

The Politics of centre-state conflict: the Sabah experience under  
the ruling Sabah Alliance (1963-1976)

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INTRODUCTION

At the beginning of the nineteenth century, the greater part of what is now Sabah came under the Kingdom of Brunei in the west and the Sultanate of Sulu in the northeast.<sup>1</sup> Piracy and civil disturbances forced the Sultan of Brunei in 1877 to transfer a large part of his western domains to Gustavus von Overbeck, an Austrian trader, in exchange for aid in subduing the unrest. Meanwhile, the Sultan of Sulu, concluding that his northern Borneo territories were of little value, also divested himself on them by completing a series of agreements under which he leased or sold the northern part of the island to Overbeck.<sup>2</sup> Overbeck later transferred these territories to Alfred Dent Brothers of London, who obtained a royal charter to form a company for the development of Sabah; as a result the British North Borneo Chartered Company was born in November 1881. The original motive for the British acquisition of Sabah was, of course, partly strategic as well as commercial. Britain wanted to control Sabah because it might provide a convenient naval station on the trade route between Singapore and China, while at the same time preventing other European powers from expanding their influence in the area.<sup>3</sup>

The rule of the Chartered Company was eventually interrupted by the advent of the Second World War. In January 1942, Sabah was occupied by Japanese forces. When it was finally liberated in September 1945, the Chartered Company's board of directors felt that the only solution to the problems of resuming the running of the state and the financing of the massive rehabilitation, reconstruction and development required after the war was for the Company to relinquish control over Sabah to the British government. Besides, as Roff observes, 'colonized peoples throughout Asia were claiming independence from exhausted European powers, [so] rule by either a Chartered Company or a benevolent despot seemed rather quaintly anachronistic even to the British Colonial Office'.<sup>4</sup> Therefore, after a brief period of British

military administration ending on 15 July 1946, North Borneo, including Labuan, was made a crown colony administered by a governor assisted by an executive council and a legislative council. The period of British colonial rule lasted until 31 August 1963, when North Borneo was granted self-rule and when it also officially changed to its present name of Sabah. On 16 September 1963, Sabah (together with Sarawak and Singapore) joined the Federation of Malaya to form Malaysia.

This paper is about the politics of centre-state relations under Malaysian federalism, with particular reference to the state of Sabah from 1963 to 1976. In so doing, it will firstly examine the early political development of Sabah prior to 1963 before analysing the problems of centre-state relations that arose under the extended rule of the Sabah Alliance from 1963 to 1975. It will then explore the causes of the downfall of the Alliance and the rise to power of the Berjaya party in 1976.

### THE EARLY YEARS OF SABAH'S POLITICAL DEVELOPMENT

Political parties were not established in Sabah until the 1960s. There were several factors which contributed to this circumstance. Certainly, prior to 1960 Sabah was educationally backward. In 1951, less than 0.05 per cent of the population had secondary schooling,<sup>5</sup> the limited numbers of educated Sabahans undoubtedly inhibited the spread of political awareness. Again, Sabah's shortages of finance discouraged a cautious Sabahan leadership from rushing too quickly into self-rule. For the first six years of postwar colonial rule, the British government had to provide a subsidy to the North Borneo colonial administration in order to help meet its yearly budget deficit. Yet, even if there had been a desire to establish political parties amongst the few educated Sabahans, there was no encouragement from the British colonial administration, as the governor of North Borneo warned at one stage, the establishment of political parties at this stage 'carried the greatest danger of communal strife'.<sup>6</sup>

Yet the year 1961 was to finally mark the end of the state's long insulation from party politics. The opportunity came on 27 March of that year in response to Tunku Abdul Rahman's proposals for the merger of the three territories of Singapore, North Borneo and Sarawak to form the Federation of Malaysia.<sup>7</sup> Following Tunku's initiative, a range of aspirant North Borneo leaders were stimulated into action. By the end of 1961, five main political parties had been established, all differing in their attitudes towards the question of Malaysia and in the ethnic group each

sought to represent.

The first political party in Sabah was United National Kadazan Organisation (UNKO), which was established in August 1961 by Donald Stephens, a Jesselton businessman who was a Eurasian of party Kadazan descent. As the name implies, its majority support came from non-Muslim Kadazan communities, residing mainly in the West Coast and interior residencies. The second political party was United Sabah National Organisation (USNO), the indigenous Muslim party which was formed by Datu Mustapha Datu Harun in December 1961. Although USNO was opened to all races in Sabah, a disproportionate number of the people who originally held senior offices in the party were Suluks. This was, of course, the results of Tun Mustapha's influence, as he himself was of Suluk descent.

The third and fourth parties to be established were two separate Chinese political parties, namely the Democratic Party (DP) and United Party (UP). The DP, mainly supported by smaller businessmen and traders, was formed in Kota Kinabalu in November 1961 by Peter Chin. The UP, run by wealthy English-educated Hakka and Teochew businessmen, was formed in Sandakan in February 1962 by Khoo Siak Chew. Because of their limited number of supporters, the leaders of DP and UP found it convenient and desirable to consolidate their strength, and therefore merged to form the Borneo Utara National Party (BUNAP) in October 1962. When North Borneo later changed its name to Sabah on 31 August 1963, BUNAP was renamed the Sabah National Party (SANAP). SANAP, however, was still not adequate as a basis for Chinese unity and so, in May 1965, it decided to merge with the Sabah Chinese Association (SCA), taking the name of the latter (to make it conform to the Peninsular model). Although a non-native political party, SCA has nevertheless managed to retain a proportionate measure of influence in Sabah politics as the only significant organisation for the local Chinese community in Sabah.<sup>8</sup>

While UNKO represented the Kadazan on the west coast, the indigenous peoples of the interior of Sabah formed their own political party in January 1962, known as United Pasok Momogun Organisation (UPMO), which was led by G.S. Sundang, the traditional Murut chief of the Keningau area ('Momogun'), in the Murut language, means 'people of the country', and equivalent to the Malay term *bumiputera*) UPMO was a breakaway group from the UNKO, and consistently opposed the Malaysia proposal. Under the leadership of Sundang (the former first vice-president of UNKO), UPMO leaders believed that the Malaysian

proposal was not in Sabah's best interests, and argued that Sabah should achieve progress and independence on its own first before entertaining any federation proposal from its neighbours. In June 1964, the UPMO, because of its close ethnic relationship with UNKO, decided to merge with its rival to form the United Pasokmomogun Kadazan Organisation (UPKO). The two groups became politically united because of their shared position with regard to the indigenous Muslim peoples rather than through any feelings of strong common identity. Finally, to complete the line up of Sabah political parties, the Sabah Indian Congres (SIC) was formed in November 1962. With a narrow electoral base, the Indian population formed only at per cent of the state's population - the SIC was not taken seriously in Sabahan political arena.<sup>9</sup>

Due to Sabah's communal and religious diversity, prior to forming the Federation of Malaysia, the Alliance government in Kuala Lumpur sought to promote the formation of an inter-ethnic alliance in the state. Just before Sabah's first (indirect) election of members of the Sabah legislative assembly took place in mid-April 1963, UNKO, USNO, SANAP (and later the UPMO and SIC) decided to form the Sabah Alliance Party, along the lines of the national Alliance in Kuala Lumpur.<sup>10</sup> Within this coalition, the major religious and ethnic communities in the state were represented by three major parties in the Alliance; the UNKO (later UPKO) represented the Kadazan and other non-Muslim indigenous communities, while USNO brought together Muslims (primarily the Suluks and Bajaus), and the SANAP (later the SCA) drew in the Chinese. This then is the background against which we must place the political development of Kuala Lumpur-Kota Kinabalu relations from the 1960s to the middle 1970s.

