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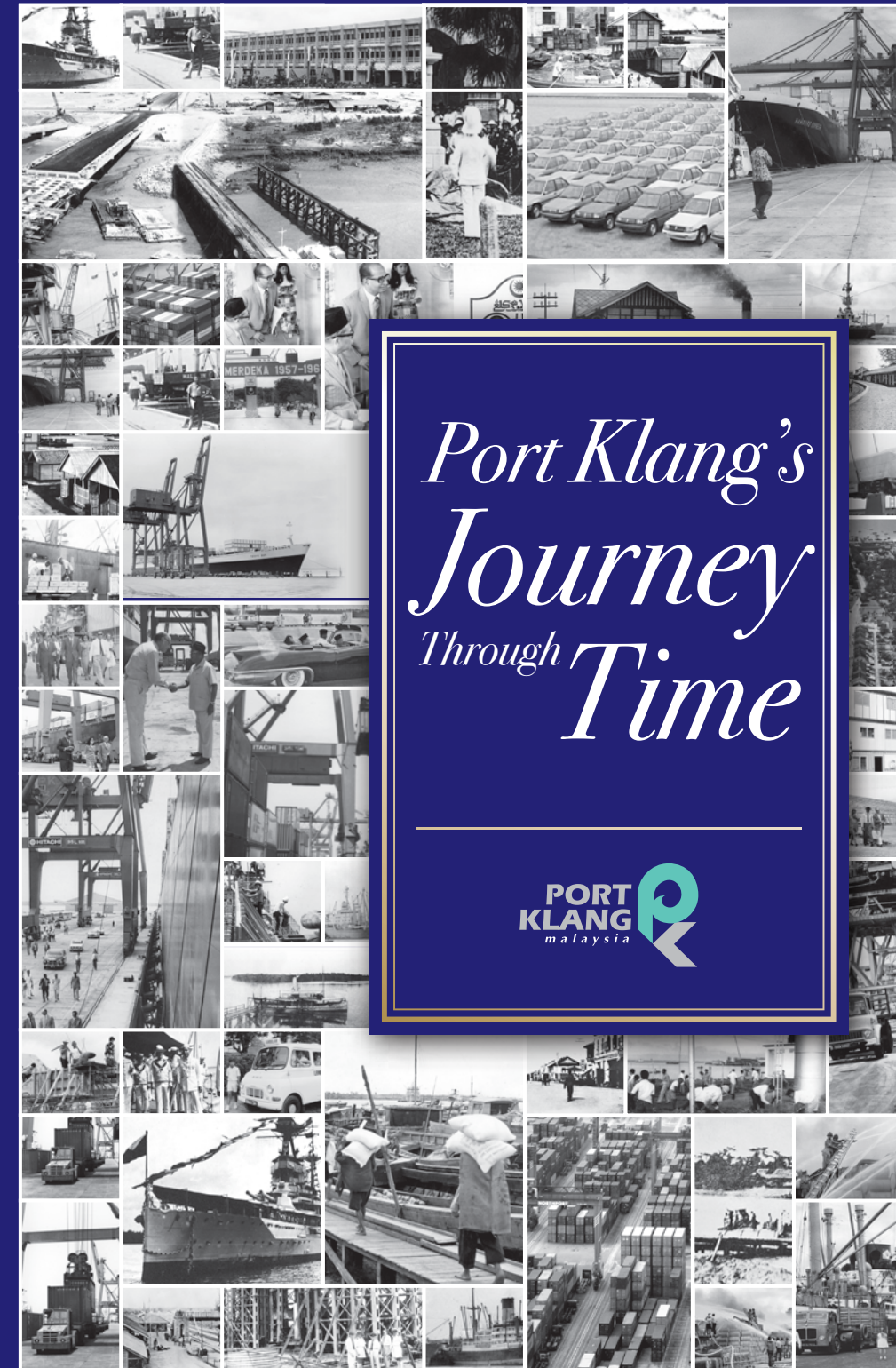


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Port Klang's Journey Through Time



PORT KLANG AUTHORITY

*Port Klang's
Journey
Through Time*



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FOREWORD

Lembaga Pelabuhan Kelang (LPK), or Port Klang Authority (PKA), is pleased to present this book on the history of Port Klang, which has served as the principal sea port and economic lifeline of the country for over a century. The history of Port Klang dates back to the pre-British era, when it was a flourishing centre for trade in tin. It later developed as a railway port when Malaya was under British rule, and continued to grow to this day as it remains – in the post-independence era – Malaysia's leading sea port.

As the national gateway, Port Klang mirrors the history and development of the country, and it is in this context that PKA decided, in 1995, that the history of Port Klang should be compiled for posterity.

We now have the opportunity to appreciate the full historical context of the growth and development of Port Klang. The extensive research into the contents of this book, and the contextual references made herein, make this book a reference not only for students of history and the general public, but also for all those who were involved with the development of the port in the past, as well as in the present and the future of Port Klang.

This work also fills in many gaps of the country's sparsely-written maritime history, as it provides glimpses into the past of how Port Klang responded and reacted to demands and changes in global shipping, port trends and technology.

The history that unfolds in this book is one of constant building of the port - a task that no doubt required broad vision – and strong determination – to bring ideas to fruition and to succeed. The result of all the hard work of both port authority and policy planners is clearly reflected in the impressive range of facilities and services at Port Klang, and in its rise as a port of global reputation and ranking.

PKA, as the publisher, acknowledges the various sources of contributions referred to in this publication.

We would like to record our appreciation to our former General Manager, Datuk M. Rajasingam, J.P. for initiating this project to compile the history of Port Klang, and most importantly, seeing it through by spending his time, even after his retirement, with the authors of this book.

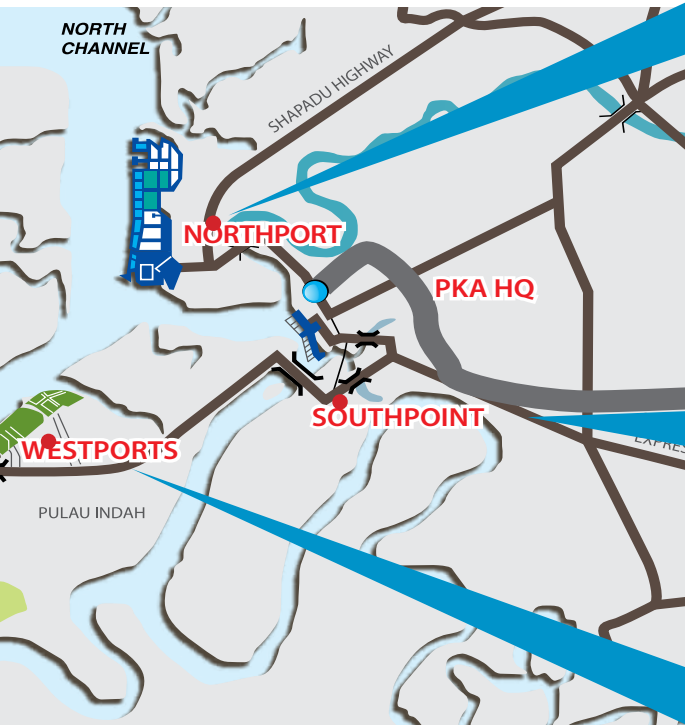
We also thank the authors of this book, John Doraisamy, former lecturer with University Malaya and G. Durairaj, Managing Director of PortsWorld, for their extensive work and research in compiling and writing this book, PORT KLANG'S JOURNEY THROUGH TIME.

