CLASSIFICATION SECRET/CONTROL : U.S. OFFICIALS ONLY 25X1A2g oved For Release 1999/09/09 : CIA-RDP82-00457R002700490002-1 CENTRAL INTELLIGENCE AGENCY REPORT NO.

INFORMATION REPORT

CD NO.

COUNTRY Malaya

•

SUBJECT Chinese Attitude Toward British Policies in Malaya

DATE DISTR. 13 MAY 1949

25X1A2g

25X1A6a

PLACE ACQUIRED NO. OF ENCLS.

NO. OF PAGES 2

DATE OF II

25X1X6

SUPPLEMENT TO REPORT NO.

This information reflects source's views on the general attitude of the Chinese in Malaya toward British policy. The views result from observations and from conversations with Chinese which took place over a period of several months.

- 1. The Chinese in Malaya feel that they are contributing about seventy percent of the taxes used in running the Federation Government and that they have done more than any other nationality in Malaya, even including the British, toward building up Malaya's economic strength. Despite this, the tin mines and other businesses owned by Chinese are not getting the government protection which is given to those owned by Europeans. If the Chinese businessman is not protected by the government he must either close his business or pay extortionist money to the terrorists. *
- In 1941 the Malayan Chinese were given no opportunity to help the British fight the Japanese until it was too late for them to make any effective opposition. They did, however, fight and feel that they are the only race in Malaya to do so. ** The British promised the volunteer Chinese soldiers compensation equal to that paid the British soldiers. Many of them, with a few British leaders, opposed the Japanese all during the war and when the British returned they expected recognition and full pay for the period through which they fought. Instead they were offered \$\$300 per man and to receive it each man had to turn in his rifle.
- 3. The Chinese deplore the British treatment of the squatter population. Most of the squatters are helping the terrorists from their meager subsistance at gun point and not because they wish to. The British policy of deporting squatters in wholesale lots without due process of law is hurting many innocent Chinese and is alienating many otherwise pro-British Chinese to the terrorist's advantago.
- 4. The Chinese believe that British import restrictions in Malaya keep the cost of living high. Low priced Japanese and American goods are restricted, not to protect local industries, but to save gold dellars which go to the United Kingdom.

STATE	X	NAVY	X	NSRB		D	STRIB	UTION	T	OFFICT/		1		11000-15-14472	T
ARMY		AIR .		FBI					T		1				1
									Downent Nov 002						
							•	•	1	NO CHA	TE.	in Class	3. 🗆		.54
										DECI	ASS	1. TED		•	•
									(Class.	CHA	NGED 1	TS	S	1
												Memo, 4			•

CONFIDENTIAL U.S. OFFICIALS ONLY 25X1A29

CENTRAL INTELLIGENCE AGENCY

-2 -

- 5. The terrorists are not all Communists many of them do not know what Communism is. Most of them are peasant Chinese, though many of them are Malay born Chinese who missed the stabilizing influence of education and of Chinese home life during the war. They are fighting because they resent the preferential treatment accorded British soldiers as contrasted to that received by the Chinese, and because they resent the British and Federation policies of discrimination against Chinese. In addition there are those who, though they might be unalterably opposed to the British, are not fighting for that reason but because they have been forced to, at the point of a gun.
- 6. Before the war the Chinese desired only law and order to enable them to run their businesses and to lead peaceful lives. That, basically, is what they wish for today. The British policy of discrimination against the Chinese to the advantage of the Malays is awakening the Chinese politically.***

 Despite existing differences, the Malayan Chinese would become reconciled to British rule if the British would give equal opportunity to all the demiciled races in Malaya regardless of color or of national origin.

25X1A6a

Comment. According to the High Commissioner of the Federation of Malaya, Sir Henry Gurnsy, the terrorists collected approximately S\$250,000 in extortion payments during October and November 1948.

25X1A6a

Comment. The Malayan Chinese are crediting Malayan Chinese in general with fighting which was done by the Malayan Chinese Communists. Contrarily, they deplore the tendency among some British and Malays to attribute to all Malayan Chinese the transgressions of the Malayan Chinese Communists.

25X1A6a

Comment. The Malayan Chinese admit, but tend to discount, the influence of the Japanese "Asia for the Asiatics" propaganda or the turmoil in Asia, and especially in China, as a probable cause of their political awakening.