#### THE SABAH ALLIANCE UNDER THE CHIEF MINISTERSHIP OF DONALD STEPHENS

In the first Sabah (indirect) elections in April 1963, to elect representatives to the territory's local government, the contending parties in the Alliance agreed to campaign on a common pro-Malaysia position; however, they ended up by fielding rival candidates against each other. When the results were announced, the fifty-three seats were won by USNO, thirty-nine by UNKO, twenty-seven by SCA and six by Independents. The elections to these councils were to the basis for the election of state legislative assemblymen and representatives to the federal parliament. After negotiations on the number of the state assembly seats

to be accorded to each party based on these electoral colleges, it was agreed that the USNO was to get eight, UNKO five, SCA four, and UPMO one. As for parliamentary seats, USNO was given six, UNKO five, SCA four and UPMO one. After the elections to the state and parliamentary seats were completed, Datu Mustapha Datu Harun was installed as the first Yang Dipertua Negara (later changed to the Yang Dipertua Negeri, or governor), with Donald Stephens as Chief Minister.

During the first year of Donald Stephens chief ministership, the relations with Kuala Lumpur were cordial. This was due, 'to the flush of funds into the state and the maintenance of some form of state autonomy by the Sabah government.'<sup>11</sup> These relations, however, started to show signs of strain when Stephens' UPKO began to raise the questions relating to states rights, the so-called 'Twenty Points' as guaranteed to Sabah by the IGC Report.<sup>12</sup> Then 'Twenty Points' safeguards were integral to the new federal framework, as they defines the parameters of state powers as they related to Sabah and Sarawak. Stephens, who was a chief negotiator for Sabah at the IGC meetings, insisted when he was appointed Chief Minister on a strict interpretation not only of the Malaysia Agreement but also of the IGC Report, which had set forth in greater detail the 'safeguards' and 'guarantees' which were promised to the Borneo states as a condition of joining the federation.<sup>13</sup> Among others, the Federal Constitution drawn up in 1963 recognised the special position of the Borneo states by giving them special powers in the field of education, language, immigration and taxation.<sup>14</sup>

One of the states' rights issues raised by Stephens was Malayanisation of the civil service. On joining Malaysia, there were about 630 British officers in Sabah and Sarawak, holding senior positions in the two states.<sup>15</sup> For the final sixteen years of British rule, insufficient steps had been taken by the colonial government to ensure that when these officers left, the two states administration would not be imperiled by an inadequate pool of local trained personnel. Thus, in the early years of Malaysia, there were few local personnel with the necessary education to qualify for the higher levels of administration or the specialist training needed for the top technical posts. Enrolment in the secondary school was at that time still mainly Chinese, and so was the supply of university graduates. According to Cobbold Commission Report, in 1960 only 119 Sabahans had completed university or technical college education, of whom 115 were Chinese.<sup>16</sup> It was only in 1964 that the first group of Sabahans were sent overseas to university degree programmes as preparation for entering the civil service.<sup>17</sup> Stephens was keen to 'Borneanise'

the civil service in Sabah, and therefore preferred the pace at which expatriate officers were replaced to be dependent on the pace at which local candidates could be trained to take their place.

In contrast to Stephens, the federal government was in favour of quicker indigenisation by replacing the British officers with those from the Peninsula who had the education and training to assume these positions. The justification given by the federal government was that since there were insufficient local candidates to take over from the expatriate officers, and because of the need to promote national unity, Peninsula officers should be assigned to Sabah on a secondment basis, until qualified local candidates could be found. Under what was seen as Peninsular pressure over the issue, Sabah leaders spoke of Malaysia as if it were a distinct country, regarding Peninsular officials as the new rulers who had come to manage their affairs. Kuala Lumpur's policy aroused Stephens' antagonism in particular because, as he said, it was against the promise of the IGC Report that 'Borneanisation could be a first priority'.<sup>18</sup>

In addition, the federal government's decision to create posts of federal secretary and deputy federal secretary with a liaison role between federal officers in the state and the federal government also caused much concern to the UPKO leaders. The federal government justified its action on the ground that the distance of Sabah from Kuala Lumpur required that such a post be established to ensure for a smooth transition after Malaysia was formed. Yet the initial decision to appoint Yeap Kee Aik as deputy federal secretary was looked upon by Sabahan leaders 'as behaving like a colonial master'.<sup>19</sup> Peter Mojuntin, UPKO's secretary-general, protested against the presence of Peninsular officers, since it 'makes us Sabahans feel like a 'protectorate' State instead of an independent state within the Federation of Malaya'.<sup>20</sup> Mojuntin further accused the federal government of forcing Sabahans 'to accept Malaysia as a unitary state and not a federation'.<sup>21</sup>

Language and education was another issue that hampered the smooth workings of centre-state relations. Upon joining Malaysia, it was agreed that 'No act of Parliament terminating or restricting the use of the English language for any of the purposes mentioned ... shall come into operation ... until ten years after Malaysia Day'.<sup>22</sup> These purposes included: (a) speeches in parliament by members from the Borneo states; (b) proceedings in Borneo courts and in the Federal Court on appeals from the Borneo court; and (c) proceedings in the legislative assemblies of the states or for other official purposes (including the official purposes

of the federal government). Even after 1973, it was agreed that the use of English under (b) and (c) above could not be ended except by an enactment of the legislature of the Borneo state concerned.<sup>23</sup> The UPKO was firm in resisting the federal policy of promoting the Malay language in Sabah's schools on the grounds that Malay was not a language which was used by a majority of the indigenous groups in the state nor was it the mother tongue of more than a significant minority. The UPKO was also worried that its adoption would create an added obstacle for educated Sabahans wanting to compete for available positions in the civil service. Thus Stephens argued that the change should not be made in their educational system without taking into consideration the interest of local communities.<sup>24</sup> Even though Sabah had recognised education and language as federal subject, he contended, the implementation of Bahasa Melayu as an official language in Sabah should be postponed until such time as Sabah was ready.<sup>25</sup> These demands put the central government in an awkward position; it was anxious to have rapid educational development throughout the country, but as Khir Johari, the Education Minister put it, this could not be achieved if 'bits and pieces are pulling in different directions'.<sup>26</sup>

Religion was another issue that caused centre-state friction. At the time of 1960 census, Muslims accounted for only 37.9 per cent of Sabah's population.<sup>27</sup> When Malaysia was formed, special provisions were included to permit the state to limit the local effects of Islam's status as the official religion of Malaysia.<sup>28</sup> Thus federal financial aid to Muslim institutions was prohibited unless approved by the Yang di-Pertua Negeri; federal funds which in other states were allocated for the support of Islam were to be proportionately allocated to Sabah for general social welfare purpose. Likewise, state laws restricting non-Muslim religious groups from proselytizing among Muslims required a two-thirds majority in the state legislative assembly.<sup>29</sup> These special terms were made to detach Sabah from the kind of close state-mosque exerted by Kuala Lumpur, these constitutional guarantees for Sabah had only a limited effects. Thus funds from government-operated lotteries had been granted for the support of Islam in the state, and there had been encouragement to pass state ordinances modelled on state laws in Peninsular Malaysia which safeguarded and promoted Islam.<sup>30</sup> The UPKO was critical of the federal government's encroachments upon matters which were considered to be within the domain of the state government, and it continued to maintain its public concern over 'the position' of Muslim ascendancy in the state.