CAPT. DAVID PADMAN
General Manager
PORT KLANG AUTHORITY



PREFACE

A PORT BY ANY OTHER NAME.....



Map of Port Klang showing the 3 terminals that comprise it.



Aerial view of Northport.



Aerial view of Southpoint (previously South Port).



Aerial view of Westports.

It is not just in its early history that there was confusion over the origin of its name, or how it should be spelled; even in modern history, the spelling of Port Klang (or indeed, what Port Klang refers to) has been much of a speculation to some, and perhaps puzzling to others.

Port Klang (previously Port Swettenham), as we now understand it, refers to both a seaport as well as the settlement that emerged following its development. As a port, it comprises facilities and services under the jurisdiction of Port Klang Authority (PKA). The geographical limit that forms the seaport of Port Klang has grown over the years since its inception, in tandem with the expansion of the port facilities at Port Swettenham (later to be known as South Port), and a similar expansion at the North Port. Today, there are 3 port terminals at Port Klang; Southpoint and Northport, both operated by Northport (Malaysia) Bhd. and Westport, operated by Westports Holdings Sdn. Bhd.

The seaport of Port Klang includes facilities on the mainland section of the sea frontage along the estuary of Klang River comprising South Port and North Port, now better known as Northport, as well as facilities on the island of Pulau Indah (previously called Pulau Lumut) off the mainland that is called West Port.



Old pic of port in inset.

Privatisation of the port facilities and services at Port Klang, taking part over a decade-long period beginning in 1986, saw PKA divesting its role in the management and operation of all the facilities in South Port, North Port and West Port. The port authority, however, retained its overall jurisdiction over all the privatised facilities and services (and the operators), and remained the

'landlord' over the facilities and services it had leased out to the private terminal operators. Most importantly, the port authority took on the larger role of a 'trade facilitator' and also to coordinate various logistics activities for the greater utilisation of Port Klang.

Port Klang also refers to the town or settlement that developed in the immediate vicinity of the port, and made up the geographical area which forms part of the administrative district of Klang - one of the 9 administrative districts in the state of Selangor, a constituent member state of the Federation of Malaysia. Inhabited by less than 1,000 people when the port was commissioned, Port Klang has grown into a respectable township, with a population totalling more than 100,000.

Port Klang started out as a railway port in 1886, when a new railway line connected Kuala Lumpur (at Market Street) to the Klang terminus (at Bukit Kuda), where temporary wharves were constructed on the bank of the Klang River in 1886. Later, in 1890, new wharves were built on the adjacent bank of the river (at what was called Pengkalan Batu).

The foundation for the development of a modern port was in the making. When the *Harbour Regulations (1891)* and *Shipping Lights Regulations (1894)* were promulgated to regulate shipping and port trade at the wharves, it was sufficient evidence that the shipping and port trade was flourishing.



Railway Station, Port Swettenham.

Growth in shipping traffic and vessel size soon convinced the relevant authorities of the need for development of a port downstream of the Klang river, so as to accommodate deeper draught vessels, the growing volume and variety of cargoes, and the need to assure faster turnaround of ships. Kuala Klang was developed as the new port, and was opened to traffic in 1899. The new port was named Port Swettenham, after the British Resident in Selangor at the time, Sir Frank Swettenham, who had taken a keen interest in the development of the railway line and the new port. Port Swettenham was referred to as 'Old Port' after the new port at North Klang Straits was built. Old Port was later to be called South Port, while the North Klang Straits port was called North Port.

As a railway port, Port Klang's management and operations was vested with the Malayan Railway until 1963, when the Port Swettenham Authority was created as a statutory agency of the Federal Government, with the passage of the *Port Authorities Act (1963)*.

Port Swettenham was officially renamed Port Klang in January 1972 by the Ruler (Sultan) of Selangor after legal and administrative formalities were cleared, and Port Swettenham Authority came to be known as Klang Port Authority in July 1972.

The most major port reform in its 100-year history took place in 1986, when PKA divested the container terminal operations in North Port to Kelang Container Terminal Sdn. Bhd. (KCT) under a privatisation policy pursued by the federal government. Under the 2nd phase of privatisation, PKA divested the remaining facilities and services at North Port and South Port to Klang Port Management Sdn. Bhd. (KPM) in 1992.

In August 2000, KCT took over KPM under a merger fostered by their common parent holding company, Permodalan Nasional Berhad (PNB). The merger saw the emergence of Northport (Malaysia) Bhd. as a successor company to KCT, and as a wholly owned subsidiary of Northport Corporation Bhd. (NCB), which effectively took over all the port facilities and services on the mainland limit of Port Klang. The merger gave birth to Northport, which included all facilities in North Port and South Port. 'North Port' became 'Northport'. 'South Port' came to be known as 'Southpoint'.

However, well before the momentous event that saw the emergence of Northport, the 3rd phase of the privatisation had taken place in 1994, with PKA privatising facilities and services under a greenfield development in Pulau Lumut. The port facilities and services at what was called West Port were privatised to Kelang Multi Terminals Sdn. Bhd. (KMT). The privatisation of West Port (later to be known as Westports) to KMT (now known as Westports Malaysia Sdn. Bhd.) left PKA with a regulatory role, as it emerged to become the port's 'landlord', with duties to oversee its development, and also to provide all assistance to facilitate the development of trade at Port Klang.



Some of the ships berthed at Port Klang to load and discharge cargo in the 1970s.

In 1993, the government agreed to the creation of Customs Free Zones, to encourage the development of value-added logistics and distribution activities and services within the port area. Free Zones were declared in designated areas at North Port, Southpoint and also in Pulau Indah.

Whether you call it Callang, Ghlang, Klong, Klang Port, Port Swettenham, Port Kelang or Port Klang, there is little doubt that Port Klang, like a rose that pleases the senses regardless how its name is spelled, has come a long way. The story of Port Klang that unfurls in this publication is a memorable record of its past, tested through tiring times and tribulations, sometimes defying predictions or occasionally exceeding expectations and at other times, unfortunately, disappointing; but happily, its role in the national economy has never in doubt. Port Klang has continued its rule, without abdicating its unbroken role and its immense contributions to the development of the economy of Malaysia, for more than a century.

This book is about the history of Port Klang. This is the first official compilation of the history and growth of Port Klang, commissioned by Port Klang Authority, as it continues to lead the charge of a leading global port for one of the most open economies in the world.



Progression of PSA/PKA logos over time.

