Courts are the Native Courts established under the provisions of the Native Courts Ordinance (Cap. 86) which have jurisdiction in the following matters:

- (a) in cases arising from a breach of native law or custom, in which all the parties are natives;
- (b) in cases arising from a breach of native law or custom, religious, matrimonial or sexual, if the sanction of the District Officer has been obtained to the institution of proceedings where one party is a native;
- (c) in cases arising from a breach of Muslim law and custom in which all the parties are Muslim; and

(d) in other cases where jurisdiction is expressly conferred by other legislation.

For offences against native law or custom a Native Court may impose a fine or may order imprisonment, or may inflict any punishment authorised by native law or custom that is not repugnant to natural justice and humanity.

Appeals from the Courts lie to the District Officer who also has the power of revision, and from the District Officer to the Native Court of Appeal, which is composed of a Judge of the High Court (as President), the Resident of the Residency in which the original proceedings took place and one Native Chief appointed by the Governor.

A record of the work of the Courts of North Borneo during 1962 will be found in Appendix VIII.

POLICE

General Review

During the year under review there were twenty-four vicious armed raids on North Borneo's coast compared to two in 1961. These raids are the subject of more detailed comment in a later paragraph and it is sufficient to say here that the menace which they presented to isolated townships was a matter which received the urgent attention of both the Police Force and the Government. The problem was not one which could be resolved by Police resources alone and the Armed Services, particularly units of the Royal Navy, responded with invaluable assistance to a request for help.

This major issue together with the rapid political and economic strides being made by the country added to the Force's tasks. Nevertheless, statistics indicate that the low incidence of crime, a feature to which the country is accustomed, has persisted, reflecting the inherently honest and law-abiding nature of the people.

In December, for the first time in many years, the tranquillity of North Borneo was ruffled as a result of side effects of the Brunei rebellion which is the subject of comment later in this report. However, the uprising commanded no support amongst the general public; on the contrary it was roundly condemned by all.

Armed Raids and Piracies

Whilst in 1961 only two armed raids occurred, in 1962 no fewer than twenty-four took place. These were conducted with such vicious ruthlessness that eight innocent members of the public and two police officers were senselessly killed and six civilians wounded. Not only was there complete disregard for life but large amounts of cash and quantities of property were stolen with practically no prospect of recovery. The raiders, coming from the

southern Philippine islands, almost invariably were able to make a clean getaway before the nearest police detachment could be informed. It was, therefore, virtually impossible to come to grips with these bandits but, nevertheless, strong preventive measures were taken by the Police, the Royal Navy, the Army and the Royal Air Force. In the only contact made with raiders by Police, one was killed and one arrested.

Reported piracies on the high seas off the East Coast of North Borneo diminished from ninety-seven cases in 1961 to thirty-nine cases in 1962. In the course of these piracies four Indonesians were killed and three wounded. There is no doubt that both armed raids and piracies were committed by bandits originating from the southern Philippines. Resulting from police action four pirate vessels were seized and thirty-six persons, all Filipinos were arrested, charged and convicted of piracy *jure gentium*.

Brunei Rebellion

On the 8th December, 1962, an armed rebellion broke out in the neighbouring State of Brunei. Some indications of the possibility of trouble had been foreseen in North Borneo and dispositions made accordingly in the area adjacent to Brunei. Immediately after the outbreak a platoon of the Police Mobile Force was sent to Brunei at the request of H.H. the Sultan where it was used to defend the Power Station and guard the Airport. This enabled the Armed Forces to be flown in later. One police constable was killed by the rebels in this operation.

In North Borneo itself a minor uprising occurred in the vicinity of the border with Brunei where there is a predominance of Bruneis and Kadayans. It was very quickly brought under control and those involved, some 400 in number, were speedily rounded up and taken into police custody.

Police Organisation

Police Headquarters are situated at Kapayan, a suburb five miles from Jesselton bordering the railway and the airfield. Here the Commissioner of Police is assisted by a staff consisting of the Deputy Commissioner, the Assistant Commissioner Administration, the Officer Commanding the Criminal Investigation Department and a Director of Music, who is also the Quartermaster.

For policing purposes the territory is split up into four Divisions namely, West Coast (embracing Labuan), Sandakan (controlling also the Marine Branch), the Interior and Tawau Divisions. These Divisions, under the command of Superintendents or Deputy Superintendents, are sub-divided again into Police Districts. These in turn are broken down into Police Station areas.

In order to deal with armed raids a plan to establish a series of static posts at selected places on the East Coast, with police operating in commando role from them, was approved and was well on the way to being implemented by the end of the year. This new addition to the organisation will be the responsibility of a Gazetted Officer under the command of the Divisional Commander, Sandakan.

In addition to normal police duties the Commissioner of Police also deals with Road Transport, Immigration, Prisons, Fire Prevention and Weights and Measures. It is the intention that the first three should be detached from the Force and established as separate Departments and administrative steps were taken during the year towards this end.

Establishment and Strength

The establishment of the Force, which was increased by eleven Inspectors and decreased by two Sergeants-Major during the year, is as follows:

			<i>Establishment</i>	<i>Strength</i>	
			1962	1-1-62	31-12-62
Gazetted Officers	...	...	25	25	25
Inspectors	...	...	48	32	41
Sergeants-Major	...	...	18	19	11
Sergeants	...	...	74	50	54
Corporals	...	...	113	115	131
Constables	...	...	754	750	769
TOTAL	...	...	1,032	991	1,031

NOTE: Immigration and other staff not specifically engaged in the maintenance of law and order are not included in the above statistics.

In addition to the establishment as set out in the foregoing paragraph an increase was approved in September, 1962, to deal with the armed raids on the East Coast. Details are as follows:

<i>Inspectors</i>	<i>Sergeants</i>	<i>Corporals</i>	<i>Constables</i>
1	2	15	63

Of the Gazetted Officers, one Native, one Eurasian and three Chinese now hold this senior rank. Considerable efforts were made within the Force during the year to select and train suitable men who have the necessary qualities of leadership for ultimate appointment to gazetted rank, in order that Borneanisation can proceed as speedily as possible.

During 1962 ten promotions were made from the lower ranks to the Inspectorate and three to corresponding rank in the Immigration Department, but, even so, increases in the number of new posts at this level leave considerable scope for promotion.

The racial composition of the Force on the 31st December, 1962, was:

<i>Europeans</i>	<i>Chinese</i>	<i>Dusun/ Kadazan</i>	<i>Sino-Dusun/ Kadazan</i>	<i>Muruts</i>	<i>Bruneis</i>
20	96	525	21	145	82
<i>Malays</i>	<i>Bajaus</i>	<i>Kedayans</i>	<i>Indians</i>	<i>Pakistanis</i>	<i>Others</i>
23	43	5	16	8	47

Police Reserve

164 officers of the Police Reserve were embodied on the 9th December, 1962, to assist the regular Force at the time of the Brunei rebellion. They responded speedily and whole-heartedly to the call-up and to the subsequent short but rigorous course of training at the Police Training School. They were returned to their villages at the end of January, 1963, having given an excellent account of themselves and having rendered the Force invaluable assistance.

Special Constabulary

Detachments of Special Constabulary perform useful work in all major towns and form an invaluable reserve for the regular police. As may be observed from the details of strength, some difficulty is experienced in recruiting for the senior ranks where initiative and a high standard of education are important. The following establishment and strength existed on the 31st December, 1962:

		<i>G.O.</i>	<i>Insp.</i>	<i>Sgt.</i>	<i>Cpl.</i>	<i>P.C.</i>	<i>Total</i>
Authorised Establishment	...	4	6	20	28	280	338
Actual Strength	...	2	1	6	6	264	279

The Special Constabulary did some excellent work during the local government elections which were held in December and in the Beaufort area during the time of the uprising in the Brunei Bay area.

Recruits and Training

Applications for enlistment were received from 490 persons and of these ninety-five were recruited. Of these the majority were of Dusun/Kadazan origin although it is of some significance to record that seventeen Chinese joined the Force, a greater number than in any previous year. In a multi-racial society this trend will be to the ultimate benefit of the public.

To encourage the enlistment of higher educational standards allowances are payable up to the rank of sergeant major as follows:

Senior Cambridge	...	...	...	\$70 per month
Junior Certificate or Passed Secondary V	...	...	...	\$50
Passed Secondary IV	...	...	...	\$35

For the first time in the history of the Force all instruction, with the exception of that to the Mobile Force, was undertaken in the English language. The object of this step was to facilitate the understanding of the law textbooks which are all in the English language and to enable potential leaders to embark on overseas courses. English language instruction is supervised by a Force Education Officer and tuition is eagerly sought by all ranks.

A number of special courses was conducted during the year, emphasis being laid on leadership courses, the English language and the training of commando police to be engaged on anti-raid measures on the East Coast. A small number of specialist personnel attended courses overseas.

Discipline, Morale, Health and Welfare

Discipline and morale remained at a high level and the number of disciplinary cases against police reached an extremely low and satisfactory level.

Once again the shortage of married accommodation was the greatest factor affecting the morale of the Force. Before the close of 1962 substantial strength increases were approved and the problem of buildings again came into focus. The expansion of the Force presses hard on the heels of accommodation.

The health of the Force continued to be good and the improvement in physical well being on joining the police is a recognised fact. There were four new cases of tuberculosis reported during the year.

A weekly family clinic in the Police Depot is run by the Medical Department with the able assistance of wives of police officers. The Force is grateful, both to the medical staff and to officers' wives, who give their time voluntarily to this task, for the great benefit which is derived from the operation of the clinic.

The Force runs a number of canteens in Divisions and in the Training School and profits accumulating are channelled into a Central Canteen Fund which is used entirely for welfare purposes. Taking part, as it does, in most public sporting events the Police Force is able to assist also by lending sports equipment and gear.

Police teams took part in most sporting events with success. In particular one member of the Force competed in the Commonwealth Games in Australia and the Asian Games in the Philippines. The football eleven won the Labuan Centenary Cup which is open to invited Clubs in North Borneo and Brunei.

Band

1962 saw the most arduous year's work the Band has yet undertaken and extensive tours, to include remote townships never previously visited, were fulfilled. Appearances were made in all

four Residencies and performances given at the majority of larger *tamus* (markets). The Band also took part in several Guards of Honour and the Queen's Birthday Parade.

The Band is commanded and instructed by a Director of Music and has a total strength of forty-five. Considerable progress was made in the standard of performance during the year and the popularity of this branch of the Force is evident from the heavy demands made on its services and the enthusiasm with which it is received. A bugle section was added to the Band during the year.

Transport

Police transport covered a total distance of 350,377 miles during the year. The following were in use:

			1-1-62	31-12-62
Lorries	...	...	2	2
Vans	...	...	8	7
Landrovers	...	...	18	20
Motorcycles	...	...	11	12
Fire Engines	...	...	1	4
Fire-Tenders (Landrovers)	...	...	5	5

Marine Branch

This branch of the Force, in the face of armed raids on our East Coast, has been under considerable pressure during the year. Principally it is responsible for the prevention and detection of offences in territorial waters, rivers and estuaries. Additionally, however, vessels are used in the maintenance of static posts, the transport of Police and Armed Services personnel and in co-operation with the Royal Navy when the occasions demand.

The Marine Branch operates three 70/75 foot sea-going launches, five thirty-seven foot kumpits (native craft) and two twenty-four foot speed boats. In addition two confiscated pirate kumpits were modified and brought into use during the year. Mechanically, three of the thirty-seven foot kumpits have not been reliable and for the best part of the year were invariably laid up. They are in the process of being re-engined. All vessels are fitted with wireless. Six small outboard craft have also been built and put into use for short river patrols.

There has been a growing tendency during the year for the few available police craft to be used more and more as transport for police and army personnel and less and less for their primary

task of patrolling and searching North Borneo waters. The following figures indicate what has been happening in this respect:

	1960	1961	1962
Craft searched ...	1,020	803	491
Craft detained ...	50	45	10
Persons arrested ...	89	232	60

An additional five launches, generously loaned to the Force by the Royal Federation of Malaya Police, will come into operation early in 1963. It should then be possible to rectify the above unsatisfactory state of affairs.

Coastal raids have heavily committed the three seventy foot launches. They covered 46,000 miles between them and throughout the year one vessel only spent five days unserviceable.

The strength of the Marine Branch is as follows:

	G.O.	C.I.	S.I.	Insp.	S.M.	Sgt.	Cpl.	P.C.	Total
Authorised ...	1	1	1	2	4	6	16	55	86
Actual on 31.12.62 ...	—	1	1	2	4	1	15	58	82

Radio Communications

The police radio network operates both HF and VHF sets, the maintenance of which is undertaken by the Department of Posts and Telegraphs. Wireless communication is maintained with all Divisions, police in Brunei and Kuching, Sarawak, the Marine Branch and also the Philippines Navy in the southern Philippines islands.

Crime

Detailed Penal Code Statistics are given in Appendix X, Tables A and B, to this report. The following sets out the comparative position over the last five years:

Penal Code Offences

ACCEPTED CASES	1958	1959	1960	1961	1962
Against Lawful Authority ...	48	53	83	76	66
Against Public Morality ...	12	13	10	12	14
Against the Person ...	128	141	129	127	147
Against Property ...	651	567	592	657	615 (a)
Others ...	19	7	15	22	13
	858	781	829	894	855
Percentage cleared up ...	53%	59%	63%	65%	60%
Number of persons convicted	448	495	570	742	574 (b)

NOTE: (a) A total of thirty-nine piracies on the high seas was reported to the police and are not included in these figures. Thirty-six persons were arrested and convicted in connected with five of these piracies.

(b) 1962 does not include sixty-eight cases under investigation or pending trial on the 31st December, 1962.

Details of offences committed against Ordinances, other than the Penal Code, are to be found at Appendix X, Table C.

The only increase of significance is the number of traffic offences in which accepted cases have risen by almost thirty-two per cent over the previous year. It may be accepted that as new roads appear and the economy of the country improves, the number of vehicles will increase and with this trend, likewise the number of offences committed.

The following table sets out the comparative situation over the past five years:

	1958	1959	1960	1961	1962
Reported Cases ...	3,293	3,627	4,894	4,254	4,857
Police Warnings/Rejected ...	1,060	1,056	1,795	1,332	1,336
ACCEPTED CASES:—					
Traffic ...	1,247	1,544	1,854	1,687	2,226
Arms and Explosives ...	26	42	70	53	74
Immigration ...	189	206	304	424	487
Minor Offences ...	496	543	619	499	459
Opium and Chandu ...	45	66	78	49	48
Others ...	230	170	174	210	227
Total Accepted Cases ...	2,233	2,571	3,099	2,922	3,521
Persons Convicted ...	2,635	2,705	3,270	3,551	3,747*

*This figure excludes 267 cases pending trial or under investigation on the 31st December, 1962.

The incidence of Penal Code offences committed by juveniles and young offenders remains at a reasonably low level and it is not possible to draw any inference from the figures. Statistics are to be seen at Appendix X, Tables D and E, to this report.

Immigration

There was a slight decrease in the number of vessels arriving from overseas which is attributed to fewer barter trade craft arriving from the Philippines and Indonesia.

The number of aircraft arriving also slightly decreased due to repairs being effected on the runway at Labuan Airport.

Inward passengers, however, remained at approximately the level prevailing in 1961. Comparative statistics over the past four years for all ports and airports are as follows:

	1959	1960	1961	1962
Ships ...	8,644	10,236	8,624	8,146
Aircraft ...	1,672	1,153	1,185	1,143
Passengers-in ...	52,341	30,014	28,729	28,528
Passengers-out ...	48,930	23,778	23,732	26,166
Passengers-transit ...	11,530	8,840	8,646	9,209
Crew members-in ...	—	63,823	48,287	47,963
Crew members-out ...	—	61,548	47,915	47,275

Comparative figures of international travel documents, visas and entry permits are as follows:-

	1959	1960	1961	1962
British Passports	695	773	1,185	2,256*
Passports Renewal	353	328	371	497
British Emergency Certificates ...	140	171	166	284
Certificates of Identity	2,490	1,971	1,524	1,523
Visas	807	1,158	1,240	1,302
Entry Permits	115	232	335	439
Labourers Permits	4,336	8,529	7,126	5,525
Immigrant Workers (Permits) ...	—	—	580	596
TOTAL	8,936	13,162	12,527	12,422

*This figure includes 128 issued on behalf of North Borneo Authorities outside the territory.

Twenty-seven applications were received in connection with Immigration Enterprises compared with forty-one applications in 1961. During the year nine applications involving the entry of 125 persons into North Borneo were approved.

The total number of offences under the Immigration Ordinance was 505 of which, excluding three cases pending trial, 466 cases resulted in convictions involving sentences being passed on 921 persons of whom 449 served sentences in prison.

There was no change in the general administrative organisation of the Immigration Department but the designation of Immigration personnel was changed on the coming into force of the new Immigration Ordinance in July, 1962. The Commissioner of Immigration was changed to Controller of Immigration (he was assisted by a Deputy Controller at Headquarters) and in outstations, Assistant Commissioners became Chief Immigration Officers whilst Police Inspectors became Senior Immigration Officers or Immigration Officers.

When the new Immigration Ordinance came into force on the 15th July, 1962, the Essential (Travel Restriction) Order was also repealed. The new Ordinance is modelled on the legislation now existing in Sarawak, Singapore and Malaya. The two most important provisions of the Ordinances are sections 6 and 7. Section 7 deals with the persons who are entitled to enter North Borneo without a permit or pass. Section 6 requires that all other persons shall comply with the Immigration Ordinance by obtaining authority to enter in one of the four ways set out in that section. The Ordinance makes a distinction between an entry permit and a pass. A permit is a document which is issued to persons who seek

to enter North Borneo permanently and there are certain safeguards for the holder of such a permit. A pass is a document which is issued to persons who wish to come to North Borneo temporarily for a holiday or to work. Passes can, therefore, be more freely issued and revoked.

The establishment was increased by one Senior Immigration Officer, One Immigration Officer and one Immigration Examiner, making a total of thirty-four persons comprised of one Gazetted Officer, one Senior Immigration Officer, three Immigration Officers, seventeen Immigration Examiners, one Confidential Secretary, and eleven clerks.

During the year 24,838 items of correspondence, excluding classified material, were received at headquarters compared with 16,031 in 1961, an increase of 54.93 per cent. 14,198 travel documents, entry permits, passes and other items of correspondence were despatched compared with 11,903 during the previous year—an increase of 20.1 per cent. The smaller increase in despatch of correspondence etc. in comparison with inward mail is mainly due to the combining of the headquarters and Jesselton offices.

PRISONS

The Prison Department is administered by the Commissioner of Prisons.

The Central Prison at Jesselton, with accommodation for one hundred and eighty-eight men and ten women prisoners, is under the charge of a Superintendent of Prisons. The prison at Sandakan, which has accommodation for seventy-two males and six females, and seventeen smaller prisons in out-stations, are in the charge of Police or Administrative Officers.

All persons sentenced to twelve months or more are transferred to the Central Prison, all those with sentences of six months or more serve their sentences either in Jesselton or Sandakan, and only those with sentences of under six months remain in the out-stations prisons.

Staff

An additional post of Trade Instructor was provided and the vacant post of Principal Officer was filled on the 1st January this year.

The staff work a forty-eight-hour week having one day off each week and time off in lieu of all work done on Public Holidays.

The pay of the Prison staff is comparable to that of similar grades in the Police Force.

The establishment and strength of the Prison Department at the beginning and end of the year were as follows:

		<i>Establishment</i>		<i>Strength</i>	
		31-12-61	1-1-62	31-12-62	
Gazetted Officer	...	1	1	1	
Principal Officer	...	1	1	1	
Chief Warders	...	2	2	2	
Assistant Chief Warders	...	2	2	1	
Senior Warders	...	7	6	6	
Warders	...	49	49	50	
Extra Warders	...	—	—	6	
Wardress	...	3	3	3	
Trade Instructors	...	2	3	3	
G.C.S. Clerks	...	3	3	3	

Discipline and Health

Prison offences showed an increase during the year. There were fourteen disciplinary offences committed by the Prison staff as compared with thirteen in 1961, whilst prisoners committed forty-five offences against regulations compared with twenty-three in 1961.

There were four escapes during the year; three were recaptured. The standard of health and cleanliness in the prisons was very good and there were no deaths during the year.

A trained Hospital Assistant supervises the small prison hospitals in Jesselton and Sandakan Prisons. Medical Officers visit all prisons regularly.

Classification of Prisoners

Prisoners are classified as follows:

- (a) first offenders;
- (b) recidivists;
- (c) young prisoners (sixteen to twenty-one years of age);
- (d) juvenile male prisoners (below sixteen years of age);
- (e) juvenile female prisoners (as above);
- (f) remand prisoners;
- (g) female prisoners;
- (h) detainees.

A scheme is in operation whereby prisoners receive promotion by progressive stages for diligence, good work and good behaviour and thus become entitled to various privileges. There is also an earning scheme with rates of pay ranging from forty-five cents (approximately 1s. 0d.) per week to two dollars forty cents (approximately 5s. 7d.) per week.

Long sentence prisoners are taught trades in the Central Prison. There are workshops for tinsmiths, carpenters, cobblers, blacksmiths, tailors and cane-workers. Prisoners with an agricultural background are employed on the Prison Farm. Nine prisoners attended a Rubber Tapping and Processing Course lasting about five weeks under an instructor provided by the Rubber Fund Board.

Welfare, Education and Sports

Books, newspapers and magazines are available in all prisons and lock-ups.

Films are shown once a month in the mess of the Central Prison. Prisoners were entertained with music and songs by the Malay Section of Radio Sabah during Hari Raya Puasa and the Police Band gave two concerts.

Selected prisoners are taken to the beach on Sunday afternoons for swimming. They have also attended local football and volley ball matches.

Badminton, volley ball, football and table-tennis are played in the evening. Volley ball matches are played against local teams and a mixed team of staff and prisoners entered the local football league. The Prison volley ball team is competing in the Police Volley Ball Competition.

The Literacy and Simple Mathematics classes under a Government teacher continue to be very popular. The Literacy class is compulsory for all illiterate prisoners. English classes were also resumed during the year.

Visiting Justices—Visiting Committee, 1962.

The Visiting Committee visited all prisons and lock-ups monthly, and lady members of these committees regularly visited the female prisoners at Jesselton and Sandakan. Their reports were generally good throughout the year and they received few complaints from the prisoners.

Admissions

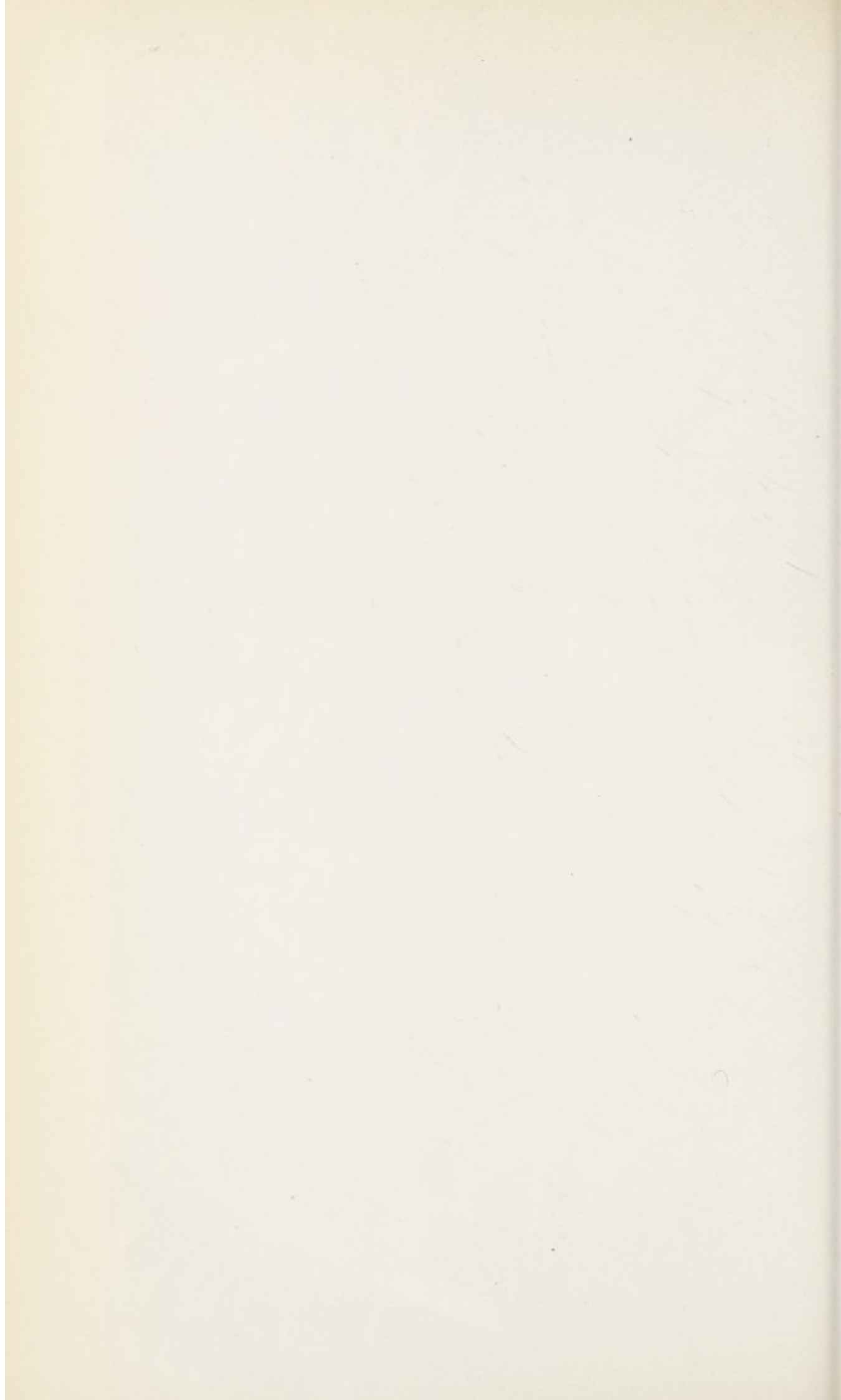
One thousand seven hundred and seventy-six male and eighteen female prisoners were committed in 1962. These figures include three hundred and thirty-seven males who were detained in connection with the civil disturbance at Weston in December. Eight hundred and thirty-seven males and eleven females were sentenced to terms of imprisonment during the year.

Detainees

Three hundred and thirty-seven males were detained under the Emergency Regulations. One hundred and eighty-two were



Boat Builder at Kg. Benoni.



released before the end of the year. The remaining one hundred and fifty-five were all detained in the Central Prisons, Jesselton, where they are strictly segregated from the other prisoners. One hundred and thirty-five of them have elected to work and receive the usual prison rates of pay. They are allowed the same recreational facilities as the ordinary prisoners, and all those who are illiterate attend compulsory literacy classes every afternoon.

Offences

Eight hundred and forty-eight persons were sentenced to terms of imprisonment in 1962 of which four hundred and thirty-six were for immigration offences. It is not therefore surprising that sixty-nine per cent of all those sentenced for all offences were either Indonesians or Filipinos. (These figures do not include detainees).

Juvenile Delinquents

There were twenty-eight juveniles admitted on remand in 1962 compared with eight in 1961. Four juveniles were convicted and were sent to Kuching Boys' Home, six were bound over, five were for Immigration offences and were repatriated on the first available boat, six were sentenced to terms of imprisonment of up to three months and seven were discharged.

Chapter 10: Public Works and Public Utilities

PUBLIC WORKS AND PUBLIC UTILITIES

Public Works Department

THE Public Works Department is responsible for all engineering and building works of a public nature, under a Director assisted by a Deputy Director and three Assistant Directors.

Headquarters at Jesselton include the specialist branches of Architecture (supervised by one of the Assistant Directors), Hydraulics, Mechanical and Electrical, and Roads, each under a Senior Executive Engineer. A Divisional organisation under Executive Engineers covers Jesselton, Kinabalu, Sandakan, Tawau, Interior and Labuan respectively.

Expenditure

Total expenditure by and on the Department during the year amounted to approximately \$35.28 million of which \$3.74 million were met from Colonial Development and Welfare Funds and \$1.05 million from Loan Funds. Personal Emoluments amounted to \$2.28 million or 6.46 per cent of the Department's total expenditure during the year. There was an increase of over \$7.45 million in total expenditure over 1961.

Wharf Construction and Port Area Development

The major achievement was the ultimate completion, after many difficulties, of the new wharf at Tawau. With a frontage of 650 feet between mooring dolphins at 850 feet the wharf can accommodate large ocean-going vessels of 24-foot draught at all states of the tide, or two local coastal vessels. Work is proceeding on new customs offices and godowns.

Apart from this the year was devoted to planning and design for a number of new projects, notably a new wharf at Kudat, for which a contract was signed towards the end of the year. This will provide two berths 334 feet in length, with one dolphin 100 feet from the end of the wharf.

The design is by Sir Bruce White, Wolfe Barry and Partners, who were also responsible for the Tawau Wharf and the same local contractor has been successful in tendering for the work.

Preliminary investigations at Lahad Datu including Marine Surveys by the Department of the Hydrographer of the Royal Navy in conjunction with the Marine Department, Sarawak, resulted in consultants being briefed to prepare designs for a new

wharf and port area. The same firm was also commissioned to design slipways for 300-ton boats at Labuan and 100-ton boats at Sandakan.

Designs were prepared by the Department for new wharves at Semporna and Kunak as well as a number of small riverine wharves.

Sewerage

The major sewerage schemes which are based on designs prepared by the World Health Organisation continued to function satisfactorily throughout the year.

Apart from a new scheme in Papar for which tenders were called by the end of the year, only minor extensions were made to keep up with the building programme and no major new works were undertaken during the year.

In Jesselton, Sandakan, Tawau, Labuan and Kudat, the sewage is discharged into the sea while in the other smaller schemes at Beaufort, Tenom and Kota Belud it is discharged into rivers.

All these sewerage schemes are operated on behalf of the respective Local Authorities by the Public Works Department under agreements providing for the recovery of the costs involved. However, it was agreed that the Government would bear any costs in excess of the product of a seven per cent rate in any one authority.

Reclamation

The reclamation of the Kampong Ayer foreshore was completed during the year and all services provided except for the final surfacing of the roads which is to follow when building construction is nearing completion. A large number of plans have been approved under the Building By-Laws for buildings on the 14.5 acres available for development by the public and construction commenced during the latter part of the year. The remaining 7.5 acres are reserved for Government use and planning of the area has begun.

Reclamation north of Jesselton wharf has made progress. During the year the decision was made to extend it to provide thirty-three acres for industrial development adjacent to the port area and about eighteen and a half acres for residential purposes on top of the hill from whence the filling has been obtained.

About fifteen acres of reclamation have been completed, but difficulty is being experienced with the amount of rock now being uncovered in the excavation.

A scheme to reclaim 1.9 acres from the small boat basin at Tawau for the erection of private godowns has been completed and at Kudat about five acres have been reclaimed including two sections required as working space during the construction of the new wharf.

Airfields

The new service area for Borneo Airways was completed at Labuan and tenders accepted for the erection of two new hangars and maintenance workshops. The Royal Air Force hardstanding was also completed. Both these areas were used to the full during the period of the Brunei revolt as Labuan airport was the base for the whole operation.

The reconstruction of the existing runways at Tawau and Lahad Datu airfields was completed during the year, to enable D.C. 3 scheduled services to operate from them. Tawau airfield was extended from 2,400 feet to 4,500 feet and Lahad Datu airfield from 2,350 feet to 3,600 feet. Tawau runway has a macadamised rock surface and Lahad Datu runway a coral sand surface.

At Sepulot in a remote area in the Interior Residency the fair weather strip constructed in 1961 was further improved. The laying of a gravel surface has been begun to enable the strip to be available in all but the most extreme conditions of weather. This was sufficiently far advanced for a pilot familiarisation flight to be made in December and scheduled flights were then announced for commencement in January, 1963.

Buildings

All major buildings under construction in 1961 were completed with the exception of the Agricultural Research Station laboratory at Tuaran which was nearing completion.

Plans were prepared and construction was in progress on three blocks of senior officers flats and the first stage of a new Teachers Training College in Jesselton. An extension to the Forest office and a new Herbarium, to replace the earlier one destroyed by fire, was started in Sandakan. Work was also proceeding on the new Customs House and transit shed at Tawau; an Old People's Home was also constructed in this area on behalf of the controlling authority.

Lahad Datu hospital, which was under construction at the beginning of the year, was extended to include Stage II and opened towards the end of the year. A new Health Centre was completed at Labuan and another at Sandakan was being extended. A hostel for an additional twenty nurses was being built at Jesselton and a number of minor schemes of improvement carried out to

Beaufort and Labuan hospitals. Plans were in the course of preparation for a new Outpatients and Specialists Department and the conversion of part of the existing buildings into a nurses training school for the Queen Elizabeth Hospital, Jesselton.

Besides the Teachers Training College mentioned above a new Secondary Boarding School was being built at Keningau and two more being planned. Work was also in progress on extending Sabah College by the addition of a biology laboratory and four classrooms. A small centre for training teachers from native voluntary schools was built on a site planned for a new Trade School, the buildings being designed to convert to their future use when so required.

Primary schools were built or extended throughout the country and help was given when requested to the Administration who undertook to build small schools of local materials in the more remote areas.

An extensive police building programme of police stations and barracks was got under way and an emergency programme of simpler buildings started to provide accommodation for additional police required on the East Coast as a result of pirate activity.

Private architects were commissioned to design a new 260 bed hospital for Tawau with provision for future extension. At the end of the year commissions were also given for the preliminary designs for a new mental hospital and a rice godown. A market was being constructed in Tawau under Public Works Department supervision but designed by private architects.

Mechanical and Electrical

This Branch of the Public Works Department is responsible for the maintenance of all the Department's plant and machinery and all Government owned vehicles. It has extensive workshops in Jesselton with a smaller shop in Sandakan where complete plant overhauls are undertaken.

During the year the Central Workshops in Jesselton undertook 271 major overhaul works, 2,000 minor repair jobs, and 2,246 vehicle servicings in addition to some 150 manufacture works of an extensive nature. A water meter repairs section was equipped and staffed and started operating in the early part of the year.

Outstation workshops at Sandakan, Kudat, Lahad Datu and Tawau were strengthened with additional staff and equipment and a further mobile workshop section was added to the Roads Construction Branch of the Department.

An additional \$4,000,000 worth of plant and vehicles was received during the year.

The Electrical Section made further progress in the equipping and staffing of its workshops in Jesselton and continued repair work on all types of appliances and equipment in use in Government buildings and quarters.

The Electrical Instructions issued in 1961 were revised and latest Regulations incorporated. Periodical scheduled inspection of all Government electrical installations was carried out and recommendations made with regard to repairs or modifications necessary to comply with the Regulations.

Laboratories

Works undertaken by the central laboratories continued to expand, and the construction of a hydraulic research building was under way by the end of the year.

In addition to the Materials Laboratory, in Jesselton, field laboratories were established at Sandakan and Tawau, in connection with projects throughout North Borneo, but shortage of suitable qualified staff restricted the output.

In addition to routine testing for road and airfield works a certain amount of experimental work was carried out to the advantage of the Department. Particularly noteworthy was the work on the cement stabilisation of a silty sand at Sandakan which was then used for the reconstruction of the town road with the heaviest traffic.

General

Once again the output of work has increased. A reasonable standard was maintained despite the shortages of supervision, due in part to the continually increasing facilities available throughout North Borneo. More plant, better workshops and depots in the Divisional Offices are beginning to show results.

WATER SUPPLIES

This year marked the beginning of the Water Authority as the controlling authority for all piped supplies. The Director of Public Works is the Water Authority, and for the present all the work is carried out as a function of the Department.

The basis of charging by meter introduced in 1961 halted the upward trend in consumption; in fact in the larger towns daily averages showed a decline. The Water Authority also introduced a mechanised direct consumer billing system at the beginning of the year which proved to be satisfactory. Similarly, Water Supply Regulations were brought into effect as from the 1st January and materially assisted the administration and control of the supplies.

Extension of the Jesselton supply area continued and supplies to the outlying villages of Gagganah, Bahang and Tuavon were

completed and construction of an extension to the small township of Menggatal was nearing completion at the end of the year. Designs were completed and materials ordered for the extension of the works to two million gallons per day.

In Sandakan the construction of the 1.5 million gallon service reservoir and associated high lift pumps proceeded well and is expected to be completed early in 1963. In view of the long investigation which will be required before a new source and treatment works can be developed, it was decided to extend the existing works up to one million gallons per day. Considerable investigation work towards the development of a new source was carried out and towards the end of the year a firm of consultants was approached to advise on the proposals.

The construction of the new supply at Papar comprising a river intake, rapid gravity treatment plant, service reservoir and distribution system was well advanced at the end of the year and expected to be in operation in early 1963.