In contrast to UPKO's image as a champion of state rights as envisaged in the 'Twenty Points'. USNO emerged as a pro-federal Muslim party that opposed many of the 'Twenty Points', particularly those which restricted government support for Islam, guaranteed the continued use of English, delayed the introduction of Bahasa Melayu as the national language, and gave Sabah control over immigration from the Peninsular states and abroad. Mustapha's policies seemed to be so close to those of national leaders that Roff was prompted to observe: 'USNO [as] no longer directed by the leaders in Sabah, but by the UMNO headquarter in Kuala Lumpur'.<sup>31</sup> Mustapha's pro-federal policies resulted in his becoming increasingly well regarded by federal leaders. Thus when there were a series of political crises in Sabah in 1964, the federal leaders sought to frame response that favoured Mustapha's USNO.

One of the crises concerned the post of Chief Minister. Mustapha felt that the post of Yang di-Pertua Negeri he was holding ill suited his status, because it was purely ceremonial-unlike the situation prevailing during the colonial era when the governor exercised enormous power. In July 1964, after inter-party negotiations as a result of the expansion of the legislative assembly from eighteen to thirty-two seats, it was agreed by the Sabah Alliance that USNO was to get fourteen of the elected seats, UPKO eleven and the SCA seven. Having gained a majority of the seats, Mustapha demanded that he control the post of Chief Minister as well. In retaliation, Stephens called upon the federal government to hold elections 'as soon as possible', Tunku rejected this demand 'as impossible'.<sup>32</sup> In the compromise settlements that followed, significantly negotiated in Kuala Lumpur rather than Kota Kinabalu, Stephens was allowed to retain his post, but the USNO was allowed an increased representation in the cabinet.

The conflict between Mustapha and Stephens was further exacerbated when in December 1964 Stephens appointed as state secretary a fellow Kadazan, John Dusing, who was believed to be sympathetic to UPKO's demands for substantial state autonomy. Mustapha then refused to signify his approval of Stephens recommendation, arguing that as titular head of state, he had the right to reject the appointment. Stephens, on the other hand, considered it his prerogative as chief executive of the state to appoint the state secretary, and argued that Mustapha's consent should be pro forma.<sup>33</sup> Article 11 (1) of the Sabah state constitution stipulated that appointments to this office 'shall be made by the Yang di-Pertua Negeri'. This controversy was never brought to a court of law for



authoritative judgement, and instead was referred to Kuala Lumpur for determination. Tunku, having had a close personal ties with Mustapha, ruled that Mustapha was different from other heads of states because he had not removed himself entirely from politics, having remained a prominent USNO figure. Thus Mustapha should be consulted in advance on all important government matters.

Tunku's decision clearly underlined the importance of remaining aligned with Kuala Lumpur's interest if one was to prosper politically as a state leader. Since Mustapha was willing to show sympathy to Kuala Lumpur's priorities, Tunku gave vital support to Mustapha in this dispute; Tunku saw an opportunity to isolate Stephens, who was seen as a problematic proponent of the state autonomy. Following this crisis, Stephens relinquished his position as Chief Minister on 31 December 1964, and instead was cooped into the federal cabinet as Minister for Sabah Affairs. Stephens was thus removed from the Sabah political scene. Replacing Stephens as interim Chief Minister was Peter Lo, from the SCA, who retained the post until the first direct state elections in April 1967. During his tenure, the relations between Kuala Lumpur and Kota Kinabalu were seemingly harmonious, with less direct political interference from the centre; Kuala Lumpur seemed no longer worried about any challenges to the federation posed by a powerful state-level figure like Stephens. With Peter Lo as Chief Minister, Tun Mustapha stayed on as Yang di-Pertuan Negeri, and so the disunion within the Sabah Alliance was temporarily resolved. This was the situation, which prevailed in Sabah when Singapore was expelled from Malaysia in August 1965.

With the expulsion of Singapore, Stephens though still federal Minister of Sabah Affairs, once again became a vocal critic of the central government's behaviour. He expressed grave concern over the future of central government relations with Sabah, 'since Sabah was not consulted before the irrevocable decision was taken to separate Singapore from Malaysia'.<sup>34</sup> He argued that Sabah had 'joined Malaysia on the assumption that Singapore would be in the [federation] and would help to finance the large economic development programs which were promised to the state as an inducement for joining the [federation]. Now in smaller Malaysia (Sabah) faced the prospect of reduced economic benefits and increasing political domination from Kuala Lumpur'.<sup>35</sup> The centre, on the other hand, felt that it has no obligation to consult individual states about a matter of this nature, despite its obvious constitutional importance. In a press statement, Tunku said: 'Sabah and Sarawak are no different from [other states] and the Chief Ministers of these states were

also told later'.<sup>36</sup> Stephens remained dissatisfied, however, and continued to challenge the central government of which he was a member by calling for renewed negotiations regarding Sabah's participation in Malaysia.<sup>37</sup>

Against the background of this altered political climate, Stephens resigned from his federal minister post and took a trip abroad. But within a few weeks he was back, and soon informally active in politics again. Within the Sabah Alliance moves were made to oust UPKO, with the USNO leaders making it clear that they wanted nothing less than for Stephens and the UPKO's secretary-general, Peter Mojuntin, to leave active politics entirely; otherwise the party would be dropped from the Sabah Alliance. Kuala Lumpur supported this stance; it did not want any reexamination of Sabah's terms of entry into Malaysia for fear that this might endanger the federation as a whole. Having been isolated from the Sabah Alliance and Kuala Lumpur, Stephens and Mojuntin finally resigned from their respective posts in order 'to avoid an irrevocable split between the native peoples of Sabah, and also to preserve for the Kadazans some continued share in power'.<sup>38</sup> Ghanie Gilong was elected as UPKO's new president.