Milestones in the 100-year of History of Port Klang

- 1880** A port at Pengkalen Batu, upper reaches of Klang river, is the forerunner of Port Klang.
- 1883** Work on the railway line starts, linking Kuala Lumpur and Bukit Kuda at Klang.
- 1900** New port developed at Kuala Klang with one passenger jetty and three wharves.
- 1901** New port at Kuala Klang named Port Swettenham officially opens on 15 September.
- 1957** Work starts on a second port with four wharves at in the North Klang Straits.
- 1963** Port Swettenham Authority established on 1st July under the Port Authorities Act 1963 and takes over port services from the Malayan Railway Administration.
- On 27 December 1963, the Head of State of Malaysia, His Majesty the Yang di-Pertuan Agong, officially opens the North Klang Straits wharves.
- 1964** On 2nd January, the Swettenham Port Authority officially takes over the newly completed wharves at NKS officially named, North Port.
- 1971** The Authority takes over pilotage services on 1st May from the Selangor Pilots Association.
- 1972** Port Swettenham Authority renamed as Klang Port Authority (KPA) following renaming of Port Swettenham to Port Klang by the Sultan of Selangor on January 20.
- 1973** 1st May the KPA takes over all cargo-handling services previously provided by private labour contractors and becomes largest employer in Klang with 5,500 employees.
- The construction of country's first container terminal completed in June.
- The third generation containership-the m.v Tokyo Bay arrives at Port Klang on 5th August.
- Second Prime Minister, Tun Abdul Razak officiates opening of the first container terminal on 29 November.
- 1974** The first phase of second North Port extension project begins with the construction of three berths (No.16-18) for break bulk traffic and dry bulk traffic.
- 1978** Roll on-roll off facilities at the North Port.

- 1980** A fire breaks out in the South Port – one of the worst port disasters in the world.
- Second phase of the second Northport extension project with three berths for break bulk traffic (No. 19 - 21) begun.
- 1984** Port Klang becomes the fourth ship registry after Penang, Labuan and Kuching.
- 1985** Integrated gang system introduced for more flexible and efficient use of labour.
- 1986** Container terminal privatized to Kelang Container Terminal Sdn Bhd.
- PKA Celebrates 25 Years Anniversary.
- 1989** Block train service between Port Klang and the first dry port, Ipoh Cargo Terminal begun operation on 10 November.
- 1991** The new logo for Port Klang Authority was launched by Minister of Transport.
- 1992** KCT listed on Kuala Lumpur Stock Exchange on 23rd November.
- Remaining operating facilities privatized to Kelang Port Management Sdn Bhd on 1st December.
- Port Klang Distribution Park was established with PKA holding 20 per cent stake in the joint venture entity with Peremba (M) Sdn Bhd.
- 1993** The second container terminal under Kelang Port Management starts commercial operation on 26 August.
- 1994** 325 ha site at North Port gazette as the Free Commercial zone to further enhance growth of transshipment traffic and re-export activities.
- The Federal Government decides to partially remove Cabotage restrictions and allow foreign shipping lines to lift cargo between Penang and Port Klang but only as part of the international leg.
- Port Klang Community System launched in Port by PKA together with Electronic Data Interchange Sdn Bhd.
- Third phase of privatization- Kelang Multi Terminal Sdn Bhd takes over facilities that were built at West Port.
- 1996** Fourth Prime Minister, Tun Dr Mahathir Mohamed graced the maiden call of m.v OOCL California, the Global Alliance service to the North America West Coast in Port Klang.
- Port Klang's third container terminal, Westport's Container terminal begun operation with 600-metre berth in March.
- 482.15 ha in Westports Malaysia gazetted as Free Commercial Zone on June 1 for trading, break bulking, grading, re-packing, re-labeling and transit services.

Port Klang Authority develops Segamat Inland Port, located 262 km south from Port Klang. The terminal commences operation in 1999.

Effective April, government agencies linked to Port Klang's operations start round-the-clock working to provide 24-hour clearance for ships and documents.

1998 The Vessel Traffic System at Pulau Indah begins operation in March.

KCT (renamed as Northport Malaysia Bhd) and KPM enter into an operational collaboration under the Northport Malaysia banner with the launch of new logo.

1999 Effective January, the Free Commercial Zone at Port Klang begins to operate in a paper-less environment.

The region's first continuous ship unloader for handling dry bulk cargo at Westport was installed in March.

On 19th April, the 11th Yang Di Pertuan Agong Malaysia (King), Sultan Salahuddin Abdul Aziz Shah visited Westport, Port Klang.

PKA hosts the 21st World Ports Conference and Exhibition of the International Association of Ports and Harbours. PKA also received the IAPH International Technology Award 1999 for the application of IT at the Free Commercial Zone.

2002 Malaysia's fifth Prime Minister, Tun Abdullah Ahmad Badawi officiates Container Terminal 3 at Northport in August.

2004 Southpoint Northport gazette as the Free Commercial Zone.

Ground-breaking ceremony of Port Klang Free Zone on 2nd July.

2012 Port Klang handles more than 10 million TEUs container.

2013 Port Klang handles its 100th Million TEUs since the start of containerisation.

PKA Celebrated 50th Years of Excellence.

Chairmen of Port Klang Authority

Name	Period
1. Tan Sri Abdul Hamid bin Mustapha	1963 - 1970
2. YM Dato' Seri Raja Hj. Azam bin Raja Hj. Kamarulzaman	1971 - June 1976
3. Dato' Syed Mahadzar bin Syed Hussein	July 1976 - June 1977
4. Datuk Haji Abu Hasan bin Abdullah	1977 - 1980
5. Dato' Mohd. Hashim bin Shamsuddin	1981 - 1983
6. Tan Sri Dato' Michael Chen Wing Sum	1984 - 1999
7. Tan Sri Dato' Seri Dr. Ting Chew Peh	2000 - 2004
8. Dato' Yap Pian Hon	2004 - 2007
9. Dato' Chor Chee Heung	2007 - 2008
10. Dato' Lee Hwa Beng	April 2008 - 2011
11. Dato' Dr. Teh Kim Poo	2011 - present (2013)

General Managers of Port Klang Authority

Name	Period
1. S.M. Ma'rof	1963 - 1965
2. Hj. Mohd. Zain bin Ahmad	October 1965 - 1976
3. Dato' Hj. Harun Din	1976 - 1980
4. Mohd. Hashir H. Abdullah	1981 - 1991
5. Datuk M. Rajasingam, J.P.	1991 - November 1997
6. Datin O.C. Phang	November 1997 - June 2008
7. Lim Thean Shiang	6 June 2008 - May 2009
8. Kee Lian Yong	July 2009 - June 2011
9. Captain David Rajan Padman	July 2011 - present (2013)

PART ONE

**FROM EARLY BEGINNINGS
TO RAILWAY PORT**

FROM EARLY BEGINNINGS TO RAILWAY PORT



An old chart of Admiral Cheng Ho's voyages to Southeast Asia, including Malacca and Singapore.



A portrait of Cheng Ho, Admiral of the Western Seas, China's most famous seafarer and explorer of the 15th Century.

Compared with the founding of Malacca (often cited by local historians as the beginning of the Malay Empire), Klang has a much longer history. This history can be traced back to more than 2,000 years ago, based on historical artifacts of ornamental bronze drums and elephant bells found in the vicinity. These artifacts – identical to similar objects found in parts of Terengganu and Sumatera – date back no later than AD 100, when traders from China and the Middle East were known to have travelled to the region looking for tin, which was found in abundance along the banks of Klang River.