The Kudat service reservoir was nearing completion at the end of the year and will shortly be brought into use together with the extended ground water collection scheme. The total yield is expected to be in the region of 180,000 gallons per day.

Extensions to Tawau works including additional raw water and clear water pumps, a new pumping main and chemical feed plant have been completed, together with extensions and improvements to the distribution system. Extension of the treatment plant is now being considered.

Working drawings for a new pumping and treatment works in Lahad Datu have been completed and construction will begin early in 1963.

In Beaufort the construction of a duplicate gravity main was completed, resulting in very much improved pressures in the town area.

Well drilling, by percussion rig, continues in Labuan. During the year a second rig was purchased and it is expected that the drilling programme will now be completed in 1963. The anticipated yield is 300,000 gallons per day. Orders have been placed for new electrically operated pumps and working drawings for a treatment works of capacity 300,000 gallons per day are well advanced.

The two supplies in Semporna were recently taken over from private ownership and have been improved by the reconstruction of two wells, installation of new pumping equipment and chlorinators.

Preliminary surveys, drawings and estimates have been prepared for Ranau, Weston and Membakut as a beginning of a programme for development of minor rural supplies.

The small water laboratory has extended its activities to include analyses of samples from all stations where piped water is supplied. This has been in the face of extreme shortage of staff and it has not therefore been possible to train treatment works supervisors as was envisaged in 1961. During the year the laboratory carried out 670 chemical analyses, 2,700 bacteriological analyses of a routine nature and more than forty special analyses and tests connected with the design of works etc. Seventy-one of the total samples examined proved to be unsatisfactory, of which twelve confirmed previous evidence that pollution was taking place, two indicated failure of part of a treatment process, and nine indicated pollution of wells, tanks or mains from which negative samples were obtained after remedial measures had been taken. A large proportion of the remainder of positive samples was due to poor sampling techniques. However, the cause could not be traced and satisfactory results were obtained on resampling.

	<i>Average Daily Supply Gallons</i>	<i>Approx. Capital Value \$</i>	<i>Source of Supply</i>	<i>Treatment</i>
Jesselton	1,130,000	3,127,000	Moyog River	Rapid gravity filters.
Tuaran	114,000	292,000	Tuaran River	Pressure filters.
Kota Belud	126,000	136,000	Shallow wells	None.
Kudat	32,000	314,000	Shallow wells	"
Labuan	218,000	480,000	Bore wells	"
Sandakan	642,000	1,311,000	Bore Wells and Batu Lima River	Rapid gravity filters
Tawau	438,000	1,192,000	Tawau River	"
Lahad Datu	45,000	97,000	River Tabanac	None.
Semporna	5,000	152,000	Shallow wells	"
Keningau	43,000	141,000	Stream intake	"
Tenom	76,000	64,000	"	"
Beaufort	90,000	200,000	"	"

All supplies except Kudat are chlorinated.

ELECTRICITY

Electricity is provided by the North Borneo Electricity Board in all the main towns of North Borneo, except in Beaufort, Kota Belud, Menggatal and Semporna, where it is provided by licences. All areas are on a 24-hour supply except at Semporna, where similar supplies will be introduced early in 1963.

The distribution and transmission systems are standardised at 22,000, 11,000, 6,600 and 400/230 volts, A.C., 50 Cycles.

The results of reconstruction and careful planning showed in the Board's profits for 1961 and enabled a dividend of five per cent to be declared on the Ordinary stock of \$2,570,000, all of which is held by the Government. Indications are that the financial results for 1962 will be equally satisfactory.

The Board continues to be faced with a rate of growth which is in excess of that experienced by comparative undertakings in the region and which makes forward planning difficult. Finance has to date been provided by a debenture of \$2 million and a short-term loan of \$1,900,000, both from the Government, by short-term private loans of \$800,000 and by a bank overdraft under Government guarantee. Since its establishment in 1957 the Board has met approximately thirty-two per cent of its development programme from its own resources taking one year with another, the contribution reaching forty-nine per cent for 1961. The results for 1962 are expected to surpass this percentage.

As a guide to its future development the Board has adopted the following principles:

- (a) The Board should not be subsidised, particularly at the expense of tax-payers who do not have electricity. It therefore accepts a liability to pay a dividend of five per cent on its stock, taking one year with another, with effect from the 1st January, 1960. This percentage covers the rate at which the Government originally borrowed funds for electricity development.
- (b) It accepts the view that an expanding electricity undertaking should finance at least forty per cent of its development programme from revenue, including provision for depreciation and other reserves, taking one year with another, and that an annual reserve of at least one per cent of the Board's liabilities in respect of debentures, loans and overdraft should be set aside.
- (c) It will extend supply mains and develop new undertakings wherever these promise to break even.
- (d) With effect from the 1st January, 1963, capital sums will be set aside for the development of otherwise uneconomic rural supplies, provided that the degree of cross-subsidy of uneconomic stations by those which are economic does not prejudice the development of cheap electrical power for industrial purposes.

The completion of the 22 KV line from Jesselton to Tuaran, which was officially opened by His Excellency the Governor on the 31st May, made it possible to begin a programme of rural electrification before the 1st January, 1963. Under this programme supplies will either be given by extensions from existing high tension networks or by small semi-automatic diesel sets providing, initially, lighting for the night period. As demand increases, the hours of supply will be extended. Consumers will either be metered or will pay a flat rate for a limited supply. A mains supply to Kampong Lunghab in the Penampang District has already been

provided while diesel plant and equipment is on order for installation in 1963 in Petagas, Putatan, Weston, Sipitang, Mesapol and Ranau.

A panel of the United Nations Economic Commission for Asia and the Far East experts on rural electrification visited North Borneo in July, 1962. Their report was favourable both to the work and the rural electrification proposals of the Board but stressed that the capital outlay for rural schemes per kilowatt of demand is relatively much higher than for urban schemes. It followed that electricity consumption development in the rural areas cannot be expected to provide sufficient revenue returns so that, at least for the first few years, subsidies would be necessary. The Board has accepted this advice for, unless there is an adequate return on its investment in rural supplies, the development of cheap power for industrial purposes may be prejudiced. It has therefore decided that for future rural schemes there must be a net return of seven per cent before the Board can agree to provide capital from the minimum annual provision of \$200,000 set aside for rural schemes. This percentage is sufficient to cover interest charges. Where this return is not obtainable the Board may be unable to give supplies without a subsidy.

The Board's tariffs are approximately in line with those of other undertakings in the region but are inevitably higher than in more densely populated and developed areas. It is the Board's policy to reduce tariffs whenever possible. In 1962 the improved financial position enabled the five per cent surcharge levied on Sandakan tariffs to be abolished with effect from the 31st December, while from the same date the tariffs at Labuan and Tawau were reduced to the rates for major undertakings, in line with Jesselton and Sandakan. The economies arising from the construction of the Tuaran 22 KV line were also handed on to consumers whose tariffs were reduced from the minor undertaking to the medium undertakings level. Details of the Board's tariffs will be found at Appendix XIV.

The tempo of growth is such that the Board must shortly either build a new thermal station at Jesselton or switch to hydro-electric generation. The Australian Government has generously made available the services of a Hydrologist, under the Colombo Plan, from the Snowy River Authority. Investigations have revealed that there is considerable hydro-electric potential available near Jesselton and also at a number of other places throughout the country.

The following figures show the increase in the Board's growth during recent years:

	1959	1960	1961	1962	Increase
	Kw.	Kw.	Kw.	Kw.	on 1961
Installed capacity ...	5,694	7,849	9,341	9,413	1 %
Consumers ...	6,462	7,163	8,202	8,888	8½ %
Units sold ...	9,490,107	13,744,439	16,470,651	20,600,451	25 %

The overall revenue per unit in 1962 was 17.783 cents with a cost per unit of 15.937 cents.

The Board's Stations

Jesselton. The number of units sold was 10,766,252, an increase of twenty per cent over the previous year. The peak load was 2,300 kw and consumers rose from 2,704 to 3,221.

The 22 KV line to Tuaran was completed and the opening ceremony in May was carried out by His Excellency the Governor. This project enabled Tuaran and the intervening towns to be connected to Jesselton. The installed capacity of the power station was 3,250 kw. A further 1,500 kw 16 CSV set was received at the end of the year and is expected to be commissioned in early February, 1963.

Labuan. There was an increase of only two per cent in units sold, which totalled 1,812,009. Development in this area has been rather slow but it is expected that during the following year there will be an improvement in demand.

Kudat. Sales increased by fifty per cent to 531,004 units. Kudat continues to show a steady growth and there is an increased demand for industrial power.

Papar. Units sold increased by twenty-eight per cent to 155,227. The 6.6 KV overhead line to Limbahau pumping station was completed towards the end of the year and the pumping station is expected to go into operation in February, 1963.

Tenom. Sales were 225,768 units, an increase of fifteen per cent. Consumers rose from 216 to 254. A number of small light-industrial undertakings were converted to electric power during the year.

Keningau. The consumption at Keningau was 162,040 units, an increase of twenty-seven per cent, with 190 consumers. There are now healthy signs of development in the area and two rice mills decided to take electric power.

Sandakan. Continues to develop rapidly and sales rose by thirty-five per cent to 5,793,039 units and consumers increased to 2,610. The rehabilitation of the distribution system was practically completed during the year and both the HT and LT systems

were considerably extended. A further 1,500 kw 16 CSV set was placed on order for delivery in February, 1963.

Lahad Datu. Units sold were 283,594 an increase of fifty per cent over the previous year. Arrangements were made to provide an HT supply to the town and to outlying districts for completion in early 1963. The town is developing rapidly and good class hotels are being built.

Tawau. Has made good progress with units sold totalling 1,859,690 compared with 1,331,452 in 1961, an increase of forty-one per cent. A third 500 kw 8 SV set arrived towards the end of the year and should be in operation by early 1963.

At the end of the year the installed and generating capacity of the Board's stations were as follows:

		<i>Installed</i>	<i>Generating</i>
Jesselton	...	3250 kw	2250 kw
Sandakan	...	2750 kw	1750 kw
Labuan	...	1000 kw	500 kw
Tawau	...	1000 kw	500 kw
Lahad Datu	...	420 kw	280 kw
Kudat	...	448 kw	294 kw
Papar	...	185 kw	100 kw
Tenom	...	194 kw	94 kw
Keningau	...	140 kw	90 kw

Chapter 11: Communications

PORTS, HARBOURS, SHIPPING AND NAVIGATIONAL AIDS

DURING the year, 13,126 vessels of which 3,053 were ocean-going over 500 gross tons, used the fifteen North Borneo ports and timber loading points, representing a total gross tonnage of 11,214,384—an increase over 1961 of more than one million gross tons. Cargo handled both inwards and outwards was 2,281,260 tons as against 2,096,747 tons in 1961. Passenger traffic totalled 135,520 as against 132,597 in 1961.

The general increase is chiefly due to the steady rise of the timber trade particularly in Sandakan and other East Coast ports.

The table below shows the steady increase of North Borneo's sea borne trade over the period 1948-1962:

<i>Year</i>		<i>Gross Tonnage</i>	<i>Cargo Tons</i>	<i>Passenger Traffic</i>
1948	...	1,627,444	347,243	—
1949	...	1,958,508	500,784	—
1950	...	2,436,246	508,857	—
1951	...	2,488,416	580,753	—
1952	...	3,041,127	571,643	—
1953	...	3,342,394	580,126	74,185
1954	...	3,961,911	737,732	72,173
1955	...	4,541,797	843,601	77,592
1956	...	4,999,116	936,398	92,863
1957	...	5,918,374	1,147,244	100,476
1958	...	6,826,949	1,234,676	108,017
1959	...	7,560,572	1,569,237	102,598
1960	...	9,512,673	1,860,587	137,213
1961	...	10,066,493	2,096,747	132,597
1962	...	11,214,384	2,281,260	135,520

Detailed statistics by individual ports for 1962 are shown under Appendix XII.

Report of Trading Account.

The memorandum accounts established in 1961 for the purpose of ascertaining the financial position of Ports and Harbours and Coastal Lights and Navigational Aids were maintained.

The income and expenditure for the year ending the 31st December, 1962, in respect of Ports and Harbours account showed a deficit of \$72,500; this represented a vast improvement on the previous year's deficit of \$248,000. This is largely due to the introduction on the 1st January, 1962, of the new Wharf Dues and the increase in pilotage services.

Coastal Lights and Navigational Aids account showed a surplus of income over expenditure of \$172,000 as against \$114,000 in 1961.

Principal Ports and Harbour Facilities.

The principal ports, in order of tonnage handled during the year, are as follows:

Sandakan. As centre of the timber industry on the East Coast, this port handled during the year 3,361,268 gross tons of shipping with 1,012,821 tons of cargo, compared with 2,960,701 gross tons and 982,178 tons of shipping and cargo respectively in 1961.

The main export from Sandakan was timber. The majority of the log timber shipments go to Japan and smaller consignments to Hong Kong, Formosa and Australia. Small amounts of sawn timber were also exported to Australia and U.S.A. Other items of export include rubber and copra.

The timber loading point at Jambongan some seventy miles north-west of Sandakan handled during the year 98,933 gross tons of shipping and 35,308 tons of cargo. Ships calling at this port are cleared through Sandakan.

The largest vessel to enter Sandakan during 1962 and berthed at the Government Wharf was the Dutch freighter M.V. "Karachi" of 10,891 gross tons.

Labuan. Labuan, the only port in North Borneo which enjoys "Free Port" status, and which is the principal transshipment port for the Brunei Bay area and ports extending to Kuala Baram, handled during the year, 1,537,549 gross tons of shipping as against 1,553,439 tons in 1961. Cargo handled totalled 304,344 tons an increase over the previous year of 58,514 tons. Many vessels entered the port for bunkering purposes.

Timber and copra are the two main exports. The majority of the timber shipments went to Italy, Japan and Australia, and copra shipments to South America and Japan.

The largest vessel to enter the port during 1962 was the French Tanker "Vola" of 20,736 gross tons, which berthed at the Shell Installation Jetty. The largest to use the Government Wharf was the M.V. "Karachi" of 10,891 gross tons.

Tawau. The port of Tawau on the south-east coast, bordering on Indonesia, includes the timber loading point of Wallace Bay. During the year 1,921,939 gross tons of shipping with cargo totalling 426,679 tons was handled. This represents an increase over 1961 of 369,417 gross tons of shipping and 66,875 tons of cargo. The principal exports were timber, copra and hemp.

The largest vessel to enter the port and berthed alongside the wharf during the year was the M.V. "Karachi" of 10,891 gross tons.

Jesselton. The capital of North Borneo on the West Coast, this port handled 1,329,870 gross tons of shipping and 155,752 tons of cargo, an increase over 1961 of 248,985 gross tons of shipping and 37,936 tons of cargo. The principal exports were rubber and timber.

The largest vessel to use the port and berthed alongside the wharf was the Dutch freighter "Karimata" of 10,782 gross tons.

Lahad Datu. This port in the Darvel Bay, East Coast (together with the timber loading point at Bohihan) handled 1,069,784 gross tons of shipping and 140,451 tons of cargo representing a slight increase on 1961 of both shipping and cargo. Timber and copra were the main exports. M.V. "Kyokuyo Maru", gross tonnage 8,418, was the largest vessel to enter the port during the year.

Bakapit and Silam. These are timber loading ports in Darvel Bay. Total shipping handled during the year was 811,757 gross tons and cargo 122,705 tons compared with 1961 figures of 844,600 gross tons and 142,166 tons of shipping and cargo respectively. The largest vessel to enter Bakapit was M.S. "Vestland" of 9,999 gross tons.

Kudat. This port on the North Coast handled the more regular cargo/passenger service vessels. Shipping handled during the year totalled 462,828 gross tons as against 450,427 gross tons in 1961. Cargo handled was 22,537 tons, a decrease of 3,853 tons on the previous year. The principal exports were copra and timber.

As in 1960 and 1961, the largest vessel to use the port was the Straits Steamship Company Limited's vessel M.V. "Kunak" of 4,875 gross tons.

Semporna. This port on the East Coast lies between Lahad Datu and Tawau. It handled during the year 593,924 gross tons of shipping with cargo totalling 53,375 tons, representing an increase over 1961 of 110,665 gross tons of shipping and 14,597 tons of cargo.

The main exports were firewood, timber and copra. The largest vessel to enter the port was the Japanese cargo vessel M.V. "Nagoya Maru" of 7,769 gross tons.

Wharves

Location and dimension	Accommodation and Least Depths in Feet			
	Outer Berth	L/D	Inner Berth	L/D
<i>Labuan</i>				
Liberty Wharf 400' x 40' (600' between dolphins.)	One ocean-going vessel using mooring dolphins.	26'	One 3,000-ton vessel.	18'
*Small Ships Wharf 265' x 30'	Two coastal vessels	12'	—	—
Shell Oil Installation Jetty, 175' x 25' (700' between dolphins).	One ocean-going vessel using mooring dolphins.	31'	—	—
<i>Jesselton</i>				
Wharf 650' x 40'	One ocean-going vessel	25'	One 3,000-ton vessel. Two coastal vessels.	22'
<i>Kudat</i>				
Wharf 150' x 30'	One 3,000-ton vessel using dolphins.	16'	—	—
<i>Sandakan</i>				
Wharf 740' x 40'	One ocean-going vessel. One 3,000-ton vessel.	21'	Two coastal vessels.	8'
Shell Oil Installation Jetty 128' x 18' (450' between dolphins).	One 3,000-ton vessel using mooring dolphins.	27'	—	—
<i>Tawau</i>				
Wharf (Sept. 1962) 650' x 40' (850' between dolphins).	One ocean-going vessel. One 3,000-ton vessel.	22'	—	—
<i>Lahad Datu</i>				
Wharf 80' x 50'	One coastal vessel.	16'	—	—
<i>Semporna</i>				
Wharf 42' x 36'	One coastal vessel.	17'	—	—

*Closed to vehicular traffic since 1959.

PORT DEVELOPMENT

Jesselton

One prefabricated shed fifty feet by twelve feet was erected during the year and used as a shelter for pallets. The old matches godown was demolished and a new one is under construction.



The New School of Agriculture, Tuaran.

(Department of Agriculture).



(Broadcasting and Information Department).



A Unit of the North Borneo Mobile Police back from Brunei after the Revolt.

(Mei Hua Studio, Jesselton).



Activity at Labuan Airport during the Brunei Revolt.

(Department of Civil Aviation).

Kudat

Plans for the new 300 feet x 44 feet wharf have been finalised and reclamation work including site preparation commenced in December. The wharf when completed will give a least depth alongside of twenty-four feet.

Tawau

The new 650-foot long wharf was completed in September and was declared open to its full length on the 22nd September. The vessels s.s. "City of Ely" and s.s. "Fengtien" were the first two vessels to berth alongside the new wharf on the 23rd September.

The concrete sea wall with an overall length of 530 feet on the western side alongside the new metal road to the wharf approach was also completed during the year. Under construction since the 1st September, 1962, are the Customs and Marine Offices together with ancillary buildings, all of which are expected to be completed during the latter part of 1963.

Lahad Datu and Semporna

Consultants have been commissioned to carry out the design of the proposed new wharf at Lahad Datu which will be a T-shaped wharf of 200 feet long by 40 feet wide with dolphins 100 feet from each end on a site approximately 1,000 yards to the east of the present wharf.

A new timber wharf 150 feet long by 30 feet wide has also been proposed for Semporna. Site investigations are being carried out preparatory to finalising the design of the new wharf.

Pilotage Service

Government pilotage services at the ports of Labuan and Sandakan were maintained throughout the year whilst a similar service was started in Tawau in March and Jesselton in November. Statistics of pilotage at these ports are as follows:

<i>Port</i>	<i>No. of Vessels</i>	<i>Total Movements</i>	<i>Total Gross Tonnage</i>
Sandakan ...	106	174	1,014,404
Labuan ...	103	189	1,248,852
Tawau ...	34	46	235,650
Jesselton ...	10	14	48,472

Shipping Services

With the steady increase of timber exports, particularly in Sandakan and East Coast ports, numerous new shipping companies have extended their services to North Borneo. The number of Japanese and Norwegian ships using North Borneo ports continued to increase. A monthly service direct from the United Kingdom to North Borneo ports was inaugurated in May by the Ellerman and Bucknall Steamship Co. Ltd.

The main shipping lines operating during the year were as follows:

The Straits Steamship Co., Ltd.	—	A regular weekly cargo, passenger and mail service from Singapore calling at Labuan, Jesselton, Kudat, Sandakan, Bakapit, Lahad Datu, Semporna and Tawau.
The Indo-China Steam Navigation Co. Ltd	—	Frequent sailings from North Borneo ports to Japan and Hong Kong.
Norwegian Asia Line	—	A fortnightly service to Labuan, Jesselton, Kudat, Sandakan and Tawau from Hong Kong and Bangkok.
The Eastern and Australian Steamship Co.	—	Japanese and Australian ports.
The Australian West Pacific Line	—	
The Glen Line	—	United Kingdom and European ports.
The Blue Funnel Line	—	
The Ben Line Steamers Ltd.	—	
The Netherland Line Royal Dutch Mail	—	
The Royal Rotterdam Lloyd	—	
Peninsular and Oriental Steam Navigation Co.	—	
The Bank Line Ltd.	—	South African ports.
The Royal Interocean Line	—	Australian, Indonesian and Thailand ports.
Maersk Line	—	Indonesia, North Borneo, Japan and Korea.
Austasia Line	—	Australian ports.
Yugoslav Line	—	Italian ports.
Compania De-Navigation Vict Neptune S. A.	—	Hong Kong and Formosan ports.
Kohan Kisen Kabushki Kaisha	—	East Coast ports to Japan.
Daido Line	—	
Hinode Kisen Company	—	
Nisso S. S. Company	—	
Kawasaki Company	—	
Towa Kisen Company	—	
Tokyo Senpaku Kaisha Iino Lines	—	
Kyosi S. S. Company	—	
Swayama Steamship Company	—	
Iino Kaiun K.	—	
Kyosei Kisen K. K.	—	
Kokko Kaiun K. K.	—	
Kohan Kisen K. K.	—	
Mitsui Line	—	
Maruni Shokai Company	—	
Namura Kissen K. K.	—	
Osaka Shoshen K.	—	
Koyo Kissen Kaisha	—	
Taiyo Kaiun K. K.	—	
Toko Shoshen K. K.	—	
Taisei Kaiun K. K.	—	
Uwajima Unyu K. K.	—	

Kinabatangan Shipping Co., Ltd. —	North Borneo, Hong Kong and Japan.
China Merchants Steam Navigation Company —	Irregular service from Sandakan to Taiwan.
Shell Tankers Company of Singapore Limited —	
Standard Vacuum Oil Co., Ltd. —	Bulk petroleum to Jesselton.
Ellerman and Bucknall S.S. Co., Ltd.	Monthly service — U.K. North Borneo and Sarawak ports.
South East Asia Sea Express Line	Singapore, Hong Kong and Australian ports.

Merchant Shipping by National Flags entering North Borneo ports during the year in order of tonnage compared with 1961 was as follows:

Nationality	Number of Vessels		Total Gross Tonnage	
	1961	1962	1961	1962
British ...	2,250	2,314	4,937,909	5,419,366
Japanese ...	762	988	2,864,761	3,104,398
Norwegian ...	268	317	733,940	859,021
Dutch ...	130	122	707,899	674,473
Panamanian ...	85	183	175,713	406,542
Swedish ...	20	24	86,294	117,992
Chinese ...	27	32	41,762	96,857
Liberian ...	6	12	13,383	83,347
Italian ...	14	8	101,409	56,310
Danish ...	1	11	4,309	55,726
Philippine ...	1	6	230	41,174
French ...	2	2	5,756	23,611
Yugoslav ...	6	2	30,393	17,072
American ...	—	2	—	9,427
Greek ...	2	1	14,308	7,244
Cambodian ...	2	—	2,349	—
Local registered Vessels and small P.I. Craft etc. ...	12,064	9,102	346,078	241,824
Total ...	15,640	13,126	10,066,493	11,214,384

Naval Vessels

Visits by Commonwealth and other men-of-war to North Borneo ports during the year were as follows:

PORT	H. M. SHIPS			HMAS	HMMS	PI	TOTAL
	Naval	RFS	RASC				
Labuan ...	15	—	21	—	4	—	40
Jesselton ...	8	1	3	—	4	—	16
Kudat ...	9	1	—	—	4	—	14
Sandakan ...	42	11	—	1	4	—	58
Lahad Datu	4	—	—	—	—	—	4
Tawau ...	17	1	—	—	4	3	25
Semporna	1	—	—	—	—	—	1

Coastal Shipping and Lighterage

Two 200/300-ton coastal vessels, two 100-ton powered lighters and three dumb lighters with one tug served as feeder service for the Straits Steamship main line vessels at Labuan for transshipment cargo to Brunei, Limbang, Lawas and Kuala Belait. A 250-ton powered lighter is operated at Kudat for lightering cargo to and from their main line vessels at anchor. A 500-ton vessel operates between Sandakan and East Coast ports with packed petroleum and another 250-ton vessel with general cargo and passengers.

L. C. T. type coastal vessels continued to be operated by the Brunei Shell Petroleum Company for transshipment of general oilfield cargo between Labuan, Brunei, Kuala Belait and Miri.

The Victoria Shipping and Transportation Company of Labuan operates a lighterage service at Labuan with two tugs and two lighters and log towage service from Brunei Bay ports to Labuan for transshipment.

One 250-ton coastal tanker belonging to Reynell Transportation Company operates between Labuan/Jesselton/Brunei/Sibu and Kuching.

Other locally operated vessels of over fifteen net tons totalled 120 with a total gross tonnage of 8,942. These included lighters, barges, kumpits, launches and towing units, the majority of which are owned and operated by timber companies in Sandakan and the East Coast Districts.

A summary of the local shipping is as follows:

<i>Name</i>	<i>No. of Vessels</i>	<i>Gross Tonnage</i>
British Borneo Timber Company Limited	15	1,083
North Borneo Timber	11	1,154
River Estates Limited	7	509
Shing Kee Company	9	815
Borneo Abaca Limited	6	460
Bombay Burmah Trading Corporation Limited	7	921
Kennedy Bay Timber Company Limited	7	581
Miscellaneous	58	3,928
TOTAL	120	8,942

In addition to the above, some 2,000 local small craft of under 15 NRT are used as cargo, passenger and towing service to and from minor ports, rivers and outlying districts where the use of larger vessels is uneconomical.

Government Vessels, Launches and Marine Craft

One Lighthouse Tender vessel and one Tug/Fire Float which have been under construction in Hong Kong since July, 1961, were nearing completion at the end of the year. Final completion and delivery date is expected to be in February/March, 1963. These vessels which will be handed over in Hong Kong will sail with a North Borneo crew for their maiden voyages.

The number of Government craft maintained during the year and administered by the following Departments were:

		<i>Seagoing</i>	<i>Harbour</i>	<i>Riverine</i>
Marine	...	3	7	—
Police	...	4	—	8
Forestry	...	2	—	22
Public Works	...	1	—	1
Administration	...	7	—	8
TOTAL	...	13	7	39

Registration of Ships, Small Ships and Fisheries

Comparative figures showing the number of ships registered at the end of 1961 and 1962 are as follows:

		No.	1961 Gross Tons	No.	1962 Gross Tons
Registry of British Ships under Merchant Shipping Act, 1894	...	42	22,066	43	21,635
North Borneo Registry (Under M.S.O., of vessels over 15 N. R. Tons)	... ..	159	10,786	107	8,530

Merchant Shipping — Engagement and Discharge of Seamen

Shipping office transactions in respect of engagement and discharge of seamen under articles of agreement made before the Port Officers in the following ports were as follows:

Labuan	...	...	925
Sandakan	...	...	1,006
Tawau	...	...	15
Jesselton	...	...	111
TOTAL	...	2,057	

117 Seamen's Discharge Books were prepared and issued to North Borneo seamen during the year.

Examinations for Certificates of Competency

205 candidates from commercial shipping as well as those serving in Government vessels were examined during the year. The results of the examinations held at Labuan and Sandakan were encouraging with 131 obtaining passes and issued with Certificates of Competency as follows:

Master Local Trade	...	...	12
Mate Local Trade	...	...	1
Master Coastal Trade	...	...	13
Mate Coastal Trade	...	...	59
Engine Driver First Class	...	...	6
Engine Driver Second Class	...	...	8
Engine Driver Third Class	...	...	32
TOTAL			131

In addition, twenty-four Authorisation Certificates under the Merchant Shipping Ordinance were issued during the year to Serangs and Engine Drivers serving in Coastal vessels in order to allow them to stay in their respective capacities pending examinations. These Certificates are valid for a period of six months.

Survey of Ships (Hull, Machinery, Safety Equipment)

Surveys of vessels were carried out at Labuan, Jesselton, Kudat, Sandakan, Lahad Datu and Tawau, during the year by the Surveyors of Ships and Inspectors during which a total of 648 physical visits of inspection were made. Certificates issued were as follows:

Certificate of Survey	...	...	69
Loadline Certificate	...	...	59
Safety Equipment Certificate	...	...	66
Passenger Certificate	...	...	70

In addition to the above, visits were also made to Sipitang, Sindumin, Weston, Beaufort, Tenom, Papar, Tuaran, Kota Belud, and Kuala Penyu for inspection of craft licensed under the Small Ships Ordinance.

Ship Repair Facilities

During the year, the Government operated 200-ton Slipway and Engineering Workshops at Labuan, slipped and repaired a total of 99 vessels totalling 5,517 gross tons, 37 slippings of which were North Borneo Government vessels, 10 Brunei Government, 7 Sarawak Government and 25 commercial. Miscellaneous tasks

carried out at the engineering workshop or to vessels afloat totalled 659; 440 for commercial interests and 219 for Government Departments.

At Sandakan, the British Borneo Timber Company Limited operated its own 500-ton slipway and repair yard mainly for the servicing of the company's own vessels. The Bombay Burmah Trading Corporation Limited operates a private grid and repair workshops at Wallace Bay for its own use, whereas other major companies on the East Coast have small workshops and carry out repairs to hulls or under water fittings whilst beached on blocks.

Development and Maintenance of Navigational Aids

The 5-year scheme financed from Colonial Development and Welfare Funds progressed satisfactorily during the year. Outstanding orders for new light equipment and accessories placed through the Crown Agents in 1961 arrived in the early part of the year.

New construction works under the scheme completed during the year were as follows:

- (i) A light at Kunak (Darvel Bay) with a 250-mm Wallace and Tiernan battery-operated lantern was established in February, to assist traffic from Lahad Datu.
- (ii) A light beacon at Po. Tega (Tega Channel) with a 250-mm Wallace and Tiernan battery-operated lantern was established in February, to facilitate a safe passage from Labuan to Jesselton.
- (iii) A blinker light was established in June on Dampier Rock beacon (Malawali Channel) using a battery-operated transistor Autronica Blinker light, eliminating a bad spot on that route.
- (iv) A single pile light beacon at Pulo Babi, Silam Harbour with Autronica Type Blinker Light established in July, to assist the log-towing vessels in that area.
- (v) A light was added to Horn Reef Beacon in July (Ligitan Channel—Beacon constructed in 1961) using a 250-mm Wallace and Tiernan battery-operated lantern. This light is situated to give ships a mark for entering or emerging from the Trusan Tando Bulong (Semporna) in darkness.
- (vi) A light was established at Sipadan (Alice Channel) in July (75 foot tower constructed in 1961) using AGA 300-mm lantern. Ships arriving at Darvel Bay from deep sea will find this aid to navigation most valuable.

- (vii) An 80-foot light tower at Pulo Gaya, West Coast, with 300-mm Chance Power Beam Beacon was established in July. The range of this light is thirty-two miles and the batteries providing the power are charged by windmill. This light is exciting the interest of maritime authorities in many countries. It is the result of studies by this Department in efficiency coupled with economy.
- (viii) Sandilands timber structure light beacon was replaced by a steel tripod beacon in August.
- (ix) An experimental light was established on Gueritz Beacon (Kudat) in October with battery-operated Autronica Blinker Light.
- (x) Replacement of Atjeh Rock Light Buoy (Sandakan Harbour) by a tripod beacon was effected in September.
- (xi) Seventeen day mark beacons were placed in the Jesselton South Channel.

The total number of navigational aids maintained by the Department, extending from Brunei Bay on the West to Cowie Harbour on the East, are as follows:

(i) Lighthouses	...	...	...	5
(ii) Secondary lights	...	...	...	11
(iii) Light Beacons	...	...	...	23
(iv) Light Buoys	...	...	...	5
(v) Port Lights	...	...	...	6
(vi) Leading Range Lights (3 sets)	...	...	...	6
(vii) Mark Buoys	...	...	...	6
(viii) Coastal Mark Beacons (Unlit)	...	...	...	52
(ix) Harbour/Channel Daymarks	...	...	...	202
(x) Steamer Mooring Buoy	...	...	...	1

Construction and maintenance of structures is carried out departmentally as a joint commitment of the Workshops and Lighthouse divisions. The two lighthouse vessels "Badang" and "Berhala" were used extensively during the year in connection with the scheme and on general servicing and maintenance of existing lights and structures.

Marine Training

The Marine Training School at Labuan which was established in September, 1961, proceeded satisfactorily during the year. A total of 191 pupils attended the school, 128 for navigation and seamanship and 63 for engineering practice and theory.

Instruction given in this school proved helpful particularly to pupils preparing themselves for Certificate of Competency examinations. A greater number of candidates came forward this year than in previous years, and the results of their examinations have been most encouraging.

An apprentice fitter, the fourth nominee to study at the Marine Diesel Training Centre in Rangoon under an International Labour Organisation Fellowship left for Rangoon in August of the year, where he will undertake training for one year in diesel engineering.

An Assistant Marine Officer was granted a six-month fellowship course on hydrographic surveying in February under the Colombo Plan. He was attached to the Sarawak Hydrographic Survey Unit for the full period of the course; the unit operating for three months in North Borneo and three months in Kuching and Sibü.

Legislation

The Merchant Shipping Ordinance, No. 11 of 1960, together with rules and regulations made under subsidiary legislation which came into operation on the first day of April, 1961, was administered satisfactorily during the year. New legislation under (1) The Merchant Shipping (Ports, Harbours and Dues) Regulations, 1961, and (2) The Merchant Shipping (Government Wharves) Regulations, 1961, which were enacted in December, 1961, became effective as from the 1st January, 1962. These regulations include rules for the control of ports and wharves, handling of explosives and dangerous goods, berthing and unberthing of vessels and the establishment of new Buoy and Light Dues, Port and Harbour Dues, Wharf Dues and Landing and Shipping Fees.

RAILWAYS

The Government owned and operated metre gauge railway, with its headquarters at Jesselton, has a route mileage of 116 miles and serves much of the West Coast and part of the Interior. From Jesselton the railway runs in a southerly direction traversing the comparatively flat coastal strip and passing through the districts of Putatan, Kinarut, Papar, Kimanis and Membakut before reaching Beaufort, fifty-six miles away. This area is well populated and contains many rubber estates. Papar which is situated twenty-four miles from Jesselton, is rapidly developing into a major agricultural centre and assuming a suburban role to the capital. Many of Jesselton's workers live in Papar and a daily commuter train service is operated to convey the Papar residents to and from their places of employment. From Beaufort the railway runs through hilly country and climbs approximately seven hundred feet through the picturesque Padas River gorge to Tenom, which is thirty miles from Beaufort and is the focal point of an important

agricultural district containing some of the finest land in the country. From Tenom the railway runs a further ten miles to its terminus at Melalap. Tenom and Melalap are connected by good gravel roads to Keningau and Tambunan which provide much traffic for the railway.

A branch line, twenty miles in length, runs from Beaufort down to the coast at Weston, a small port on Brunei Bay, which is connected by coastal shipping with Labuan. A number of rubber estates, smallholdings, logging camps and sawmills are served by this branch.

Construction of the railway was commenced at Bakau some eight miles from Weston in 1896, work proceeding simultaneously at Beaufort and Weston. This section was completed and opened to traffic four years later. The line was then extended from Beaufort to Jesselton and Tenom, the whole being finished in 1905. The railway was very badly damaged by bombing in 1944 and 1945 and also suffered severely from lack of maintenance and renewal during the period 1942 to 1945. A major programme of reconstruction and rehabilitation necessitating considerable expenditure was planned and executed between 1949 and 1960; the benefits accruing from that programme are now becoming apparent.

In view of Mr. J. R. Sargent's Report on Transport Requirements in the light of Economic Development in North Borneo which was received early in 1960, transport policy was submitted to Legislative Council, in Council Paper No. 17 of 1960. As far as the railway is concerned it was agreed that it could not be replaced by a road system during the current development period (1959-1964), but that the railway sectors Tenom/Melalap and Beaufort/Weston should be closed.