Tun Mustapha chose this moment of triumph to resign as Yang di-Pertuan Negeri and replace Stephens in the position he had vacated in the federal cabinet. Once coming back to active politics, Mustapha succeeded Khoo Siak Chew as the chairman of the Sabah Alliance. When his term was to expire, the chairman of UPKO was automatically to have become the next chairman of the Sabah Alliance, in accordance with the Alliance's constitution. However, Tun Mustapha refused to relinquish office in favour of the UPKO president. At this time, the top four posts within the field of Sabah politics, namely the Yang di-Pertua Negeri, Chief Minister, federal Minister of Sabah Affairs and chairman of the Sabah Alliance, were controlled by the USNO, making USNO the most powerful organisation in Sabah politics. That the USNO could accumulate such power had depended in significant measure in the support it had from the federal government, which wished to keep Stephens out of any position of influence. Thus, although Stephens' UPKO party was a key member of Alliance coalition, Kuala Lumpur leaders had lost interest in giving any support to Stephens and the UPKO, having concluded that the two sides could not work together.

## CENTRE-STATE RELATIONS UNDER THE TUN MUSTAPHA'S GOVERNMENT

Between 1963 and 1965, as we have seen, the USNO and UPKO disagreed over their interpretation of states rights under the Malaysian federation and over the 'Twenty Points'. It was with this background that the state was set for the playing out of USNO-UPKO rivalries when Sabah entered its first general election campaign on 27 April 1967. In the run-up to the elections, the two parties could agree on only two things—that they were still loyal to Malaysia, and that they both firmly opposed Philippines claims to Sabah. When the elections were announced, Stephens was offered and accepted the post of high commissioner to Canada, prospectively removing him from the picture. But having apparently changed his mind about leaving Sabah, he resumed the leadership of the party during the election. Unable to agree on the allocation of seats, the parties contested against each other in most constituencies.

When the results were announced, neither USNO nor UPKO could claim an unqualified victory. USNO had won fourteen seats (two of them unopposed), UPKO twelve seats and SCA five seats. Surprisingly, Peter Lo, the incumbent Chief Minister, lost his Elopura constituency to Yap Leong, an independent Chinese candidate. To form a government with an outright majority, seventeen seats were required of the thirty-two comprising the legislative assembly. Tun Mustapha then persuaded SCA to enter a coalition with USNO by confirming the cabinet portfolios that were previously agreed between himself and the SCA leaders. Thus Mustapha USNO's was able to assume a dominant role in the state government. UPKO should have been included in the cabinet, since theoretically it was still part of the Sabah Alliance, and had secured almost as many seats as USNO and more than twice as many as SCA. But Mustapha, claiming that UPKO had left the Alliance, then decided to form only an 'inner cabinet' comprised of himself and four ministers, two from USNO and two from SCA.<sup>39</sup>

UPKO, having been left out of the coalition government, then decided on 16 May 1967 that it had no alternative but to withdraw from the Sabah Alliance. Thus, then the state assembly convened for this first time after the election, the UPKO state assemblymen and a Chinese independent member sat on the opposition side, intending to play the role of watchdog vis-a-vis both the state and federal government. In parliament, UPKO complained that the federal government had breached the

'Twenty Points', and demanded 'new guarantees to guarantee the guarantees of Sabah'.<sup>40</sup> Stephens in fact accused the central government of acting like colonial masters and making Sabah virtually a vassal of Kuala Lumpur. In reply, the federal government said that it had been extremely generous to Sabah, had tried to safeguard the 'Twenty Points', but also had a responsibility to build an integrated Malaysian nation.<sup>41</sup> Feeling unsatisfied with these explanations, UPKO sought a referendum under United Nations auspices to determine whether the public was concerned about 'the new form of colonialism' under Malayan control and the surrender of rights to the centre. The Deputy Prime Minister, Tun Abdul Razak Hussein, was prompted to caution that UPKO's political tactics could endanger national security, and that if necessary the federal government might use its emergency powers under the ISA to deal with irresponsible opposition.<sup>42</sup>

For this part, Tun Mustapha endeavoured to persuade key UPKO members to defect to the Sabah Alliance by offering them cabinet posts; such tactics eventually were successful in enticing two UPKO assemblymen to defect. Concerned about the erosion of its strength, the UPKO started negotiations over possibilities of rejoining the Alliance.<sup>43</sup> Consequently, on 9 December 1967 after lengthy negotiations locally and with Kuala Lumpur, Stephens announced that UPKO would disband in 'order to preserve the unity of the bumiputera'.<sup>44</sup> UPKO members were to individually seek membership in USNO, as Stephens urged his fellow Kadazans 'to identify themselves as Malaysians first and foremost and not let outdated Kadazan customs stand in the way of progress and national solidarity'.<sup>45</sup> Tunku acclaimed this action as an 'unsurpassed demonstration of patriotism', and shortly afterward, Stephens proceeded to Australia as Malaysian High Commissioner.<sup>46</sup>

The grounds for Stephens decision to dissolve UPKO remain not entirely clear, but as Roff has suggested, the fact that his 'timber concessions, the leases of which were due for reconsideration, might not be renewed, and that he would in consequence have had difficulty in continuing to support the party financially' prompted him to dissolve UPKO.<sup>47</sup> Means, on the other hand, has argued that Stephens dissolved UPKO with the hope that: 'UPKO could regain access to the Sabah Government, share in the distribution of offices and prevent further defection from its ranks: the absorption of UPKO by USNO would substantially change the latter and undermine its pro-federal orientation; once again in the Sabah Alliance, indigenous native leaders could join forces with the SCA on many key issues; failure to accept UPKO

members in USNO would place the onus on the latter for opposing 'bumiputera unity'.<sup>48</sup>

The defeat and resulting dissolution of the UPKO and the rise of Mustapha to power appeared to mark a new phase in federal-state relations. Mustapha's dominance over Sabah politics was quickly consolidated and remained unquestioned - a situation that continued until October 1971 state elections. At these elections, the Sabah Alliance were returned unopposed in all thirty-two seats (the USNO winning twenty-eight and SCA four). With full control over the state legislative assembly, Mustapha embarked on policies in line with those of the central government, resulting in close and harmonious centre-state relations. On the question of language, for example, Clauses (2) and (5) of Article 161 of the Federal Constitution allowed Sabah to maintain indefinitely the teaching of English language in schools and to use English in the state and federal legislatures for ten years after Malaysia Day. However, to bring state policy into alignment with the centre, Mustapha government adopted in 1970 the Peninsular Malaysia education system by introducing Bahasa Melayu as the medium of instruction in all the schools in Sabah. Similarly, in 1971, Mustapha's USNO passed a Language Bill in the assembly making Bahasa Melayu the single language in Sabah for official correspondence and for use in the state legislative assembly and federal parliament. This was followed in March 1974 by the termination of the use of other Sabah languages (specifically Kadazan, Murut and Chinese) for radio broadcasts, much to the displeasure of these communities.<sup>49</sup>

With regard to religion, Mustapha's USNO was very active in propagating Islam. In the view of the USNO state government, Sabah's diverse ethnic groups should be integrated into the basic Malay culture that was being promoted by the federal government as quickly as possible. To achieve this end, Mustapha tried actively to promote Islam as a means of creating cultural and religious uniformity within the state. In 1971, he introduced a bill to amend Article 5A of the state constitution to make Islam the official religion of the state. 'Twenty Points' had provided: '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.' He also instituted an intensive programme of Islamic conversion in the state. To advise and administer the faithful in their needs, he had already sponsored the creation of the United Sabah Islamic Association (USIA) on 14 August 1969, modelled

on similar agencies already existing in the Peninsular state, as a key instrument for carrying out the tasks of propagating Islam. In the view of several of Mustapha's advisers, Mustapha aggressively campaigned to persuade non-Muslims to convert to Islam because he believed the unity would only be achieved through a common language, culture and religion.<sup>51</sup> But one politician admitted that Mustapha proselytised non-Muslims because he believed that this strategy would strengthen his political base. Mustapha's efforts in propagating Islam in Sabah seemed to produce good results. By Februari 1974, the *New Straits Times* (18 February 1974) reported that USIA had achieved the conversion of over 75,000 Sabahans. This figure increased to 95,000 conversion by mid-1975.<sup>52</sup> Although some federal leaders may not have been entirely happy with the rather heavy handed determination with which Mustapha pursued these efforts, it is nevertheless clear that these policies did not irritate Kuala Lumpur.