Evidence of the flourishing trade along the Klang River is well-documented, and can be seen on the maps of mariners and navigators drawn centuries ago. Some of the earliest charts, drawn by navigators who accompanied the famous Chinese mariner, Admiral Cheng Ho, who had visited Malacca between 1409-1433, had clearly marked out and named Klang River. The charts, believed to have been drawn in 1415 by the Chinese navigators, identified Klang as 'Chi-ling Chiang', while the same charts identified Malacca as 'Man-la-chia' and the island of Singapore as 'Tan-ma-hsi'. The earliest written records of Klang were recorded during the time of the Javanese maritime empire of Majapahit, which wielded its control over lesser kingdoms in Peninsular Malaysia and Indonesia.

Origin of 'Klang'

Popular theories on the origin of the name 'Klang' are that it was derived from the Mon-Khmer word 'Klong' or 'Galong' or 'Ghlang', which (according to historians C.O. Blagden and W. Linehan) has the meaning of warehouse, stores or market. Famous Indonesia poet Pak Hamka posited that 'Klang' originated from the Minangkabau word of 'kolang', used first by Minangkabau settlers to describe their attraction to the place that was a hive of economic activity. Some even suggested the name Klang was derived from the Malay word 'kilang' meaning warehouses, since the area along the river bank was full of warehouses in the

old days. However, it is widely accepted that the name 'Klang' was derived from the Mon-Khmer word 'klong', which also has the meaning of canals, referring to the several tributaries and canals that linked the main river; namely, Klang River.

Well before Malacca became the centre and the capital of a Malay Empire in 1400, Klang was already a centre of thriving commerce, producing high-grade tin, which was found in abundance along the river that meandered through the valley leading to latter-day Kuala Lumpur. The town of Klang, situated at the river mouth, was the seat of the Malay chieftains who controlled the trade in tin as well as some forest products.



A formal portrait of Yap Ah Loy, Kapitan China and founder of Kuala Lumpur.

As the Malacca Sultanate rose with its founding by a runaway Hindu prince from Sumatera, its control extended to vast territories on the Malay peninsula, including Klang, which was considered a prized possession, in view of its wealth generated by the production of tin. Chieftains from Klang therefore paid homage in tin to the ruler of the Malacca Sultanate.

However, when Malacca fell into the hands of the Portuguese in 1511, its ruler moved to the southern state of Johore. Klang became autonomous and its chieftains no longer paid homage in tin to Malacca, instead trading the metal freely until 1756. This was because a year earlier, in 1755, the Sultanate of Selangor was established (following the colonisation of the state of Selangor and Klang by the Bugis), and its ruler moved in swiftly in 1756 to exercise control over Klang, which had become a bustling centre of commerce.

The ruler, or Sultan, of Selangor, taking into account the strategic importance of Klang to his state, chose to appoint the Chieftain of Klang from a member of his own family. The practice went on for more than a century until 1854, when Sultan Muhammad Shah appointed an 'outsider', Raja Abdullah b. Raja Jaafar (of Lukut District, in what is now the state of Negri Sembilan), as the new chieftain of Klang. This outraged his grandson, Raja Mahadi b. Raja Sulaiman, who was slated for the position.

The 'Klang War'

What followed was a bloody conflict between the groups led by Raja Abdullah and Raja Mahadi. The civil war that ensued has been referred to by historians as the 'Selangor Civil War' or 'Klang War'.

In 1867, in an attempt to resolve the differences between the 2 parties, an arbitrator (Tengku Kudin, a prince from Kedah, who had married into the royal family) was

appointed. Tengku Kudin, after unsuccessfully trying to resolve the differences between Raja Abdullah and Raja Mahadi, joined forces with Raja Abdullah to wage a war against Raja Mahadi. The untimely death of Raja Abdullah brought an unexpected new ally in the person of a Chinese Kapitan, Yap Ah Loy, who was responsible for the development of Kuala Lumpur with the founding of tin in large quantities.

The prolonged conflict not only created great unease in Selangor, but also caused even greater anxiety over the performance of the economy, notably the trade in tin. The anxiety was no more evident than it was in the British, whose political and economic presence in the region had increased swiftly, following the acquisition of the East India Company by the British in 1875 that led to them taking over Penang Island and Malacca.

Singapore had already been established as a trading port by Sir Stamford Raffles in 1819. In 1824, following the Anglo-Dutch Treaty, Penang, Malacca and Singapore were merged constitutionally to form the Crown Colony of the Straits Settlements.

In 1832, Singapore became the centre of government for the Settlements. From their control of the Straits Settlements, the British were able gradually to extend their influence over the Malay Peninsula to the north of Singapore.

It was evident that the Straits Settlements were becoming increasingly dependent on the economy of Selangor, which had emerged as a major producer of tin, and any threat to this dependence would be viewed seriously. The political and economic uncertainties precipitated by the conflict between Raja Abdullah and Raja Mahadi, therefore, provided an opportunity for intervention by the British to restore stability.

With the incessant war threatening to overspill and undermining the stability of Selangor, and thus jeopardising British interests in the Straits Settlement, the British, led by Lieutenant-General Sir Andrew Clarke, seized the opportunity in supporting the warring faction led by Tengku Kudin to pave the way, ultimately, to secure a strategic British foothold in Selangor. The war was eventually won by Tengku Kudin in 1874.

British Intervention Sought

The factors that led the British to establish a foothold on the west coast of the Malay Peninsula (or which, in their view, justified intervention) have been thoroughly dealt with by a number of historians. (Suffice it to say that commercial interests in the prosperous Straits Settlements were already insistent that British political power should



One of the earliest warehouses in Klang, Gedung Raja Abdullah (built in 1857) is now a tin museum that also outlines the early development of Selangor.

be used to open up useful contacts in Perak, Selangor and Sungei Ujong on the west coast to begin with.) A petition, sent by a group of Malacca traders to the Chamber of Commerce in Singapore in 1872, is typical of the overt pressures that were brought to bear on the colonial authorities to gain political dominance under the guise of ‘protection’ in the Malay Peninsula.

The unsatisfactory state of affairs precipitated by the civil war had also spawned lawlessness in the region, giving rise to piracy. A memorandum drafted in 1874 by Sir Thomas Braddell, Attorney-General of the Straits Settlements, contains interesting geographical information on the ‘*Callang Straits*’ as well as highlighting the prevalence of piracy in the area that was to later become a thriving port.

The coasts of Salangore are peculiarly well suited as a refuge and haunt for pirates. The traders in order to escape the rough and for small boats, dangerous navigation over the North Sands, pass through the Callang Straits, an estuary or passage formed by the Callang River in front of which lies a long mud island. The numerous rivers, great and small, between the Salangore and Lingie Rivers, afford shelter for pirates, who have stockaded defences up the creeks, from which they sally forth to attract the boats which pass close to their stations making for the Callang Straits. When the work is done the pirates retire to their strongholds which are out of sight and practically out of reach of the men-of-war cruising in these seas.

The China Squadron of the British Navy was ordered to take measures for the effectual suppression of piracy off the “coast of Salangore” in 1874. This was a clear policy decision, as it was recorded in official documents and statements that “piracy had assumed such proportions as to threaten the safety and maintenance of the lights which guide navigation through the dangers of these Straits”. Perhaps it is this statement by Sir Thomas that best explained, as well as justified, British action against pirates in Selangor waters:

The Salangore pirates are distinguished in the Malayan seas as the most daring and blood-thirsty of all ...