It was also agreed that sooner or later the railway would be replaced or supplemented by roads and road transport (if only in response to public preference) but the speed at which such replacement should take place must depend on the availability of development funds, on other competing claims on such funds and on the level of the country's economic prosperity.

The construction of a road to replace the Beaufort/Weston sector was in hand during the year. Work on a road link between Jesselton and Papar was also commenced.

In 1962 very little reconstruction and development work was carried out as the current programme, except for the Jesselton goods yard and depot, had been largely completed. Labour was in good supply and motive power and freight stock were adequate to meet public traffic needs.

Two diesel rail buses arrived at the beginning of 1962 and were in service within a few days. The additional capacity thus provided eased the congestion which has been a feature of passenger operation during recent years and enabled the introduction of faster and more frequent through services between Jesselton and Tenom.

Earnings in 1962 exceed those of the previous year by nearly seven and three quarters per cent, due to an increase in the numbers of passengers carried, which exceed the previous year's figures by eleven and a quarter per cent, and a rise in freight tonnage of thirteen and a quarter per cent. Although rubber prices did not rise above the 1961 levels business was brisk for the Department throughout the year. Recurrent expenditure increased by a little over one and a quarter per cent, the amount expended on renewals remaining the same as in the previous year. The combined effect of increased revenue and expenditure improved the operating ratio from 96.40 per cent to 90.76 per cent including renewals, or from 85.06 per cent to 80.21 per cent excluding them. The relevant figures are:

<i>Year</i>	<i>Revenue</i>	<i>Recurrent Expenditure</i>	<i>Operating Ratio</i>
	\$	\$	
1958 ...	1,651,532	1,968,422	119.19
1959 ...	1,787,556	1,874,597	104.87
1960 ...	1,973,832	1,966,153	99.60
1961 ...	2,200,092	2,121,337	96.42
1962 ...	2,369,097	2,150,107	90.76

Revenue for 1962 compared with 1960 and 1961 was as follows:

	1960	1961	1962
	\$	\$	\$
Passengers ...	880,377	942,348	1,029,789
Goods ...	897,477	1,026,154	1,089,536
Parcels ...	48,749	55,404	62,330
Mail ...	6,000	6,000	6,000
Livestock ...	17,582	15,707	14,210
Miscellaneous ...	123,647	154,479	167,232
	<u>1,973,832</u>	<u>2,200,092</u>	<u>2,369,097</u>

Recurrent Expenditure for 1962 compared with 1960 and 1961 was as follows:

	1960 \$	1961 \$	1962 \$
General Management and Accounts ...	134,691	167,323	173,205
Civil Engineering ...	587,816	607,732	599,954
Mechanical Engineer- ing ...	689,697	660,574	697,256
Traffic ...	270,863	305,581	306,455
Storekeeping ...	35,154	37,426	37,312
Miscellaneous ...	108,855	93,059	86,150
Renewals ...	139,077	249,642	249,775
	<hr/> 1,966,153	<hr/> 2,121,337	<hr/> 2,150,107

Civil Engineering

Steady improvement continued to be made in the standard of the track throughout the system except for the Weston Branch which is being replaced by a road and is therefore maintained to the lowest standard compatible with safety. The Beaufort-Tenom Section relaid and regraded between 1956 and 1960 is settling down satisfactorily and progressive gravel ballasting continued to effect necessary improvement. Slips and washouts in the Padas River Gorge Section occurred at various times during the year but did not result in any serious dislocation of services.

Mechanical Engineering

A continuous programme of work was conducted in 1962 which, in addition to normal maintenance of motive power and periodical workshop repair of coaching and goods stock, included the building of a bogie brake van with postal compartment, one covered goods van, the rewheeling and fitting of modern couplers to various vehicles and the adaptation of two wagons for wood fuel and one for oil traffic.

Two diesel rail buses arrived at the beginning of the year and were put into service shortly afterwards. They operate on a continuous daily schedule traversing the whole of the main line.

Reorganisation of the workshops involving layout of machinery to effect economy and improve output was carried out during the year.

Power and Rolling Stock

	<i>In Service</i>	<i>Under Repair</i>	<i>Re- Building</i>	<i>Awaiting Re- Building</i>	<i>Total</i>
Steam Locomotives ...	5	1	—	—	6
Diesel Locomotives ...	3	—	—	—	3
Petrol Locomotives ...	4	—	—	—	4
Diesel Train Sets ... (Power unit & trailers)	3	—	—	—	3
Railcars (6 Seats) ...	4	—	—	—	4
Railmotor Sets ... (52 Seats)	2	—	—	—	2
Rail Buses ... (16 Seats)	2	—	—	—	2
Rail Jeeps ...	5	—	1	—	6
Coaching Stock ...	22	2	1	—	25
Wagon Stock ...	126	2	—	—	128

Traffic

The following table shows the traffic carried in 1962 compared with the two preceding years:

	<i>Passenger Journeys</i>	<i>Passenger Miles</i>	<i>Goods Tons</i>	<i>Goods Tons Miles</i>
1960 ...	706,578	10,952,000	48,805	2,430,500
1961 ...	728,092	11,067,000	47,609	2,363,500
1962 ...	809,997	12,900,000	53,940	2,654,000

Passenger traffic showed a marked increase during 1962. Eleven and a quarter per cent more journeys were made but there was a slight increase in the length of these journeys, resulting in a rise of sixteen and a half per cent in passenger miles. The total effect was to improve revenue from passengers by nine and a quarter per cent.

The goods tonnage conveyed in 1962 was over ten per cent more than the 1961 figure. The quantities of goods of all kinds except agricultural produce were greater than in the preceding year, timber and rubber showing a marked improvement.

Reclamation work in connection with the proposed new Jesselton goods yard and depot was in hand throughout 1962 and is now not likely to be completed until the end of 1963.

Staff

The staffing position was generally satisfactory during 1962 and training programmes initiated in previous years continued. Local officers are being introduced into the senior posts with increasing success and local candidates are now in charge of the Civil Engineering, Traffic, Accounts and Stores Sections. At the end of 1962 the total number of employees was 719, eleven less than in 1961. The staff employed included two overseas officers, eleven overseas contract employees (of whom two are officers and three are artisans) and seven hundred and six locally domiciled persons.

ROADS

Notwithstanding the very great advances made since the war in air communications, the small mileage of roads continues to impede development. North Borneo's economy is primarily agricultural and progress must depend to a large extent on the optimum development of the land, which is its principal asset. A very large area of the Territory remains under forest and is inaccessible except by jungle paths and rivers. On the West Coast and in the Interior there is a well-developed and extensive system of bridle paths which are being converted into earth roads and most of the larger towns possess small networks of feeder roads; but on the East Coast there are few bridle paths, or earth roads, communications being largely by sea, river and air.

The present Development Plan has therefore devoted a large share of the expenditure to an extensive road development plan, which is being vigorously pursued. Altogether approximately 126 miles were added to the road mileage during the year. The map shows the very limited extent of the road system in North Borneo together with the significant improvements achieved in 1962 and the further plans for expansion. The connection of the main towns by a road system is one objective but at the same time routes are being chosen as far as possible with the objective of opening up new country for agricultural development. But in spite of this record of progress demands for still greater output were raised and additional plant purchases (aimed at speeding up the work) were authorised late in the year.

Main Roads

The main effort continued on the Sandakan—Telupid Road where the 76th mile from Sandakan was reached with the earth formation i.e. nineteen miles during the year. Gravelling of the formation was started during the year and some twenty-two miles were completed but supplies of suitable stone are limited.

Bridgework on the Kota Belud—Kudat road was completed and gravelling of the formation was commenced. Gravelling of the Mesapol—Lingkungan road was completed and a further ten miles of earth formation were added to the Beaufort—Weston road thus virtually completing this phase of the work. Gravelling on the latter project was in hand at the year's end.

The formation work on the Jesselton—Papar road proceeded well and reached Mile 17—between Kawang and Papar, less than four miles from the Papar River.

In addition to the foregoing survey and investigation, work continued on the routing of the Jesselton—Sandakan road of which the Sandakan—Telupid road forms part and in this work the Department was assisted both by United Nations personnel in the Labuk Valley area and by United States Peace Corps Volunteers.

In addition to new roads a grant was received in 1960 under a Colonial Development Scheme for improvements to a number of major roads at an estimated cost of \$2,800,000. Of these, Racecourse Road (1.22 miles) and Station Road (.42 mile) have been completed in Jesselton and work is in progress on Leila Road (2 miles), North Road (7 miles) and Labuk Road (11 miles) in Sandakan.

Work is also in progress on the Tenom to Keningau Road (30 miles), the Tenom to Kemabong Road (20.5 miles) and Hamilton Road, Labuan (1.5 miles).

During the year a further sum of \$1,300,000 was provided by the Government to provide for additional works in North Darby Road, Sandakan. A sum of \$250,000 has also been allocated for the gravelling of the Tamparuli to Ranau earth road (50 miles) to enable this to become an all-weather route from Jesselton to Ranau for light traffic. Half of the work has been completed during the year, and the benefit to the users of the road is already evident.

Feeder Roads

Three schemes for the improvement or extension to the feeder road system have been in progress during the year.

One project estimated to cost \$1,000,000 for which a grant has been received under a Colonial Development and Welfare Scheme provides for 128 miles of road in various parts of the territory, of which seventy-seven miles had been completed by the end of the year.

The two other schemes financed from North Borneo Funds at a total estimated cost of \$870,000 include about 160 miles of road and work is in progress on sixteen roads. About forty per cent of two schemes has been completed.

Town Roads

A further \$1,500,000 provided under a Colonial Development and Welfare Scheme together with an additional sum of \$200,000 allocated by the Government enabled more roads to be constructed in town areas to keep pace with new building. A rapid increase in vehicle ownership and vehicles per mile is apparent and there is a growing need for additional facilities to accommodate all classes of road users—pedestrians, cyclists and motorists. To keep check on this growth a small Traffic Section set up in 1961 by the Roads Branch of the Public Works Department is providing an increasing amount of the necessary statistical information required for the successful planning of road improvements.

Department of Scientific and Industrial Research Survey

North Borneo was selected by the Overseas Road Research Branch of the Department of Scientific and Industrial Research in the United Kingdom for an on site investigation of the economic returns to be derived from improvements and extensions of a road system. Working in co-operation with the Public Works Department an officer of the Roads Research Branch has made a survey of most of the road system on the West Coast, the development of the area in relation to the roads and the traffic generated by this development. Traffic census carried out included not only direct counts but destination surveys. The survey was completed and the report is awaited.

SCHEDULE OF ROADS

Year	EXPENDITURE		TOTAL MILEAGE AT END OF YEAR				Total
	Capital	Maintenance (a)	Bituminous Surface	Other Metalled	Earth/ Gravel	Bridle Paths	
1950	717,996	292,154	139	91	150	578	958
1951	622,604	344,526	144	91	146	603	984
1952	669,352	507,620	162	50	192	572	976
1953	632,924	407,937	166	37	209	587	999
1954	1,055,694	508,068	190	58	249	560	1,057
1955	1,181,316	614,424	209	94	345	593	1,241
1956	2,356,632	804,999	225	118	359	492	1,194
1957	776,970	972,625	217	148	345	400	1,110
1958	2,276,364	1,024,185	217	78	427	389	1,111
1959	993,108	1,299,930	230	70	463	453	1,216
1960	1,210,155	1,716,605	233	80	456	471	1,240
1961	2,098,907	2,317,735	238	112	578	471	1,399
1962			243	221	590	471	1,525

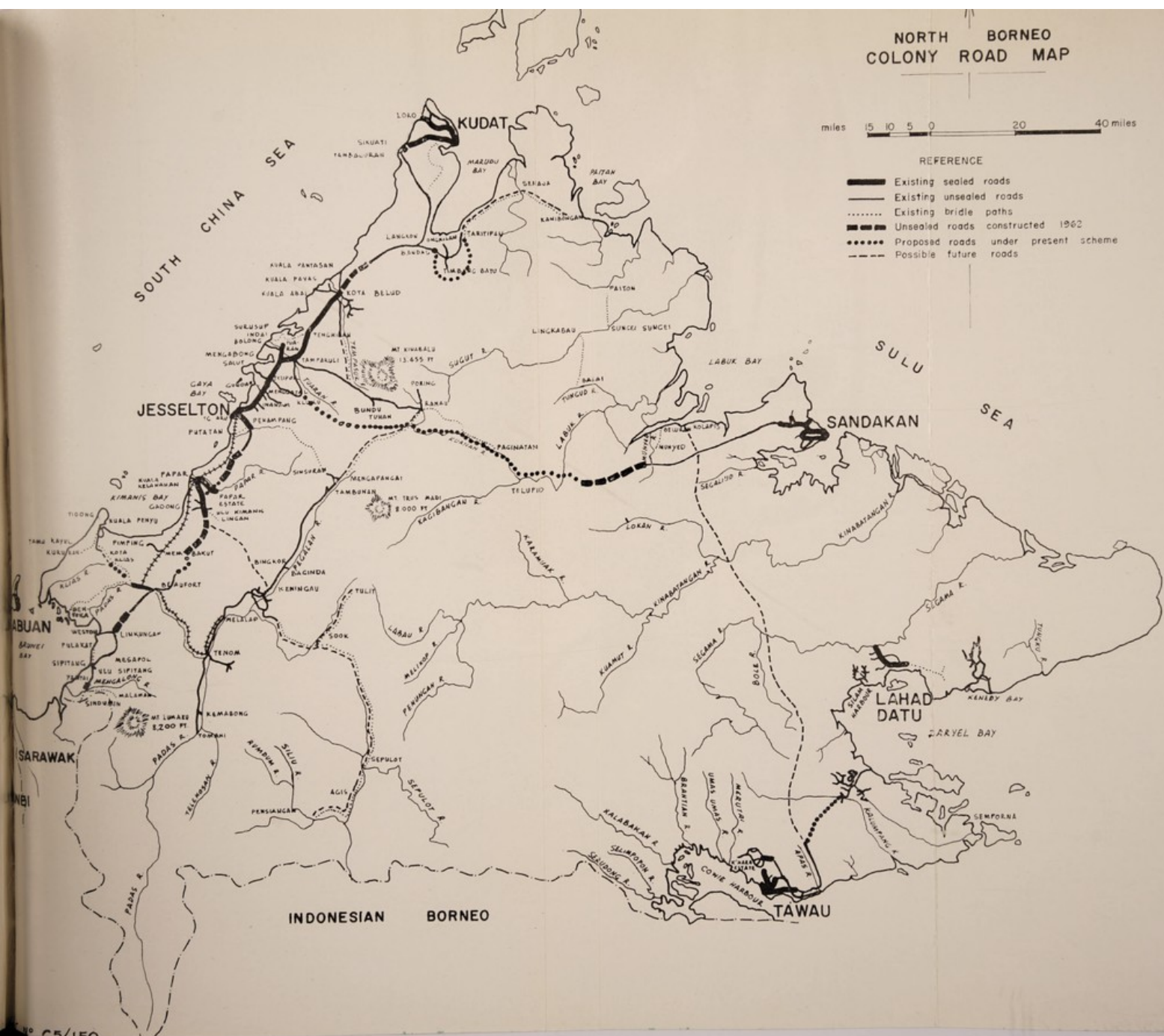
(a) Excluding bridle paths

NORTH BORNEO COLONY ROAD MAP

miles 15 10 5 0 20 40 miles

REFERENCE

- Existing sealed roads
- - - Existing unsealed roads
- Existing bridle paths
- - - Unsealed roads constructed 1962
- Proposed roads under present scheme
- - - Possible future roads



ROAD TRANSPORT

All road traffic and transport in the country is governed by the provisions of the Road Traffic Ordinance, 1953 (Cap. 128) and Rules made thereunder.

The law is administered by the Commissioner of Police as Commissioner of Road Transport.

In particular the Commissioner is empowered to control the carriage of both passengers and goods for hire and reward by the issue of special licences. Conditions may be attached to these licences as to the routes on which the holder may operate and as to the number of passengers or weight of goods which may be carried. In the case of bus services the time table to be followed may be stipulated. Fares and freight rates are regulated by Rule.

The aim is that the carriage of passengers and goods should be properly organised and controlled, with wasteful competition eliminated, so that efficient services are provided at the cheapest cost to the public.

Applications for special licences are considered by the Commissioner at public hearings after notice in the *Gazette*. Objectors, who are required to notify in advance the substance of their objection to both the Commissioner and the applicant, may appear to substantiate their objections.

There is a right of appeal by persons aggrieved by the Commissioner's decision to the Transport Appeal Board for the area.

Until this year, the provisions of the Ordinance relating to the special licences and to public hearings only applied in the parts of the country declared by Rule to be regulated areas, but in October, 1962, these provisions were applied in all areas.

The linking up of previously isolated road systems and the rate of increase in the number of vehicles in use, necessitated this change.

Vehicles operated under these special licences are subject to half-yearly inspection, prior to relicensing, by qualified vehicle examiners who hold the rank of Inspector in the Police Force; other vehicles may be called in for inspection if they appear to be unroadworthy. The numbers of vehicles to be inspected each half year, and the rapid increase in the total number of vehicles in use, has necessitated an increase in the number of vehicle examiners.

The standard of vehicle maintenance varies between operators and between areas but is generally reasonably satisfactory. The comparatively short economic life of vehicles in use in areas where roads are bad is a factor which has to be given consideration when fares and freight rates are being decided.

Driving tests are conducted by the vehicle examiners wherever possible, and by police officers; the increasing number of applicants for tests is another reason necessitating an increase in the number of vehicle examiners.

The rapidly increasing numbers of vehicles in use has created problems of the control of moving traffic, particularly at peak hours, and of parking during business hours in and around the main towns.

As the country is opened up a continuous increase in the number of vehicles converging on the main towns must be expected.

Comparative figures for the last five years of vehicles in use, new bicycles registered, and drivers licences issued are:

	1958	1959	1960	1961	1962
Motor Vehicles ...	5,725	6,964*	8,154	9,876	12,450
Bicycles (new) ...	2,890	3,749	4,173	3,957	2,887
Drivers licensed ...	8,985	12,326*	13,019	15,075	18,434

*corrected figures.

At the end of the year the enactment of a new Ordinance and establishment of a separate Road Vehicles Department was under consideration.

AIR COMMUNICATIONS

Air Services

Because of its geographical situation, North Borneo is heavily dependent on air services for contact and communication with its neighbours Brunei and Sarawak, and with Singapore, Hong Kong and the Philippines.

Internal air services are operated by Borneo Airways Ltd. (a private company in which fifty-one per cent of the share-holding is held by the Governments of North Borneo, Brunei and Sarawak). During 1962, Borneo Airways acquired a DC3 aircraft, and now operates a total fleet of three Scottish Aviation Twin Pioneer and one DC3 aircraft on scheduled services to twenty-three aerodromes in the British Borneo Territories.

These internal services link up all the main centres of population and commerce and without them communications would be slow and tedious.

External services to Singapore are operated daily by Malayan Airways Ltd., (a Singapore Company in which the Borneo Governments hold a minor share-holding), using Viscount and DC3 aircraft.

Cathay Pacific Airways, Ltd., of Hong Kong operate a weekly service on a route Hong Kong-Manila-Jesselton and return, and in November, 1962, replaced its DC6B on this route by Electra aircraft.

Close liaison is maintained between these external operators and Borneo Airways, Ltd., in order to provide the public with connecting internal and regional air services.

Aerodromes

Aerodromes are established at the following places within North Borneo.

<i>Government Aerodromes</i>	<i>Length in feet</i>	<i>Surface</i>
Labuan	6,074	Tarmac
Jesselton	5,100	Tarmac
Sandakan	4,110	Gravel
Tawau	4,500	Gravel
Lahad Datu	3,600	Coral
Ranau	2,700	Grass
Keningau	2,400	Grass
Kudat	2,400	Coral
Telupid	1,700	Grass
Sepulot	1,600	Gravel
Marak Parak	Grass air strips for use by the Borneo Evangelical Mission Piper-Tri pacer aircraft.	
Meligan		
Meridi		
Nangoh		
Ulu Tomani	Military air strips associated with the Kota Belud Military Training Area.	
Kota Belud		
Allen Field		
Craig Field		
Dabu		
Traughton Field		

Aerodrome Development

Major projects during the year involved completion of the lengthening and strengthening of Tawau runway from 2,400 feet of coral to 4,500 feet of gravel; and of Lahad Datu from 2,400 feet of coral-earth to 3,600 feet of coral.

The work was completed in August and the DC3 aircraft of Borneo Airways immediately commenced daily services to both places.

The construction of the interior aerodrome at Sepulot was completed in December, 1962, enabling the first scheduled service by Borneo Airways, Ltd., using a Twin Pioneer aircraft to be carried out on the 4th January, 1963.

Aviation Administration

The administration and operational control of all Government aerodromes and meteorological stations, the regulation of flying and air safety, and the development and co-ordination of all matters connected with civil aviation and meteorology within North Borneo is the responsibility of the Directorate of Civil Aviation, British Borneo Territories (Sarawak-Brunei-North Borneo). Headquarters are at Jesselton, with regional offices at Kuching (Sarawak), Labuan and Jesselton.

Air Traffic Control Services

Flight Information Service is provided to aircraft flying within the Borneo Flight Information Region by the Flight Information Centre at Labuan. The boundary of the Flight Information Region encompasses the territories of Sarawak, Brunei and North Borneo and the adjacent portion of the South China Sea extending approximately 150 miles from the coastline.

Aerodrome air traffic control units are operated at Labuan, Jesselton and Sandakan, and a control zone has been established covering Labuan and Brunei aerodromes. Aerodrome Flight Information Service is provided at the following minor aerodromes used by public air transport but where the number of aircraft movements does not as yet require full aerodrome control:—

Tawau, Lahad Datu, Kudat, Ranau and Keningau.

During the Brunei revolt of December, 1962, Civil Aviation units and personnel played a vital part in the successful restoration of order. A vastly increased traffic density was handled at aerodromes particularly at Labuan. Safe control and separation of most complex traffic patterns involving normal civil scheduled and non-scheduled services, military transport shuttle services both between Singapore and Borneo, and within points in Borneo, was operated throughout twenty-four hours daily; and aerodrome aeradio communications facilities became one of the primary means of communication between and within the Borneo Territories for military and civil government purposes.

Statistics

Tables will be found at Appendix XIII giving details of Air Traffic Movements, passengers and freight, and details of revenue. Climatological Summaries from the Meteorological Stations, will be found at the end of Part III, Chapter 1.

DEPARTMENT OF POSTS AND TELEGRAPHS

The Department is administered by a Director with Headquarters at Jesselton. The Senior Headquarters staff consists of a Controller of Telecommunications, Accountant and an Assistant Controller of Posts. For the purposes of telecommunications control North Borneo is divided into the following Divisions: West Coast and Interior, East Coast, Tawau and Labuan. The boundaries of Sandakan and Tawau Divisions correspond with the Sandakan and Tawau Residencies.

Posts

On the whole, postal business was fairly satisfactory during the year. The number of postal articles posted, delivered, and handled in transit showed a reasonable overall increase on the figures for the previous year, although there was a marked decrease in the number of packets posted to the Chinese Mainland which dropped from 92,000 in 1961 to 48,000 in 1962, and a falling off in the number of incoming parcels from overseas, mainly cash and delivery parcels.

The value of postage stamps sold at Post Offices and Postal Agencies in the territory showed a slight increase over the sales made in 1961, although the value of the combined sales at Post Offices and by the Crown Agents fell considerably short of the 1961 total, due to the Crown Agents' sales in 1962 being only a fractional part of the previous year's sales, which were inflated by philatelic demand for the new definitive issue of North Borneo stamps introduced on the 1st February, 1961.

Money Order business, although showing a small increase in the value of orders issued and paid, did not reach expectations, and the estimated amount of commission was not attained. Postal order business declined unaccountably.

The considerable decrease in the amount of Customs Duty collected is accounted for mainly by the fact that under a new system introduced by the Customs Department during the year, the duty on incoming postal articles declared to be over a certain value was collected by the Customs direct, at the main centres.

No changes in postage rates were made during the year.

Mail services, both surface and air, operated satisfactorily without any undue delay, and no mails were lost in transit. A number of changes was made during the year in the air services timetables, necessitating alterations to the mails despatching and receiving arrangements at Post Offices situated on the air routes.

A daily surface mail was introduced between Jesselton and Kudat by road in each direction as from the 1st September, 1962, and from the same date the frequencies of the existing surface

mail services between Jesselton and Ranau and between Beaufort and Sipitang were increased to four times weekly, and daily, respectively.

With effect from the 12th March, 1962, arrangements were made for the exchange of air parcels, both ordinary and insured, with Sarawak, and from the same date, an air parcel service, for ordinary parcels only, was introduced from North Borneo to Japan, one service through the intermediate office of Singapore and the other service via Hong Kong.

Agreement was reached with the Japanese Postal Administration in August, 1962, for the exchange of direct closed surface letter mails between North Borneo and Japan. The first mail was despatched from North Borneo on the 6th September, 1962, by the office of exchange of Sandakan. Incoming mails from Japan were received at the Office of Exchange of Jesselton. The frequency in both directions was four to five mails a month.

As from the 1st July, 1962, the Airport of entrance into North Borneo for mails purposes was officially changed from Labuan to Jesselton, as Labuan ceased to be a regular stop on the main air service.

Agreement was effected in the early part of the year with the Hong Kong Postal Administration for the establishment of a cash on delivery service for parcels from Hong Kong to North Borneo. The service commenced on the 1st February and continued satisfactorily throughout the year. There was no indication during the year that this service was required for parcels from North Borneo to Hong Kong.

On the 9th July, 1962, a Mobile Post Office was placed on service. This motorised office was based on Jesselton, and operated in accordance with published schedules in both suburban and rural areas.

The classes of business transacted were the same as for a normal Post Office in the country except that money orders were not paid.

Private Postal Agencies handling postage stamps, registration, parcels, and mails work were opened at Tanjong Aru (Jesselton), and Tamparuli, in the West Coast Residency on the 2nd July and 1st August respectively, and functioned satisfactorily.

On the 1st September additional postal services were introduced at the District Office at Lamag, in the East Coast Residency, and the office was converted to a full scale cash accounting official postal agency. Similar conversions were effected at the District Offices at Membakut and Sipitang in the Interior Residency, on the 26th November. A full scale cash accounting postal agency was also opened at Bandau District Office in the West Coast Residency, on the 1st December.

A restricted private postal agency handling postage stamps, ordinary correspondence, and mail work was opened at Weston in the Interior Residency, on the 11th September. Restricted private postal agencies were also established at Kunak and Tungku in the Tawau Residency, on the 17th December.

Additional installations of private letter boxes at Post Offices amounted to eight units of fifty boxes each. One hundred boxes were installed at Jesselton, and fifty boxes each at Sandakan, Tawau, Lahad Datu, Kudat, Semporna and Papar. The new installations brought the total number of private letter boxes installed at Post Offices up to 3,700 of which 3,294 were rented at the end of the year.

Two new public letter posting boxes were erected during the year, one at Jalan Jagus, Kapayan, near Jesselton, and the other at the Duchess of Kent Hospital, Sandakan. In addition, wooden posting boxes at Sandakan, Keningau, Ranau, and Jesselton (Jalan Sembulan), were replaced with standard metal lamp type posting boxes.

The total number of public posting boxes in use at the end of the year, excluding boxes installed at Post Offices and Postal Agencies, was forty-three.

Comparative statistics of postal business for 1961 and 1962 are as shown below:

	1961	1962
Paid Posted Articles (excluding official franked correspondence)	3,448,094	3,520,999
Delivered Articles (excluding official franked correspondence)	3,157,345	4,099,043
Transit Articles	268,435	281,672
C.O.D. Parcels Trade Charges Collected	\$ 801,329	\$ 788,875
C.O.D. Parcels Trade Charges Paid	\$ 30,465	\$ 30,905
Money Orders Issued	\$ 480,558	\$ 517,475
Money Orders Paid	\$ 340,283	\$ 381,185
British Postal Orders Issued	\$ 156,561	\$ 145,029
British Postal Orders Paid	\$ 34,819	\$ 31,376
Malayan Postal Orders Paid	\$ 1,847	\$ 1,743
*Sale of Postage Stamps	\$1,179,485	\$1,222,135
Customs Duty Collected on parcels	\$ 391,211	\$ 254,542

*Does not include sales made by Crown Agents, which were as follows:

	1961	1962
	\$ 343,262	\$ 15,517

Stamps

The current issue which was released on the 1st February, 1961, comprises the following values and designs:

- 1 Cent. The Payau. Red/Brown and Blue/Green.
- 4 Cent. The Honey Bear. Orange and Bronze Green.
- 5 Cent. The Clouded Leopard. Bluish Violet and Sepia.
- 6 Cent. Dusun Woman with Gong. Green and Black.
- 10 Cent. Map of Borneo. Red and Green.
- 12 Cent. Wild Cattle and Tembadau. Bluish Green and Brown.
- 20 Cent. Butterfly Orchid. Ultramarine and Deep Bluish Green.
- 25 Cent. The Asiatic Two-horned Rhinoceros. Carmine Red and Grey.
- 30 Cent. Murut with Blowpipe. Olive Green and Sepia.
- 35 Cent. Mount Kinabalu. Red/Brown and Slate.
- 50 Cent. Dusun with Buffalo Transport. Yellow/Brown and Blue/Green.
- 75 Cent. Bajau Horseman. Bright Purple and Deep Blue.
- \$1. The Orang Utan or Mias. Green and Sepia.
- \$2. Rhinoceros Hornbill. Slate and Brown.
- \$5. Crested Wood Partridges. Maroon and Green.
- \$10. North Borneo Coat of Arms. Blue and Red.

TELEPHONES

Trunk Calls

The demand for telephone trunk calls has again shown a large increase, the number of chargeable calls made in 1962 being twenty-nine per cent more than in 1961, although North Borneo/Brunei calls show a decrease of 873 calls over 1961. A new trunk route was opened from Tawau to Wallace Bay Exchange. Once again the increased traffic was mainly due to efficient loading of existing circuits.

The direct dialling facility introduced in 1961 between Jesselton and Sandakan was extended to Jesselton and Tawau where Jesselton operators may now dial Tawau numbers directly and supervise the call without assistance from Tawau operators.

The West Coast trunk cable scheme is well under way, the Jesselton to Papar and Jesselton to Tuaran routes being almost completed, and work is to begin early next year from Papar to Beaufort.

Subscribers continue to appreciate the privilege of half-price trunk calls between 6.00 p.m. and 7.00 p.m. The number of these calls has shown a considerable increase.

Comparative totals of trunk calls made in 1961 and 1962:

	1961	1962
Calls within the Colony ...	262,645	340,016
Overseas via Cable and Wireless ...	593	600
Between North Borneo and Brunei ...	14,073	13,200
Between North Borneo and Sarawak ...	4,967	6,396

Subscribers Lines

Telephone installations increased by approximately twenty-one per cent over 1961. The total number of telephones is now 4,433 — 738 being installed and 120 disconnected during the year.

Exchanges

The capacity of public exchanges is being continually increased and has been raised to a total of 4,580 lines.

The temporary 25-line exchange at Mesapol was replaced by a 50-line RAX.

A temporary 50-line Satellite exchange was installed at Likas to meet the increased demand for telephones in that area. Plans are underway to increase Likas exchange to 200.

Tamparuli, Ranau and Membakut 25-line exchanges are to be replaced by 50-line RAX as soon as equipment arrives from the United Kingdom.

Indent has been placed to increase the capacity of RAX exchanges at Papar and Kota Belud from 50 to 100.

Plans have been finalised for a new 2,000-line exchange at Sandakan and an order has been placed. Jesselton exchange is to be increased from 1,500 to 2,000 lines. Tawau is to be extended to 1,000 (*ex* Sandakan).

Private Automatic Branch Exchanges (PABX) have become very popular in 1962 and the demand is growing. The present total capacity is 253.

Telephones

Total revenue at \$1,234,264 was \$196,867 more than in 1961. The increase was due both to the steady growth in the number of telephone installations and to a twenty-nine per cent increase in trunk call revenue.

COMPARATIVE STATEMENT OF THE NUMBER OF PUBLIC TELEPHONE
SUBSCRIBERS FOR THE YEARS 1961-1962

Exchange Name	1961		1962	
	Exchange Lines	Extensions	Exchange Lines	Extensions
Bandau	7	1	7	7
Beaufort	70	15	75	15
Jesselton	988	496	1,124	637
Keningau	59	10	61	12
Kota Belud	34	7	34	22
Kuala Penyu				
Kota Klias	5	2	5	2
Kudat	104	13	115	13
Labuan	194	56	206	64
Lahad Datu	87	10	100	16
Likas	79	8	93	9
Membakut	12	2	14	2
Papar	34	5	38	5
Penampang	25	2	25	2
Ranau	17	1	18	3
Sandakan	718	176	798	248
Semporna	55	6	60	6
Sipitang	17	2	18	1
Tambunan	6	—	6	—
Tamparuli	15	1	17	1
Tawau	318	58	357	73
Telipok	4	—	4	—
Tenom	41	7	43	7
Tuaran	41	9	47	10
Weston	12	2	13	1
Wallace Bay	—	—	11	4
	2,936	889	3,289	1,154

TELEGRAPHS

This Department continues to operate all public telegraph circuits within North Borneo and externally to the State of Brunei and Sarawak.

The number and type of circuits operated are as under:

- 4 VHF Teleprinter Circuits
- 3 VMF Manual Telegraph Circuits
- 1 Line Carrier Telegraph Circuit
- 2 VHF Phonogram Telegraph Circuits
- 15 HF W/T Circuits

In conjunction with Messrs. Cable and Wireless Ltd., the first overseas Telex circuit to North Borneo was opened in April.

With the exception of the external links to Sarawak and Brunei, Messrs. Cable and Wireless Ltd. continued to provide all public telegraph and radiotelephone services to overseas destinations.

VHF Country Set Subscriber Links

Due to deterioration in service and uneconomical maintenance, the Country Set link between Kennedy Bay and Lahad Datu was withdrawn from service in January. For the same reason, the link between Batu Batu and Labuan was withdrawn in November.

Better operating conditions permitted a link to be established between Bergosong on Sebatik Island and Tawau in July. This gave the subscriber in Bergosong direct access to the Tawau Exchange.

VHF Trunk Circuits

To improve communication and reduce transit time, one channel of the multichannel link between Jesselton and Tawau was modified in January for manual telegraph operation. As a result, telegrams were exchanged directly between Jesselton and Tawau, thus relieving the Sandakan Telegraph Office of the task of relaying telegrams between the two towns. At the same time, the possibility of delay of telegrams exchanged between Sandakan and these two towns was reduced.

In February, the second VHF link between the Tawau and Bombalai telephone exchanges was modified for auto-to-auto dialling.

In March, equipment for two single-channel links between Tawau and Wallace Bay was installed and brought into service.

In July, the second trunk circuit between Labuan and Mesapol was installed and opened for service. The two channels provide access to the Labuan Telephone Exchange Manual Board, whilst the manual board operator can ring any subscriber on the Mesapol Automatic Exchange, which also serves Sipitang.

To improve communication between Jesselton and Tuaran, a 50 Watt Radio Frequency has been installed at each terminal.

Other Services

Advice on the solution of communication problems has been given freely to other Departments, particularly the Police and the Civil Aviation Departments.

This Department continues to be responsible for the installation and maintenance of all telecommunications equipment for Civil Aviation, Police, Marine, Public Works, Administration, Forestry, Geological Survey and Agricultural Departments.

Police

A number of new police vehicles has been fitted with VHF sets.

To replace the older HF transmitters at the main stations, modern single side-band equipment, has been ordered on behalf of the Police Department. Delivery of these transmitters is expected early in 1963.

This year the increase in pirate activities on the East Coast has caused concern. Emergency measures were taken by the Police to increase patrols and observation posts. These called for expansion of radio communication facilities and the provision of more equipment. Funds have been made available and urgent orders have been placed on behalf of the Police Department for both HF and VHF equipment. Four HF radiotelephone sets have arrived by air and they have been forwarded to Sandakan for installation. Fourteen motor battery charges have arrived by ship. Due to manufacturing or suppliers' delay, delivery of the remaining equipment has been slow. Instructions have been given to airfreight the radio sets to North Borneo. All possible assistance has been given to the Police Department in their anti-piracy campaign.

Radio telephones on 80.4 Mc/s have been installed at Kunak and Tungku for communication with Bohey Dulang and Police patrol vessels.

Civil Aviation

To cover early morning and evening flights of Borneo Airways aircraft on the East Coast, the 4040 Kcs. domestic point-to-point radio telephone frequency was brought into use again in February.

New equipment ordered in 1961 has arrived and the battery operated air-ground-air VHF sets in the control tower at Tawau, Lahad Datu and Ranau have been replaced with more powerful mains operated sets. Electricity supply is not yet available at the Kudat and Keningau airfields and the new equipment for these two airfields has not yet been installed.