Furthermore, Mustapha's behaviour in constantly seeking to show himself to be a good Malaysian nationalist at time when the Malaysian federation had many critics also helped to underpin cordial centre-state relations. While Stephens (and some Sarawak leaders) were suggesting the need to reassess the structure of Malaysia in the light of Singapore's withdrawal, Mustapha had sided promptly and firmly with the federal government, projecting the image of an ardent supporter of the Malaysian federation.<sup>53</sup> In the May 1969 federal elections, when the Malayan Alliance had suffered a substantial setback in several Peninsular state, Mustapha supplied it with all the sixteen Sabah parliamentary seats. His action was praised by Kuala Lumpur, a clear sign of his close ties with the federal leadership.

Having worked so hard to cement close ties with Kuala Lumpur, Tun Mustapha received generous financial support from the federal government, and healthy allocations from the Malaysia Five-Year Plans continued to flow to Sabah annually. He was thus in position to bring rapid economic development to the state, not least by investing funds in physical infrastructure like roads. In addition the Yayasan Sabah (or Sabah Foundation), which Mustapha had been instrumental in creating in 1966, also played an important role in helping the government in its development role. This agency received its funds from government grants and from the exploitation of timber resources it had received from the state government, and was entrusted with providing a range of services; it boosted educational opportunities by providing scholarships for Sabah students in schools and universities; it organised a flying doctor services

to remote villages; it built school hostels, and was involved in a number of welfare activities, including the distribution of a yearly Amanah Saham (cash dividend) to adult Sabahans (in 1974, RM\$60 each).<sup>54</sup> Because of Mustapha's vigorous leadership in advancing Sabah's development, he was applauded by the federal leaders, who viewed Mustapha as a most consummate politician. He had strengthened the influence of 'Malayness' within the state, and changed Sabah from a somewhat reluctant partner in Malaysia under Stephens into an active member of the national community.

Yet while enjoying the warm support of the federal leaders, and having no organised opposition in the state assembly. Mustapha had tended to run Sabah autocratically-virtually in the style of a one-party state. The detention of political opponents in the central prison of Kepayan, five miles from Kota Kinabalu, became prevalent at the time.<sup>55</sup> Besides Yayasan Sabah, which was officially intended to pursue educational and social objectives, was rapidly transformed into a key mechanism for executing the exploitation of state timber resources, with the profits being distributed on a patronage basis to political supporters. With the Yayasan not subject to government control, it became an important component of Mustapha's political power base; since he controlled the allocation of timber concessions, whoever supported his rule received lucrative rewards. As Mustapha's reputation began to become controversial federal leaders in Kuala Lumpur began to show concern at his behaviour. Centre-state relations also started to show signs of tension, not least because Mustapha was over time proving less willing to tow the centre's line.

#### THE DOWNFALL OF TUN MUSTAPHA'S USNO GOVERNMENT

Under Mustapha's first term of administration, there were mutual understanding and cooperation that existed between the state and federal governments. However, during his second term as Chief Minister, there was a sharp deterioration of relations between federal leaders and Tun Mustapha, as there occurred a change of political regime in Kuala Lumpur. Tunku Abdul Rahman, the first Prime Minister, was a strong supporter of Mustapha. It was he who controlled the bargaining process that eventually delivered the chief ministership to Mustapha. Tun Abdul Razak Hussein, who replaced Tunku in 1970 had never been so close to

Mustapha as had his predecessor. This was to be an important factor, as Mustapha's policies and actions during his second term of office were coming to be seen as contrary to federal interests. For one thing, Mustapha was accused of assisting the provision of military supplies to Philippine Muslim rebels of the Moro Liberation Front.<sup>56</sup> Although allegations of Sabah's active support of the Moro rebels have never been formally proved, these reports caused anger in Kuala Lumpur, since such behaviour ran counter to national objectives of building up good relations with the neighbouring countries in the context of Association of South-east Asian Nations (ASEAN).<sup>57</sup> Thus, Tun Mustapha's behaviour were an embarrassment to the federal government, and it placed a major strain on relations between the government in Kota Kinabalu and Kuala Lumpur.

Moreover, Tun Mustapha's ambitious spending had brought the state to near bankruptcy. Indeed many ordinary Sabahans were becoming disenchanted over the amount of money being wasted on prestige projects. As Ross-Larson notes: 'When the expenditures associated with the state visit of a peninsular dignitary totalled more than \$1 million, people were disappointed that a school was not built instead. When more than \$4 million was spent on Malaysia's tenth anniversary celebrations in 1973, people were disappointed that a hospital was not built instead.'<sup>58</sup> On the other hand, the federal government blamed him for tending to regard Sabah as his own personal property by allocating timber concessions only to himself and a few favoured relatives and friends. He was also said to have issued a number of licenses in contravention to the forestry laws. Mustapha was also blamed for buying two Grumman executive jets and two Boeings 707s in the early 1970s for his own use and that of his friends; these cost several million ringgit.<sup>59</sup> Such extravagances appeared to promote no useful purpose except for gratifying Mustapha's own taste for travelling abroad. Mustapha's tendency in administering the state to disregard the General and Financial Orders and Regulations likewise caused increasing concern in Kuala Lumpur over his political judgment.

Indeed, Mustapha's taste for the high life was seen to tarnish Malaysia's international image, and also was very offensive to the more conservative segments of UMNO. He had, for example, married a twenty-one year old Australian salesgirl, and provided her with a million dollar palace at Gilston, some ten miles from Surfers' Paradise, Queensland. One Australian newspaper called him 'The playboy Prince from Borneo', alleging that a Sabah VIP government jet would regularly fly



down to the Gold Coast to pick up his wife and fly her to wherever Mustapha was staying.<sup>60</sup> Hunter writes that 'Tun Mustapha had once boasted that although he was not an intellectual - he apparently despised intellectuals - he was 'intersexual'.<sup>61</sup> When questioned in the state assembly about his social activities overseas, Mustapha answered his critics by remarking that '... all men have women friends at one time or another'. The only difference being that some have women secretly while others do it openly ...'<sup>62</sup> The flamboyant image of jet-setting hedonism that Mustapha projected clashed with the image which the central leadership sought to project of Malaysia as a disciplined and modernising country.