An old volume titled ‘*the Laws of Selangor 1877-1895*’ contains a brief account of the formal manner in which Selangor came under British protection. The author J.H.M. Robson served many years in Selangor; firstly as Magistrate, and later as member of the State Council as well as the Federal Council. According to Robson, the chief cause which ultimately led to Selangor becoming one of the Protected Malay States was a more-than-usually atrocious case of piracy off Jugra which occurred in November 1873.

In December of the same year, Tunku Dia Udin (Viceroy of Selangor and son-in-law of His Highness Sultan Abdul Samad) asked that a European officer might be sent to assist him in governing Selangor. In July 1874, Sir Andrew Clarke, then-Governor of the Straits Settlements, called at Klang on his way from Penang to Singapore. Clarke was informed by Tunku Dia Udin of another piracy which had taken place at Kuala Labu, on the Langat River.

He proceeded at once to Langat to interview the Sultan, and on his return to Singapore, sent an officer of the Colonial Government to remain with the Sultan, who had expressed his desire to put a stop to piracy.

Sultan Invites British

In October 1874, the Sultan formally requested that the Colonial Government send him officers to assist in the administration of Selangor. Accordingly, a Proclamation was issued early in 1875 by Sir Andrew in his capacity as Governor, Commander-in-Chief of the Straits Settlements and “Vice-Admiral of the same”.

The Proclamation recited the Sultan’s request and mentioned that in compliance with his wishes, 2 officers of the Colonial Service were sent to Selangor. Mr. (James Guthrie) Davidson was to reside at Klang and Mr. (Sir Frank) Swettenham at Langat. Their work included the protection of the lives and property of dwellers in, and traders to, Selangor and Provinces.

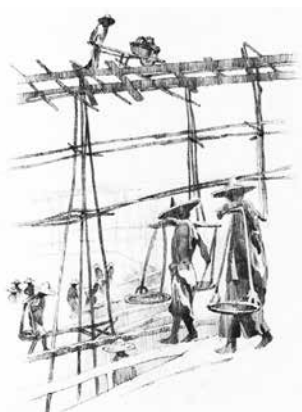
The Sultan himself issued another Proclamation dated 21 Shaban 1291, inviting merchants and others to seek a livelihood in his country. The Proclamation ended with an assurance of assistance to “all good men who will go to Salangor and Provinces, either to settle or to trade there”.

Her Britannic Majesty’s first Resident in Selangor was J.G. Davidson. His dispatch, which was later embodied in *Parliamentary Paper C 1320 of 1876*, contains a lucid description of the state and also shows how vital communications by river were in that era.

Twenty-five miles in a southerly direction from Qualla Salangore is Qualla Klang, in the Klang Straits and ten miles up the river is the town of Klang or as the natives know it PENCALLEN BATU.

It is here that all the taxes are collected on the imports and exports of Klang, and here also resides Tunku Dia Oodin, viceroy of the Sultan of Salangore.

On both sides of the river is high ground and the land, the land here being in a series of low hills, but the town is situated on the left bank of the river only.



A sketch of an open cast tin mine. Tin mining, along with rubber tapping, were the 2 primary sources of revenue for British Malaya.

Klang itself is merely the port and seat of Government. It has about 800 inhabitants. There are good numbers of coconut plantations up the river as far as Damansara, and from this place there is a path to Qualla Lumpur, the mining town of the interior.

The soil of Klang would seem equally good for cultivation as that of the area of the Salangore River and a launch could go a considerable way up the river. A steamer runs between Malacca and Pencallen Batu once a week. The revenue is raised on import duties on opium, tobacco, oil, etc. and export duties on tin and gutta.

Qualla Lumpur which is from two to three days by boat from Pencallen Batu, may be reached from Damansara in a day's walk. If a good road were cut from Damansara to Qualla Lumpur it would only be about sixteen miles long. The cost would be about 12,000 dollars and it would be well worth that outlay to have a good road connecting such an important place as Qualla Lumpur with Pencallen Batu.

Apart from British political and commercial intrusion into the Malay Peninsula, there was a steady influx of Chinese attracted by the rich deposits of tin. The little town of 'Qualla' Lumpur was the centre of a thriving mining industry. It is interesting to note that the gold rush of the 1880s in North America coincided with the rush for tin in the Malay Peninsula. Tin became the bedrock of the economy of Selangor State, but its price was subject to fluctuations. The importance of tin in the economy of Selangor can be gauged from the fact that the 1st law passed by the Selangor State Council was the *Rate of Tin Duty Order-in-Council* of 25 August 1877.

In March 1880, Sir Frank Swettenham had been sent to Klang to audit the previous year's Selangor Government accounts. The observant Swettenham included details of all the developments in the town and district in his report. He contrasted the deserted appearance of Klang town with the increasing size and prosperity of Kuala Lumpur. He also commented on the attempt to improve loading and unloading facilities on the bank of the Klang River.

I noticed that an attempt is being made to construct a jetty immediately adjoining the present landing steps, alongside which it is expected that steamers of the class now trading to this port will be able to moor without difficulty. Such a project if successful cannot fail to facilitate the loading and discharge of cargo but more than one previous attempt to construct a permanent jetty of this description has failed.

The decision to move the administrative centre of Selangor from Pengkalan Batu (as Klang was also called in those days) to Kuala Lumpur was not unexpected. Tin mining was being carried out extensively, and the population of the town was increasing rapidly. The Governor of the Straits Settlements, Sir Frederick Aloysius Weld, reported to the Secretary of State for the Colonies on this matter.

During the year 1880 the Residency and the headquarters of the Police, Treasury, and other departments were transferred from Pengkalan Batu a port on the Klang River, 10 miles from its mouth and accessible to steamers, to Kuala Lumpur, the mining centre, an important town situated about 22 miles by road from Pengkalan Batu.

Because of the inevitable ‘pull’ of Kuala Lumpur, once it became the centre of the Selangor government, Klang experienced a slight recession, which was described by an official as follows:

The Port of Klang has been abandoned as a residence as the majority of those who formerly lived and traded there. It is said that these people have gone to the interior ...Deserted houses, overgrown roads and fields and an almost entire absence of life in the streets, give the place a melancholy decayed appearance, which is galvanized into a feeble life on the weekly arrival of a steamer.

The arrival of a steamer from Singapore or Penang in particular was psychologically vital for the British expatriate community. The steamer was its link with the outside world. It brought the mails as well as periodicals and a variety of provisions.

The officer administering the Government of the Straits Settlements wrote to the Secretary of State for the Colonies, the Earl of Derby, as follows on 4 April 1884:

The most important work begun during the year 1883 was the commencement of a State Railway. The line will run from Klang the principal port of the State to what may be termed its capital, Kuala Lumpur. The distance is 22 miles and the estimated cost including a bridge at Klang is \$714,740, or about £140,000.

The necessity of this undertaking has been amply proved, and its completion is looked forward to by all classes of natives who carry on trade with the country. At present owing to the difficulty of transport between the two places named, it costs as much to convey goods from the one to the other as from England to Klang.

Swettenham’s own perception of the economies of transport between Kuala Lumpur and Klang was set out in another document.