A new remotely controlled air-ground-air VHF set on 118.3 Mc/s has been installed in the station on Kapayan Hill in Jesselton. This site offers better range than the control tower which has a more powerful set.

Two "RACAL" HF Communication Receivers Type RA.17L ordered in 1961 have arrived and have been installed at Labuan.

Installation of the equipment for the Radio Teletype link with Singapore has been almost completed at Labuan. There has been considerable delay in the delivery of equipment by the manufacturers. Receiving tests have been arranged with the Singapore terminal.

The plan to move the Flight Information Centre at Labuan to a new location in the airport is being implemented. Material for the radio control panels has been obtained.

A battery operated air-ground-air VHF radio telephone set on 118.1 Mc/s was installed at Telupid airfield on the 15th November, 1962.

A non-directional M.F. Beacon with an output of 600 watts has been installed in Tawau.

A dual Runway Locator Beacon has arrived from the United Kingdom and is being installed near the southern end of the Jesselton Airfield.

Interior Residency

Six HF radiotelephone sets and six battery chargers have been ordered for Keningau, Tenom, Ulu Tomani and Meligan. The six battery chargers and two replacement chargers ordered for Sepulot have arrived.

Public Works Department

An HF radiotelephone is on order for Sepulot airfield.

In September, a VHF radiotelephone set on 80.4 Mc/s was loaned to the Public Works Department. This set has been installed at the gate at Mile 20 Kudat—Kota Belud Road for communication with Kudat for road control purposes.

In the same month, assistance was given to install a HF radiotelephone at Mile 68 Kudat — Kota Belud Road and at the Public Works Department's office, Kota Belud.

Marine

An HF radiotelephone set in the Signal Tower, Labuan, was put into service in February.

Crystals for 2182 Kcs. and 2130 Kcs. have been fitted in the HF radiotelephone equipment on G. M. L. "Berhala" and G. M. L. "Badang".

Pirates seized one radiotelephone on 80.4 Mc/s from G. M. L. "Rusukan", while berthed at Kunak. This has been replaced by a similar set.

The remote control unit for the 80.4 Mc/s coast watching station was transferred early in the year from the Police Headquarters to the Marine Signal Tower in Jesselton. Since then, service has been available between 6.00 a.m. and 6.00 p. m.

To give better coverage of the coastal waters between Jesselton and Kudat, an 80.4 Mc/s coast watching station was established at Kota Belud in May. This station is operated by police personnel.

Geological Survey

A radiotelephone on 80.4 Mc/s was hastily made available for installation on launch "L'Aubaine" for communication with shore stations along the coast. A replacement radio set has since been ordered.

Development

RADIO AND TELEGRAPH SECTION

A new M. F. transmitter for the Sandakan Coast Station was brought into service in May. This transmitter replaced the old "Standard" HSL1 transmitter, which has become a standby or spare transmitter.

Two 18 Kilowatt 3-phase diesel generators ordered earlier in the year have arrived, one at Labuan and one at Sandakan. These two generators will replace the existing inadequate emergency power plant at the respective wireless stations. The smaller generators thus released will be re-deployed.

A dual channel HF radiotelephone transmitter which arrived last year has been installed and tested with dummy load. It had not been possible to carry out radiation tests until the arrival of aerial matching transformers at the end of November. This transmitter when brought into service will provide radiotelephone communication with ships on the International Distress and Safety frequency 2182 Kcs. or on the traffic frequency 2130 Kcs.

Equipment for a VHF high band multi-channel link between Sandakan and Lahad Datu arrived towards the end of the year. This equipment was ordered in July, 1961, and will be installed as soon as it is unpacked at destination. It will provide five trunk channels to replace the existing two low-band single channels. The low-band equipment released will be re-deployed.

Equipment is on order to add two teleprinter channels each between Jesselton and Labuan and between Jesselton and Sandakan. In addition, equipment for two teleprinter channels each between Jesselton and Tawau and between Tawau and Sandakan is on order. Eight teleprinters have been ordered. This equipment is expected to arrive early in 1963.

An order has been placed for equipment to convert the six radio repeater racks at Kamburangah to six 5-circuit Terminal Racks. This conversion in due course will enable these racks to be re-deployed and used as radio terminals when the proposed UHF scheme between Jesselton and Kamburangah is implemented. An order for equipment to carry out the UHF scheme has been placed with the Crown Agents in London.

A site for the micro-wave station in Jesselton has been found.

In connection with the proposed micro-wave scheme and in an endeavour to improve communication with Sandakan and Tawau, a test site has been established above Kamburangah at a height of about 8,000 feet on the southern slope of Mount Kinabalu. A 10' x 10' aluminium hut and a 60' lattice mast have been erected, and a battery charging plant has been installed. Reception of Sandakan and Tawau signals at this location has been found to be better than at Kamburangah but, like Kamburangah, it does not offer a straight line path to Tawau.

Efforts exerted so far to find a better site for a VHF station than the present noisy site in the town area of Tawau have not met with success. The search continues.

It has not been possible to establish a satisfactory VHF link with Kalabakan from the present VHF station and other test sites in Tawau.

Equipment for the planned HF Independent side-band radio link between Jesselton and Kuching has been ordered. This equipment will be capable of providing two speech channels and six voice frequency telegraph channels. One communication receiver, test instruments, the masts and aerial wire have arrived. The transmitter and aerial system will be installed at the Wireless Station in Kapayan. Land for the receiving station has been obtained at Likas.

General

The expansion and continued prosperity of the timber industry on the East Coast has increased the demand for radio communication licences. A table showing the various classes of licences issued each year 1959 to 1962 inclusive is given hereunder:

<i>Class of Licence</i>	1959	1960	1961	1962
Special Radio Station ...	4	5	4	4
Aircraft Station ...	6	5	3	4
Experimental Station ...	1	—	1	7
Ship Station ...	13	37	37	34
Fixed Station ...	61	71	88	93
Private Business ...	1	1	1	4
Amateur Radio ...	2	1	—	3
Press Receiving ...	—	1	1	2
Land Station ...	—	—	—	1
TOTAL ...	88	121	135	152

Permits to import Wireless Transmitting apparatus were first issued during the second half of 1961. In 1962, fourteen permits covering twenty-six transmitters were issued.

The steady expansion of telecommunications and services in North Borneo has brought about ever increasing responsibilities for this Department and more work for the existing staff. There is a shortage of skilled personnel and it has not been possible to provide a staff increase commensurate with expansion of services. The position has been aggravated by the absence of officers sent out for training overseas. It is hoped that this position will improve in 1963.

The Established Technical Staff at the end of 1962 comprised:

1	Controller of Telecommunications
5	Assistant Controllers of Telegraphs
3	Assistant Engineers
9	Engineering Assistants
6	Inspectors
2	Cable Jointers Grade I
47	Technical Assistants
3	Foremen Mechanics
6	Line Foremen
35	Mechanics
3	Cable Jointers Grade II
1	Monitor
3	Telephone Operators Grade I
45	Telephone Operators Grade II
<hr/>	
TOTAL	169 Officers
<hr/>	

The following VHF trunk circuits were in service at the end of 1962:

<i>Relation</i>				<i>No. of Channels</i>
Jesselton	— Sandakan	...	...	5
"	Tawau	...	...	4
"	Labuan	...	...	4
"	Keningau	...	...	2
"	Tenom	...	...	2
"	Ranau	...	...	1
"	Tuaran	...	...	4
"	Kudat	...	...	3
"	Papar	...	...	2
"	Kota Belud	...	...	2
"	Limbang	...	...	1
Keningau	— Tenom	...	...	2
Sandakan	— Tawau	...	...	5
"	Lahad Datu	...	...	2
"	Semporna	...	...	2
Tawau	— Wallace Bay	...	...	2
Labuan	— Brunei	...	...	5
"	Limbang	...	...	1
"	Mesapol	...	...	2
<hr/>				
TOTAL				51 Channels
<hr/>				

VHF Subscriber Links in Service

<i>Relation</i>	<i>No. of Channels</i>
Jesselton — Kamburangah	1
Sandakan — Tungkud	2
Tawau — Bombalai	2
Tawau — Bergosong	1
Lahad Datu — Segama Estate	1
Lahad Datu — Bohihan Island	2
Labuan — Menumbok	1

Oversea Training

One Technical Assistant left for Melbourne in February for two years' study in telecommunication engineering.

In March, two Technical Assistants were sent to Singapore for six months' training in teleprinter maintenance and, in September, three more Technical Assistants went for the same course. In addition, two Technical Assistants went to study maintenance of carrier equipment.

In August, one Engineering Assistant left for the United Kingdom to take up a one year Sino-British Council Fellowship course in telecommunication and micro-wave engineering.

One Technical Assistant left for New Zealand in October for one year's training as Trade Instructor.

Three officers have returned from two-year courses, two from Australia and one from Canada.

With the exception of the Sino-British Council Fellowship course, the training courses were awarded under the Colombo Plan.

The Department is deeply indebted to the donor Government for their most valuable assistance in providing training courses.

Chapter 12: Broadcasting and Information

THE executive functions of the Broadcasting and Information Department fall into four closely-integrated branches: the Broadcasting Division, the Press and Publications Division, Visual Media Services and Library Services.

Administrative headquarters are in Jesselton, with a branch office in Sandakan, in charge of a locally born Information Officer, who was promoted to Division II status during the year. This office, opened in 1961, covers both broadcasting and press activities and has proved a most valuable link between Sandakan and headquarters.

The administrative staff of the Department and the programme staff of the Broadcasting Division moved into their new headquarters in Broadcasting House, Tuaran Road, in May. This building had been completed earlier in the year, but was occupied until the end of April as the office for the Cobbold Commission whilst it was in North Borneo, and it was here that the depositions of many of the country's political leaders and parties and of the citizens of Jesselton were laid before the Commission. Pending the installation of the equipment and the completion of the acoustic treatment of the studios, broadcasts continued to be made from the old studios. The space vacated by the administrative staff in the old Information Centre provided better accommodation for both the administrative staff of the library and the expanding Press and Publications Division.

Apart from the work of commissioning Broadcasting House, the most important and significant activity undertaken by the engineering department of the broadcasting service was the preparation of a two channel VHF and MF broadcasting transmission scheme, designed to provide territory-wide coverage. This scheme was developed from a previous report undertaken by the Marconi Wireless Telegraph Company Limited, based on field surveys in which test transmissions, made from the slopes of Mount Kinabalu from the site proposed for the main VHF transmitters, were highly successful. Under the new scheme, the VHF signal, fed by a link from the studios to a point 8,600 feet high on Mount Kinabalu, would be radiated to all parts of the country. Medium wave stations sited in the main centres of population would relay the VHF signal and provide a first class primary service for all the main towns.

Considerable attention has been given to the training of local staff overseas. During the year a senior member of the administrative staff returned from a course on Public Administration under the Colombo Plan in Australia, and the Department's photographer proceeded on a course of training in film production in the United

Kingdom. Other members of the Department still attending courses abroad are a member of the Press and Publications Division, reading for a B. A. Degree under the Colombo Plan in Australia; a Programme Assistant taking a course in Canada in Radio and Television Arts, also under the Colombo Plan, and a Librarian, who is undergoing a course in Librarianship in the United Kingdom, assisted by a generous grant from the Asia Foundation. Another member of the administrative staff proceeded to New Zealand at the end of the year to undertake a Stenography course.

The Broadcasting Service

Throughout the year programmes in four languages were broadcast by Radio Sabah, serving the various sections of the community in North Borneo. A short daily programme specially directed to listeners in remote villages was begun on the 7th August, broadcasting items in simple Malay and Murut, and at the beginning of the year an extension of broadcasting hours on Sunday mornings was introduced. These changes increased the average total of broadcasting hours each week to seventy-two hours forty-five minutes, with additional hours on public holidays and festivals. The programmes continued to be broadcast by short-wave transmitter giving country-wide coverage, and by medium-wave transmitter, serving the Jesselton area, the broadcasts being divided into morning, mid-day and evening transmissions.

The great interest in the Malaysia proposals was reflected in a large number of programmes on this subject, broadcast in all languages. During the visit of the Cobbold Commission full reports were broadcast each day on the progress of the enquiry, and the Chairman, Lord Cobbold, broadcast to the people of North Borneo on his arrival in the country, and again when he left at the conclusion of the enquiry. Listeners' queries on topics connected with Malaysia were answered in a series of programmes called "Malaysia Questiontime", which were broadcast in all language services. The fullest publicity was given to statements by political leaders on Malaysia, and North Borneo's representatives on the Malaysia Solidarity Committee took part in studio forums in Radio Sabah. The publication of the Cobbold Report was the occasion for more programmes on Malaysia, in which an attempt was made to present the recommendations in an easily understood form.

The other major broadcasting task during the year was in connection with the initiation of Local Government Elections. Series of talks on the significance of the elections, and the procedure to be followed, were carried in all services, and, before polling day, the representatives of the political parties took part in a series of party political broadcasts.

Radio Sabah, as hitherto, made considerable use of B. B. C. transcriptions in the English and Malay programmes during the year. The Malay section continued to broadcast its successful

"Youth Forum", which answered questions of general interest, and regular programmes by local orchestras maintained their popularity. The Chinese section carried a variety of talks on matters of general interest, as well as on specific subjects directed to particular sections of the community, as in the agricultural talks, and the women's programme. The Kadazan section continued its programmes of interviews and music, with talks on subjects like health, agriculture, co-operatives and village customs. A new series of programmes was begun in co-operation with Radio Australia, containing interviews with Kadazan students studying in that country, with regular commentaries on local events by one of them from Melbourne. In the English section, a rearrangement of the evening news period in January made it possible to include a regular relay of the B. B. C. "Commentary", which followed the B. B. C. World News, and was in turn followed by the Home News from Radio Sabah and a "Topic for To-night", which brought speakers to the microphone to talk about some subject of topical interest. All sections joined together in the presentation of the "Talent Time" Contest, in which singers and instrumentalists from every part of the country took part. Various regional heats and finals were held, the winners of which took part in a grand final staged in the Jesselton Community Centre on the 23rd April. Teams came from throughout the West Coast and from Sandakan and Tawau for the occasion.

Outside broadcasts during the year covered many events, and especially sporting occasions, with programmes broadcast direct from the Hone Cup Games and North Borneo Athletic Championships, and from the Borneo Games in Kuching. The latter event was made possible by the co-operation of Radio Sarawak.

The character of the programmes is indicated in the following table of percentages:

	<i>Chinese</i>	<i>Malay</i>	<i>Kadazan</i>	<i>English</i>	<i>Murut</i>
News	14.7	11.1	13.1	18.0	75.0
Talks	10.0	14.0	10.0	8.0	—
Features and plays	13.0	8.0	8.0	15.0	—
Music by local artists	9.0	9.0	61.8	2.7	25.0
Music and Variety (transcription and commercial discs) ...	48.4	51.0	—	51.3	—
Educational broadcasts	4.9	6.9	7.1	5.0	—
	100%	100%	100%	100%	100%

The percentage analysis of the programme sources is as follows:

	<i>Chinese</i>	<i>Malay</i>	<i>Kadazan</i>	<i>English</i>	<i>Murut</i>
B. B. C. Transcription Services ...	4.5	4.7	—	22.0	—
Radio Australia ...	1.4	—	1.3	2.2	—
U. S. I. S. ...	5.8	—	—	2.2	—
Other transcriptions (U. N., UNESCO etc.) ...	2.8	1.5	—	3.0	—
Commercial Gramophone Records ...	45.8	56.7	—	31.8	—
Local Broadcasts ...	25.0	26.0	91.2	18.0	25.0
Local News ...	14.7	11.1	7.5	6.8	75.0
B. B. C. News ...	—	—	—	14.0	—
	100%	100%	100%	100%	100%

Weekly average broadcasting hours of each language in December, 1962, on which the above figures are based ...

18 16 $\frac{1}{4}$ 14 $\frac{1}{2}$ 22 $\frac{1}{4}$ 1 $\frac{3}{4}$

The Press and Publications Section

The importance of North Borneo in the affairs of South-East Asia, the advent of Malaysia, the Philippine claim, and, towards the end of the year, the Brunei Revolt, brought increasing demands from overseas papers and a steady stream of internationally-known journalists and other visitors to the Department seeking information and contacts. This, and the rapid growth of the local press, brought more and more work to the press division, which throughout the year was under great pressure to meet all the demands being made upon it.

Press releases were published daily on a wide variety of topics and distributed to all Jesselton papers, telegraphed to the Department's Sandakan office for distribution to Sandakan papers, and circulated also to papers published in Malaya, Brunei, Sarawak, Singapore, Hong Kong and all major news agencies, and sent to the United Kingdom and Commonwealth Information Departments. A total of 5,060 items was included in these releases during the year, compared with 4,855 in 1961. The services rendered to the local press were supplemented by material received from overseas Information Offices, in particular the Central Office of Information, which supplied the London Press service, ebionoids, features, and news photographs dealing with British and Commonwealth affairs, and the Public Relations Offices of the Australian and New Zealand Governments, supplying especially feature articles on many of North Borneo's students studying in these countries under the Colombo Plan.

"The North Borneo News and Sabah Times" continued to be the only English daily newspaper published in Jesselton, and it included news and correspondence in Romanised Malay and Kadazan. This six-page paper altered its layout during the year, but it continued to subscribe to Reuters and carried up to date world news daily.

The proprietors of the Chinese newspaper, "The Borneo Times", commenced publication of an English edition of their paper at the beginning of the year, both papers being printed and published in Sandakan.

Other Chinese newspapers which are well-established and have now been published for many years are "The Overseas Chinese Daily News" (華僑日報) and "The Api Siang Pau" (亞庇商報) in Jesselton, and "The Sandakan Daily News" (山打根日報) in Sandakan, which maintained their high standard of journalism and production. "The Sandakan Sunday News" ceased publication on the 16th December. Other newspapers to start publication during 1962 were "Tawau Jih Pao" (斗湖日報) published in Tawau, and "The Kinabalu Daily News", which took the place of "The Kinabalu Observer" which had closed down temporarily in 1961. "The Students Weekly" (學生週刊) containing news and activities of Chinese schools in North Borneo ceased publication on the 1st September.

"Radio Sabah Calling", the magazine which includes the programme details of Radio Sabah in English, Chinese, Malay and Kadazan, completed its sixth successful year of publication in 1962.

The Department's monthly newspaper for young people, "Anak Sabah", increased in size and was given a "new look" at the beginning of the year to keep pace with the widening interests and outlook of its readers. Fewer articles of specifically North Bornean subjects were published, and emphasis was laid instead upon world events and world geography, especially that of countries newly joining the Commonwealth. Competitions still encourage young readers to write to the paper, and articles by school children were published. Encouragement was also given to readers to write short letters on different controversial subjects each month, and the results have been surprisingly good, both in the value of the opinions expressed and in the quality of the English. As the year advanced, increased emphasis has been given to information on countries to become part of the Federation of Malaysia, and simple charts and explanations were printed on subjects such as *Local Government*, *How Our Country is Governed*, and *Elections*.

By December it was apparent that the new form of "Anak Sabah" had gained great popularity, as circulation had increased by 1,000 copies to 3,300, and has later increased to nearly 5,000. In response to requests from headmasters, two pages of simple

stories and competitions were included in the December issue for the children in lower primary classes. A locally recruited Assistant Editor joined the staff in August.

Ad hoc booklets printed and published during the year were "North Borneo To-day", of which 40,000 copies were distributed and which is still in very great demand, and "North Borneo and the Colombo Plan", used for distribution at the Colombo Plan Exhibition in Melbourne. Both publications are copiously illustrated and include several colour photographs and provide condensed and useful information about the country.

Visual Media Services

The photographic section supplemented press releases by providing news photographs and photographs illustrating feature articles to all local papers. An average of 431 photographs a month was thus distributed. Films and photographs were also used in Honolulu in lectures to prospective members of the Peace Corps to give them an idea of the country in which they were going to serve. A very large number of photographs was also supplied in response to particular requests from overseas.

A 16 m.m. and 35 m.m. film library is administered by the Department and films are supplied to commercial cinemas, the Department's own circuits, and private borrowers. The territory is well provided with modern cinemas in all the major towns, mostly owned and managed by either the Shaw or Cathay Organisations of Singapore, which is borne out by the fact that there were thirty-four cinemas in operation in North Borneo in 1962, including those privately owned by rubber estates and timber camps, whilst eleven travelling projectors served smaller towns and villages. Copies of up to date British news reels, and documentary films, both 35 m.m. and 16 m.m., were available to meet the requests of cinemas in the main towns and these were also circulated to out-stations. Copies of these news reels continue to be received weekly by air from the Central Office of Information, and are very popular, remaining in demand for screening by rubber estates and timber camps in remote areas long after they cease to be topical.

The mobile cinema unit service in Jesselton area maintained its regular circuit and was also in considerable use for occasional shows. The unit screened films on 254 occasions to an estimated audience of some 100,000 people, shows being screened in the open air whenever possible; schools and missions were particularly co-operative in permitting the use of their halls for this purpose. Circuits were also operated in Sandakan, and, with the assistance of the District Administration, in Tawau. 170 shows were enjoyed by a total audience of 26,000 in Sandakan, and eighty shows, with a total audience of 16,000, were screened in Tawau.

The preparation of exhibitions for local and overseas purposes is becoming of increasing importance amongst the Department's activities. This work falls mostly on the Visual Media Services, in particular the photographic section, which, in addition to the continual and pressing demands of its normal work, prepared photographs for three major exhibitions during the year. The first of these, utilising some fifty photographs, formed the basis of North Borneo's contribution to the Malaysia Week Exhibition organised in January by the Ministry of Culture in Singapore, which included a Forestry display of a selection of North Borneo timbers.

In October, thirty exhibition photographs on North Borneo subjects were sent to Melbourne for incorporation in the Colombo Plan Exhibition there, for which the Department also supplied a large panel, consisting of a diagrammatic map of the country, together with a display of handcrafts. North Borneo's contribution was considered to be very successful and the exhibits have been retained for display in the Museum in Melbourne.

A series of photographs portraying the life of the country and a large number of charts and diagrams illustrating the country's progress was also supplied for exhibition at Government House during the visit of the Prime Minister of Malaya, Tunku Abdul Rahman, in November.

Public Libraries and Reading Rooms

The Public Library service administered by the Department, apart from providing general reading material, continued to play an increasingly important part in the educational field. Libraries are being more extensively used by school children and by more serious students as places of study. Both the major libraries in Jesselton and Sandakan are now air conditioned, but owing to the increasing use being made of them, conditions are very cramped and new buildings are becoming an urgent necessity. The Jesselton library acts as the Central Library for the country and is the headquarters of the library administrative staff. It is here that the books are ordered, registered and classified, and then issued to lending libraries in the various towns. There were during the year approximately 5,500 readers in all parts of the country and nearly 60,000 issues were made. The demand for books continues to be great, and as stocks are built up the gaps which need to be filled to meet the needs of specialised subjects become more and more apparent. The libraries are staffed by local girls, most of whom have completed a secondary education, and the profession of Librarianship is providing an alternative and interesting career for them.

The Borneo Literature Bureau

The aims of the Borneo Literature Bureau, sponsored by the Sarawak and North Borneo Governments, may briefly be stated to be the provision for local use of a wide range of suitable literature in English, Chinese, Malay and the local Bornean languages.

It is estimated that the Bureau sold 500,000 books and 180,000 magazines in 1962, an increase of one thousand per cent on the figures for 1960.

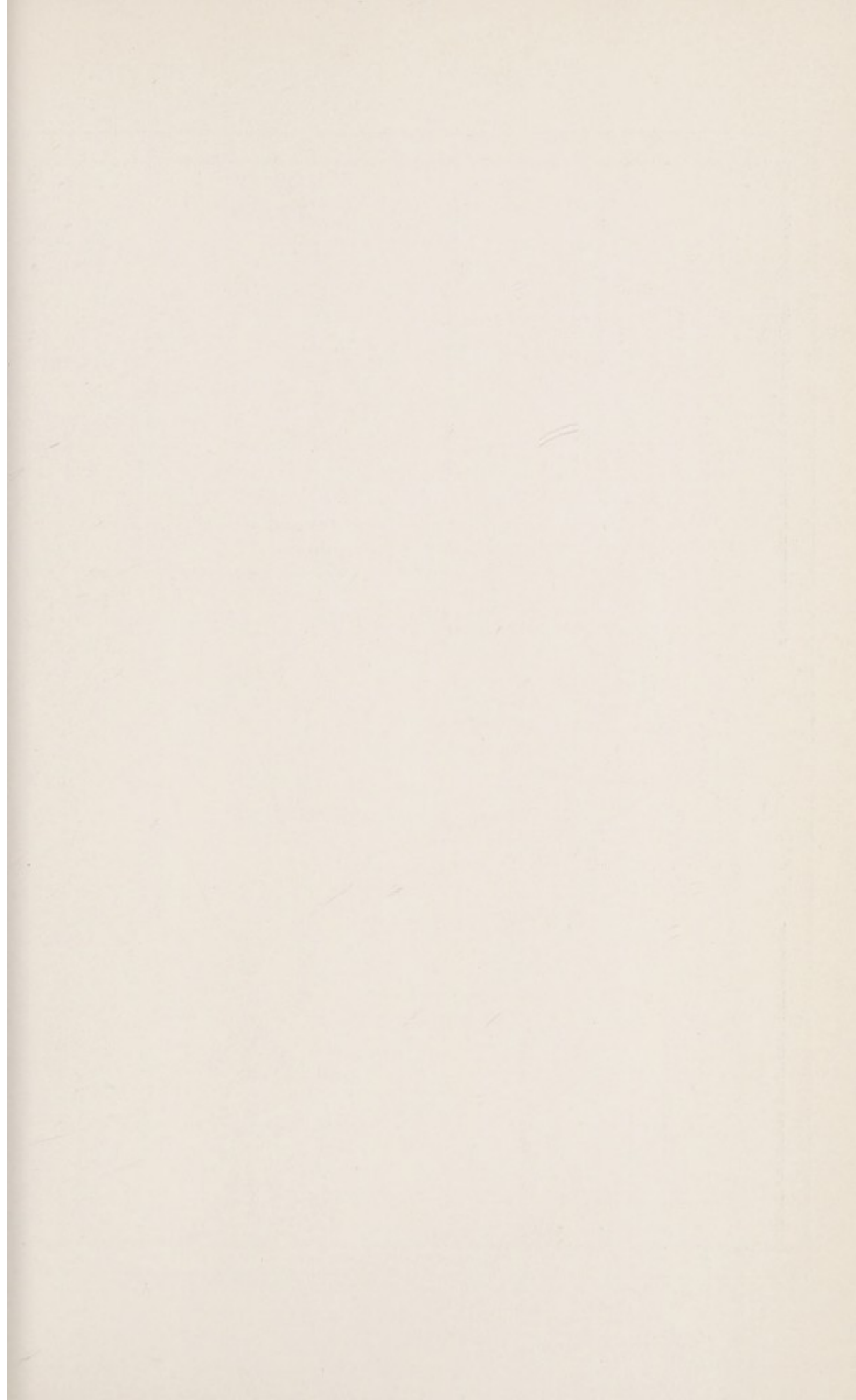
The Bureau began its publishing operations in 1960 and was concerned mainly with assisting the Education Departments by publishing suitable school textbooks, but during the last year it received and published a number of manuscripts of general interest written by local authors. Of the twenty-seven new books published during the year, eight were written entirely by local authors.

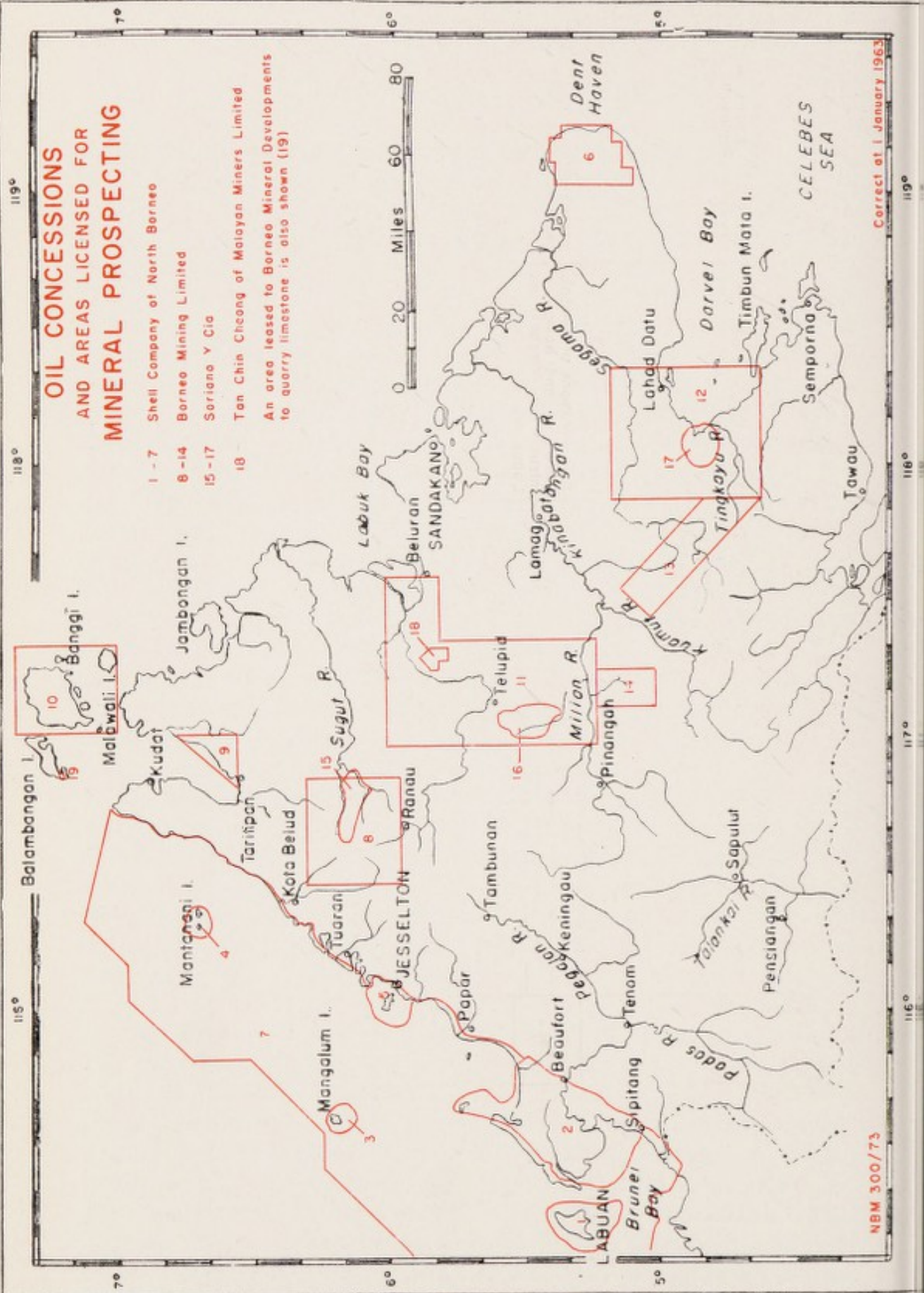
Most of the books published by the Bureau were in English but it also published a considerable number in Chinese and Iban and several in seven other Bornean languages, and Malay. Subjects covered included folk tales, legends and fiction, as well as a wide range of textbooks and works of a general information nature. The Bureau also published "The Dolphin", a monthly magazine in English, with a Chinese edition, for children. Other items published included maps, educational games, posters, charts and leaflets.

Chapter 13: Geology

SUBSTANTIAL progress in prospecting was made during 1962. Borneo Mining Limited (formerly Naylor Benzon and Company Limited) continued their prospecting for chromite and iron ore in the Labuk and Darvel Bay areas. The company's efforts were concentrated on evaluating previous finds in the Labuk area by diamond drilling but new chromite occurrences were also reported in the Darvel Bay area. Soriano Y Cia continued reconnaissance geochemical surveys for copper and nickel in their concessions in the Kinabalu, Labuk, and Segama areas and detailed prospecting of a copper occurrence near Ranau, discovered by them in 1961. Their concession areas have now been revised. A new prospecting licence for copper, nickel, and other minerals was issued to Mr. Tan Chin Cheong of Malayan Miners Limited for part of the Labuk area. Oil exploration by the Shell Company of North Borneo Limited included the marine drilling of one dry hole and geophysical evaluation of oil prospects of the continental shelf. New oil prospecting licences for the Sebatik Island area (Teikoku Oil Company Limited, Japan) and the Jambangan Island area (Clark Borneo Oil Incorporated, United States of America) are under consideration. Plans to establish a large limestone quarry on Balambangan Island are held up because of the expense of transporting the stone to markets outside the country.





During the year the Geological Survey completed its programme of reconnaissance geological mapping in the Labuan and Padas Valley area. Surveying continued in Dent Peninsula and substantial progress was made in field investigations of the igneous rocks in North Borneo. A memoir on the geology of the Semporna Peninsula was published and others on the geology of the Pensiangan and Upper Kinabatangan area and on the Labuan and Padas Valley area were prepared in draft form. Investigations of constructional materials were continued and sources of suitable clay for cement-making on Balambangan Island and of high-grade brick clay near Tawau were found. Sources of roadstone near Jesselton were investigated. Special mineral investigations, in addition to routine geological mapping, included studies of nickeli-ferous laterite from the Labuk and other areas and silver and gold prospecting in the Semporna area. Cinnabar and scheelite (mercury and tungsten ore minerals) were discovered in river gravels near Ranau. The survey also recorded prospecting information and advised on developments in mineral prospecting.

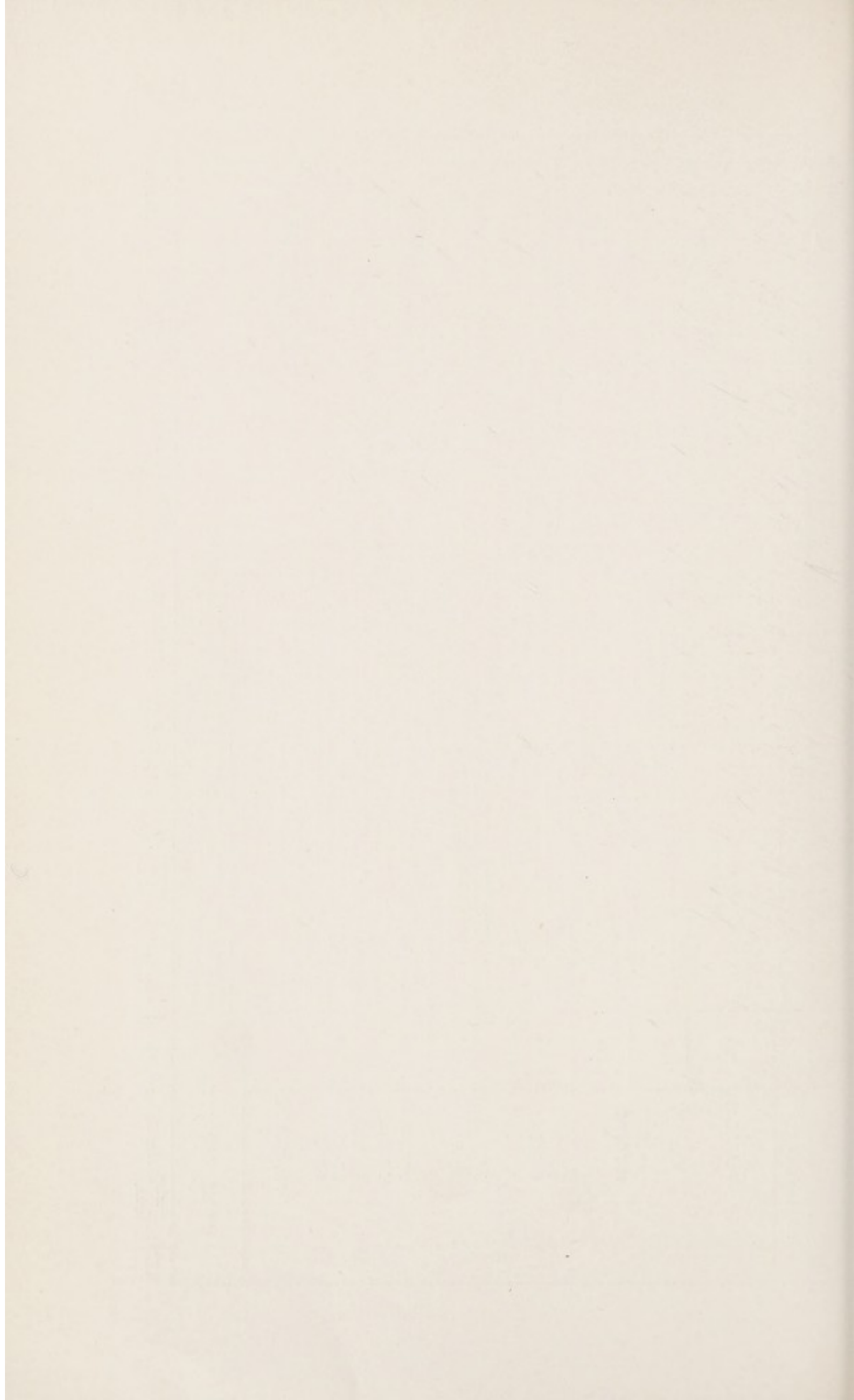




SIMPLIFIED STRATIGRAPHY OF NORTH BORNEO

TIME UNITS	LETTER CLASSIFICATION	NORTH BORNEO		IGNEOUS ACTIVITY	
		WEST	EAST	INTRUSIVE	VOLCANIC
QUATERNARY		Alluvium and coastal deposits			Basalt lava and dacite eruptions on Semporna Peninsula
TERTIARY	PLIOCENE	No sediments in most areas	TOGOPI AND SEBAHAT FORMATIONS ETC.	Small basic, intermediate, and acid intrusions of the Semporna Peninsula	Explosive eruptions of andesite, dacite, and rhyolite on Semporna Peninsula
	UPPER MIOCENE	MELIGAN FORMATION	BONGAYA AND TANJONG FORMATIONS		
	LOWER MIOCENE		AYER AND	Acid intrusions of Kinabalu. Ultrabasic and basic intrusions of Kinabalu and Labuk areas	Intermediate and acid volcanic rocks in the southeast
	OLIGOCENE	LABANG FORMATION	KALUMPANG FORMATIONS		Basalt lava in Labuk area
	UPPER EOCENE	WEST AND EAST CROCKER FORMATIONS	?		
UPPER CRETACEOUS	LOWER EOCENE	TRUSMADI FORMATION	KULAPIS FORMATION	Ultrabasic, basic, and dioritic intrusions of the Segama area	Submarine volcanic rocks, mainly basalt and spilite
	PALAEOCENE	CHERT-SPILITE FORMATION			
		METAMORPHOSED BASIN			

KEY:  Marine geosynclinal sediments  Shallow water marine, deltaic, and fluvioatile sediments  Sediments of ?continental type  Unconformity



In the following paragraphs, the geology and mineral resources of North Borneo are briefly described and an account given of the administration and activities of the Geological Survey Department during 1962.