Mustapha's secession threat was clearly a last straw for the federal leaders. Under the impact of a significant fall in timber prices in 1974, relations between Kuala Lumpur and Mustapha became seriously strained when Mustapha's sought to act independently in securing external sources of loan finance. When this move was blocked by the federal government, an infuriated Mustapha responded by threatening Sabah's secession from Malaysia. The repercussions of Mustapha's threat were amplified in July 1975, when Fuad Stephens<sup>63</sup> told the press that Mustapha had been plotting to take Sabah out of Malaysia to form a new state consisting of Sabah, Mindanag, Palawan and the Sulu islands, with himself as Sultan. Fuad Stephens maintained that he had heard this plan mentioned many times, had seen written proof that it existed, and had attended a meeting in April 1975 where Tun Mustapha had raised that idea of secession.<sup>64</sup>

The charge of secession against Mustapha was based on a memorandum entitled 'The Future of Sabah Position in Malaysia' that was read and circulated at an USNO Committee meeting on 23 April 1975.<sup>65</sup> The paper posed the question of whether Sabah should remain permanently within the Federation of Malaysia or have its own independence, on the lines of Singapore. It pointed out that if Sabah were to remain in Malaysia, there would be disadvantages to the state in the longer term, since it would have to share its timber resources as well as its immense mineral resources (including copper, nickel, iron, gold and oil) with the federal government. The paper also expressed concern that the special powers which Sabah had enjoyed at its accession to Malaysia would be steadily stripped away by the federal government, whenever the latter thought it necessary to do so. Moreover, it was clearly stated in the constitution in respect of the IGC agreement that after the tenth year of Sabah's membership of Malaysia, the agreement would be reviewed; this review

had never occurred. In short, the core of Sabah's dissatisfaction, as expressed in the paper, was that, as Lim has put it, 'the power given by the Federal Government to the Sabah State Government is one that is not guaranteed'.<sup>66</sup>

When the secession threat came to the attention of Kuala Lumpur, Tun Razak decided he could no longer tolerate the glaring abuse of power, economic mismanagement and corruption in the USNO administration. He thus coaxed Mustapha to resign as Chief Minister by offering him the federal Defence Minister post - the third ranking position in the federal list of seniority. At first, Tun Mustapha agreed to accept the offer only on condition that Tun Razak support his plan to upgrade the defense facilities of the country to make Malaysia the world's fifth strongest power; as for money to finance this massive military modernization, Mustapha promised that he could secure loans from his close Arab friends - Libya, Saudi Arabia and Syria. Razak, however, rejected Mustapha's plan out of concern over the conflict they entailed for the government's efforts to promote a zone of peace and neutrality in the Southeast Asian region.<sup>67</sup> He may also have feared that if Mustapha were successful, this would promote his status as an effective leader, whereas Razak himself, after serving as Minister of Defence for many years, could not point to any similar success.<sup>68</sup> By September 1974, after rumour of these negotiations were made public, together with report that their purpose was to separate him from his political base, Mustapha then caused considerable annoyance to Tun Razak by rejecting the offer on the grounds that Sabah's needs came first. Instead, Mustapha threatened to dissolve the legislative assembly and hold a snap election. This caused anxiety to Kuala Lumpur; if Mustapha's party won a fresh election, he might use his victory as a mandate to fight for additional state rights or even secession, thus posing clear risks for the stability of the federation.

By early 1975, relations between Tun Mustapha's government and Kuala Lumpur had become so strained that the federal leadership sought an alternative political party to support in order to weaken Mustapha's electoral base. This alternative emerged with the creation on 15 July 1975 of Berjaya, the first truly multi-ethnic party to be established in Sabah, led by Fuad Stephens. With these developments, Tun Mustapha stepped down as Chief Minister on 31 October 1975, naming his deputy, Mohamed Said Keruak, as his successor. Two weeks after Mustapha's resignation, USNO produced undated resignation letters signed by Harris Salleh and Salleh Sulong filed when they were still in USNO, thus resulting their

assembly seats of Labuan and Kuala Kinabatangan being declared vacant. The by-elections on the vacant seats were held on 8-10 December, and the results gave USNO victories in both constituencies, in each case with a majority of more than 1,000 votes.<sup>69</sup> Fuad Stephens responded to the defeat by saying that 'Berjaya might have lost a battle but not the war. It is only a general election which will show which party really commands the confidence of the people'.<sup>70</sup>

Desiring to exploit Berjaya's setbacks, in January 1976 the new Chief Minister called a snap election, so that his government could secure a new mandate. During the campaign, USNO speakers stressed the importance of maintaining the state's rights for which its leaders had struggled and also the importance of the USNO's continued rule for maintaining stability in the state. Berjaya produced a fourteen-pointed manifesto promising effective government, closer centre-state relations, and a vigorous fight against corruption and nepotism; Berjaya speakers emphasised Mustapha's alleged corrupt economic dealings and political machinations, including his attempts to engineer Sabah's secession from the federation. These charges were accompanied by heated exchanges between the two camps in the state's two leading papers, which were privately owned by wealthy businessmen, each being linked to one of the main parties. When the election results were announced, they came as a complete shock. Berjaya had won twenty-eight of the forty-eight seats, USNO twenty seats, while its partner in the Alliance, the SCA, lost all the eight seats it contested.

Berjaya's victory thus ended the thirteen long years of Sabah Alliance rule, and over eight years of Mustapha's personalistic leadership. The new Berjaya government was sworn in on 20 April 1976, with Fuad Stephens as Chief Minister and Harris Salleh as Deputy Chief Minister. For the federal government, the dramatic change of leadership in the Sabah government and the bowing out of politics of Tun Mustapha prepared the way for a smoother federal-state relations, and offered a welcomed relief from the entanglements of Sabah politics which had taken a lot of the late Tun Razak's time and energy as relations with Mustapha's Sabah regime had deteriorated. However, before the new government could settle down in office, almost the entire cabinet, including Fuad Stephens, was wiped out in plane crash in June, 1976. Thus, a new Chief Minister, Harris Salleh, came into office just fifty-two days after Berjaya's victory. Harris Salleh who was fifty-one, came from Labuan and was of mixed Indian and Singapore Malay origin; he had no real base of support in Sabah, as he did not come from any major Sabah

communities. Therefore, he was particularly insecure and leaned heavily on federal support to underpin his position within Sabah politics. In the end, he became an eager proponent of the strong federalist viewpoint, pursuing policies closely identified with federal priorities. Harris' programmes led to centre-state relations, but caused considerable dissatisfaction amongst Sabahans over his seeming inability to clearly articulate Sabah interests.