At present all the traffic must either pass over the Klang River, a stream 60 miles long between the points named, narrow, overgrown, shallow and choked by snags in many of the upper reaches, or over 15 miles of that river from Klang to Damansara, followed by 16 miles of an unmetalled road almost impossible to keep in good repair during the wet season and in almost its whole length ascending and descending hills sometimes with a gradient as steep as 1 foot in 7.

The scheme was for a metre-gauge railway 22 miles long, laid with 46½ lbs. steel rails. The terminus at Kuala Lumpur was to be at Market Street. At the other end, at Klang, a temporary station was to be erected on the right bank of the river opposite the town. The railway bridge crossing the Klang River would not be completed till the end of 1886. The State of Selangor, Swettenham stressed, “did not have at command a sum of ready money sufficient for the construction of a railroad of the type proposed with the necessary rolling stock, workshops, stations etc. The carrying of the scheme in its entirety depended on whether the Colony of the Straits Settlements, will advance for a few years, the requisite funds”.

Frank Swettenham, in his 1883 Selangor State report, devoted a considerable section to the Selangor State Railway.

After a correspondence with the Straits Settlements Government which began in October 1882 and continued till early in 1883 the governor approved the proposal of the Selangor State Council to spend whatever sum might be necessary to ascertain, by means of the best engineering skill available, whether a line of railway could be constructed between Kuala Lumpur and Klang, without great difficulty and at reasonable cost.

Swettenham described the cutting of the first sod by Governor Weld on 23 July 1883. It had been decided that the railway should be a State undertaking. By the end of 1883, work was progressing satisfactorily. It was confidently forecast that the railway would be opened for traffic in January 1886.

Railway Development

The rationale was demonstrated by the trade figures. There was a large amount of traffic between Klang (the chief port of the State) and Kuala Lumpur, “the chief mining centre” as it was called. The existing facilities for carrying that traffic were unsatisfactory. It was asserted that unless better means of transport could be found, the progress of the country would be “seriously retarded”.

The Selangor State Government regarded the commencement of work on the metre-gauge railway link between Kuala Lumpur and Klang, a distance of 22 miles, as “the most important public work”. A contract was signed in May 1884 for the completion of all the earthwork and masonry within a period of 20 months. The Resident reported that the progress made by the end of 1884 showed that the line would be completed as far as a temporary terminus on the north side of the Klang River (a distance of 19¾ miles) by the end of 1885.

In connection with the railway extension to Klang, a telegraph line was also laid. Unfortunately, the much-awaited rail link was delayed, owing to the prolonged wet season at the end of 1884. It was also decided not to extend the line, for the

time being, beyond Bukit Kuda, “a point situated on the Klang River, about two miles from Klang, from which the railway can subsequently be connected with Klang, if necessary, by a bridge, or continued to the coast on the north side of the river”. Temporary terminal stations were erected at Kuala Lumpur and at Bukit Kuda. A landing stage was also constructed at Bukit Kuda, for enabling steamers to land passengers and cargo. All rails and other heavy railway stores and material were unloaded from the S.S. *Pyah Pekhet* at the temporary landing slip at Bukit Kuda. It was doubtless a slow process, but it was the preliminary work for the later emergence of Port Swettenham.

The opening of the railway was delayed, mainly owing to difficulties of labour and transport, but it was finally accomplished on 15 September 1886. The railway was formally opened by the Governor, in the presence of the Sultan of Selangor and numerous visitors. Until the end of the year, only 2 trains were run daily at low rates of speed. Only light traffic was carried over the line, as some of the embankments required further consolidation, and the lower section had not been fully ballasted. On 1 January 1887, the full service was commenced and 4 trains ran daily. The line was also opened for heavy goods traffic.

The station at Bukit Kuda was described as “not altogether satisfactory”, even as a provisional terminus. The strength of the tide acting on the shifting mud bank of the river caused serious injury to the jetty and wharf, and it was found necessary to supplement the original landing accommodation with a pontoon and gangway for the use of steamers, and with a floating stage for *sampans*.

The Resident also considered the surroundings of the station to be unhealthy and his recommendation was clear:

...it is desirable, from every point of view to extend the line with as little delay as possible, either to Klang by means of a bridge or to some point opposite Klang, on the north side of the river, whence the extension might eventually be continued to the coast.

At that time, 2 local steamers belonging to Messrs. Mansfield and Company came direct to Bukit Kuda, apart from much smaller vessels.

The impact of the new railway was felt almost immediately, as the Resident's report for 1886 revealed:

Traffic over the Damansara road ceased almost immediately after the first opening of the line and most of the heavy goods formerly conveyed by river between Klang and Kuala Lumpur are now carried by the railway.

The railway has been well supported, from the first by all classes of the community, and, by facilitating transport between the chief port and the capital, it has greatly stimulated mining and planting enterprises throughout the State.



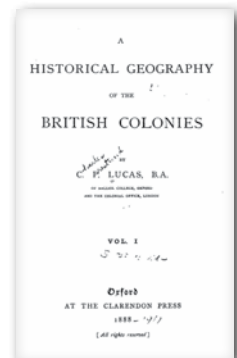
Port Swettenham, Selangor.

Postal traffic increased considerably and 2 new vessels (S.S. *Benmore* and S.S. *Malacca*) began touching at Klang regularly. There were all in all 8 'mails'; 4 inward and 4 carried weekly between Singapore and Kuala Lumpur. Klang had become a railway terminus as well as a railway port.

The earthwork and masonry of the Klang extension were pushed on in 1888. The road had been ballasted and the station buildings had been erected in readiness for the completion of the Klang Bridge. It was to be "an iron lattice girder bridge of a total length of 473 feet between abutments". The ironwork was made by Messrs. Head Wrightson and Co. of Middlesboro', and the contract for erection was held by Messrs. Howarth, Erskine and Co. of Kuala Lumpur. The bridge was to be ready for traffic by 1 April 1890, "if not sooner".

A Historical Geography of the British Colonies, by Sir C.P. Lucas of Balliol College, Oxford, was published in 1888. In this book, there is an account of the 'Native States' of the Malay Peninsula. The author's description of Selangor includes a brief mention of the port and district town of Klang. It is worth obtaining a good idea of what Selangor was like in that era:

Selangor is for the most part a plain lying between the mountain range referred to above and the sea. In the North the mountains are some 50 miles distant from the coast, in the south



The cover of *A Historical Geography of the British Colonies*, by Sir Charles Prestwood Lucas.

they approach within 30 miles and throw out some high spurs into the level country. The rivers flow due West, the principal streams, taken from North to South, being the Bernam, the Selangor, the Klang and the Langat. The country is divided into six districts, each in charge of a Collector and Magistrate. In the North, inland, is the district of Ulu Selangor, including Ulu Bernam, as yet less opened up than any other part of the state. Next to it comes the district of Kwala Selangor, along the Selangor river and the coast as far as the Bernam river. The central district is that of Kwala Lumpur, the town of that name being the capital of the state and the head-quarters of the English Resident. It has now excellent communication with the sea, a railway about 20 miles long being open from it to a point on the Klang river about 2 miles above the central station of the Klang district, whence it is proposed to throw a bridge across the river and take the railway into Klang town. Klang is peculiarly fortunate in possessing a good navigable river without a bar. Steamers from Singapore, Malacca, and Penang call almost daily at the port, which is situated about 10 miles from the mouth of the river; and the construction of a railway between the port and the inland town of Kwala Lumpur places the latter in a position of great importance, not only as the centre of its own rich mining district, but also as being, on the Eastern side, within each reach of the wealthy and extensive territory of Pahang.