HISTORY OF EXPLORATION

One of the first explorers to make geological observations in North Borneo was J. Motley, a mining engineer, who described coal on Labuan Island in 1852. Later Spenser St. John explored the west coast, climbed Kinabalu and made many observations on topography and geology. In 1873 F. Giordano and G. Bove, on the Italian warship *Governolo*, visited North Borneo, published a geological and geographical description of Banquey (i.e. Banggi) Island and made the second European ascent of Kinabalu (Giordano, 1874; Bove, 1876). Among explorers in the latter part of the 19th century W. F. Witt and Frank Hatton made geological observations in various parts. A more detailed account of early exploration is given by Theodor Posewitz (1892, pp. 66-70). C. Schmidt, an experienced oil geologist, made a reconnaissance of part of the west coast and Labuan in 1899 and later published an account of the geology, accompanied by a map (Schmidt, 1904).

Prospecting of coal and mineral deposits by R. R. Pilz for the British Borneo Exploration Company from 1909-11 resulted in the first systematic and reliable geological observations covering most of the country; his published account was accompanied by a geological sketch map (Pilz, 1913). More sustained geological surveying, including drilling, was done by the British Borneo Petroleum Syndicate from 1908 to 1911, by the Nederlandsche Koloniale Petroleum Maatschappij from 1913 to 1915 and by other oil companies up to 1931. The Royal Dutch/Shell Group made widespread and energetic geological surveys of parts of eastern North Borneo from 1935 to 1940. Several papers on the geology and palaeontology were published by the oil geologists and, after the Second World War, the Shell Group arranged for Professor M. Reinhard and Dr. E. Wenk, both of whom had worked in North Borneo, to compile an account of the geology from all available records. This was published in 1951 as Bulletin 1 of the Geological Survey.

The Geological Department has, since its establishment in 1949, made reconnaissance surveys over the whole country. This initial phase should be completed by 1963. The work done by the Shell Group since World War II in North Borneo was concentrated in the west coast and Dent Peninsula areas and the results have been made available to the Department. Information from these and from the geological reconnaissance surveys by the Department is being published in a series of ten regional memoirs, of which six have been published, one (Semporna) is in press and

three are in preparation. The series is expected to be completed by 1964. The next stage will be more detailed mapping of areas of special economic and geological interest. The policy of the Department is to make all its geological results quickly available by publication. This has no doubt encouraged continued mineral prospecting by mining companies, which in turn yields further geological data as well as direct information on mineral deposits.

TOPOGRAPHY

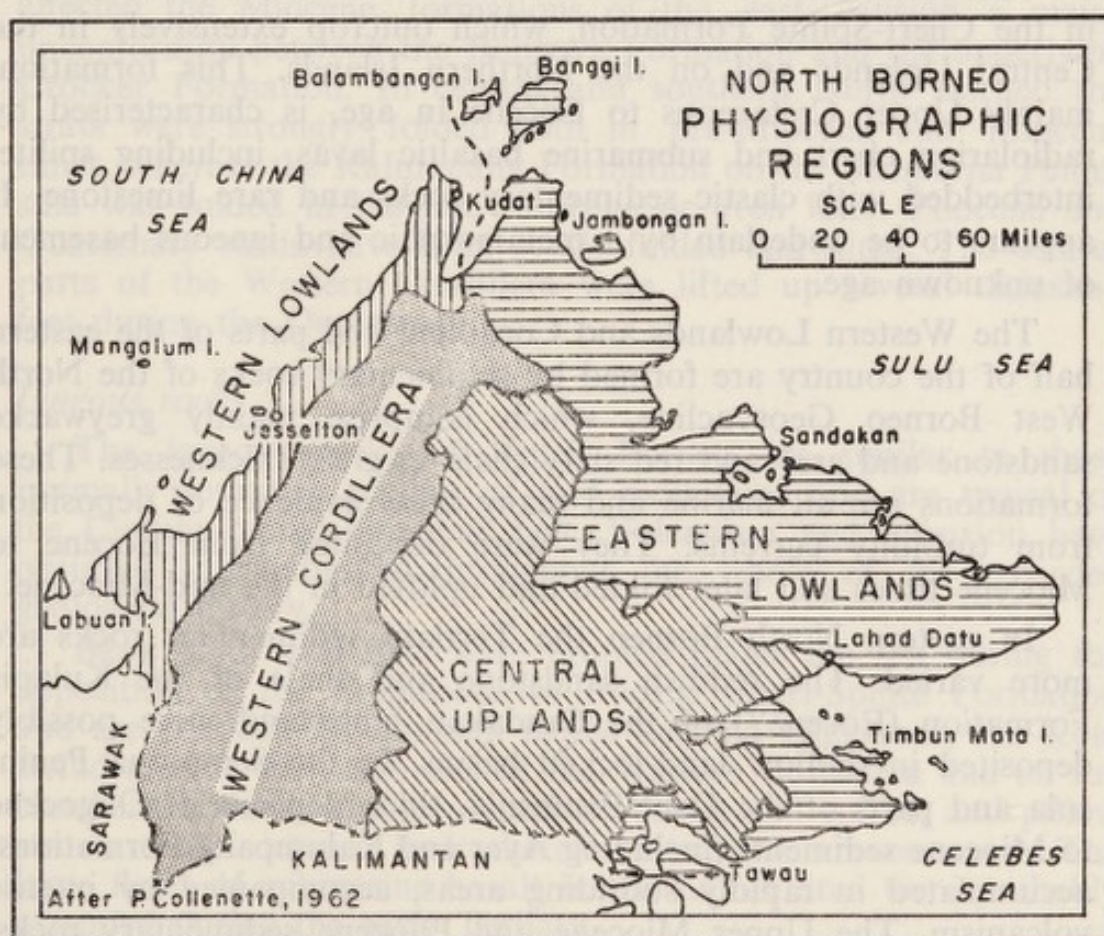
North Borneo, with an area of 29,388 square miles, forms the apex of the island of Borneo. It is bounded on the west by the South China Sea, below which a continental shelf extends about forty miles to the Palawan Trough, in which depths of 11,000 feet have been recorded; on the north-east a shelf extends out to Kagayan Sulu Island, beyond which is the Sulu Sea Deep; on the south-east the coast falls away sharply into the deep Celebes Sea. The shape of the country has been aptly compared to a dog's head facing east. The coastline of over 800 miles is deeply indented by large bays, such as Marudu Bay in the north and Sandakan Harbour, Darvel Bay and Cowie Harbour in the east.

The main watershed trends north-north-east, following the central parts of the Western Cordillera and lies much closer to the west coast than to the east. Consequently most of the large rivers, namely the Kinabatangan, Labuk and Sugut, drain eastwards. The Padas is the only large river which flows into the South China Sea.

The positions of the dominant mountains are apparently unrelated to the main watersheds, in contrast to Alpine morphology where the dominant mountain massifs occupy the watersheds between the great European rivers (Reinhard and Wenk, 1951, pp. 7-9). Thus, many of the watersheds between the larger rivers are surprisingly low, whereas high mountains separate the tributaries of a single river. A physiographic classification of North Borneo has been proposed by P. Collenette (1962). The highland areas include many peaks between 4,000 and 6,000 feet, with a few higher mountains such as Kinabalu (13,455 feet), Tambuyukon (8,462 feet) and Trus Madi (8,500 feet). The only well-defined range, however, is the Western Cordillera (formed by the Crocker, Trus Madi and Wittti Ranges) trending north-north-east in the western part of the country. Within the Cordillera are four rather extensive intermontane plans, the Tenom, Keningau, Tambunan and Ranau Plains. The Eastern Lowlands are partly dissected peneplains, which probably originated in late Tertiary times, and partly river deltas. To the east, the Central Uplands are formed by a number of separate mountain groups and massifs.

GEOLOGY

The geology shows many of the features characteristic of the Circum-Pacific Orogenic Belt, which surrounds the Pacific Ocean and has been structurally unstable since the Cretaceous. In the regions within the belt, such as Indonesia, the Philippines, Japan, the Aleutians and the west coast of the Americas, the instability has resulted in the accumulation of great thicknesses of sediment, strong folding and frequent periods of intrusion and extrusion of igneous rocks. The association of greywacke sandstone, slaty shale, radiolarian chert and submarine basic lava flows is typical of the Circum-Pacific Belt.



The country may be divided almost equally along a north-south line. The western half, roughly the Western Cordillera and western Lowlands, represents the north-east part of the Cretaceous-Cenozoic Northwest Borneo Geosyncline; the rocks and structures are a continuation of the Tertiary fold mountains of Sarawak, Brunei and Central Kalimantan. The eastern half shows structure and lithology indicating a relationship to the Sulu Archipelago and the Sulu Sea Basin and is characterised by complicated tectonics, abundant Cenozoic volcanism and intrusion of ultrabasic igneous rocks.

Sedimentary Formations

More than nine-tenths of North Borneo is underlain by sedimentary rocks, mainly shale, sandstone, chert and limestone, ranging in age from Upper Cretaceous to Quaternary. Classification of the various sedimentary rocks into formations is still not complete but more than twenty have been provisionally described. Practically all the sediments were deposited under the sea and have since been compacted, folded and uplifted to their present heights above sea level during Tertiary and Quaternary mountain-building.

The oldest known fossiliferous rocks are Cretaceous limestones in the Chert-Spilite Formation, which outcrop extensively in the Central Uplands and on the Northern Islands. This formation, mainly Upper Cretaceous to Eocene in age, is characterised by radiolarian chert and submarine basaltic lavas, including spilite, interbedded with clastic sedimentary rocks and rare limestone. It appears to be underlain by a metamorphic and igneous basement of unknown age.

The Western Lowlands and Cordillera and parts of the eastern half of the country are formed by sedimentary rocks of the North West Borneo Geosyncline, which comprise mainly greywacke sandstone and grey and red slaty shale in great thicknesses. These formations are all marine and many show evidence of deposition from turbidity currents. They were deposited from Eocene to Miocene times and later folded and uplifted in the mid-Miocene.

In eastern North Borneo the Tertiary sedimentary rocks are more varied. The reddish sandstone and shale of the Kulapis Formation (Eocene?) of the Sandakan hinterland were possibly deposited in shallow land-locked basins. In the Semporna Peninsula and parts of the Dent Peninsula, thick deposits of Oligocene to Miocene sediments (including Ayer and Kalumpang Formations) accumulated in rapidly subsiding areas, accompanied by intense volcanism. The Upper Miocene and Pliocene sedimentary rocks, including thick foraminiferal and coral-algal limestone of the Bongaya Formation of the north-east coast area and the Segama, Tungku, Sebahat and Togopi Formations of the Dent Peninsula, were deposited mainly in marine, shallow-water, shelf conditions.

In central North Borneo, mudstone and sandstone (Tanjong Formation; Upper Miocene), probably about 30,000 feet thick, were deposited in shallow-water, possibly deltaic, conditions. They now form three synclinal basins as much as thirty miles across but it is not yet known whether these represent original basins of deposition.

Tectonics

The Miocene and older formations are strongly deformed. Folding has occurred at various times, and has been mainly local. Consequently, no regional unconformities are present, although the Upper Miocene strata are strongly unconformable and transgressive on older rocks in most areas.

The intense deformation and low-grade dynamo-metamorphism of the Chert-Spilite Formation indicate folding before the younger formations were deposited, probably in late Eocene times. The Crocker Formation (Rajang Group) was folded by movements which were most intense in the mid-Miocene and which also affected the Miocene formations of the east, causing a major unconformity between the Bongaya Formation and the underlying Crocker Formation. In central and southern North Borneo the strata were strongly folded both in pre-Miocene and Miocene times, whereas the Kalumpang Formation on the Semporna Peninsula was folded in the late Miocene or even later. Pliocene and Quaternary strata have been gently folded and tilted. The central parts of the Western Cordillera were lifted up several thousand feet during the Quaternary.

Igneous rocks

The igneous rocks of North Borneo are similar to those normally found in regions of fold mountains and are typical of the Circum-Pacific Orogenic belt. Volcanism and intrusion have occurred intermittently throughout the whole of the recorded geological history.

Basic lavas and tuffs were erupted under the sea during the deposition of the Cretaceous to Eocene Chert-Spilite Formation and are particularly common in the Segama Highlands, the Kota Belud area at the north end of the Western Cordillera and on the Northern Islands. The lavas include basalt and spilite, and pillow structure and intense hydrothermal alteration are common. The large flows of submarine basalt in the Labuk area were probably extruded during the early Tertiary.

Lavas and tuffs are interbedded with the sedimentary rocks of many of the younger formations. The Oligo-Miocene Kalumpang Formation of Semporna Peninsula and the Miocene strata of Dent Peninsula both contain much volcanic material mixed with clastic sediments and as beds of dacitic and andesitic lava and tuff. During the Pliocene and Quaternary active volcanoes on the Semporna Peninsula formed a chain that was a southern westwards continuation of the Sulu Islands volcanic arc. An earlier phase of explosive eruptions of andesite, dacite and rhyolite was followed in the late Quaternary by widespread eruptions of olivine basalt from fissures and small cones. Some of the lava flows

blocked river valleys, altering the drainage pattern. The original shape of several of the youngest cones and flows is still clearly recognisable but hot springs are the only remaining active feature of the volcanism.

Intrusive igneous rocks are practically confined to a broad discontinuous belt extending from the Kinabalu area south-south-east to Darvel Bay and the Semporna Peninsula. Ultrabasic, basic and intermediate intrusive igneous rocks are widespread within this belt, whereas large granite intrusions are confined to the Kinabalu area. Ultrabasic rocks crop out in mountainous country over some 550 square miles, occurring as intrusions ranging from small sheets and lenses, particularly in the Chert-Spilite Formation, to large bodies of peridotite, dunite and pyroxenite in the Segama and Labuk Highlands and around Kinabalu. In most areas, the rocks are largely altered to serpentinite. Some of the sheets and lenses may have been intruded during deposition of the Chert-Spilite Formation (Cretaceous to Eocene), whereas the larger intrusions appear to be mainly early Tertiary and possibly Miocene in age.

Gabbroic and dioritic rocks of Lower Tertiary age are widespread in the Segama Highlands, where they are closely associated with ultrabasic intrusions. Large intrusions of banded gabbro and associated amphibolites occupy about 250 square miles. Small intrusions of Upper Tertiary diorite, associated with volcanic rocks, occur in many parts of Semporna Peninsula. Granitic rock, forming large intrusions at Kinabalu and nearby, was emplaced during folding of the Crocker Formation, probably in mid-Miocene times. Small granite intrusions also occur in the Labuk and Segama Highlands and near the late Tertiary volcanoes of the Semporna Peninsula.

MINERAL RESOURCES

Stone, coral, sand and clay are the only mineral materials being exploited in North Borneo at present (see table on p. 215), but the value of the mineral resources of the country is far from completely assessed. There are promising occurrences of copper, iron and chromite ores and of several other minerals which may attract future mining.

Knowledge of the mineral occurrences given below has been compiled chiefly from recent reconnaissance mapping by the Geological Survey, supplemented by more detailed work in certain localities of economic interest undertaken both by the Survey and by mining companies during the last few years. Sporadic earlier work, mainly during the early years of this century, also yielded useful information. Prospecting, however, is still in its early stages.

In the following paragraphs the known mineral occurrences in North Borneo are described briefly in alphabetical order and references are given to more detailed sources of information.

Asbestos

Thin veins of asbestos in ultrabasic rock have been found on Malawali Island, near Taritipan on Marudu Bay and east of Kinabalu. A preliminary investigation of the deposit on Malawali Island showed that short-fibre chrysotile asbestos occurs in brecciated serpentinite and that the veins, although thin, are widespread in the area examined. More prospecting is necessary before the value of the deposit can be assessed.

Chromite

The occurrence of chromite in North Borneo has been known from the beginning of the century when minor deposits of chromite-bearing sand on Banggi Island and a small lens of chromite in the Ranau district were discovered and examined by R. R. Pilz of the British Borneo Exploration Company. Neither of these discoveries led to further prospecting until recent Geological Survey mapping revealed the very large extent of the potentially chromite-bearing ultrabasic rocks in many parts of the country.

In late 1958, Naylor Benzon Company Limited (registered locally in 1961 as Borneo Mining Limited) was granted exclusive rights for five years to prospect for chromite, iron ore, manganese, and magnesite in an area of 3,913 miles, with an option to renew for a further five years for half the potentially mineral-bearing part of the area. In 1961, the company was granted exclusive prospecting rights for a further 461 square miles. By 1962, extensive reconnaissance surveys had been made in the Northern Islands, Labuk Valley, and Darvel Bay areas, and an unsuccessful drilling programme had been completed on Banggi Island. New chromite occurrences were found in the Porog, Mount Tonsuan, and Mount Lumisir areas of the Labuk Valley, and on small islands in Darvel Bay.

Detailed surveys of the chromite occurrences in the Ensuan area of the Labuk Valley and in the Darvel Bay area, and a reconnaissance of the Mount Silam and Mount Beeston ultrabasic intrusions, were made by the company in 1962. The latter survey revealed a new chromite ore occurrence on Mount Silam, and boulders of chromite indicated the existence of a second ore-body. Approximately 2,000 feet of diamond drilling was completed at Porog in the Labuk Valley, but no major zones of mineralisation were encountered, and drilling operations were terminated towards the end of the year.

Coal

Coal has been mined at Silimpopon and on Labuan Island. Seams also occur at Weston, at various localities in the Upper Kinabatangan, near Sandakan and in the Serudong Valley. At Silimpopon, a colliery operated from 1905 to 1932 and produced about one-and-half million tons of coal, largely for supply to ships' bunkers. Fall in demand caused by the growing use of oil, together with financial and mining difficulties, forced the colliery to close. A recent survey showed that fourteen million tons of sub-bituminous coal may remain but probably not all of this could be mined.

At Labuan, coal was produced for sixty years but production was probably only about half a million tons; mining stopped in 1912, largely because of difficulties in dewatering the mine. An investigation by Powell Duffryn Technical Services in 1948 suggested that mining might be resumed without great difficulty and that nine million tons of sub-bituminous non-coking coal may still exist in one seam alone. A ninety-nine-year lease, granted to the Central Borneo Company in 1889 and subsequently assigned to the Labuan Exploration Company in 1918, included the right to mine coal on the island but, as far as is known, this company has no present plans to develop the coalfield.

DETAILS OF LEASE AND LICENCE AREAS
SHOWN ON MAP

<i>No.</i>	<i>Licensee or Lessee</i>	<i>Duration</i>	<i>Remarks</i>
1	Shell Company of North Borneo Limited	Until 1988	Under lease for petroleum and other mineral oil from Labuan Exploration Company, which also holds rights for coal, iron ore, firestone and fireclay.
2- 6	Shell Company of North Borneo Limited	Until 2016	Lease for crude oil, natural gas, clays, shales and other bituminous substances.
7	Shell Company of North Borneo Limited	Until 1966	Marine prospecting licence for petroleum.
8-12	Borneo Mining Limited	Annual	Prospecting licence for chromite, iron ore (including nickeliferous limonite), magnesite and manganese ore.
13-14	Borneo Mining Limited	Annual	Prospecting licence for chromite.
15-17	A. Soriano Y Cia	Annual	Prospecting licence for copper, lead, zinc, gold and nickel ores (including nickeliferous limonite).

No.	Licence or Lessee	Duration	Remarks
18	Tan Chin Cheong of Malayan Miners Limited	Annual	Prospecting licence for copper, gold, silver, lead, zinc and nickel sulphides.
19	Borneo Mineral Developments	Until 1981	Lease to quarry limestone.

Copper

Copper is known at various localities in the Labuk River area near Ranau and east of Marudu Bay; in each locality it probably occurs in basalt or in basic and ultrabasic intrusions. Investigations of copper deposits were first made more than half a century ago, and information on the results of these early explorations is contained in Geological Survey memoirs. A programme of research into geochemical prospecting techniques undertaken by the Geological Survey and the Royal School of Mines over a known 80,000-ton copper ore-body at Karang has led to the development of a copper prospecting method suitable for humid, jungle-covered, tropical terrains.

This method has been adopted with some success by Soriano y Cia, who hold a prospecting licence for copper, gold, lead, and zinc for areas at Karang, Darvel Bay, and Tambuyukon. Geochemical prospecting by this company has indicated that the Karang lode extends 4,000 feet farther than previously known. Anomalous higher copper values have been found in bank and stream sediments in the Karang and Tambuyukon areas and, in the latter, boulders of copper ore and gossan have been discovered on tributaries of the Mankadau River. The area of this discovery was further investigated in 1962 by geophysical methods, and geochemical reconnaissance surveys in other areas were extended. A detailed survey was also begun in the Pinaduan tributary of the Karamuak River, using geochemical, geophysical, and geological methods, and promising results have been obtained.

An exclusive prospecting licence for copper, gold, silver, lead, zinc, and nickel sulphides was issued during the latter part of 1962 to Mr. Tan Chin Cheong of Malayan Miners Limited for twenty-nine square miles of the Bidu-Bidu Hills area of the Labuk Valley. New discoveries of copper ore in the area were reported before the end of the year.

Dolomite

Calcitic dolomite is known to occur at Mangalum Island and, as boulders, in central and north Banggi Island. None of these occurrences is workable as a source of magnesian fertilizer, for which there is a considerable demand in North Borneo.

Fuller's Earth

Fuller's Earth is a common constituent of the sedimentary rocks forming the Crocker Range. It has been located at various places close to the west coast. A sample from Jesselton showed qualities superior to Fuller's Earth from Surrey, England. The earth is sometimes eaten by villagers from the Tuaran district, who know it as *porog*. Samples of Fuller's Earth from the Jesselton area, tested in Japan during 1962, were found to consist principally of illite and to be somewhat similar to clay used as a decolouriser in the petroleum industry. Further tests are being made to determine whether the North Borneo clay is marketable in Japan.

Gold

Gold has been known in the Segama Valley for over a hundred years and several investigations have been made. The most recent, undertaken by the Geological Survey, shows that the gold is widespread. Small accumulations of alluvial gold sufficient to repay individual fossickers are thought to occur but there is no evidence of deposits rich enough to be worked on a larger scale at present costs. More recently, silver and gold have been discovered with sulphide mineralisation in quartz in the Kalumpang Valley and (by Borneo Mining Limited) near Mount Beeston in the Lahad Datu area. Further investigation of these deposits is justified.

Iron

Limonitic iron ore occurs in the Labuk Valley where the deposits have resulted from the weathering of the underlying rocks and are of doubtful economic value. The most promising are probably those overlying ultrabasic rock but the possibility of working these deposits would probably depend on their containing a sufficient percentage of nickel to make them nickel-iron ores and on the establishment of suitable communications. All known deposits lie within areas for which Borneo Mining Limited have at present exclusive rights to prospect for iron (including nickeliferous limonite). During 1962, the limonitic iron ore underlying a plateau several square miles in extent on Mount Tavai in the Labuk area was prospected by this company, using a light diamond core-drill. More than twenty holes were drilled to a total footage of 700 feet, showing the thickness of the deposit to be considerable.

Limestone

Limestone has been mapped at numerous localities; the rock generally occurs as isolated hills of which some of the larger contain caves that are sources of edible birds' nests. The owners of the caves would discourage quarrying, as this might disturb the nesting habits of the birds. The most promising quarrying locations

that are not affected in this way are hills at the southern ends of Banggi and Balembangan Islands, outcrops in the lower Kinabatangan Valley and raised coral platforms on islands at the eastern end of the Semporna Peninsula.

Part of the deposit on Balembangan Island is held by Borneo Mineral Developments under a twenty-one-year lease which covers approximately fifty acres. The stone is of uniform composition and can be ranked as a high-calcium low-impurity limestone chemically suitable for iron smelting and cement making. A recent investigation of clay and mud from Balembangan Island shows that they are of a suitable composition for use in cement making with the Balembangan limestone.

Manganese

Manganese occurs at Taritipan, where efforts at mining during the early part of the century were unsuccessful. An examination of the deposit showed that the ore was concentrated only near the surface, and that the quantity was small and not of marketable quality, owing to its high silica content.

Mercury

Small quantities of cinnabar (mercury sulphide) were found during 1962 in alluvium in the upper River Liwagu (Labuk) near Ranau. The source of the mineral has not yet been located but it appears to be from near Rendagong, between Ranau and Tambunan, where an occurrence of antimony ore is known.

Nickel

Small percentages of nickel are probably widespread in the secondary lateritic deposits formed over the large ultrabasic intrusions of North Borneo, the largest known deposits being in the Labuk area on the Tavai Plateau and in the Ensuan Valley. No large occurrences of sulphidic nickel minerals are known.

Oil

Oil and gas seepages occur at various places in North Borneo, generally associated with Upper Miocene or younger sediments. Several companies have conducted exploration during the last half-century and wells have been drilled on Klias Peninsula, near Kudat, on Sebatik and Mangalum Islands and at six locations in the South China Sea without discovering oil accumulations.

These off-shore wells have been drilled by the Brunei Shell Petroleum Company on behalf of the Shell Company of North Borneo from the marine drilling platform *Orient Explorer*, the most recently drilled being Bunbury 1, which was sunk to a final depth of 6,151 feet in 1962. Although no oil was found, the well

provided important geological information. Short echo-sounding surveys were made over several parts of the off-shore area, and surface geological investigations were made in the Jesselton, Pulau Gaya, Kudat, and Labuan areas. Geological and geophysical study of exploration drilling results, and review of land and off-shore geology, were continued with the object of clarifying oil prospects. Samples from the wells were examined in the palaeontological laboratory in Seria, together with samples from the surface geological surveys. Total expenditure on exploration in North Borneo during 1962 was \$2,671,000.

Peat

Peat covers some 2,000 acres near Papar and occurs elsewhere in the swamps of North Borneo. Although the calorific value is low, it might be economic to use the peat as fuel if this could be done close to the source.

Phosphate

Phosphate occurs as guano in caves in North Borneo. The largest group of deposits, in Gomantong Caves, is estimated to contain 12,000 tons, while in the Madai Caves the reserves are estimated to be 8,400 tons. The caves are, however, sources of valuable edible birds' nests and guano extraction with its attendant disturbances would probably be opposed by the cave owners.

Stone, Coral, Sand and Clay

Stone of many types is produced for road making and concrete aggregate and, to a lesser extent, for the construction of airfields, for railway ballast and for decorative effects in building. At many places on the West Coast the only suitable stone is grey, slightly calcitic sandstone. Though the stone is rather soft, it is easy to crush and has been used on the roads in the Jesselton, Tuaran and Papar areas, on the Jesselton airfield and on the North Borneo railway. At Labuan, limestone from Burong Island was used in the construction of the airfield, while at Kota Belud cobbles and boulders of granodiorite, peridotite and sandstone from the Tempasuk River are used for construction works. At Kudat, chert from river beds is collected and at Kalabakan highly weathered chert conglomerate is used as a gravel surfacing. Andesite core boulders are blasted to provide roadstone for Tawau and volcanic rock is quarried on two small islands in Sandakan Bay; near Sandakan airfield, quartz gravel deposits are a useful source of road and constructional material.

Sand from river beds and beaches is plentiful and suitable for most constructional purposes. Generally, however, it is too poorly graded for high quality concrete and sand has been imported for

North Borneo Production of Stone and Building Materials

Material	Unit	1960		1961		1962	
		Production	Estimated Value (Malayan dollars)	Production	Estimated Value (Malayan dollars)	Production	Estimated Value (Malayan dollars)
Stone	cubic yards	256,829	1,797,000	235,434	1,572,970	344,000	3,374,000
Coral	"	17,612	70,300	21,240	89,360	52,000	245,000
Sand and gravel	"	—	—	37,919	200,038	18,000	60,000
Bricks, clay	pieces	2,401,000	221,760	2,267,084	213,278	3,275,000	315,700
Bricks, concrete	"	190,000	28,500	—	—	150,000	21,500
Hollow concrete blocks	"	—	—	4,000	4,400	—	—
Miscellaneous building materials	tons	—	63,520	—	16,900	23	3,450
Total			2,181,080		2,096,946		4,019,650

such work as the casting of concrete piles. Clay is used for brick-making at two brickworks near Tuaran, a recently opened brickworks at Sandakan and at one brickfield at Tawau. Some building contractors, however, prefer to make cement-sand bricks on site, though this is now becoming less usual. Clay is also used near Papar for coarse pottery work. Coral is collected from the sea bed near most of the coastal towns for use in the foundations of buildings and roads.

Other Minerals

Other minerals that have been recorded include bauxite, monazite, scheelite, platinum and talc; but these do not at present appear to be of any importance owing to the small quantities known or their unaccessibility. Magnesite has been found in several localities in the Darvel Bay area and north of Ranau but all known occurrences are too small to be workable. Antimony ore occurs south of Ranau but an investigation indicated that the mineral does not occur in mineable quantity. Reports of tin in the Tawau and Jesselton areas early in the century appear to be unfounded.

GEOLOGICAL SURVEY OFFICE AND ADMINISTRATION

The Geological Survey Office in Jesselton is part of the combined Department for Sarawak and North Borneo, the establishment of which includes eight Geologists and two Assistant Geologists. Of these, the Director is stationed in Kuching and the Deputy Director, two Geologists, and one Assistant Geologist in Jesselton. The remainder of the staff in Jesselton consist of an Office Assistant, one Typist, eight Technical Assistants and an Office Messenger.

The office houses a museum, which is open to the public, for the display and storage of rock and mineral specimens. Displays include a relief model of the country showing the distribution of the various rock formations and a collection of North Borneo rocks illustrating the broad classification of rock types normally used by the geologist. These displays and the headquarters activities of the Department, such as the use of the stereoscope in interpreting air photographs and of the microscope in identifying rock types, are demonstrated to visiting groups of senior school children and teacher-trainees. The museum also contains a library of reference books and a collection of records of past geological and mineral exploration. The office building includes a workshop, a laboratory for the preparation and examination of rocks and minerals and facilities for photographic work and draughting.

Finance

The expenses of the Department in North Borneo before 1956 were met from central and Colony allocations from Colonial Development and Welfare Funds. In 1956 local revenue began to take over a share of the recurrent expenditure and, with the exception of an extension to house a new drawing office which was completed in 1961, expenditure has been met entirely from local funds since April, 1960.

Departmental activities

During 1962, Memoir 14, *The geology and mineral resources of Semporna Peninsula* by H. J. C. Kirk was published. Drafts were prepared of Memoir 12, *The geology and mineral resources of the Pensiangan and Upper Kinabatangan area* by P. Collenette and of Memoir 17, *The geology and mineral resources of the Labuan and Padas Valley area* by R. A. M. Wilson with contributions by N. P. Y. Wong. Reconnaissance geological surveying in the Labuan and Padas Valley area was completed during the year and field work continued in Dent Peninsula. Regional field studies of the igneous rocks in North Borneo started early in 1962, the results of which will be published in Bulletin 6, *The igneous rocks of North Borneo and Sarawak* by H. J. C. Kirk. The Department participated in oceanographic research in the South China Sea on board the Scripps Institution of Oceanography Research Vessel *Argo*. During a voyage from Jesselton to Singapore, information was obtained on the nature of the sea bed off the continental shelf of North Borneo. Advisory work in connection with the development of the mineral resources of the country continued to form a major part of the Department's activities.

Training

One local officer who returned to North Borneo in 1961 after completing a degree course in geology at New Brunswick University, Canada, was promoted Assistant Geologist and in 1962 assisted the Deputy Director in completing the regional mapping of the Padas Valley area. A second local officer is at present in the third year of his studies at New Brunswick and is expected to graduate in geology in 1964. One Junior Technical Assistant was granted facilities at Sabah College to study chemistry and physics and, if he is successful in his Senior School Certificate examinations, is expected to start a degree course in geology in 1963. The Office Assistant in the Jesselton Office was granted eight weeks leave to study administrative government procedure in the Secretariat in Hong Kong.

International meetings

North Borneo was represented by officers of the Geological Survey during 1962 at the Regional Conference of South-East Asian Geographers at the University of Malaya in Kuala Lumpur. Papers prepared by professional officers of the Department were presented at this meeting.

Future plans

During 1963, the memoirs on the geology of the Pensiangan and Upper Kinabatangan area and the Labuan and Padas Valley area are expected to be printed, field tasks comprising geological mapping in Dent Peninsula and studies of the igneous rocks in North Borneo will be completed and preparation of the publications covering these respective tasks will be put in hand. Two geologists engaged for the Labuk Valley Natural Resources Surveys, financed by the United Nations Special Project Fund, are expected to arrive in North Borneo in January, 1963. These geologists will undertake a programme of geochemical prospecting for copper and associated minerals. By courtesy of the Admiralty, the Department hopes to undertake its first venture in oceanographic research when H. M. S. *Dampier* is made available for the month of July, 1963. A programme of bottom sampling off the continental shelf is planned. Information obtained will be of value in assessing present sedimentation processes and should lead to an understanding of similar processes that took place in the geological past. Such research has a direct application to prospecting for oil and geologists of the Brunei Shell Petroleum Company Limited are expected to participate in the programme.

PART III

Chapter 1: Geography and Climate

THE Colony of North Borneo occupies the whole of the northern portion of the island of Borneo. Its immediate neighbours are Brunei, a state under British protection, Sarawak, a Crown Colony, and Kalimantan, or Indonesian Borneo.

The total area of North Borneo is 29,388 square miles: it is thus roughly the size of Ireland. The South China Sea washes its western and the Sulu and Celebes Seas its eastern coast. The coast-line measures altogether 800 to 900 miles.

The distances from Jesselton to towns in adjacent territories are approximately as follows: Manila 600 miles; Singapore 1,000 miles; Hong Kong 1,200 miles; and Port Darwin 1,500 miles.

The country contains central mountain ranges, from four to six thousand feet in height, rising somewhat sharply from ranges of low hills nearer the coast. These hills are traversed by valleys and occasional plains. The coast-line is formed mainly of alluvial flats with many creeks and swamps. Hills and valleys in most cases are covered with dense forest, and there are many rivers.

One of the chief geographical features of the country is the Crocker Range, a range of mountains stretching parallel with the coast from the Sarawak border in the south-western corner of the country to the Kinabalu massif. The average height of the range is between 2,500 and 3,000 feet and the mountains rise to over 4,000 feet along a central spine. The range culminates at its northern end in Mount Kinabalu (13,455 feet), the highest mountain in the Malay Archipelago and one of the finest mountains in South-East Asia. This lovely mountain, which is venerated by the natives as the resting place of the dead, may be seen from many parts of the country. Known on old charts as St. Peter's Mount, it was first climbed by a European in 1851 when Mr. (afterwards Sir Hugh) Low made the ascent from Tuaran.