### CONCLUDING REMARKS

In a federal system, theoretically, each level of government remains sovereign in its own domain, but under Malaysian federalism, the autonomy of the states have shrunk momentarily. The central government was able to establish a legal supremacy and political authority that permitted it to encroach on the sovereignty of the states without serious hindrance, and almost as it desired. In the case of Sabah, as I have shown, the federal government dealt firmly with state leaders who sought to protect the state autonomy and were resistant to federal priorities. As Means has observed: 'While the Federal Government no doubt wished to preserve democracy, it attached much greater importance to the preservation of the union'.<sup>71</sup> Thus, to ensure that the preservation of the union was achieved, the federal government supported only those leaders who in turn supported its 'nation-building policies' and thought in terms of 'Malaysia first'. On the other hand the federal government showed considerable determination in undermining those leaders who sought to oppose to federal government's priorities. This was shown in the case of Stephens and later Tun Mustapha, both of whom were eventually forced out from office.

The federal government could impose its central policies over such matters as federal patronage, internal security, trade, commerce, labor and emergency powers on the constituent units because of the constitutional powers it enjoyed. Thus, while not behaving in so drastic a manner as in Kelantan, where the federal government declared a state of emergency in 1977 in order to wrest control of the state from the PAS, Kuala Lumpur nonetheless intervened in Sabah state politics by firstly supporting Mustapha to oust Stephens' UPKO from power and later by sponsoring the formation of Berjaya in 1975 to topple the recalcitrant Mustapha government when he was seen as no longer willing to promote federal priorities. Yet, despite the sometimes disruptive centre-state tensions that have arisen in the case of Sabah, in general, the federal systems of government has managed to maintain political stability.

## NOTES

1 Before the inauguration of Malaysia on 1963, Sabah was known as North Borneo, the name introduced by the British when they secured control of the area in 1881. However, the name Sabah had long been in use before the British acquired the territory. When it gained self-government from Britain on 31 August 1963, the name North Borneo was officially changed to Sabah, on the initiative of Donald Stephens, the first Chief Minister. For this reason, I have normally chosen to use Sabah in the next of my discussion. For a more detailed historical account of colonial Sabah, see H.R. Hughes-Hallet, 'A Sketch of the History of Brunei', *Journal of the Malayan Branch, Royal Asiatic Society*, No. 18, Part 2, 1940, pp. 23-42; Hugh Low, 'Selesalisah [Book of Descent] of the Rajahs of Brunei', *Journal of the Straits Branch, Royal Asiatic Society*, No. 5, June 1880, pp.1-35, and L.R. Wright, *The Origins of British Borneo*, University Press, Hong Kong, 1970.

2 The arrangement with the Sultan of Sulu was subject to certain conditions, among others, the payment of a specific sum annually. Prior to the formation of Malaysia, the Philippine government was to claim that the contrast signed between the Sultan of Sulu and Overbeck in 1878 was a lease rather than cession. The British government, on the other hand, argued that the words 'in perpetuity' or 'forever and until the end of time' indicated that it was a permanent transfer. The basis of Philippines claim to Sabah is beyond the scope of concern of this study, and is only mentioned in passing; see inter alia, M.O. Ariff, *The Philippines' Claim to Sabah : Its historical, legal and political implications*, Oxford University Press, Oxford, 1970; and L.A. Garner, 'The Philippine Claim to North Borneo', Ph.D. Thesis, Fletcher School of Law and Diplomacy, 1965.

3 See I. Black, *Gambling style of government: The establishment of chartered company rule in Sabah*, Oxford University Press, Kuala Lumpur, 1985; K.G. Tregonning, *Under chartered company rule (North Borneo 1881-1946)*, University of Malaya Press, Kuala Lumpur, 1958; and Wright, *op.cit.*

4 M. Roff, *The politics of belonging: Political change in Sabah and Sarawak*, Oxford University Press, Kuala Lumpur, 1974, p. 42.

5 See C.D.B. Malakun, 'Political Development in Sabah 1881-1981', in Anwar Sullivan and Cecelia Leong, eds. *Commemorative History of Sabah 1881-1981*, State Government Centenary Publications, Kota Kinabalu, 1974, p. 123.

6 Quoted in R.S. Milne, 'Political parties in Sarawak and Sabah', *Journal of Southeast Asian History*, Vol. 6, No. 2, September, 1965, p. 104.

7 Angel, on the other hand writes that Tunku was not the first to moot the idea of Malaysian federation. The initial step was taken in April 1953 when a conference was held in Kuching presided over by Malcolm MacDoland, the then British commissioner-general. The main aim of the discussions was to develop

a greater measure of policy coordination and administration in matters of common interest. Thereafter, in 1958, the governor of Sarawak, Sir Anthony Abell, and the governor of North Borneo, Sir Roland Turnbull, also attempted to bring to fruition the idea of a Borneo federation. However, little progress was made, as Angel explains:

the territories were not ready in 1958 to express full support for the proposal. The Brunei Government's unwillingness to commit itself on the principle of closer association sabotaged the proposal. Most important of all, the pattern of events that followed the official proposal for closer association of the British Borneo territories was marked by procrastination, lack of details and hesitation. The proposal was permitted to lose impetus because of the British authorities' unwillingness to force the proposal on the people'.

See J.R. Angel, 'The proposed federation of Sarawak, North Borneo and Brunei: The Development and decline of the British Borneo Concept,' Ph.D. Thesis, University of New South Wales, 1963, p. 447.

8 See Mohamad Agus, *Politik akomodasi Sabah, 1962-1992*, (The Politics of Accommodation in Sabah, 1962-1992), Laser Skill, Kuala Lumpur, 1992, pp. 37-38.

9 See M. Roff, 'Sabah's political parties and the 1967 State election', *International studies*, Vol. 9, July 1967, p. 438.

10 In several respects, however the Alliance parties in Sabah were different from those of the Peninsular Alliance. As D.K. Mauzy, *Barisan Nasional: Coalition Government in Malaysia*, Marican and Sons, Kuala Lumpur, 1983, pp. 19-20 has argued: (i) the key basis of political mobilisations was more religious than ethnic, and very few of the Borneo parties were limited to one ethnic group; (ii) Sabah had many indigenous groups, whereas in Peninsular Malaysia, the Malays were the only indigenous group; (iii) the Chinese party in Peninsular Malaysia, that is, the MCA, was much stronger than its counterpart, the SCA, in the Sabah Alliance; (iv) there was more cross-cutting of the major cleavages in Sabah in Peninsular Malaysia (thus in Sabah, some Kadazans were Muslims); (v) the Borneo Alliance parties were less stable compared to those in the Peninsular Alliance. Moreover, the Alliance party in Sabah was strictly local, whereas the Peninsular Alliance dominated the federation as a whole.

11 J.F. Ongkili, 'Federalism and Parochialism: Relations between Kuala Lumpur and Sabah', *Journal of Contemporary Asia*, Vol. 22, No. 4, 1992, p. 532.