To the South of the Klang River are the other two districts of the state, viz. Kwala Langat, a coast district, the home of the Sultan of Selangor, and Ulu Langat inland, on the frontier of Sungei Ujong.

Lucas also noted that of the total exports of the State of Selangor in 1872, tin accounted for about 90% of the whole in value. 87.5% of that amount was exported from 'Kwala Lumpur' through the port of Klang. Liberian coffee, pepper, gambier, tobacco and other tropical products were "gradually being taken in hand" by both European and native planters. Rubber and oil palm had yet to be planted on a commercial scale.

The Selangor Railways provided a special concession for officers and servants of merchant ships trading with Klang. The charge for season tickets between any 2 stations was \$6 for 1st class and \$4 for 2nd class. However, by the rules brought into force in 1894 governing the issue of season tickets, "*bona fide* officers and servants of merchant ships trading with Klang" were to be charged half of the rates stipulated.

Swettenham gives some details about the financing of the Kuala Lumpur-Klang railway in his book *British Malaya* (published in 1907). He asserts that the railway would be a necessity if the State was to be properly developed. An application had been made to the Straits Settlements to advance the funds required. What happened after that was related by him like this:

The application was granted and the work was at once begun, but long before it could be completed the colony, being in want of money applied for immediate repayment, and it was fortunate that the rapid progress of the State made it possible to satisfy this demand and still complete the line out of current revenues.

Swettenham relates proudly that as soon as the railway was open for traffic, the receipts so exceeded the working expenses that the line earned a profit equal to 25% on the capital expended. He adds:

It may be questioned whether that record has ever been equaled in railway history.

Strange as it may seem, Swettenham does not mention a single fact about the genesis and development of Port Swettenham in his book, which purports to be a comprehensive account of the early years of British Malaya.



The cover of British Malaya, by Sir Frank Athelstane Swettenham.



The railway station at Port Swettenham. From its beginning, Port Swettenham was always a port designed for and built with the convenience of the railways in mind.

PART TWO

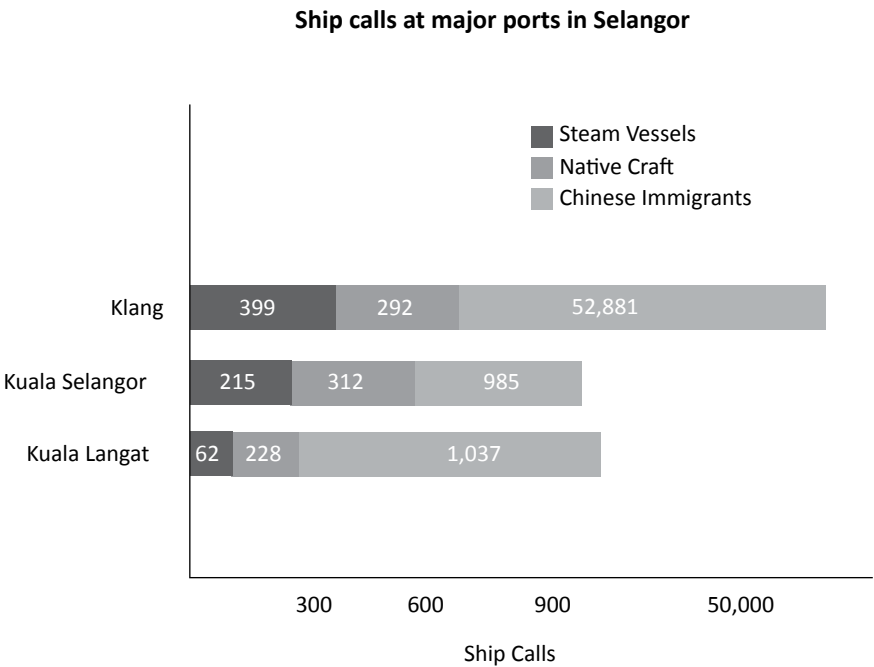
IMPULSE FOR
ECONOMIC GROWTH

IMPULSE FOR ECONOMIC GROWTH

With Klang port now a railway port, and with the new railway linking the port to the flourishing Kuala Lumpur, it was only a matter of time before the volume of port traffic handled there started to increase. The railway had given the port a wider outreach to the rapidly developing hinterland in Selangor. The railway offered a more economical and efficient mode of transportation of goods than the tedious and torturous journey either by road or via the Klang River.

Because of this, vessel traffic and cargo volumes handled took a dramatic jump. It must be noted that apart from the port at Klang, there were 2 other ports of importance in the state of Selangor; in order of importance, they were Kuala Selangor and Kuala Langat. The statistics of arrivals and departures of vessels, and of arrivals and departures of passengers, also prove that Klang was the chief port for Selangor in the late 1880s.

The port traffic figures for the year 1889 were as follows:



Source: The Author

**Number and tonnage of the vessels that arrived at and cleared
from the ports of Selangor in 1891 and 1892**

	ARRIVALS				DEPARTURES			
	1891		1892		1891		1892	
	No.	Tonnage	No.	Tonnage	No.	Tonnage	No.	Tonnage
STEAMERS								
Klang	534	135,585	654	157,296	532	134,964	653	156,974
K. Selangor & Bernam	164	17,511	166	13,748	163	17,438	160	12,070
K. Langat and Sepang	129	5,989	137	5,909	129	5,989	140	5,864
NATIVE CRAFTS								
Klang	104	898	140	1,874	105	920	121	1,781
K. Selangor & Bernam	328	4,518	332	4,879	329	3,714	367	3,974
K. Langat & Sepang	299	631	334	1,645	480	604	636	2,816

Source: MPK handbook

The number and tonnage of the vessels that arrived at and cleared from the ports of Selangor in 1891 and 1892 are shown in the following table (shown above):

“Steamers” were vessels propelled by machinery. All vessels under steam were considered steamers.