Mount Trus Madi (8,500 feet), on the border of the Keningau and Tambunan districts, lies to the east of the Crocker Range and is the highest mountain in the country after Mount Kinabalu. The whole of the Interior between the Crocker Range and the Kalimantan border, with the exception of the Keningau and Tambunan plains, is mountainous and difficult of access.

On the East Coast, much of the terrain inland from Tawau and Lahad Datu is mountainous and almost entirely undeveloped. The valleys of the Segama and Kinabatangan rivers traverse, by contrast, for much of their length, a broad, heavily forested plain, interspersed with hills and crossed by numbers of rivers. There are

extensive areas of fertile volcanic soil in the Semporna peninsula.

Between the Crocker Range and the sea on the west coast is an extensive and relatively heavily populated coastal plain, in which is cultivated the major part of the rubber and rice produced in the country. Inland from the coastal plain is the Tenom valley, which contains some of the best agricultural land on the West Coast. In the Interior are the Keningau and Tambunan plains through which runs the Pegalan river. The Keningau plain consists of wide stretches of scrub and grassland; the Tambunan plain, on the other hand, is intensely cultivated and contains at least 4,000 acres of irrigated padi land.

Rivers are numerous throughout the country and are of considerable importance, constituting as they do the only means of communication in some districts. The longest river is the Kinabatangan, which, rising in the Witt Range in the Interior, follows a course of 350 miles before reaching the sea between Sandakan and Tambisan. The river is navigable by large launches as far as Lamag and well beyond that point by smaller launches and shallow-draught craft powered by outboard engines. The Segama river is navigable for about sixty miles. The other main rivers flowing out to the East Coast are the Sugut and the Labuk. The rivers on the West Coast are shorter and swifter flowing. The longest of them is the Padas, which is navigable by small launches as far as Beaufort. The Padas has cut a deep and scenic gorge through the hills of the Crocker Range, and it is through this that the railway passes to connect Beaufort and Tenom. The Tagul river, which has its headwaters near the Indonesian border, flows through Pensiangan district into Kalimantan, where it is known as the Sembakong.

The main harbour on the West Coast is at the island of Labuan, which lies to the north of Brunei Bay. Further north Jesselton, the capital of North Borneo has a good, well-sheltered harbour for vessels of moderate size, which take away the bulk of the rubber produced on the West Coast. At the most northerly point of North Borneo is Marudu Bay, a former stronghold of Illanun pirates. On its western shore, eleven miles from the entrance, is Kudat harbour. About midway down the East Coast is the magnificent harbour of Sandakan, the approach to which is marred to some extent by a bar. The entrance is a mile and a quarter wide, and the bay, which is fifteen miles in length, gradually increases to a width of five miles. Sandakan, a former capital of the old State of British North Borneo and the largest town in North Borneo, is built on the northern shore about a mile from the entrance. Other harbours are Lahad Datu, further down the East Coast, and Cowie Harbour with its port of Tawau.

The climate of North Borneo is tropical, but on the whole equable. On the coast, day temperatures vary from 74°F. in the early morning to 88° at mid-day, and only on exceptionally hot days to 93° or 94°. Night temperatures are in the region of 72° and in most places comparatively cool nights occur.

Annual rainfall varies from sixty inches to 160 inches depending on the locality. The difference in regional rainfall characteristics and its seasonal variations are caused by the prevailing winds. The north-east monsoon begins in October or early November and lasts until March or April and the south-west monsoon prevails from the beginning of May until August. Between the monsoons there are periods of indeterminate winds lasting about six weeks. The highest rainfall is in the south-west (Beaufort and Labuan) and the lowest and most evenly distributed rainfall is in the Interior (Tenom, Keningau and Tambunan) and at Tawau in the south-east corner of the territory. On the West Coast the wetter season occurs during the south-west monsoon and during the interim periods, while on the East Coast the heaviest rainfall is during the north-east monsoon. The typhoon belt passes just north of North Borneo, so typhoons are unknown, although severe rainstorms accompanied by high winds are not infrequent.

CLIMATOLOGICAL SUMMARY YEAR, 1962

STATION: JESSELTON (AIRPORT)

HEIGHT OF STATION: 9 FEET AMSL. LATITUDE 5° 57'N LONGITUDE 116° 03'E.

Month	AIR TEMPERATURE IN DEGREES FAHRENHEIT										RAINFALL IN INCHES		NUMBER OF DAYS					BRIGHT SUNSHINE		EARTH TEMP °F					
	ABSOLUTE EXTREMES										Total Inches		MOST IN A DAY		Precipitation	Thunderstorm	Thunder heard	Fog	Gale	Daily Mean (hours)	Total Hours	1 foot	4 feet		
																								MEANS OF	
																								A	B
	Mean 0800 hrs. air pressure at MSL.	Maximum	Minimum	Mean of A & B	Highest Max.	Date	Lowest Min.	Date	Lowest Max.	Date	Highest Min.	Date	Amount	Date	Thunderstorm	Thunder heard	Fog	Gale	Daily Mean (hours)	Total Hours	1 foot	4 feet			
Jan.	1009.3	84.5	73.2	78.9	88.1	10	70.0	22	80.0	26	75.1	8.23	7.64	2.01	26	25	2	3	—	—	122.55	3.95	81.6	83.7	
Feb.	1011.5	84.0	72.5	78.3	86.1	15	69.5	4	82.3	5	75.6	23	1.18	0.82	26	6	—	—	—	—	154.80	5.53	82.8	83.8	
Mar.	1010.3	85.8	73.6	79.7	88.4	31	71.4	13	83.9	11	76.1	6	5.29	2.76	23	12	1	1	—	—	196.25	6.33	83.9	85.0	
Apr.	1010.3	86.8	74.6	80.7	88.9	21	73.1	5	85.0	26	77.1	13	6.13	2.31	21	12	6	19	—	—	232.70	7.76	85.7	86.1	
May	1009.0	88.0	75.4	81.7	89.8	9	73.1	4	84.9	14	76.8	17	8.77	2.93	26	17	6	13	—	—	211.45	6.82	85.6	86.7	
June	1009.9	87.8	74.2	81.0	90.2	17	72.0	29	81.6	5	77.2	5	12.98	5.48	30	15	6	11	—	—	244.70	8.16	85.7	86.8	
July	1009.0	87.5	74.5	81.0	89.6	15	72.6	17	78.0	1	77.8	30	9.71	2.53	7	14	4	6	—	—	176.90	5.71	84.0	85.5	
Aug.	1010.6	86.4	73.5	79.9	90.5	2	71.9	11	84.0	26	75.6	10	14.39	4.88	18	20	7	7	—	—	182.20	5.88	83.3	85.1	
Sept.	1009.9	87.2	74.2	80.7	89.8	6	71.6	21	78.7	11	76.9	1	13.30	3.72	21	15	6	8	—	—	182.05	6.07	84.4	85.3	
Oct.	1010.2	87.2	74.5	80.9	89.1	3	72.4	21.24	83.1	21	76.1	4	6.79	2.46	20	18	1	4	—	—	223.55	7.21	85.1	85.8	
Nov.	1010.8	85.9	73.5	79.7	88.9	20	71.8	18	80.4	9	75.0	1.12	13.03	2.16	8	19	6	7	—	—	180.00	6.00	83.3	84.8	
Dec.	1010.3	85.5	73.6	79.5	88.0	31	71.6	24	80.5	22	75.0	Sev.	11.97	3.65	2	26	3	3	—	—	149.05	4.81	82.3	83.9	
Total	—	—	—	—	—	—	—	—	—	—	—	—	111.18	—	—	199	48	82	—	—	—	—	—	—	
Means or Extremes	1010.1	86.4	73.9	80.2	90.5	—	69.5	—	78.0	—	77.8	—	—	5.48	—	—	—	—	—	—	188.02	6.19	84.0	85.2	

CLIMATOLOGICAL SUMMARY YEAR, 1962

STATION: LABUAN (AIRPORT)

LATITUDE 5° 17'N LONGITUDE 115° 16'E.

HEIGHT OF STATION: 99 FEET AMSL.

Month	AIR TEMPERATURE IN DEGREES FAHRENHEIT										RAINFALL IN INCHES		NUMBER OF DAYS						BRIGHT SUNSHINE		EARTH TEMP °F					
	Mean 0800 hrs. air pressure at MSL.	ABSOLUTE EXTREMES					MOST IN A DAY					Precipitation	Thunderstorm	Thunder heard	Fog	Gale	Total Hours	Daily Mean (hours)	1 foot	4 feet						
		MEANS OF		Mean of A & B	Date		Highest Max.	Date	Lowest Min.	Date	Lowest Max.										Date	Highest Min.	Date	Total Inches	Amount	Date
		A Maximum	B Minimum																							
Jan.	1009.4	84.5	76.2	80.3	90.8	7	73.1	26	78.9	26	79.5	13	14.54	3.49	7	21	4	9	139.85	4.51	82.9	84.4				
Feb.	1011.7	83.9	76.3	80.1	88.9	10	74.5	27	81.3	4.5	77.5	15	2.58	1.25	26	11	—	1	154.70	5.53	81.9	83.3				
Mar.	1010.6	86.5	76.8	81.7	89.6	4	73.0	6	82.7	1	79.3	30	5.47	1.91	23	14	—	10	203.35	6.56	83.6	84.3				
Apr.	1010.6	88.2	77.5	82.9	90.4	27	74.5	26	83.3	26	80.1	21	6.37	1.94	8	16	4	16	224.70	7.49	84.8	85.3				
May	1009.3	88.9	77.7	83.3	92.6	9	73.7	27	85.1	19	81.0	9	10.58	2.93	13	18	5	11	243.85	7.87	85.3	86.0				
June	1009.9	88.6	77.5	83.1	92.2	10	73.3	28	82.3	5	80.4	3	9.93	1.84	30	15	2	9	248.55	8.29	84.5	85.5				
July	1008.6	87.7	77.8	82.7	90.9	13	72.2	2,23	80.6	1	81.4	14	4.59	1.63	1	12	—	2	169.90	5.48	83.3	84.7				
Aug.	1010.2	87.1	75.5	81.3	91.3	2	71.7	13	83.7	26	79.3	10	22.88	5.17	25	21	6	8	208.45	6.72	82.9	84.5				
Sept.	1009.7	87.6	76.8	82.2	91.5	16	73.1	12	79.3	13	80.1	4	7.41	1.34	12	14	2	5	170.65	5.69	83.7	84.7				
Oct.	1009.9	87.8	77.3	82.5	90.8	17	73.3	13	85.2	18	80.8	11	14.35	5.51	12	18	3	16	187.15	6.04	84.2	85.1				
Nov.	1010.4	86.8	76.4	81.6	88.7	27	73.3	5	81.5	9	79.2	21	10.94	2.42	4	20	3	6	194.10	6.47	83.2	84.5				
Dec.	1010.0	86.4	76.6	81.5	89.6	7	72.8	12	80.8	4	78.9	30	8.53	1.85	10	22	2	3	193.10	6.23	82.5	83.9				
Total	—	—	—	—	—	—	—	—	—	—	—	118.17	—	—	—	202	31	96	—	—	—	—				
Means or Extremes	1010.0	87.0	76.9	81.9	92.6	—	71.7	—	78.9	—	81.4	—	—	5.51	—	—	—	—	194.86	6.41	83.6	84.7				

CLIMATOLOGICAL SUMMARY YEAR, 1962

STATION: SANDAKAN (AIRPORT)

LATITUDE 5° 54'N LONGITUDE 118° 04'E.

HEIGHT OF STATION: 39 FEET AMSL.

Month	AIR TEMPERATURE IN DEGREES FAHRENHEIT										RAINFALL IN INCHES		NUMBER OF DAYS						BRIGHT SUNSHINE		EARTH TEMP. °F			
	Mean 0800 hrs. air pressure at MSL.		ABSOLUTE EXTREMES						Total Inches	MOST IN A DAY	Precipitation	Thunderstorm	Thunder heard	Fog	Gale	Total Hours	Daily Mean (hours)	1 foot	4 feet					
			MEANS OF		Highest Max.	Date	Lowest Min.	Date												Lowest Max.	Date	Highest Min.	Date	
			A	B																				
																								Maximum	Minimum
Jan.	1009.9	82.6	73.8	78.2	85.7	15	70.9	30	77.1	30	77.2	23	25.21	2.85	3	30	3	7	4	—	67.65	2.18	79.9	82.0
Feb.	1012.0	83.0	73.7	78.3	84.8	Sev.	69.3	5	80.7	13	78.0	13	7.29	1.76	6	22	—	—	1	—	88.60	3.16	79.4	81.0
Mar.	1010.9	85.2	73.9	79.5	89.6	18	72.0	7	77.6	2	78.6	14	9.12	2.41	11	19	3	6	2	—	169.35	5.46	82.3	83.4
Apr.	1010.4	87.6	73.9	80.7	89.9	30	70.3	14	82.0	9	76.1	7	3.68	1.78	13	9	3	9	9	—	229.65	7.65	84.5	85.6
May	1008.9	88.9	74.3	81.6	92.1	22	72.6	30	85.3	11	75.5	28	2.39	0.74	29	11	4	15	2	—	215.80	6.96	86.3	87.6
June	1009.6	89.5	72.4	80.9	92.7	1	70.2	24	87.0	27	75.2	14	7.88	3.54	7	9	3	14	5	—	241.55	8.05	84.8	86.7
July	1008.3	89.1	73.1	81.1	93.0	29	70.5	8	83.0	5	76.4	11	5.25	2.17	7	12	3	11	—	—	167.85	5.41	83.5	85.5
Aug.	1009.9	88.9	72.9	80.9	93.1	2	70.8	21	83.9	19	76.1	3	12.58	3.43	20	19	13	15	2	—	221.85	7.16	83.4	85.5
Sept.	1009.3	89.0	72.8	80.9	92.1	1.4	69.3	27	82.2	8.11	75.5	28	13.13	2.57	7	20	8	19	—	—	190.95	6.37	83.6	85.6
Oct.	1009.6	88.6	73.3	80.9	91.3	12	71.3	23	85.5	19	75.6	22	9.94	4.32	4	17	4	10	3	—	226.00	7.29	84.6	86.1
Nov.	1009.8	86.9	73.3	80.1	90.9	8	71.1	16	79.8	3	75.3	21	8.72	3.20	26	20	3	8	5	—	165.90	5.53	83.1	85.2
Dec.	1010.1	84.5	73.8	79.1	88.8	1	71.0	23	77.9	7	78.9	30	27.25	4.45	18	27	7	12	4	—	105.40	3.40	81.7	83.9
Total	—	—	—	—	—	—	—	—	—	—	—	—	132.44	—	—	215	54	126	37	—	—	—	—	—
Means or Extremes	1009.9	87.0	73.4	80.2	93.1	—	69.3	—	77.1	—	78.9	—	—	4.45	—	—	—	—	—	—	174.21	5.72	83.1	84.8

Chapter 2: History

So far, we know little of the pre-history of North Borneo. But recent indications and small-scale excavations made with the co-operation of the Sarawak Museum suggest that the very rich stone-age finds of the Niah Caves and elsewhere in our neighbour territory may well be paralleled here, when thorough research is possible. There are indications of mesolithic or middle stone-age occupation on a small scale in the Gomanton Caves and in small caves far inland towards the Indonesian border. The earliest stone tool so far from North Borneo probably dates about 6,000 B.C.

In the last stone-age, the neolithic, there was evidently widespread activity in North Borneo, so that evidences appear even superficially on the ground. Several interesting neolithic tools have been collected in the lower Padas and quite a number were obtained from Dusuns and Bajaus keeping them as charms in the Kota Belud district. These latter are now in the I. H. N. Evans collection in the Museum of Archaeology, University of Cambridge.

The first systematic excavation in North Borneo was conducted on Pulau Burong off Labuan during 1960. A tiny cave on this small islet—which was being blasted to provide limestone fill for the extended Labuan runway—produced the first documented proof of Niah parallels. Some fine neolithic coloured pottery, a splendid stone quern, a highly polished adze and human remains have been certainly identified. Subsequently, a test excavation on nearby Eno Island indicated further prehistoric material there.

Within the Christian era, there are again indications that the tremendously rich trade with China and Indo-China, which swept down into western Borneo from at least the 7th century onward, was also powerful in the north. Sung and Ming pottery has now been proved on Eno and some Sung fragments on a hill near Kuala Abai. Since Kota Batu, the ancient capital of Brunei was a major centre of this trade until the arrival of European influences in the middle of the 16th century, it is probable that further research, especially in the area Beaufort — Weston — Mempakul may be rewarding at a later date.

The Chinese commander Cheng-Ho evidently led expeditions that called at the island during the reign of the Ming ruler Yung Lo (A.D. 1403-1424). A writer in the 'North Borneo Herald' of 1st May, 1895, discussing early Chinese contact with Borneo, concludes that it was likely that a Chinese had held high office in North Borneo within the three preceding centuries. He goes on to suggest that the truculence of the North Borneo pirates during

the 18th and 19th centuries was traceable to a liberal infusion of Hokkien blood! Whatever the nature of early Chinese contacts with Borneo, they were considerably affected by the arrival in the East Indian archipelago of the Europeans in the 16th century. Portuguese, Spanish, Dutch and English successively were active from this time. Portuguese and Dutch trading policy, by which all produce connected with the China trade was directed through their own depots at Malacca and Batavia, put an end to the junk traffic between China and Borneo that is known to have flourished for a long period, and, indeed, to direct contact with China. This interruption in legitimate trade probably stimulated the rise of the pirates who were to terrorise the northern coasts of the island until nearly the end of the 19th century.

After Magellan's fleet had called (1521) at Brunei the Portuguese under Jorge de Menezes paid a visit to Brunei in 1526. The influence of the Portuguese, however, never reached any substantial degree; and in due course they were driven out of the archipelago and conducted their trading from Macao. According to Hunt*, the Portuguese established stone forts at Brunei and Labuan, though at the time that he wrote (1812) they had already become ruins. In the 17th century what is now the territory of the Colony of North Borneo fell largely within the kingdom of Brunei. Civil disturbances later compelled the Sultan to seek the aid of the ruler of Sulu and it is believed that ultimately he ceded to the latter all the territory from the Kimanis river on the north-west coast to the Straits of Macassar on the east of the island. When Sir William Draper captured Manila in 1763 he was able to release the reigning Sultan of Sulu, then a prisoner of the Spanish. As a *quid pro quo* the Sultan ceded to the East India Company all of the territory obtained from the Sultan of Brunei. Shortly afterwards (in 1773) the Company opened a station at Balembangan, an island to the north of Marudu Bay. The Company was badly in need of a base for its trade with China, but the choice of Balembangan proved unfortunate, the island being both unhealthy and menaced by pirates. The settlement was attacked and pillaged by Sulus and Illanuns in 1775 and the garrison forced to flee to Brunei. In 1803 the Company again attempted to establish a base at Balembangan, but the station was closed finally in the following year together with another factory at Brunei.

Until James Brooke visited Borneo some forty years later no further attempts were made at colonisation by Europeans. The East India Company having withdrawn its interest the Sultans of Brunei and Sulu once again exercised control over the northern part of the island—a control which was, however, largely nominal. The collection of revenue was farmed out to natives of rank: this,

*Sketch of Borneo by J. Hunt: Appendix V in Expedition to Borneo of H.M.S. "Dido", London, 1847.

as might be expected, resulted merely in the appointed farmers plundering the inhabitants to their own advantage. Amongst the tribes settled along the coast there was a loose system of Islamic law: in the Interior primitive native peoples practised head-hunting and had little contact with any form of civilisation.

The most notorious of the pirates to infest the waters of North Borneo were the Illanuns, the Balagnini and the Bajaus, who came principally from the Sulu Islands in the southern Philippines. The vessels in which they undertook their expeditions were large and heavily armed, sometimes cruising in fleets of as many as 200 sail. Their operational area was extensive, covering the coast of the Philippine Islands, Borneo, the Celebes, Sumatra, Java and the Malay Peninsula and even reaching the Bay of Bengal. The pirates had settlements of considerable size at various points along the coastline of North Borneo, particularly in Marudu Bay and later at Tungku. The main object of the piratical raids was the capture of slaves, who could be seized in one country and sold in another. Brunei was at one time the chief slave market. In the Dusun villages of the west coast of North Borneo the pirates found a liberal supply of slaves, cattle and agricultural produce. Numbers of European vessels were attacked and sometimes they were seized and their crews carried off into slavery.

James Brooke reached Borneo (Sarawak) in August, 1839. Going to the assistance of Rajah Muda Hashim, the uncle of the reigning Sultan of Brunei, in the suppression of a rebellion of Land Dayaks and Malays, he received the cession of an area of land in the vicinity of Kuching. In September, 1841, he was installed as Rajah of this territory, which later was to be considerably augmented to become the State (and now of course the Crown Colony) of Sarawak. It is not generally realised that it was James Brooke who secured the suppression of piracy in North Borneo. He recognised from the beginning that the first step to be taken before settled government could be introduced was to put an end to the activities of the pirates. Having obtained the services of the Royal Navy for the purposes of restoring order in Sarawak he secured its intervention in the suppression of piracy in North Borneo. In 1845 a successful action was carried out against pirates at Langkon in Marudu Bay and in 1846 there was a further naval action in the Membakut river. These steps, and the occupation of Labuan in 1847, initially had a salutary effect, but after some years the position again deteriorated, the Illanuns and Balagnini brazenly renewing their activity and establishing a major pirate base at Tungku on the east coast. By 1879 the pirates were again so active that H.M.S. *Kestrel* was despatched to destroy Tungku. Only then was the pirate menace which had plagued the Borneo coasts for so many years finally ended. Small scale piracy may not, however, be considered to have

been totally eradicated: the township of Semporna on the east coast was attacked and looted by raiders from the Philippines as late as March, 1954, and there have been a number of incidents during 1962.

In 1846 the British flag was hoisted in Labuan by Captain Mundy commanding H.M.S. *Iris* and in 1847 a Treaty of Friendship and Commerce was concluded between the British Government and the Sultan of Brunei, who ceded the island of Labuan in perpetuity to the British Crown. The island became a Crown Colony under the Straits Settlements Government, but from 1890 until 1st January, 1906, was administered by the Government of North Borneo. James Brooke was appointed the first Governor of Labuan as well as Commissioner and Consul-General to the Sultan of Brunei. The modern history of North Borneo may be considered to date from the visit of H.M.S. *Iris*.

It was not many years before outside interest in the country was once again evidenced. In 1865 a company was formed in Hong Kong of American and Chinese interests known as the American Trading Company of Borneo, which later acquired concessions from the Sultan of Brunei and founded a colony at Kimanis. For various reasons the venture proved unprofitable and the settlement was soon abandoned. A monument marking the grave of one of the representatives of the Company may still be seen on Kimanis estate.

The names of William Cowie and Baron Overbeck are closely associated with the founding of the British North Borneo (Chartered) Company and of the regime which continued up to the Japanese invasion in 1942, although, as a matter of fact, neither of them took any part in the actual inauguration of the Company. Cowie was on close terms with the Sultan of Sulu, whom he supplied with arms, and in the early 1870's he managed to obtain the latter's permission to establish a depot in Sandakan Bay. In spite, however, of Sandakan's favourable position in relation to the Philippines, Cowie's Labuan Trading Company did not prosper. Later Cowie had a meeting in Hong Kong with Torrey, the only survivor of the American Trading Company. Both men were keenly interested in developing North Borneo. At the same time Baron Overbeck, then Austrian Consul-General in Hong Kong, also expressed interest in North Borneo and associated himself with Cowie and Torrey. Baron Overbeck was backed by Alfred Dent and his brother, businessmen with connections in London and the Far East. In 1878 after protracted negotiations with the Sultans of Brunei and Sulu the Baron succeeded in obtaining for the party the cession of a large area of North Borneo in return for certain annual payments. Baron Overbeck shortly afterwards sold his interest to the Dent brothers and retired to Europe. Cowie in due course became the Managing Director (in London) of the British North Borneo (Chartered) Company and later, in

1909, became the Chairman of the Company in succession to Sir Charles Jessel.

Following the grant of the territory immediate steps were taken to establish the rudiments of government. William Pryer,* who is credited with being the founder of Sandakan, was put in charge of the settlement there, which in 1879 he moved to its present site at the entrance to the bay. Stations were opened at Tempasuk (Kota Belud) and Papar. A Limited Provisional Association was then formed and a petition was addressed to the Secretary of State for the Colonies in London which sought the grant of a Royal Charter. A Charter was granted on the 1st November, 1881, by Mr. Gladstone's Liberal Government to the "North Borneo Provisional Association Limited", which provided *inter alia* that the Company should always be British and that it should undertake to abolish slavery, to administer justice with due regard to native customs and laws, and not to interfere with the religion of the inhabitants. It prohibited the transfer of the grants and concessions without the authority of the Secretary of State, forbade the grant of any general monopoly of trade, and invested the Secretary of State with certain powers of supervision, including the approval of the appointment of the Company's Governor. In May, 1882, the British North Borneo (Chartered) Company was formed; and in May, 1888, the State, together with Brunei and Sarawak, became a British Protectorate.

Consequent upon the grant of the Charter and the creation of conditions for the establishment of ordered government, fairly rapid and satisfactory progress was achieved. The Court of Directors in London was a body of wellknown and influential men, and the capital of the Company was substantial (£2 million). Mr. (afterwards Sir) William Hood Treacher was seconded by the British Government as the first Governor of the State of North Borneo. It was decided initially that the Company should remain an administrative body and should not participate directly in trade; this decision was, however, modified later when the Government commenced to take an active part in the development of the country by investing capital in certain local enterprises. To attract capital and settlers into the new country very favourable terms were offered. Active steps were taken to secure Chinese immigration to supply the labour that was a prerequisite of development and very early on large numbers of Chinese began to pour in, both from the mainland of China and from Singapore. The measures taken were not as successful as was hoped would be the case, for the labour market became overcrowded and numbers of disillusioned immigrants had to make their way back to China. Nevertheless communities were established at Kudat and Sandakan which still thrive today.

* William Pryer, the founder of Sandakan: *Journal Malayan Branch Royal Asiatic Society* (Vol. XXVII, Part I, page 35)

The country possessed three main attractions: its timber, its reputed minerals and its land. The timber trade has now grown to be the first of North Borneo's industries, while the much sought after minerals, with the exception of deposits of coal, have never been exploited. The land has proved the most valuable asset. There was considerable speculation in the early days of the Chartered Company concerning the most suitable crops for cultivation; sugar, coffee, coconuts, tobacco, ramie and cocoa were all tried. By 1889 no less than seventy-eight companies had taken up land, nearly all for tobacco cultivation. Tobacco, although initially far and away the most important form of cultivation, did not prove a permanent crop, and last year the last company to cultivate tobacco in the country terminated its operations. The tobacco boom, however, set the new State upon its feet and assisted in opening up the country about which very little was then known.

In due course new stations were opened at Gaya, Silam, Kudat (the capital until 1884), Tawau, Penungah and Semporna, and later at Keningau, Tenom and Beaufort. Various enclaves of territory not included in the territory acquired initially were absorbed over a number of years to knit the State into a compact whole of about 29,400 square miles (the area of the present Colony). A few of the additions were the result of punitive expeditions that the Company was compelled to undertake. The last enclave to be acquired was the Membakut district, which was ceded by an independent chief in 1902.

In 1894 it was suggested, as a result of an economic set-back experienced after the subsidence of the tobacco boom, that North Borneo should be federated with Sarawak; but this proposal, although strongly supported by Lord Brassey, who had visited North Borneo in 1887, was rejected by the Company's shareholders. Economically the country went slowly ahead. Capital started to flow in and the immigrant population (principally Chinese) gradually increased. In 1897 a telegraph line from Labuan to Sandakan was completed. A metre-gauge railway to run from Weston to Beaufort was begun in the same year, being opened to traffic in 1898 and completed in 1900. Extensions from Beaufort to Jesselton on the West Coast and to Melalap in the Interior were then commenced, and were finally taken over from the contractors in 1905. The railway opened up the West Coast. Although there is now air connection with Keningau, the railway continues to carry supplies to, and exports from, much of the West Coast and the Interior. The railway proved its value at the time of the rubber boom in the early nineteen hundreds; it ran through miles of land eminently suited for rubber cultivation which the Chartered Company by offering absurdly attractive terms was able to dispose of to a number of companies and smallholders. Today it is estimated

that there are more than 200,000 acres of rubber under cultivation in the territory, the greater part being on the West Coast and in the Interior.

Apart from a number of minor set-backs—including the insurrection of Mat Salleh in the years 1894-1900 and the Rundum rebellion in 1915—the Chartered Company was able to achieve creditable, although somewhat slow, progress. The first world war did not directly affect the State, which had, however, its share of the world slump of 1931. When the second world war broke out the Company was unable to point to any marked development such as characterised Singapore, Malaya or Hong Kong; but it could look with justifiable satisfaction upon an ordered system of government and a populace well contented under its administration. Sandakan was the permanent seat of government and the centre of commerce; Jesselton, Beaufort, Tawau and Kudat were small but prosperous towns. Rubber was the industry upon which the economy of the State rested. There were few roads and no air connections with the outside world. This peaceful state of affairs was changed abruptly by the war.

In January, 1942, North Borneo was invaded by Japanese naval and military forces. For over three and a half years the country remained under enemy occupation until final liberation by units of the Ninth Australian Division, who landed in Labuan on the 10th June, 1945. The behaviour of the population during this period was exemplary, and many paid for their loyalty with their lives. The British Military Administration, which contained a few former Chartered Company senior officers, found North Borneo in a state of appalling devastation. Many towns had been completely destroyed or badly damaged by fire or bombing, and many of the inhabitants massacred, among them a large number of Government servants. The Military Administration continued until the 15th July, 1946, when North Borneo became a Crown Colony and civil government was resumed. On the same date Labuan was incorporated into the new Colony.

The almost total destruction during the war period of the progress made by the Chartered Company in its sixty years of administration was a severe handicap to the new post-war government. Quite apart from the wholesale devastation which was the war's principal legacy, it was found that the greater part of all pre-war official records had been destroyed. The emphasis in the immediate post-war period had necessarily, therefore, to be on rehabilitation.

There are four factors with which the post-war government has been most concerned; firstly, rehabilitation and reconstruction; secondly, economic development; thirdly, the extension of social services; fourthly, the association of the local population in the work of government. Reconstruction and development have

marched hand in hand. A reconstruction and development plan for the years 1948-1955 was adopted in 1948 and in 1955 a further development plan for the years 1956-1960 was approved. This plan was substantially modified in 1956. There has been much progress in the field of social services. In 1950 a new Constitution came into being, which provides for the establishment of Executive and Legislative Councils. These Councils were inaugurated in October, 1950. In recent years considerable progress has been made in the field of local government. Town Boards have been constituted in the major towns of the country with unofficial majorities and with control over their own finances and local authorities, recently renamed District Councils, are playing an ever increasingly important part in the government of rural areas.

LIST OF IMPORTANT DATES IN THE HISTORY OF NORTH BORNEO

- | | | |
|------------|-----|--|
| 1521 | ... | Magellan's fleet visited Brunei. |
| 1763 | ... | Sultan Amir of Sulu ceded his possessions in Borneo to the East India Company. The Company's flag hoisted at Balembangan. |
| 1773 | ... | Settlement opened by the East India Company at Balembangan. |
| 1775 | ... | Settlement at Balembangan attacked by Sulus and abandoned. |
| 1803 | ... | Settlement at Balembangan re-opened. |
| 1804 | ... | Settlement at Balembangan closed. |
| 19/8/1845 | ... | Naval engagement at Marudu against Sherip Osman. |
| 24/12/1846 | ... | Captain Mundy commanding H.M.S. <i>Iris</i> hoisted British flag at Labuan, the Sultan of Brunei having ceded the island in perpetuity to Great Britain. |
| 1865 | ... | The Sultan of Brunei ceded west coast of North Borneo to the American Trading Company. American settlement established at Kimanis. |
| 1875 | ... | Concessions formerly given to American Trading Company acquired by Baron Overbeck (Austrian Consul-General at Hong Kong). |
| 1877 | ... | Baron Overbeck secured the backing of Alfred Dent, a British businessman. |
| 19/12/1877 | ... | The Sultan of Brunei and Pengiran Temong-gong ceded possessions in North Borneo to Baron Overbeck and Alfred Dent. |

- 22/1/1878 ... The Sultan of Sulu ceded east coast possessions to Baron Overbeck and Alfred Dent.
- 11/2/1878 ... W. B. Pryer put in charge of settlement at Sandakan. W. Pretyman and W. L. Leicester established at Tempasuk and Papar respectively in the same month.
- 21/6/1879 ... Sandakan (Elopura) founded.
- 1/11/1881 ... The British North Borneo (Chartered) Company incorporated by Royal Charter and authorised to acquire cessions from the British North Borneo Provisional Association. (Charter Day).
- 17/12/1881 ... Kudat founded (the capital of the State until 1884).
- 1/7/1882 ... The British North Borneo (Chartered) Company took over formally from the British North Borneo Provisional Association.
- 1882 ... Settlement established at Gaya. First rubber seeds reached North Borneo.
- 4/4/1883 ... First Hakka immigrants to reach North Borneo arrived at Kudat.
- 1883 ... Advisory Council constituted (lapsed in 1905).
- 1885 ... First timber shipped to Australia and first tobacco marketed in Europe.
- 1887 ... First school established (Roman Catholic Mission, Sandakan).
- 12/5/1888 ... North Borneo became a British Protectorate.
- 1888 ... Protestant Mission school opened at Sandakan. Planters' Association formed.
- 1894 ... Construction of cross-country telegraph (Labuan to Sandakan) commenced.
- 1894-1900 ... Mat Salleh rebellion.
- 1896 ... Railway construction began.
- 8/4/1897 ... Telegraphic communication established between Sandakan and London.
- 9/7/1897 ... Settlement at Gaya raided by Mat Salleh.
- 4/1/1898 ... Beaufort town site named.
- 1898 ... Tawau founded.

- 1899 ... Jesselton founded.
- 31/1/1900 ... Mat Salleh killed.
- 1900 ... Beaufort-Weston section of the railway opened to traffic.
- 1901 ... Kota Belud founded.
- 1905 ... Railway extended to Jesselton and Tenom.
- 1906 ... First export of coal from Silimpopon mines.
- 1912 ... Legislative Council formed with seven official and five unofficial members.
- 7/12/1913 ... Northern Chinese settlers arrived at Jesselton.
- 1915 ... Rundum rebellion.
- 1921 ... First Government vernacular schools opened, at Kota Belud and Papar.
- 1935 ... Native Chiefs Advisory Council established.
- 1936 ... The Tawau and Sandakan, and Interior and West Coast Residencies amalgamated.
- 1/1/1942 ... North Borneo invaded by Japanese forces.
- 9/1/1942 ... Jesselton occupied by the Japanese.
- 19/1/1942 ... Sandakan occupied by the Japanese.
- 12/5/1942 ... West Coast Europeans interned.
- 1943 ... Kwok rebellion on the West Coast.
- 21/1/1944 ... Mass execution at Petagas, Jesselton, by the Japanese in reprisal for Kwok rebellion.
- 10/6/1945 ... Forces of the Ninth Australian Division landed at Labuan.
- 28/9/1945 ... Allied forces entered Jesselton.
- 19/10/1945 ... Allied forces entered Sandakan.
- 15/7/1946 ... British Military Administration ended. North Borneo (including Labuan) became a Crown Colony.
- 26/6/1948 ... Jurisdiction over the Turtle Islands transferred to the Philippine Government.
- 1950 ... Executive and Legislative Councils established.
- 1/11/1954 ... Tawau Residency re-established.
- 3/10/1955 ... Interior Residency re-established with headquarters at Keningau.
- 1/9/1956 ... Labuan constituted a Free Port.
- 1956 ... Board of Education appointed.
- 1957 ... Borneo Airways Limited established.

- 1958 ... The proposal for the Closer Association between North Borneo, Sarawak and Brunei was mooted.
- 1959 ... His Royal Highness the Duke of Edinburgh visited the territory.
Jesselton's Diamond Jubilee.
- 1960 ... Unofficial majority introduced in Legislative Council.
Census of population.
- 1961 ... The Y.T.M. Tunku Abdul Rahman, Prime Minister, Federation of Malaya proposed the creation of a Federation of Malaysia.
Political parties emerged.
- 1962 ... First Bishop of Jesselton was appointed.
The Diocese of Jesselton was created.
The first elections of Members for Local Authorities held.

Chapter 3: Administration

THE North Borneo Letters Patent, 1946 to 1955, provide for the constitution of the office of Governor and Commander-in-Chief, the establishment of an Executive Council to be appointed in accordance with Royal Instructions and the establishment of a Legislative Council by Order in Council. In accordance with the North Borneo Royal Instructions and the North Borneo (Legislative Council) Orders in Council, Executive and Legislative Councils were established in October, 1950; these Councils superseded the Advisory Council with the aid of which the Governor had administered the territory since the 15th July, 1946.