12 Among other things guaranteed in the IGC Report, Islam was to be the religion of the federation, but freedom of worship by other religious denominations was to be safeguard. Malay was to be the national language, but English would remain both as a medium of instruction and as an official language in Sabah and Sarawak for a period of ten years after Malaysia's formation. Immigration into Sabah and Sarawak from both foreign countries and other Malaysian states was to be restricted, and could not be liberalized without the consent of the legislatures of the Borneo states. See H. Luping, 'The Formation

of Malaysia Revisited', in Jeffrey G. Kitingan and M.J. Ongkili, eds. *Sabah: 25 Years Later, 1963-1988*, Institute for Development Studies, Kota Kinabalu, 1989, pp. 1-59; J.P. Ongkili, *Modernization in East Malaysia 1960-1970*, Oxford University Press, Kuala Lumpur, 1972, pp. 4-5, and M. Roff, *op.cit.*, pp. 152-154.

13 G.P. Means, *Malaysian Politics* (second edition), Hodder and Stoughton, London, 1976, p. 376.

14 See Articles 95B, 95C, 95E, 112C, 112D and 161 of the Malaysian Federal Constitution.

15 Great Britain, *Malaysia: Report of the inter-government committee, 1962*, Cmd. 1954, (Chairman Lord Cobbold), Government Printer, Kuala Lumpur, 1962, Table 6, p. 104.

16 Federation of Malaya, *Report of the Commission of enquiry, North Borneo and Sarawak*, (Chairman Lord Cobbold), Government Printer, Kuala Lumpur, 1962, Table 6, p. 104.

17 R.S. Milne, *Government and politics in Malaysia*, Houghton Mifflin, Boston, 1967, pp. 161-162.

18 *Straits Times*, 19 December 1963.

19 *Sabah Times*, 13 March 1965.

20 *Sabah Times*, 14 March 1965.

21 *Ibid.*

22 Section 61 of the Malaysia Act, which was later incorporated as Article 161 (1) into the Malaysian Constitution; See federation of Malaya, Agreement concluded between the federation of Malaya, United Kingdom of Great Britain and Northern Ireland, North Borneo, Sarawak and Singapore, Government Printer, Kuala Lumpur, 1963, pp. 42-43.

23 See Article 161 (3) of the Federal Constitution of Malaysia.

24 *Straits Times*, 11 December 1964.

25 *Straits Times*, 21 December 1963.

26 *Straits Times*, 4 August 1965,

27 M. Roff, 'Sabah's Political Parties', *op.cit.*, p. 434.

28 Section 64 of the Malaysia Act; later incorporated into Article 161C of the Federal Constitution.

29 Section 15 (3) of the IGC Report, Great Britain, *op.cit.* p. 10.

30 G.P. Means, *op.cit.* p. 372.

31 M. Roff, 'The Rise and Demise of Kadazan Nationalism', *Journal of Southeast Asian History*, Vol. 10, No. 2, September 1969, p. 338.

32 *Sabah Times*, 13 June 1964.

33 R.O. Tilman, 'Mustapha's Sabah, 1968-1975: The Tun Steps Down', *Asian Survey*, Vol. 16, No. 6, June 1976, p. 497.

34 *Straits Times*, 17 August 1965.

35 Quoted in Means, *op.cit.* p. 371.

36 *Straits Times*, 21 August 1965.

37 *Straits Times*, 22 August 1965.

38 Roff, 'The Rise and Demise', op.cit, pp. 340-341.

39 Malakun, op.cit, p. 151.

40 Sabah Times, 20 June 1967.

41 Ibid., 21 June 1967.

42 Ibid., 22 June 1967.

43 Means, op.cit, p. 380.

44 Straits Times, 11 December 1967.

45 Quoted in R.K. Vasil, *The Malaysian General Election in 1969*, Oxford University Press, Kuala Lumpur, 1972, p. 51.

46 Sabah Times, 12 December 1967.

47 Roff, 'The Rise and Demise', op.cit, p. 343.

48 Means, op.cit., p. 380.

49 See, *Inter alia*, Luping, op.cit, p. 57; and Tilman, op.cit., p. 500.

50 Interviews with several close Mustapha confidants in Kuala Lumpur during the UMNO general assembly, on May 2000, who talked helpfully of their experience during Tun Mustapha's period in power. Mustapha himself, in my interview with him in Kota Kinabalu, on 12 February 1994, still believed firmly that unity in Sabah could only be achieved through the encouragement of a common language, culture and religion.

51 Interview with Datuk Mohd. Salleh Said, former Sabah chief minister, in Kota Kinabalu on 12 March 1997.

52 Star, 17 June 1975.

53 Tilman, op.cit., p. 499.

54 Ongkili, op.cit., 1989, p. 70.

55 Personal communications with senior Sabah politicians and Sabahan citizens during my various visits to the state.

56 Straits Times, 11 March 1973.

57 R.O. Tilman, *In quest of unity: The centralization theme in Malaysian federal-state relations, 1957-1975*, Occasional Paper No. 39, Institute of South-east Asian Studies, Singapore, 1976, pp. 53-54.

58 B. Ross-Larson, *The politics of federalism: Syed Kechik in East Malaysia*, Bruce Ross-Larson, Singapore, 1976, p. 148.

59 See, among others, B. Campbell, *Berjaya's Story*, Chief Minister's Department Press and Publications Division, Kota Kinabalu, 1981, p. 22; and Ed. Hunter, *Misdeeds of Tun Mustapha*, Ed. Hunter Enterprise, Hong Kong, 1976, pp. 201-210.

60 Quoted in Tilman, *The Politics of Federalism*, op.cit., p. 54.

61 Hunter, op.cit., p. 14.

62 Kinabalu Times, 13 April 1975.

63 In January 1971, Donald Stephens, the leading lay Catholic in Sabah political life, converted to Islam, as did his family. Stephens made it known that henceforth he wished to be known as Mohamed Fuad, stating that his decision to convert 'was another step in his effort to bring about greater bumiputera unity' (*Singapore Herald*, 21 January 1971). He was later conferred with the title 'Tun'



and made the pilgrimage to Mecca. G.P. Means, *Malaysian Politics: The Second Generation*, Oxford University Press, Singapore, 1991. p. 52. Note 53, on the other hand, basing his arguments on interviews with various Sabah politicians, is able to suggest that Fuad Stephens decided to convert to Islam because he was offered 100 square miles of timber land in return for his decision. To avoid confusion, hereinafter I shall refer him as Donald Stephens (or simply Stephens) prior to his conversion, and Fuad Stephens after this point.

64 *New Straits Times*, 28 July 1975.

65 In my interview with Tun Mustapha in Kota Kinabalu on 12 February 1994, he did not deny the existence of such a memorandum. However, he asserted that in the case of all the initiatives he had undertaken during his chief ministership, it was for the people of Sabah to decide whether to give him mandate to take action on such a matter, and that he had always acted on behalf of the Sabah people.

66 *New Straits Times*, 28 July 1975.

67 L.Y. Lim, 'Malaysia: The New Mood', *Southeast Asian Affairs 1976*, Institute of Southeast Asian Studies, Singapore, p. 213.

68 This information was suggested to the author during interviews with Sabah politicians who had close political experience with Tun Mustapha, in Kuala Lumpur in May 2000.

69 Malakun, *op.cit.*, p. 159.

70 Quoted in Campbell, *op.cit.*, p. *ixi*.

71 Means, *op.cit.*, 1976, p. 387.