During 1962 the Royal Instructions and Orders in Council were amended to increase the unofficial majority in the Legislative Council. At the same time the nominated members on the Executive Council were increased.

The Executive Council consists of the Governor as President, four *ex-officio* members, namely the Chief Secretary, the Attorney-General, the Financial Secretary, and the Secretary for Local Government, two official members and six nominated members. The Executive Council is consulted by the Governor on all questions of importance.

The Legislative Council consists of the Governor as President, four *ex-officio* members, namely the Chief Secretary, the Attorney-General, the Financial Secretary and the Secretary for Local Government, three official members and eighteen nominated members. The nominated members of the Legislative Council are appointed by the Governor who normally makes selections for twelve seats from panels of names put forward by a number of representative bodies.

The names of the members of the Executive and Legislative Councils as at the end of 1962 are given at Appendix XV. During the year there were twenty-three meetings of the Executive Council and the Legislative Council met on four occasions. The Governor, with the advice of the Legislative Council and subject to the provisions of the Order in Council establishing it, may make laws for the peace, order and good government of the country. All questions proposed for decision in the Council are determined by a majority of the votes of the members present and voting, the President or member presiding having an original vote and, in the event of votes being equally divided, a casting vote.

The North Borneo Subsidiary Branch of the Commonwealth Parliamentary Association, which was formed in September, 1952, and is affiliated to the United Kingdom Branch, applied at the

end of 1960 to be an Affiliated Branch of the Commonwealth Parliamentary Association, for which status it had become eligible by virtue of the constitutional amendments creating an unofficial majority. Ordinary life membership is restricted to serving members of the Legislative Council, but ex-members of the Council may, on notification to the Executive Council of the Branch, become life or ordinary associates on payment of the appropriate subscription. At the end of the year, the Branch had nine life members, fifteen ordinary members, twenty-six life associates and one ordinary associate.

The day-to-day administration of the country is carried out by Departments under the general direction of the Chief Secretary the principal executive officer of Government, from the Secretariat in Jesselton. The Attorney-General is head of the legal branch and financial administration is in the hands of the Financial Secretary. The Accountant-General is responsible for the public accounts.

For local administration the country is divided into four Residencies: West Coast, Interior, Sandakan and Tawau with headquarters at Jesselton, Keningau, Sandakan and Tawau respectively. The headquarters of the Interior Residency (which was formerly known as the Labuan and Interior Residency) were moved from Labuan to Keningau in October, 1955. The Island of Labuan is now administered by a District Officer who is responsible direct to the Chief Secretary, Jesselton. District Officers are stationed at Sandakan, Tawau, Lahad Datu and Semporna on the East Coast; at Jesselton, Tuaran, Kota Belud, Kudat and Papar on the West Coast; and at Tenom, Beaufort, Keningau, Tambunan and Pensiangan in the Interior Residency. There are also a number of sub-districts administered by Assistant District Officers. The first local-born Administrative Officer was appointed in 1957 and at the end of 1962 there were eleven.

Within each district, village headmen carry on administration under Native Chiefs who in turn are responsible to the District Officer. These Chiefs preside over Native Courts which deal with offences against native customs and succession to native estates. The Courts held by District Officers in their magisterial capacity are concerned with normal civil actions, breaches of the laws of the country and offences against the Penal Code. In addition to their other duties District Officers and Assistant District Officers are Assistant Collectors of Land Revenue and Assistant Commissioners of Labour.

From the 1st January, 1962, the Local Government Ordinance (No. 11 of 1961) replaced those parts of the Rural Government Ordinance, Cap. 132, which provided for the establishment of Local Authorities (now called District Councils) in rural areas. Wider powers were conferred on these Authorities and increased

financial help was given to them by the Central Government. With this, together with their powers to levy cesses and make by-laws, they were enabled to extend their activities in the building of minor roads, the improvement of agriculture, the development of rural services, the safeguarding and promotion of public health and the provision of amenities. The first District Council was established at Kota Belud on the 1st January, 1952, under the Presidency of the District Officer and the Assistant District Officer, who was then a native of the district, as Deputy President. As from the 1st January, 1954, the Township of Kota Belud which has a Chinese population, was incorporated into the District Council area, and several Chinese representing township interests, were appointed as members of the District Council, which had until then been composed entirely of native members. The second District Council was established at Sipitang on the 1st January, 1955, and this was extended to the whole district on the 1st May, 1957. Thereafter further District Councils were established for the administrative districts of Papar on the 1st July, 1956; Tuaran, Beaufort and Jesselton Rural on the 1st January, 1958; Semporna on the 1st January, 1959; Tenom on the 1st January, 1960; Lahad Datu on the 1st July, 1960, and Keningau, Kuala Penyu and Tambunan with effect from the 1st January, 1961. In all cases the District Officers are still Chairman of District Councils, but in most the Deputy Chairmen are elected by members of the Council. Village Councils exist in Pensiangan, Kinabatangan and Beluran Districts and provision was made for Rural District Councils to be established in Tawau and Sandakan Rural areas with effect from the 1st January, 1963.

The Municipal and Urban Authorities Ordinance, Cap. 162, has also been replaced by the Local Government Ordinance and Town Boards are established at Jesselton, Sandakan, Tawau and Labuan.

An important administrative development was the creation in 1954 of District Teams comprising the local representatives of each Government Department and prominent unofficials of the district under the chairmanship of the District Officer. Similar bodies have also been established at Residency level. The teams meet at frequent intervals; difficulties are discussed and plans for the Residency or District co-ordinated. In a number of cases the functions of District Teams have been taken over by District Councils who are becoming increasingly concerned in the planning of development projects in their areas.

Towards the end of the year elections under the Local Government Elections Ordinance (No. 2/1962) were held in the four Town Board areas and in the District Council areas of Beaufort, Jesselton Rural, Keningau, Kota Belud, Kudat, Lahad Datu, Papar, Semporna, Tenom and Tuaran. Authorities in all of these

areas now have elected majorities and Chairmen elected among Authority members. In order to provide continuity and to retain the services of experienced councillors, provision is made for a minority of nominated members. These include, in the District Council areas, the District Officer, who is gazetted as Vice-chairman and who acts as Executive Officer, to the Authority. In spite of a high percentage of illiterate voters in the rural areas, the elections went well and no incidents were reported.

The elections were carried out on the basis of Universal Adult Suffrage with a residence qualification of seven years. Registration of voters was voluntary, but it is believed that over ninety per cent of those eligible to register as voters did so. The poll was high everywhere — between sixty-one per cent and ninety-four per cent with an average of over eighty per cent. The polls were carried out without incident and, considering that this was the first election held in Sabah, there were remarkably few errors by electors in their polling papers. There were about three per cent spoilt papers. The elections were carried out in fifteen of the twenty Local Authority areas and over seventy-five per cent of the adult population has now had the opportunity of casting its vote. (It is expected that elections in a further three Districts will be held at the end of April in 1963). Candidates standing as members of the Sabah Alliance parties won 104 out of the total of 118 seats. The remainder were won by Independents, of whom the majority are known to be members of Sabah Alliance parties.

There are a number of Government Departments which include Agriculture, Audit, Broadcasting and Information, Civil Aviation, Customs, Education, Forests, Geological Survey, Lands and Surveys, Marine, Medical, Police, Posts and Telegraphs, Printing, Public Works and Railways. The Civil Aviation Department and the Judiciary are joint departments for the three Borneo territories while the Geological Survey Department is a joint department for Sarawak and North Borneo whose services are available to Brunei on request. The Administrator-General performs the duties of Registrar of the High Court, Registrar of Companies, Registrar-General of Births and Deaths and Official Receiver under the Companies Ordinance. In addition he is responsible for handling patents and trade marks within the country, although the Registrar of Patents and Trade Marks in Singapore has been appointed Registrar for North Borneo.

Numerous statutory bodies and advisory committees which have been established in recent years are intimately concerned with the day to day administration of the territory. These include the Standing Finance Committee of the Legislative Council which consists of the Financial Secretary as *ex-officio* chairman and eight nominated (i.e. unofficial) members; the North Borneo Credit Corporation with the Financial Secretary as chairman; the Cen-

tral Town and Country Planning Board; the Labour Advisory Board; the Board of Trustees of the War Victims Fund; the Rubber Fund Board; the Board of Education; the Management Committee of the Liberation Educational Trust, with sub-committees dealing with all external and internal scholarships; the Kent College Advisory Committee; the Trade School Advisory Committee; the Advisory Committee for Apprenticeships and Vocational Training; the Social Welfare Council; and the North Borneo Electricity Board. In the social welfare field there is also a Leper Settlement Committee; Boards of Control of Pauper Institutions; Prison Visiting Justices; Prison Visiting Committees and Hospital Visiting Boards. In 1959 a Natural Resources Committee was set up under the chairmanship of the Chief Secretary to advise on the best use of the country's land resources while Land Utilisation Committees have been set up at District level. A special Committee has also been established to consider various proposed development projects and is known as the Immigrant Enterprises Committee.

Chapter 4: Weights and Measures

IMPERIAL weights and measures and the following local weights and measures are in general use:

Measures of Weight and Avoirdupois Equivalents

1 tahlil	=	1½ ounces	
16 tahils	=	1 kati	= 1½ lb.
100 katis	=	1 pikul	= 133½ lb.
40 pikuls	=	1 koyan	= 5,333½ lb.

Measures of Capacity

2 gills	=	1 pau
2 paus	=	1 pint
2 pints	=	1 quart or chupak
4 quarts	=	1 gallon or gantang

Chapter 5: Reading List

NORTH BORNEO GOVERNMENT PUBLICATIONS

(Obtainable from the Department of Broadcasting and Information, Jesselton, North Borneo or through the Crown Agents for Overseas Governments and Administrations, 4 Millbank, London, S.W.1).

Annual Reports 1947* 1948*, 1949, 1950, 1951, 1952, 1953, 1954, 1955*, 1956, 1957, 1958*, 1959*, 1960, 1961.

Annual reports for 1947 to 1949 were priced at \$1.00, those from 1950-58 at \$2, that for 1959 at \$2.50 and those for 1960 and 1961 at \$3.00.

The Revised Edition of the Laws of North Borneo. Seven volumes. Price per set \$125.00 (£14.11s.8d.) (Obtainable from the Government Printer, Jesselton).

Government Gazette, (bi-monthly). Subscription \$15.00 per annum (Inland), \$25.00 per annum (Overseas).

Estimates of Revenue and Expenditure. (Annual). Price \$5.00.

Customs Tariffs, 1957. Price \$1.00.

Report on The Census of Population taken on the 10th August, 1961, Price \$15.00.

Various Departmental Annual Reports are available.

PUBLICATIONS OF THE GEOLOGICAL SURVEY DEPARTMENT, BRITISH TERRITORIES IN BORNEO

Annual Report 1961, Government Printing Office, Kuching; Rex Bookstore, Kuching; Tim & Ed, Booksellers, Jesselton; Motion Smith & Son Ltd., 11 Battery Road, Singapore; and H. M. Stationery Office, London.

Annual Reports, 1949, 1950, 1951, 1952, 1953, 1954, 1956, 1957, 1958, 1959. Prices: 1949 and 1950, \$2.00; 1951-1954, \$3.00; 1956-1961, \$3.00. Government Printing Office, Kuching, Sarawak.

COLLENETTE, P. *The coal deposits and a summary of the geology of the Silimpon area, Tawau District, Colony of North Borneo*. *British Borneo Geological Survey Memoir No. 2*, Government Printing Office, Kuching, Sarawak, 1954. Price \$6.00.

COLLENETTE, P. *The geology and mineral resources of the Jesselton-Kinabalu area, Colony of North Borneo*. *British Borneo Geological Survey Memoir No. 6*, Government Printing Office, Kuching, Sarawak, 1958. Price \$6.00.

*(Only available at H. M. Stationery Office)

- FITCH, F. H. *The geology and mineral resources of the Segama Valley and Darvel Bay area. British Borneo Geological Survey Memoir No. 4*, Government Printing Office, Kuching, Sarawak, 1955. Price \$6.00.
- FITCH, F. H. *The geology and mineral resources of the Sandakan area and parts of the Kinabatangan and Labuk Valleys. British Borneo Geological Survey Memoir No. 9*, Government Printing Office, Kuching, Sarawak, 1959. Price \$6.00.
- HAILE, N. S. *The geology and mineral resources of the Suai-Baram area, North Sarawak, British Borneo Geological Survey Memoir No. 13*, Government Printing Office, Kuching, Sarawak, 1962. Price \$6.00.
- KIRK, H. J. C. *The geology and mineral resources of the Semporna Peninsula. British Borneo Geological Survey Memoir No. 14*, Government Printing Office, Kuching, Sarawak, 1962. Price \$6.00.
- LEICHTI, P. and others. *The geology of Sarawak, Brunei, and the western part of North Borneo. British Borneo Geological Survey Bulletin No. 3*, Government Printing Office, Kuching, Sarawak, 1960. Price \$21.00.
- REINHARD, M. and E. WENK. *The geology of the Colony of North Borneo. British Borneo Geological Survey Bulletin No. 1*, Her Majesty's Stationery Office, London, 1951. Price \$22.50.
- STEPHENS, E. A. *The geology and mineral resources of the Kudat and Kota Belud area, North Borneo, with an account of the Taritipan manganese deposits; British Borneo Geological Survey Memoir No. 5*, Government Printing Office, Kuching, Sarawak, 1956. Price \$6.00.
- WILSON, R. A. M. *The geology and mineral resources of the Banggi Island and Sugut River area, British Borneo Geological Survey Memoir No. 15*, Government Printing Office, Kuching, Sarawak, 1961. Price \$6.00.

PUBLICATIONS OF THE FOREST DEPARTMENT,
BRITISH TERRITORIES IN BORNEO.

Statement prepared by Forest Department, North Borneo, for the British Commonwealth Forestry Conference, 1957.

North Borneo Forest Records:

- No. 1. *North Borneo Standard Grading Rules*, 1949. Price \$2.00.
- No. 2. *A preliminary list of North Borneo Plant Names*, 1952. Price \$15.00.
- No. 6. *A checklist of the Forest Flora of North Borneo* by G. H. S. Wood and J. Agama.

NATIVE AFFAIRS BULLETINS BY G. C. WOOLLEY:

- No. 2. *Tuaran Adat; Some customs of the Dusuns of Tuaran, West Coast Residency, North Borneo.*
- No. 3. *Murut Adat; Customs regulating inheritance amongst the Nabai tribe of Keningau and the Timogun tribe of Tenom.*
- No. 4. *Dusun Adat; Customs regulating inheritance amongst the Dusun tribes in the coastal plains of Putatan and Papar.*
- No. 5. *Dusun Adat; Some customs of the Dusuns of Tambunan and Ranau, West Coast Residency.*
- No. 6. *Kwijau Adat; Customs regulating inheritance amongst the Kwijau tribe of the interior.*

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Name	Language	Published by	Frequency	Price per copy
North Borneo News and Sabah Times	English Malay Kadazan	Donald A. Stephens, Jesselton.	Weekdays	15 cts.
Overseas Chinese Daily News	Chinese	The Sabah Publishing House, Jesselton.	Weekdays	15 cts.
Api Siang Pau	Chinese	Chung Nam Printing Co., Jesselton.	Weekdays	10 cts.
Borneo Times	English Chinese Malay Kadazan	The Art Printing Co., Sandakan.	Weekdays	10 cts.
Sandakan Jih Pao	Chinese	Sandakan Jih Pao and Printing Co., Sandakan.	Weekdays	10 cts.
Kinabalu Daily News	Chinese	Kinabalu Daily News, Sandakan.	Weekdays	10 cts.
Tawau Jit Pao	Chinese	Chia Tai Hong, Tawau.	Weekdays	10 cts.
Daily Express	English Malay Kadazan	The Sabah Publishing House, Jesselton.	Weekdays	15 cts.
Anak Sabah (Children's Newspaper)	English	Department of Broadcasting and Information, Jesselton.	Monthly	30 cts.
Radio Sabah Calling	English Chinese Malay Kadazan	Radio Sabah, Jesselton.	Fortnightly	30 cts.

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APPENDIX I

COLONIAL DEVELOPMENT AND WELFARE GRANTS
AND EXPENDITURE

DETAILS OF EXPENDITURE	Amount in Scheme	Actual Expenditure up to 1961	Revised Estimates 1962
	\$	\$	\$
CENTRAL ALLOCATION			
R. 1020 — Agricultural Research Stations	1,551,420	374,795	367,930
R. 1113 — Appointment of Forest Botanist	62,881	36,095	25,130
R. 1118 — Agricultural Research Stations	1,172,242	309,279	205,485
R. 1343 — Oil Palm Research Station	523,693	—	170,408
NORTH BORNEO ALLOCATION			
D. 2352 and D. 2352A — Malaria Control Project	665,866	584,486	48,325
D. 2870 — Road construction and improvements	4,653,900	4,433,734	75,000
D. 2938 — Construction of tuberculosis wards at Sandakan	373,500	325,266	—
D. 3074 — Singapore-Labuan aeronautical fixed telecommunications network	85,142	51,597	33,545
D. 3254 and D. 3254A — Government Primary School, Sandakan, Stage II	930,729	909,153	21,576
D. 3306 and D. 3306A — Scholarships for Chinese teachers	113,314	61,357	28,385
D. 3758 — Tuberculosis Control Campaign	264,010	111,856	—
D. 3917 and D. 3917A — Plant for road construction teams	3,600,000	3,527,408	—
D. 4039 — Training Centre, Tuaran	86,400	44,200	39,630
D. 4076 — Quarters for Specialist Teachers of English	630,000	459,351	89,649
D. 4090 and D. 4090A — Mile 18, Sandakan to Telupid Road	1,856,250	798,111	383,139

APPENDIX I—(cont.)

DETAILS OF EXPENDITURE	Amount in Scheme	Actual Expenditure up to 1961	Revised Estimates 1962
	\$	\$	\$
NORTH BORNEO ALLOCATION—(cont.)			
D. 4189 — School Building Grants	1,241,000	327,290	450,000
D. 4266 — Road Improvement Works	2,100,000	633,103	555,875
D. 4454 and D. 4454A — Government Primary Schools 1959-1964	1,078,875	246,958	561,917
D. 4465 — Feeder Road Programme	750,000	341,449	101,051
D. 4573 — Lahad Datu Hospital ...	129,600	75,176	54,424
D. 4588 — Navigational aids ...	945,000	379,795	475,166
D. 4589 — Construction of Beaufort/Weston Road ...	437,625	235,630	174,995
D. 4590 — Specialist Classrooms ...	386,100	21,600	238,500
D. 4792 — Rural Secondary School, Keningau ...	504,000	7,898	100,102
D. 4850 — Jesselton/Papar Road	1,016,250	73,023	268,227
D. 4853 — Tawau Settlement Scheme	328,700	89,750	124,785
D. 4928 — Town Roads and Drainage	750,000	16,275	133,725
D. 4968 — Extension to Government Secondary School (Technical), Jesselton ...	145,575	—	55,575
D. 5082 — Road from West Coast to Ranau	3,112,500	—	—

APPENDIX II

LABOUR STATISTICS

A — WORKERS EMPLOYED BY EMPLOYERS OF 20 OR MORE WORKERS

Number of Workers	Chinese	Indonesians	Natives	Others	Total
At 31st Dec., 1950 ...	5,008	1,926	11,713	665	19,312
At 31st Dec., 1951 ...	5,251	1,903	12,716	795	20,665
At 31st Dec., 1952 ...	6,054	2,806	13,647	1,805	24,312
At 31st Dec., 1953 ...	5,839	2,464	13,816	2,028	24,147
At 31st Dec., 1954 ...	5,243	3,003	13,313	1,497	23,056
At 31st Dec., 1955 ...	5,243	3,846	13,679	1,614	24,382
At 31st Dec., 1956 ...	5,230	6,026	14,110	1,705	27,071
At 31st Dec., 1957 ...	5,076	6,586	13,635	1,920	27,217
At 31st Dec., 1958 ...	5,273	6,952	13,715	2,140	28,080
At 31st Dec., 1959 ...	5,002	7,731	14,559	2,556	29,848
At 31st Dec., 1960 ...	4,758	9,749	15,856	3,424	33,787
At 31st Dec., 1961 ...	4,906	9,650	15,686	3,856	34,098
At 31st Dec., 1962 ...	5,292	11,471	16,502	3,851	37,116

Percentage of total at:

31st Dec., 1950 ...	26.0	10.0	60.6	3.4	100
31st Dec., 1951 ...	25.4	9.2	61.5	3.9	100
31st Dec., 1952 ...	24.9	11.6	56.1	7.4	100
31st Dec., 1953 ...	24.2	10.2	57.2	8.4	100
31st Dec., 1954 ...	22.8	13.0	57.7	6.5	100
31st Dec., 1955 ...	21.5	15.78	56.1	6.62	100
31st Dec., 1956 ...	19.32	22.26	52.12	6.3	100
31st Dec., 1957 ...	18.70	24.10	50.10	7.10	100
31st Dec., 1958 ...	18.78	24.76	48.84	7.62	100
31st Dec., 1959 ...	16.76	25.90	48.78	8.56	100
31st Dec., 1960 ...	14.09	28.85	46.93	10.10	100
31st Dec., 1961 ...	14.39	28.30	46.00	11.31	100
31st Dec., 1962 ...	11.03	30.90	44.46	10.38	100

B — DISTRIBUTION OF LABOUR BY OCCUPATIONAL GROUPS

OCCUPATIONAL GROUPS		No. of workers at 31.12.62				
Type of Employment	Places of Employment	Chinese	Indo-nesians	Natives	Others	Total
Estates ...	70	897	6,837	4,971	817	13,522
Industry and Commerce ...	142	3,530	3,692	6,660	2,723	16,605
Government ...	11	865	942	4,871	311	6,989
TOTAL ...	223	5,292	11,471	16,502	3,851	37,116

APPENDIX II — (cont.)

C — ESTATE WORK

Type of Estate	Places of Employment	NUMBER OF WORKERS AT 31.12.62				
		Chinese	Indo-nesians	Natives	Others	Total
Rubber ...	50	489	4,198	4,672	223	9,582
Hemp ...	4	85	849	19	207	1,160
Tobacco ...	1	5	6	9	5	25
Cocoa ...	8	28	650	33	78	789
Coconuts ...	3	26	239	35	1	301
Coffee ...	1	2	19	11	—	32
Oil Palm ...	3	262	876	192	303	1,633
TOTAL ...	70	897	6,837	4,971	817	13,522

D — INDUSTRIAL AND COMMERCIAL ENTERPRISES

Type of Undertaking	Number of Registered Employers	NO. OF WORKERS AT 31.12.62				
		Chinese	Indo-nesians	Natives	Others	Total
Timber-logging, saw-milling, firewood-cutting etc. ...	62	1,745	3,156	5,245	2,243	12,389
Wholesale trading, grading, packing, warehousing, stevedoring, transportation etc. ...	17	354	112	409	51	926
Building and other construction ...	16	567	130	181	6	884
Fishing ...	5	111	97	29	281	518
Miscellaneous ...	42	753	197	796	142	1,888
TOTAL ...	142	3,530	3,692	6,660	2,723	16,605

APPENDIX III

RATES OF ESTATE DUTY (Section 6 (1) Cap. 42)

Where the principal value of the estate		At the rate per centum of	
	\$	\$	
Does not exceed	10,000		Nil
exceeds	10,000 but does not exceed	25,000	3
do.	25,000	do. 30,000	4
do.	30,000	do. 35,000	5
do.	35,000	do. 40,000	6
do.	40,000	do. 45,000	7
do.	45,000	do. 50,000	8
do.	50,000	do. 75,000	9
do.	75,000	do. 100,000	10
do.	100,000	do. 150,000	12
do.	150,000	do. 200,000	14
do.	200,000	do. 250,000	16
do.	250,000	do. 300,000	18
do.	300,000	do. 350,000	20
do.	350,000	do. 400,000	22
do.	400,000	do. 450,000	24
do.	450,000	do. 500,000	26
do.	500,000	do. 750,000	28
do.	750,000	do. 1,000,000	30
do.	1,000,000	do. 1,500,000	32
do.	1,500,000	do. 2,000,000	34
do.	2,000,000	do. 2,500,000	36
do.	2,500,000	do. 3,000,000	38
do.	3,000,000	do. 3,500,000	40
do.	3,500,000	do. 4,000,000	42
do.	4,000,000	do. 4,500,000	44
do.	4,500,000	do. 5,000,000	46
do.	5,000,000	do. 7,500,000	48
do.	7,500,000	do. 10,000,000	50
do.	10,000,000		55

Provided that—

- (i) Where the principal value of the estate exceeds \$10,000 but does not exceed \$25,000 the amount of estate duty payable shall be the amount calculated at three per cent of such principal value or the amount by which such principal value exceeds \$10,000 whichever is the less;
- (ii) In all other cases the amount of estate duty payable shall, where necessary, be reduced so as not to exceed the highest amount of duty which would be payable at the next lower rate, with the addition of the amount by which the value of the estate exceeds the value on which the highest amount of duty would be so payable at the lower rate.

APPENDIX IV

ESTIMATED ACREAGES OF THE COLONY'S MAIN CROPS

District	Rubber	Coconuts	Wet Padi	Dry Padi	Hemp
WEST COAST					
Kudat ...	11,600	36,000	4,700	6,800	—
Kota Belud ...	4,600	700	14,000	4,300	—
Ranau ...	1,500	100	3,500	3,900	—
Tuaran ...	18,200	300	6,500	1,900	—
Jesselton ...	32,600	400	6,500	200	—
Papar ...	28,600	500	12,300	—	—
	97,100	38,000	47,500	17,100	—
SANDAKAN					
Sandakan ...	12,700	3,400	—	—	—
Labuk ...	1,900	600	1,200	100	—
Kinabatangan ...	100	—	—	1,200	—
	14,700	4,000	1,200	1,300	—
TAWAU					
Tawau ...	21,800	11,600	—	50	3,900
Semporna ...	800	10,900	—	50	—
Lahad Datu ...	3,900	11,000	—	900	600
	26,500	33,500	—	1,000	4,500
INTERIOR					
Keningau ...	8,100	100	5,300	5,400	—
Tambunan ...	2,100	—	5,000	100	—
Tenom ...	22,500	400	900	1,700	—
Beaufort ...	30,000	900	3,600	—	—
Kuala Penyu ...	5,100	2,500	1,100	—	—
Sipitang ...	8,600	1,500	600	200	—
	76,400	5,400	16,500	7,400	—
Labuan ...	3,700	3,900	700	300	—
GRAND TOTAL ...	218,400	84,800	65,900	27,100	4,500

APPENDIX V

1961 CENSUS

TOTAL POPULATION AGED 10 YEARS AND OVER BY SEX, AGE AND LITERACY
RATES PER MILLE 1951 AND 1960

Age Group	PERSONS					
	Literate in English		Literate in Malay		Literate	
	1951	1960	1951	1960	1951	1960
Total aged 10 and over ...	30	75	66	95	160	243
	MALES					
	46	104	116	155	254	342
	FEMALES					
	12	42	11	29	60	132
0-4	—	—	—	—	—	—
5-9	—	—	—	—	—	—
10-14	—	—	—	—	—	—
15-19	—	—	—	—	—	—
20-24	—	—	—	—	—	—
25-29	—	—	—	—	—	—
30-34	—	—	—	—	—	—
35-39	—	—	—	—	—	—
40-44	—	—	—	—	—	—
45-49	—	—	—	—	—	—
50-54	—	—	—	—	—	—
55-59	—	—	—	—	—	—
60-64	—	—	—	—	—	—
65-69	—	—	—	—	—	—
70-74	—	—	—	—	—	—
75-79	—	—	—	—	—	—
80-84	—	—	—	—	—	—
85-89	—	—	—	—	—	—
90-94	—	—	—	—	—	—
95-99	—	—	—	—	—	—
100+	—	—	—	—	—	—
GRAND TOTAL	218,400	84,800	218,400	84,800	218,400	84,800

APPENDIX VI

A. — DESCRIPTIONS OF SCHOOLS AND ENROLMENT BY EDUCATIONAL LEVELS

	PRIMARY			SECONDARY		TEACHER TRAINING			TECHNICAL AND VOCATIONAL			
	Enrolment		Total	Enrolment		Total	Enrolment		Total	Enrolment		Total
	Male	Female		Male	Female		Male	Female		Male	Female	
Government ..	9,861	4,137	13,998	882	353	1,235	139	70	209	100	—	100
Mission Schools (aided) ..	7,070	4,686	11,756	2,166	1,001	3,167	—	—	—	—	—	—
Chinese Schools (aided) ..	12,485	10,802	23,287	686	427	1,113	—	—	—	—	—	—
Native Voluntary and other Schools ..	5,096	2,274	7,370	—	—	—	—	—	—	—	—	—
Private and Estate Schools ..	1,100	535	1,635	—	—	—	—	—	—	—	—	—
TOTAL ..	35,612	22,434	58,046	3,734	1,781	5,515	139	70	209	100	—	100

GRAND TOTAL .. 127,740 (Excluding Kent College and the Government Trade School).

APPENDIX VI—(cont.)

B.—TEACHERS IN SCHOOLS AND COLLEGES CLASSIFIED BY QUALIFICATIONS

	PRIMARY SCHOOLS						SECONDARY SCHOOLS						PRIVATE					
	Govern-ment						Govern-ment						Estate					
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.
<i>Approved Graduate or Equivalent</i>	13	2	5	8	30	13	1	4	3	1	52	28	34	7	26	9	11	8

<i>Completed Secondary School Course</i>	22	12	16	34	86	53	80	41	3	2	207	142	13	6	22	16	2	—

<i>Not Completed Secondary School Course</i>	264	33	28	16	77	54	30	5	6	1	405	109	11	1	1	—	—	—

TOTAL ..	377	70	173	184	482	412	251	75	40	15	1,323	756	79	18	102	56	37	12
GRAND TOTAL .. 2,383 Male 1,541 Female 842																		

Mission, Chinese, Native Voluntary Schools are aided schools.

APPENDIX VI — (cont.)

C. — TEACHER TRAINING

Description of Course	Students admitted during year			Total Students at 30th September, 1962			Students Passing Final Examination
	Male	Female	Total	Male	Female	Total	
Three-year Native ...	18	9	27	67	24	91	26
Two-year Chinese ...	18	9	27	36	22	58	29
Two-year English ...	19	10	29	36	24	60	30
TOTAL ...	55	28	83	139	70	209	85

APPENDIX VI—(cont.)
 D—GENERAL EDUCATION ENROLMENT BY LEVEL OF EDUCATION AND AGE
 AT 30TH SEPTEMBER, 1962
 (a)—PRIMARY EDUCATION

Numbers enrolled in the following age groups															
Primary 1		BASIC PRIMARY CLASSES (a)						SENIOR PRIMARY CLASSES						Total	
		2		3		4		5		6					
	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	
Under 6	1,179	679	30	16	1	2	1	—	—	—	1,211	697	
6—7	3,174	2,081	495	341	37	26	4	—	—	—	3,710	2,448	
7—8	2,764	1,895	1,401	967	271	190	20	4	—	—	4,456	3,056	
8—9	1,591	1,071	1,976	1,219	798	558	165	112	9	4	4,539	2,964	
9—10	774	521	1,671	1,103	1,324	998	500	398	82	52	4,357	3,075	
10—11	429	227	932	549	1,493	958	882	633	306	235	4,115	2,649	
11—12	260	91	495	257	1,096	671	961	642	595	406	3,573	1,199	
12—13	118	58	346	144	704	389	973	642	854	546	3,397	2,047	
Over 13	144	52	242	81	646	261	1,353	733	1,875	1,080	6,254	3,299	
Total	10,433	6,675	7,588	4,677	6,370	4,053	4,859	3,164	3,721	2,323	35,612	22,434	

APPENDIX VI—(cont.)

D—GENERAL EDUCATION ENROLMENT BY LEVEL OF EDUCATION AND AGE—(cont.)

AT 30TH SEPTEMBER, 1962

(b)—SECONDARY EDUCATION

Year	1.		2.		3.		4.		5.		6.		TOTAL	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Numbers enrolled in the following age groups (b)														
Under 11	..	13	7	—	—	1	—	—	—	—	—	—	13	8
11—12	..	45	16	8	1	—	—	1	1	—	—	—	55	25
12—13	..	116	98	26	23	8	2	9	6	4	—	—	159	133
13—14	..	216	124	65	71	40	10	5	3	4	—	—	329	212
14—15	..	208	136	96	76	72	38	4	10	8	—	—	388	263
15—16	..	252	94	113	75	85	54	15	23	20	—	—	485	255
16—17	..	163	74	111	66	80	48	51	31	42	1	2	448	233
17—18	..	107	41	133	54	100	55	57	28	46	13	5	456	203
18—19	..	115	34	126	37	123	64	78	24	52	23	15	517	186
19 and over	..	149	48	197	73	215	90	128	19	135	60	7	884	263
TOTAL	..	1,384	672	875	483	724	362	347	145	307	97	29	3,734	1,781

APPENDIX VI (cont.)

E. — ENROLMENT TECHNICAL AND VOCATIONAL COURSES OTHER THAN
TEACHER TRAINING COURSES

					<i>Government</i>
Trade School Mechanics	...	...	...	...	27
Trade School Carpenters	...	...	...	...	26
Trade School Electricians	...	...	...	...	15
Trade School Fitters	...	...	...	...	14
Trade School Welders and Blacksmiths	...	...	...	...	18
				TOTAL	100

NOTE:—There is no other agency in this field but Government.
No females are enrolled in these Courses.

APPENDIX VI — (cont.)

F. — EXPENDITURE ON EDUCATION DURING THE YEAR ENDING

31ST DECEMBER, 1962

	RECURRENT	Teacher Training	Technical and other vocational education allocated	Administrative (Non-allocated)	NON-RECURRENT	Total
	Primary Education	Secondary Education			Total	Total
	\$	\$	\$	\$	\$	\$
By Education Department from Ordinary Budget ...	2,809,153	1,196,342	446,654	129,577	343,580	4,925,306
By Education Department from Development Budget ...	1,997,564	850,483	496,218	—	3,344,265	—
From Liberation Education Trust Fund ...	—	80,000	—	—	5,642	85,642
Government Grant:						
(a) Aided Secondary Schools ...	—	589,709	—	—	34,352	624,061
(b) From Central Education Fund ...	1,874,173	—	—	—	165,352	2,039,525
School Fees ...	1,851,340	536,389	—	—	—	2,387,729
					TOTAL ...	13,582,640

APPENDIX VI—(cont.)
G.—ANALYSIS OF OVERSEAS SCHOLARSHIPS HELD BY NORTH BORNEO STUDENTS

Course	Australia	New Zealand	United Kingdom	Canada	Japan	Malaya	Singapore	India	Hong Kong	Total
Agriculture ..	(2) 1	2	1	—	—	—	—	—	—	4
Architecture ..	(4) 1	—	1	—	—	—	—	—	—	2
Broadcasting ..	—	—	—	(1) —	—	—	—	—	—	—
Civil Aviation ..	—	—	(1) —	—	—	—	—	—	—	—
Commerce ..	(1) —	1	—	—	—	—	—	—	—	1
Customs ..	—	—	—	(1) —	—	2	—	—	—	2
Co-operative ..	—	—	—	—	1	—	—	—	—	1
Engineering, Civil ..	(6) —	1	(2) —	1	—	(1) —	—	(1) —	—	2
Engineering, Electrical ..	(3) —	(1) 1	2	—	—	—	—	—	—	3
Engineering, Mechanical ..	(3) 2	(1) 1	—	—	—	(1) —	—	—	—	3
Forestry ..	—	—	—	1	—	—	—	—	—	1
General Degrees, B.A. ..	(8) —	(3) 2	—	—	—	—	—	—	—	2
General Degrees, B.Sc. (Econ.) ..	(1) —	—	—	—	—	—	—	—	—	—
Geology ..	—	—	—	(1) —	—	—	—	—	—	—
Health and Meat Inspection ..	1	—	—	1	—	—	—	—	—	2
Labour and Welfare ..	—	—	2	—	—	—	—	—	—	2
Librarianship ..	—	—	(1) —	—	—	—	—	—	—	—
Law ..	(1) 1	(1) —	—	—	—	—	—	—	—	1
Local Government ..	—	—	1	—	—	—	—	—	—	1

APPENDIX VI — (cont.)
G. — ANALYSIS OF OVERSEAS SCHOLARSHIPS HELD BY NORTH BORNEO STUDENTS — (cont.)

Course	Australia	New Zealand	United Kingdom	Canada	Japan	Malaya	Singapore	India	Hong Kong	Total
Medical, Degree ..	(9) —	(1) —	—	—	—	—	—	—	—	—
Medical, Dentistry ..	(1) 1	—	—	—	—	—	—	—	—	1
Medical, Dental Nursing ..	—	(2) 2	—	—	—	—	—	—	—	2
Medical, Mental Nursing ..	—	—	(2) —	—	—	—	—	—	—	—
Medical, Pharmacy ..	(1) —	—	—	—	—	—	—	—	—	—
Medical Midwifery ..	—	—	(5) —	—	—	—	—	—	—	—
Medical, Ophthalmic ..	—	—	1	—	—	—	—	—	—	1
Medical, Post Certificate Nursing ..	—	—	1	—	—	—	—	—	—	1
Medical, Public Health ..	—	—	—	—	—	—	—	2	—	2
Printing ..	1	—	1	—	—	—	2	—	—	4
Films ..	—	—	1	—	—	—	—	—	—	1
Public and Social Administration ..	—	—	5	—	—	—	—	—	—	5
Police ..	—	—	1	—	—	—	—	—	—	1
Surveying ..	(1) —	(2) —	—	—	—	—	—	—	—	—
Teacher Training ..	(8) 4	(7) 5	(1) 6	—	—	—	—	—	(18) 2	17
Telecommunications ..	(1) 1	—	—	—	—	5	—	—	—	6
Veterinary ..	(3) —	—	—	—	—	—	—	2	—	2
TOTAL 1962 Awards only ..	13	15	23	3	1	7	2	4	2	70

N.B. Figures in brackets indicate those who began courses prior to 1962 and who are still studying at present.

APPENDIX VI — (cont.)

H. — ANALYSIS OF PUPILS BY RACE

				<i>Boys</i>	<i>Girls</i>	<i>Total</i>
European (including Eurasian)	...			186	155	341
Indigenous Kadazan	...	...		8,956	4,300	13,256
Murut	...	...		874	291	1,165
Bajau	...	...		2,290	705	2,995
Brunei	...	...		2,805	1,282	4,087
Sino-Native	...	...		868	734	1,602
Other Indigenous	...			2,031	521	2,552
Chinese	...	...	...	18,772	14,849	33,621
Others	...	...	...	2,564	1,378	3,942
TOTAL				39,346	24,215	63,561

I. — ENROLMENT BY STAGES 1947-1962

<i>Year</i>			<i>Primary</i>	<i>Secondary</i>	<i>Total</i>
1947	...	...	13,959	93	14,052
1950	...	...	19,140	484	19,624
1955	...	...	24,771	2,070	*26,841
1958	...	...	37,591	3,019	40,610
1959	...	...	41,726	3,397	*45,123
1960	...	...	46,957	3,806	*50,763
1961	...	...	51,936	4,349	*56,285
1962	...	...	58,046	5,515	*63,561

*Excluding Kent College and Trade School.

APPENDIX VI—(cont.)

J. — PROPORTION OF BOYS TO GIRLS 1947-1962

<i>Year</i>			<i>Boys</i>	<i>Girls</i>	<i>Total</i>
1947	...	...	10,579	3,473	14,052
1950	...	...	14,033	5,591	19,624
1955	...	...	18,437	8,562	26,999
1958	...	...	26,063	14,547	40,610
1959	...	...	29,040	16,083	45,123
1960	...	...	32,140	18,623	50,763
1961	...	...	34,706	21,579	56,283
1962	...	...	39,346	24,215	63,561

Figures exclude Kent College and the Trade School.

K. — NUMBER OF SCHOOLS OPEN 1946-1962

<i>Year</i>		<i>Government</i>	<i>Mission</i>	<i>Chinese</i>	<i>Others</i>	<i>Total</i>
1946	...	48	43	51	2	144
1947	...	60	45	52	8	165
1948	...	66	56	63	8	193
1949	...	65	58	73	8	204
1950	...	70	59	77	12	218
1951	...	71	58	82	8	219
1952	...	73	62	86	7	228
1953	...	70	68	81	14	233
1954	...	80	67	81	21	249
1955	...	84 +	69	79	30	262
1956	...	86 +	69	81	46	282
1957	...	87 +	70	82	49	288
1958	...	90	81	88	74	333
1959	...	92	87	89	86	354
1960	...	95	91	89	104	379
1961	...	98	118	86	130	432
1962	...	116	121	90	158	485

+ Including Kent College and the Trade School.

APPENDIX VII

MEDICAL INSTITUTIONS

A — INSTITUTIONS (GOVERNMENT)				Number of Institutions	Number of beds
1. <i>Hospitals:</i>					
(a)	General hospitals (institutions equipped to deal adequately with all general medical and surgical cases)	...	...	2	671
(b)	Cottage hospitals or infirmaries (smaller institutions equipped to handle only lighter cases, more severe cases being referred to general hospital)	...	...	7	542
2. <i>Dispensaries (institutions for treatment mainly of out-patients):</i>					
(a)	Exclusively for out-patients	...	...	13	—
(b)	Having beds for lighter cases to be referred to general hospital	...	...	19	—
3. <i>Specialised units:</i>					
(a)	Maternity and Child Welfare Centres	...	...	—	4
(b)	Tuberculosis	...	...	2	—
(c)	Venereal disease	...	...	—	—
(d)	Leprosaria	...	...	—	—
(e)	Mental institutions	...	...	—	1
(f)	Others (Maternal and Child Health Clinics)	...	...	5	38
				In General Hospital	As separate In dispensary unit
4. <i>Mobile units:</i>					
				Number of Units	Total Staff
				6	11
(Also 8 "Walking" Units)					

APPENDIX VII — (cont.)

STAFF OF MEDICAL SERVICES AT 31.12.62

A. 1962 Government Medical Department Staff:

Designation	Establishment	Actual	Remarks
<i>Headquarters</i>			
Director	1	1	
Deputy Director	1	1	
Principal Matron	1	1	
Accountant-Storekeeper	1	1	
<i>Hospital and Dispensary Services:</i>			
Surgical Specialists	2	2	
Medical Officers	14	13	
Matron	1	1	
Mental Nurse (Male)	1	1	
Senior Sister	1	1	
Sister Tutor	1	1	
Nursing Sisters	8	8	
Chief Hospital Assistants	3	3	
Senior Staff Hospital and Senior Staff Nurses	16	16	
Staff and Student Hospital Assistants and Nurses	235	229	15 Supernumerary Posts also provided
Assistant Nurses	45	59	
<i>Dental Services</i>			
Dental Officer	2	2	
Dental Technician	1	1	A Senior Staff Hospital Assistant
Dental Mechanic	1	1	
Dental Nurses	4	4	
<i>Maternal and Child Health Services:</i>			
Health Sisters	5	5	
Nursing Sister (Training)	—	1	(Supernumerary)
Rural Health Nurses and Probationer Rural Health Nurses	46	44	
<i>Environmental Hygiene Services:</i>			
Chief Health Inspector	1	1	At headquarters
Senior Health Inspector	2	2	
Health Inspectors and Trainee Health Inspectors	16	16	
Village Health Inspectors	11	11	10 are part-time dressers

APPENDIX VII — (cont.)

MEDICAL AND HEALTH STAFF — (cont.)

<i>Designation</i>	<i>Establishment</i>	<i>Actual</i>	<i>Remarks</i>
<i>Malaria Eradication</i>			
Malariologist (Medical Officer) ...	1	1	
Technician/Clerk ...	1	1	Head of the Administrative section under eradication programme.
Senior Malaria Technician ...	1	1	Head of spraying section under eradication programme.
Malaria Technicians ...	85	85	Includes Senior and Sector Leader technicians under eradication programme.
Assistant Malaria Technician ...	83	83	
<i>Tuberculosis Control</i>			
Medical Officer ...	1	1	
Health Visitors ...	2	2	
T. B. Control Technicians ...	18	18	1 employed as a clerk
T. B. Assistant Nurses ...	14	13	

NOTES: — X-ray and Dispensing services operated by hospital assistants who have had additional training.

Laboratory staff also supplemented by hospital assistants.

Fifty-six members of the Government Nursing Staff are also Midwives.

B. Non-Government Medical Personnel at 31.12.62

<i>Designation</i>	<i>Mission</i>	<i>Estate</i>	<i>Private</i>
Registered Physicians ...	1	4	11
Nursing Sisters ...	4	1	1
Health Visitors ...	1	—	—
Trained Nurses ...	—	1	—
Trained Hospital Assistants or Dressers ...	—	53	—
Registered Midwives ...	5	2	59
Traditional Midwives (with some official in-service training) ...	—	—	73

APPENDIX VIII

RECORD OF WORK OF THE COURTS OF NORTH BORNEO

A — A COMPARATIVE STATEMENT OF CASES DEALT WITH DURING 1961 AND 1962 BY THE HIGH COURT

High Court	Criminal		Civil	
	1961	1962	1961	1962
1. Original Jurisdiction	41	24	58	109
2. Revisional	13	20	2	1
3. Appeals from Magistrates' Courts ...	42	38	9	8
4. Appeals to the Court of Appeal ...	13	6	4	8
5. Appeals from Director of Lands and Surveys and Assistant Collectors of Land Revenue	—	—	1	4
6. Appeals from Town Boards ...	—	—	1	—
7. Probate and Administration ...	—	—	38	27
8. Insolvency	—	—	2	3
9. Miscellaneous	4	8	46	48
10. Juvenile	—	5	—	—
	113	101	161	200

B — ORIGINAL JURISDICTION

CRIMINAL					CIVIL			
1961		1962			1961		1962	
	Cases tried	Persons convicted	Cases tried	Persons convicted	No. of Suits	Value \$	No. of Suits	Value \$
High Court	41	80	24	47	58	271,378.20	100	516,260.28
Magistrates' Courts	4,055	4,155	4,817	4,744	453	185,717.14	394	218,373.06
	4,096	4,235	4,841	4,791	511	457,095.34	494	734,633.34

APPENDIX IX

COMPARATIVE STATEMENT OF COMPANIES REGISTERED DURING 1961 AND 1962

	1960	1961	Total Number of Companies on the Register as at 31.12.62.
Companies incorporated outside North Borneo	15	16	148
Companies incorporated inside North Borneo	14	39	96
Companies dissolved or having ceased to carry on business in North Borneo ...	—	2	—

APPENDIX X
POLICE STATISTICS

A — TABLE OF PENAL CODE OFFENCES FOR THE YEAR ENDING 31ST DECEMBER, 1962

DESCRIPTION OF OFFENCE	Cases Reported		Cases Rejected		Total Accepted		DISPOSAL OF CASES						Investigation Under	Pending Trial
	Total Cases	Reported	Cases Rejected	Total Accepted	Accused Dead or Insane	Acquitted or Discharged	Nolle Prosequi	Convicted	Compounded or order made without conviction	Undetected				
AGAINST LAWFUL AUTHORITY														
Against Public Order	32	1	31	29	—	1	—	29	—	—	—	—	—	1
Giving False Evidence	2	—	2	2	—	—	—	2	—	—	—	—	—	—
Escape and Rescue	7	—	7	7	—	—	—	7	—	—	—	—	—	—
Rioting and Unlawful Assemblies	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	29	3	26	26	—	1	—	23	—	1	—	—	—	1
AGAINST PUBLIC MORALITY														
Rape	3	—	3	3	—	—	—	1	—	2	—	—	—	—
Assaults (outrage modesty)	6	—	6	6	—	1	—	5	—	—	—	—	—	—
Unnatural Offences	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	5	—	5	5	—	—	—	5	—	—	—	—	—	—
AGAINST THE PERSON														
Murder	13	2	11	13	—	1	1	2	—	3	—	1	—	6
Culpable homicide and causing death	13	—	13	11	—	—	—	4	—	—	—	—	—	5
Attempted Murder	5	—	5	5	—	—	—	—	—	—	—	—	—	3
Attempted Suicide	9	—	9	9	—	—	—	7	—	—	—	—	—	8
Hurts	45	2	43	43	—	5	—	26	—	1	—	—	—	3
Assaults	70	5	65	65	—	2	—	56	4	—	—	—	—	5
Others	1	—	1	1	—	—	—	—	—	—	—	—	—	—
AGAINST PROPERTY														
Robbery and Gang Robbery	33	1	32	32	—	—	—	2	—	22*	—	6	—	2
Extortion	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Housebreaking	59	1	58	58	—	2	—	17	—	37	—	—	—	2
Thefts	435	11	424	424	—	14	—	170	—	232	—	1	—	7
Misappropriation, Breach of Trust, Cheating	52	3	49	49	—	1	1	34	—	3	—	5	—	5
Receiving Stolen Property	19	2	17	17	—	1	—	14	—	4	—	—	—	2
Mischief by fire	4	—	4	4	—	—	—	15	—	10	—	—	—	—
Others	31	—	31	31	—	4	—	—	—	—	—	—	—	2
OTHER PENAL CODE OFFENCES														
Forgery	3	—	3	3	—	—	—	1	—	—	—	—	—	2
Counterfeiting	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
GRAND TOTAL	888	33	855	855	—	33	7	427	4	316	—	18	—	50
Piracy jure gentium	39	—	39	39	—	—	—	4	—	34	—	—	—	1

* Includes 16 cases of assault on hostile forces from neighbouring territories who subsequently occurred back to those territories

APPENDIX X — (cont.)

B — DISPOSAL OF PERSONS CONCERNED FOR THE YEAR ENDING 31ST DECEMBER, 1962

DESCRIPTION OF OFFENCE	Taken to Court		PERSONS CONVICTED						DEATH		
	Arrested	Summoned	Acquitted or Discharged	Nolle Prosequi	Under Invest. or Pending Trial	TOTAL		Juvenile			
						M	F	M	F	M	F
AGAINST LAWFUL AUTHORITY											
Against Public Order	51	43	4	—	2	65	8	13	2	—	—
Giving False Evidence	7	2	—	—	—	2	—	—	—	—	—
Escape and Rescue	—	—	—	—	—	6	—	1	—	—	—
Rioting and Unlawful Assemblies	—	—	—	—	—	—	—	—	—	—	—
Others	22	4	1	—	1	23	—	1	—	—	—
AGAINST PUBLIC MORALITY											
Rape	1	—	—	—	—	1	—	—	—	—	—
Assaults (outrage modesty)	6	—	1	—	—	5	—	—	—	—	—
Unnatural Offences	—	—	—	—	—	—	—	—	—	—	—
Others	7	1	—	—	—	6	—	1	1	—	—
AGAINST THE PERSON											
Murder	11	—	1	2	6	2	—	—	—	—	—
Culpable homicide and causing death	12	1	1	—	5	6	—	1	—	—	—
Attempted Murder	5	—	—	3	2	—	—	—	—	—	—
Attempted Suicide	7	2	—	1	1	4	3	—	—	—	—
Hurts	41	5	6	—	10	24	—	6	—	—	—
Assaults	35	39	2	—	5	54	2	9	2	—	—
Others	1	—	—	1	—	—	—	—	—	—	—
AGAINST PROPERTY											
Robbery and Gang Robbery	23	—	—	—	17	3	—	3	—	—	—
Extortion	—	—	—	—	—	—	—	—	—	—	—
Housebreaking	28	—	2	—	2	14	—	10	—	—	—
Thefts	228	9	20	—	7	104	2	102	2	—	—
Misappropriation, Breach of Trust, Cheating	44	2	3	1	5	31	—	6	—	—	—
Receiving Stolen Property	22	2	2	—	2	12	2	6	—	—	—
Mischief by fire	—	—	—	—	—	—	—	—	—	—	—
Others	20	9	7	—	2	12	—	8	—	—	—
OTHER PENAL CODE OFFENCES											
Forgery	3	—	—	—	2	1	—	—	—	—	—
Counterfeiting	—	—	—	—	—	—	—	—	—	—	—
Others	7	2	—	—	1	5	—	3	—	—	—
GRAND TOTAL	581	121	50	8	70	380	17	170	7	1	—
Piracy jure gentium	58	—	—	—	17	39	—	2	—	—	—

APPENDIX X—(cont).

C — TABLE OF OFFENCES UNDER THE ORDINANCES FOR THE YEAR ENDING 31ST DECEMBER, 1962

ORDINANCE	Total Cases Reported	Cases Rejected	Police Warning	Convicted	Acquitted or Discharged	Undetected	Pending trial or under investigation	DISPOSAL OF PERSONS CONVICTED								
								TOTAL			IMPRISONMENT					
								Juvenile			Juvenile					
								M	F		M	F		M	F	
Road Traffic	..	3,510	440	844	1,940	64	14	208	1,686	31	239	23	1	—	1	—
Arms and Explosives	..	78	3	1	64	3	1	6	68	—	4	—	25	—	1	—
Gaming	15	—	—	12	2	—	1	33	4	1	—	—	—	—	—
Immigration and Passports	..	505	15	3	466	17	1	3	727	31	154	9	372	—	77	—
Minor offences	..	475	7	9	429	4	7	19	362	31	43	7	5	—	2	—
Opium and Chandu	..	48	—	—	40	3	—	5	67	—	1	—	28	—	1	—
Sedition	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Undesirable Publications	..	1	—	—	1	—	—	—	1	—	—	—	—	—	—	—
Municipal and Urban Authorities	..	1	—	—	1	—	—	—	1	—	—	—	—	—	—	—
Others	224	10	4	183	2	—	25	210	9	15	—	46	—	3	—
GRAND TOTAL	..	4,857	475	861	3,136	95	23	267	3,155	106	457	39	477	—	85	—

NOTES:—

(1) Number of informations laid but not investigated by Police:—80

(2) Number of cases in which Police Warnings issued (not including cases entered in the Crime Registers shown in column 5 above):—5

(3) Juveniles include young offenders (Age Group over 7 years and under 21 years).

APPENDIX X—(cont.)

C—TABLE OF OFFENCES UNDER THE ORDINANCES FOR THE YEAR ENDING 31ST DECEMBER, 1962—(cont.)

ORDINANCE	DISPOSAL OF PERSONS CONVICTED												REMARKS			
	WHIPPING			FINE						BOUND OVER			WARNING BY COURT			
	Juvenile			Juvenile						Juvenile			Juvenile			
	M	F		M	F	M	F	M	F	M	F	M	F	M	F	
Road Traffic	1,670	31	238	23	1	—	—	—	14	—	—	—	—
Arms and Explosives	38	—	3	—	1	—	—	—	4	—	—	—	—
Gaming	33	4	1	—	—	—	—	—	—	—	—	—	—
Immigration and Passports	335	21	60	5	12	4	14	2	8	6	3	2	2
Minor offences	351	31	41	7	2	—	—	—	4	—	—	—	—
Opium and Chandu	24	—	—	—	15	—	—	—	—	—	—	—	—
Sedition	—	—	—	—	—	—	—	—	—	—	—	—	—
Undesirable Publications	—	—	—	—	1	—	—	—	—	—	—	—	—
Municipal and Urban Authorities	1	—	—	—	—	—	—	—	—	—	—	—	—
Others	147	9	12	—	3	—	—	—	14	—	—	—	—
GRAND TOTAL	2,599	96	355	35	35	4	14	2	44	6	3	2	2

NOTES:—

(1) Number of informations laid but not investigated by Police:—80

(2) Number of cases in which Police Warnings issued (not including cases entered in the Crime Registers shown in column 5 above):—5

(3) Juveniles include young offenders (Age Group over 7 years and under 21 years).

APPENDIX X—(cont.)

JUVENILE AND YOUNG OFFENDERS

D — CONVICTED UNDER THE PENAL CODE DURING 1962

Section of Law				7 — 9		10 — 12		13 — 15		16 — 18		19 — 21	
				M	F	M	F	M	F	M	F	M	F
160	..	..	..	—	—	—	—	—	—	1	—	12	2
200	..	..	..	—	—	—	—	1	—	—	—	—	—
224	..	..	..	—	—	—	—	—	—	—	—	1	—
292	..	..	..	—	—	—	—	—	—	1	—	—	1
304 — 304A	..	..	..	—	—	—	—	—	—	1	—	—	—
323	..	..	..	—	—	—	—	—	—	3	—	4	1
352 — 358	..	..	..	—	—	—	—	—	—	1	—	1	1
324 — 338	..	..	..	—	—	—	—	—	—	—	—	6	—
379 — 382	..	..	..	1	—	17	—	38	—	18	1	28	1
392 — 402	..	..	..	—	—	—	—	—	—	—	—	3	—
403 — 404	..	..	..	—	—	—	—	—	—	—	—	3	—
408 — 409	..	..	..	—	—	—	—	—	—	—	—	2	—
417 — 420	..	..	..	—	—	—	—	—	—	1	—	—	—
410A — 414	..	..	..	—	—	—	—	1	—	2	—	3	—
426 — 434	..	..	..	—	—	—	—	2	—	2	—	4	—
453 — 460	..	..	..	—	—	—	—	3	—	3	—	4	—
461	..	..	..	—	—	1	—	1	—	—	—	—	—
504 — 507	..	..	..	—	—	—	—	—	—	—	—	1	—
Piracy jure gentium	..	..	..	—	—	—	—	—	—	2	—	—	—
TOTAL				1	—	18	—	46	—	35	1	72	6

Ages 7 — 18 = 101 Ages 19 — 21 = 78
 15 persons pending trial are not included in the above.

E — JUVENILE AND YOUNG OFFENDERS

BY RACE CONVICTED OF OFFENCES AGAINST THE PENAL CODE
DURING THE YEAR, 1962

Race				7 — 9		10 — 12		13 — 15		16 — 18		19 — 21	
				M	F	M	F	M	F	M	F	M	F
Chinese	..	..	..	—	—	3	—	24	—	6	—	12	1
Native	..	..	..	—	—	15	—	21	—	14	1	29	5
Indonesian	..	..	..	—	—	—	—	—	—	10	—	24	—
Filipino	..	..	..	1	—	—	—	1	—	4	—	7	—
Indian	..	..	..	—	—	—	—	—	—	1	—	—	—
TOTAL				1	—	18	—	46	—	35	1	72	6

Ages 7 — 18 = 101

Ages 19 — 21 = 78

APPENDIX XI

STATISTICAL REPORT FOR PRISONS OF NORTH BORNEO, 1962

Name and Nature of Prison	No. Committed for Debt, on Remand and for Imprisonment			Length of Sentence of those sentenced to Imprisonment							Previous Convictions			Daily average in prison.			Admission to hospital.	Death (excluding execution).	Executions.	Escapes.	Recaptures.
	Total number of persons committed during the year.	For debt.	For safe custody (subsequently discharged including lunatics).	For imprisonment.	For life sentence.	Death sentence.	For detention.	18 months and over.	12 months and less than 18 months.	6 months and less than 12 months.	3 months and less than 6 months.	1 month and less than 3 months.	Under 1 month.	Once.	Twice.	Three or more.					
CENTRAL PRISON:—																					
Jesselton	382*	—	168*	214*	—	1	155	10	5	6	8	9	20	3	4	4	162.88	2.95	94	—	1
Prisons:—																					
Sandakan	241	—	73	168	—	1	—	7	4	9	37	52	58	2	—	1	53.54	1.81	1	—	—
Tuaran	24	—	10	14	—	—	—	3	—	1	2	2	5	2	1	1	1.26	—	—	—	—
Beaufort	62	—	55	7	—	—	—	—	—	2	2	3	—	—	—	—	2.31	—	—	—	—
Keningau	24	—	6	18	—	—	—	2	—	1	4	4	4	—	—	—	3.21	—	—	—	—
Kota Belud	83	—	49	34	—	—	—	—	3	1	3	11	15	4	—	1	6.76	0.27	4	—	—
Ranau	20	—	3	17	—	—	—	—	1	4	5	7	5	2	—	1	1.47	—	—	—	—
Tenom	19	—	11	8	—	—	—	2	2	—	2	2	—	—	—	2	1.56	—	—	—	—
Kudat	85	—	41	44	—	—	—	—	4	16	2	10	12	2	—	—	7.99	0.06	1	—	1
Beluran	4	—	1	3	—	—	—	—	—	—	—	2	1	—	—	—	.35	—	—	—	—
Tawau	515*	—	240*	275	—	—	—	13	11	53	51	56	91	11	8	6	43.74	0.25	3	—	2
Lamag	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	.16	—	—	—	—
Tambunan	3	—	1	2	—	—	—	—	—	—	—	2	—	—	—	—	—	—	—	—	—
Labuan	41*	—	34	7	—	—	—	—	—	—	3	—	4	1	—	1	.92	0.03	1	—	—
Papar	24	—	9	15	—	—	—	—	—	—	5	7	3	2	1	3	2.17	0.02	—	—	—
Lahad Datu	258	—	89	169	—	—	—	—	1	13	21	55	79	9	6	1	21.98	0.49	1	—	—
Pensiangan	9	—	1	8	—	—	—	—	—	1	1	2	4	1	—	—	.68	—	—	—	—
Kuala Penyu	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	1,794	—	791	1,003	—	2	155	37	32	106	146	224	301	39	20	22	310.98	5.88	105	1	4
Men	1,411	—	584	827	—	2	—	33	32	104	141	218	297	34	20	22	296.37	5.41	90	1	4
Women	18	—	7	11	—	—	—	—	—	2	4	4	1	1	—	—	3.01	0.11	1	—	—
Juvenile, Boys	28	—	18	10	—	—	—	4	—	—	1	2	3	2	—	—	1.98	0.03	—	—	—
Juvenile, Girls	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Detainees, Male	337	—	182	155	—	—	155	—	—	—	—	—	—	2	—	—	9.62	0.43	14	—	—
Detainees, Female	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

*Including detainees.

APPENDIX XII

PORT STATISTICS — 1961 AND 1962

[illegible]

APPENDIX XIII

CIVIL AVIATION: AIRCRAFT MOVEMENTS STATISTICS, 1962

AIRPORT	INTERNAL SERVICES				OTHER CIVIL				MILITARY				TOTAL	
	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
Labuan	560 (582)	559 (583)	480 (671)	480 (672)	1,106 (195)	1,090 (195)	2,146 (1,448)	2,129 (1,450)				
Jesselton	1,032 (1,004)	1,035 (1,009)	946 (1,053)	947 (1,046)	378 (791)	363 (791)	2,356 (2,848)	2,345 (2,846)				
Sandakan	786 (724)	788 (728)	251 (235)	254 (236)	168 (59)	166 (59)	1,205 (1,018)	1,208 (1,023)				
Kudat	105 (112)	105 (112)	2 (2)	2 (2)	40 (1)	40 (1)	147 (115)	147 (115)				
Keningau	112 (120)	112 (120)	9 (11)	9 (11)	23 (21)	23 (21)	144 (152)	144 (152)				
Ranau	54 (96)	54 (96)	42 (57)	42 (57)	5 (11)	5 (11)	101 (164)	101 (164)				
Tawau	422 (479)	422 (478)	5 (4)	5 (4)	99 (18)	97 (19)	526 (501)	524 (501)				
Lahad Datu	631 (674)	631 (674)	1 (1)	1 (1)	61 (10)	61 (10)	693 (685)	693 (685)				

NOTE: — Figures in brackets are for 1961.

APPENDIX XIII—(cont).

CIVIL AVIATION: PASSENGERS, FREIGHT AND MAIL STATISTICS, 1962

A.—MAIN LINE SERVICES

AIRPORT	PASSENGERS			FREIGHT (KILOS)		MAIL (KILOS)	
	Embarked	Disembarked	Picked up	Set down	Picked up	Set down	
Labuan	... 897 (13)	429 (9)	3,780 (—)	5,271 (272)	2,298 (—)	1,543 (34)	
Jesselton	... 12,478 (10,424)	11,959 (10,705)	85,913 (67,067)	214,335 (149,945)	21,329 (21,451)	26,869 (30,256)	
Sandakan	... 3,534 (4,653)	3,561 (4,373)	14,500 (15,908)	49,104 (61,540)	4,992 (5,940)	7,614 (10,307)	

NOTE: — (a) Figures in brackets are for 1961.

(b) Internal Services Statistics are not included.

APPENDIX XIII—(cont.)

CIVIL AVIATION: PASSENGERS, FREIGHT AND MAIL STATISTICS, 1962 — (cont.)

B. — INTERNAL SERVICES

AIRPORT	PASSENGERS		FREIGHT (KILOS)		MAIL (KILOS)	
	Embarked	Disembarked	Picked up	Set down	Picked up	Set down
Labuan	...	...	...	...	...	...
	5,012 (6,993)	5,190 (6,560)	23,858 (22,282)	30,990 (57,681)	7,098 (6,550)	9,201 (9,335)
Jesselton	...	...	...	...	...	...
	11,099 (10,236)	10,241 (9,905)	98,148 (88,871)	40,899 (35,586)	22,786 (24,000)	16,065 (14,554)
Sandakan	...	...	...	...	...	...
	7,915 (5,457)	8,343 (5,868)	73,257 (34,742)	73,913 (42,123)	18,611 (12,024)	14,132 (11,560)
Kudat	...	...	...	...	...	...
	687 (894)	766 (1,039)	1,466 (1,703)	5,837 (7,795)	1,022 (1,004)	2,517 (3,527)
Ranau	...	...	...	...	...	...
	102 (333)	88 (433)	669 (5,836)	851 (4,539)	79 (287)	92 (478)
Keningau	...	...	...	...	...	...
	776 (785)	674 (776)	5,181 (2,308)	6,020 (4,591)	457 (493)	562 (584)
Tawau	...	...	...	...	...	...
	5,060 (4,219)	4,715 (4,267)	12,373 (11,780)	42,784 (32,725)	7,017 (5,984)	10,350 (10,039)
Lahad Datu	...	...	...	...	...	...
	3,853 (3,642)	3,519 (3,113)	7,251 (7,312)	27,675 (20,326)	2,368 (2,775)	4,623 (4,783)

NOTE: — Figures in brackets are for 1961.

APPENDIX XIII—(cont.)

BORNEO AIRWAYS LIMITED

DAKOTA SERVICES

Route	Frequency
Labuan/Brunei/Jesselton/Sandakan/Lahad Datu/Tawau and return	4 times weekly
Labuan/Jesselton/Tawau	Once weekly
Tawau/Jesselton	Once weekly
Tawau/Lahad Datu/Sandakan/Jesselton/Brunei /Bintulu and return	Once weekly
Jesselton/Sandakan and return	Twice weekly

TWIN PIONEER SERVICES

Labuan/Jesselton/Kudat/Jesselton/Ranau/ Sandakan/Jesselton/Keningau/Jesselton ...	Once weekly
Ranau/Jesselton/Kudat/Jesselton	Once weekly
Jesselton/Keningau/Sepulot/Keningau/Jesselton	Twice weekly
Labuan/Jesselton and return	Once weekly
Jesselton/Sandakan and return	Twice weekly
Jesselton/Keningau/Jesselton	Twice weekly
Brunei/Lawas/Brunei/Labuan	Twice a month

MALAYAN AIRWAYS LIMITED

VISCOUNT SERVICES

Singapore/Kuching/Labuan/Jesselton and return	5 times weekly
Singapore/Kuching/Jesselton and return ...	Once weekly

DAKOTA SERVICES

Singapore/Kuching/Brunei and return ...	Once weekly
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CATHAY PACIFIC AIRWAYS

ELECTRA

Hong Kong/Manila/Jesselton and return ...	Once weekly
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APPENDIX XIII—(cont.)

CIVIL AVIATION DEPARTMENT REVENUE FOR THE YEAR 1962

A. LANDING AND PARKING FEES:—

1. Malayan Airways Limited	...	...	\$ 33,003.76
			(34,247.89)
2. Borneo Airways Limited	...	...	\$ 63,651.92
			(63,949.01)
3. Brunei Shell Petroleum Company Limited			\$ 6,825.84
			(12,502.80)
4. Cathay Pacific Airways Limited	...		\$ 13,941.37
			(3,583.81)
5. Garuda Indonesian Airways Limited	...		\$ 7,096.04
			(1,100.00)
6. World Wide Helicopters Limited	...		\$ 513.00
			(2,727.00)
7. Philippine Airlines	...	...	( — )
			(173.38)
8. Miscellaneous Airlines and Private Aircraft	...	...	\$ 959.88
			(1,389.17)
9. Suriano Airways Limited	...	...	\$ 559.05
			(—)
			<hr/>
			\$ 126,550.86
			(119,673.06)

B. AIRPORT REFRESHMENT BARS JESSELTON AND SANDAKAN

\$ 1,500.00
(960.00)

C. REGISTRATION AND LICENSING:—

1. Aircraft	...	...	\$ 2,943.50
			(664.00)
2. Pilots, Engineers and Aircrews	...		\$ 375.14
			(236.50)

D. SALE OF STORES AND EQUIPMENTS

\$ 4.00
(2.20)

\$ 131,373.50
(121,533.56)

NOTE: — Figures in brackets are in respect of 1961.

APPENDIX XIV

ELECTRICITY BOARD TARIFFS. 1962

CURRENT MONTHLY CHARGES FOR INSTALLED CAPACITY OF UNDERTAKING

DESCRIPTION		Calculation Basis		Over 1,000 Kw.	500-1,000 Kw.	Below 500 Kw.
A.	Flat Rate Lighting and Fans	..	Per Unit ..	35 cents	50 cents	50 cents
		..	Minimum Charge	\$ 6.00	\$ 6.00	\$ 7.50
B.	Commercial Power and Heating	..	Per Unit ..	20 cents	20 cents	20 cents
		..	Minimum Charge	\$10.00	\$10.00	\$10.00
C1.	Lighting and Power combined for Hotels, Residential Clubs, Cinemas and similar Institutions	..	Fixed charge per 100 square feet of floor area plus ..	\$ 1.75	\$ 1.75	\$ 1.75
		..	Per Unit ..	10 cents	12 cents	20 cents per unit for first 500 units; remainder at 12 cents.
C2.	Lighting and Power combined for Hospitals, Schools, Rest Houses and non-Residential Clubs	..	Fixed charge per 100 square feet of floor area plus ..	\$ 1.00	\$ 1.00	\$ 1.00
		..	Per Unit ..	10 cents	12 cents	20 cents per unit for first 500 units; remainder at 12 cents.
D.	Industrial Power and Light	..	Per Unit ..	20 cents	20 cents	20 cents
		..	1st 2,000 Kw. ..	12 cents	12 cents	12 cents
		..	Next 3,000 Kw. ..	8 cents	9 cents	12 cents
		..	Balance ..	by Negotiation	by Negotiation	by Negotiation
		..	Minimum Charge			
E.	All — in Domestic Tariff for dwelling houses, flats, residential portion of shop houses if separately metered	..	Per Unit ..	35 cents	40 cents	50 cents
		..	1st 35 units ..	10 cents	12 cents	12 cents
		..	Balance ..	\$ 6.00	\$ 6.00	\$ 7.50
		..	Minimum Charge			
F.	Shophouses where the shop and residential portion are on one meter	..	Per Unit ..	35 cents	40 cents	50 cents
		..	1st 60 units ..	10 cents	12 cents	12 cents
		..	Balance ..	\$12.00	\$12.00	\$15.00
		..	Minimum Charge			
G.	Air Conditioner where separately metered	..	Per Unit ..	10 cents	12 cents	12 cents
		..	Minimum Charge	\$10.00	\$10.00	\$10.00

NOTE:—Tariffs B and D Initial rate reduced to 12 cents provided consumption is restricted to off peak periods. Fixed charge on Tariff C. 2 was raised from 50 cents to \$1.00 per 100 square feet in August, 1961.

APPENDIX XV

MEMBERS OF EXECUTIVE AND LEGISLATIVE COUNCILS AS AT END OF 1962

(* = Member of Executive Council)

* His Excellency the Governor (Sir William Goode, G.C.M.G.) (*President*)

* The Honourable the Chief Secretary (R. N. Turner, C.M.G.)

* The Honourable the Attorney-General (W. K. H. Jones)

* The Honourable the Financial Secretary (H. W. Davidson, C.M.G., M.B.E.)

* The Honourable the Secretary for Local Government (J. H. Macartney)

* The Honourable W. K. C. Wookey (Resident, Sandakan)

* The Honourable O. K. K. Mohd. Yassin bin Haji Hashim, O.B.E.,
(District Officer, Tenom)

The Honourable L. Jackson (Director of Public Works)

* The Honourable O. K. K. Datu Mustapha, O.B.E.

* The Honourable Khoo Siak Chiew

* The Honourable D. A. Stephens

The Honourable Fadzil bin Asmad, O.B.E.

The Honourable O. K. K. Zainal bin Kerahu

* The Honourable A. W. Paton

The Honourable Anthony Chan

* The Honourable Pang Tet Tshung

* The Honourable O. K. K. G. S. Sundang, M.B.E.

The Honourable Lai En Kong

The Honourable R. G. Barrett

The Honourable Michael Wong

The Honourable Chan Chi On, O.B.E., J.P.

The Honourable N. C. Nonon bin Anad

The Honourable Anthony Gibon

The Honourable Peter S. Y. Lo

The Honourable Ganie Gilong, J.P.

The Honourable Enche Mohamed Said bin Keruak