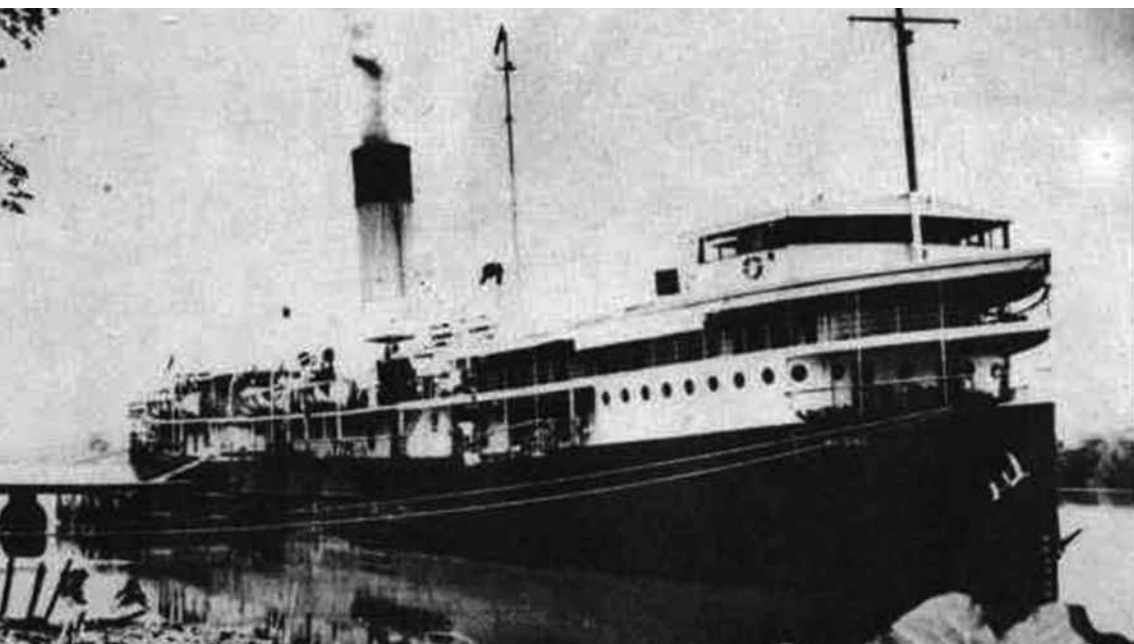
“Native Craft” were craft of every description not propelled by steam and not exceeding 20 tons burden/burthen. They included junks, *tongkangs*, boats, *sampans* and *prahus*.

The following are the summarised tables of the value of imports and exports for 1891 and 1892:

The value of the total trade of the State exceeded \$15,000,000, and was in excess of the value of the trade of 1891 by \$3,250,000.

Value of imports and exports for 1891 and 1892

	IMPORTS		EXPORTS	
	1891	1892	1891	1892
	\$	S	S	S
Klang	5,105,049	6,825,184	5,857,871	7,390,362
K. Selangor & Bernam	182,484	134,882	177,653	157,139
K. Langat and Sepang	382,476	433,613	524,809	512,927
TOTAL	5,670,009	7,393,679	6,500,333	8,060,428



Ships belonging to and operated by the Straits Steamship Company, S.S. Darvel.

Among the coastal steamers that called regularly at Klang, special mention must be made of those belonging to the Straits Steamship Company Ltd. Walter Makepeace, in his well-known work *One Hundred Years of Singapore 1819 – 1919*, records this as being a prosperous company that had been formed in January 1890 with an authorised capital of \$500,000 and paid up capital of \$362,800. Its fleet in the early years consisted of the *Sappho* under Captain Wahl, the *Will o' the Wisp* and the *Billiton*. Paragraph 12 of the annual report of the Selangor Government Railways for 1892 reads:

The running of a through train in connection with the arrival at Klang of the s.s. Sappho on Sunday afternoon gives general satisfaction.

Apart from the river and Selangor coastal transport services, there were regular steamer services between Klang and Singapore as well as Klang and Penang. The *1893 Selangor Government Gazette* carried a notification inviting tenders for “a steam mail and passenger” service to link Klang, Port Dickson and Singapore. 2 steamers were required under the British flag. They were required to be of not less than 400 tons registered burthen, each steaming not less than 10 knots. 1st class, 2nd class and deck class passenger accommodations had to be provided, and they were subject at all times to Government inspection and approval.

These “contract steamers” did not have to pay light, harbour and wharf dues. They were obliged to carry Selangor and Sungei Ujong (later Negri Sembilan) mails, and passengers travelling on duty, free of charge.

The Governments of Selangor and Sungei Ujong guaranteed to ship all Government stores and cargo from Europe consigned to Singapore by these contract vessels, provided the steamers had room when the stores and cargoes were ready for shipment. Freight charges were \$4 per ton measurement or deadweight ton (DWT). The contract steamers would also be required to tow *tongkangs* loaded or unloaded between any or all of the 3 ports.

Port & Shipping Laws

With the increase in shipping traffic, it was necessary to ensure safety of movement of vessels of all sorts, and adopt appropriate standard measures to regulate the shipping traffic. The Selangor State Council passed an Order in Council dated 31 March 1880, making licensing mandatory “for all boats or other vessels belonging to this State, trading or proceeding from one river to the other, or trading or plying on the coast, or leaving the sea-board of the State”.

The State was divided into the following districts or ports:

Klang denoted as **K**
Selangor denoted as **S**
Langat denoted as **L**
Bernam denoted as **B**

The initial of the district or port, and the port number of each boat, had to be painted in white letters and numbers of 3 inches in length on each bow of every boat. The collector of each port was required to keep a Register, giving the particulars stated in the licence issued to each boat. The boat registration fee was 25 cents if the owner painted the port initial and number on the boat. The fee was 50 cents if the painting was done by the Government. Fresh licensing and registration were mandatory if there was change of ownership of the boat. Boats sold out of the State, wrecked or lost had to be reported by the last owner to the Collector of the Port of Registration. Exemption from registration was granted to all boats belonging to H.H. The Sultan, the Government or Rajah Musah. Similarly, boats plying solely above the influence of the tides or *sagors* or small *jaloires* were exempted.

An Order in Council dated 30 November 1880 required certain practices to be followed in the loading of cargo boats. On and after 1 January 1881, all cargo boats plying on the Klang, Selangor and Langat Rivers had to be so loaded as to retain a free-board of 6 inches above the water. The free-board was to be measured continuously from the top strake from bow to stern. The prescribed load marks were to be painted in white on both sides of each cargo boat.

The 1st Selangor law dealing with ports and harbours was the *Harbours Regulation 1891*. A Regulation in those years had the same status as an Enactment of any State Assembly in Malaysia today. It came into effect on 3 April 1891. The long

title of this law reads: *A Regulation for the more efficient management of the ports and harbours of the State of Selangor*. The Preamble to the Regulations was worded thus:

Whereas it is expedient to provide rules of the more efficient management of the ports and harbours of the State of Selangor: it is hereby enacted by His Highness the Sultan in Council, with the advice of the British Resident, as follows:

The Resident was empowered to declare any port, navigable river or channel as being subject to the provisions of the Regulation. The limits of ports, navigable rivers and channels had to be defined and published in the *Government Gazette* of Selangor State.

Rules were drafted and published by the Resident by virtue of powers vested in him under the Ports and Harbours Regulation. The Rules constituted subsidiary legislation. A batch of such Rules declared Klang, Jugra, Sepang, Kuala Selangor and Sabak (Sabak Bernam) to be ports, and their limits were indicated. Regarding the port of Klang, the Rules stipulated:

The limits of the Port of Klang shall include the River Klang between the police station at Kuala Klang and a point opposite the saw-mills on the right bank of Klang.

It will be observed that in the 1890s, Kuala Klang (the old name for Port Swettenham) at the mouth of the Klang River where it debouches into the sea, was not recognised as a port. Its time had not yet come! The Port of Klang limits clearly included portions of what today is Port Klang or the former Port Swettenham.

The Resident could appoint suitable officials as Conservators of Ports. The term “port” included all navigable rivers and channels leading to it. “Conservator” was a title or status used in that era in British India too, and was not necessarily a full-time official. In practice, the District Officer was gazetted as Conservator. The *Government Gazette* of Selangor dated 23 December 1892 notified the public that the Acting British Resident had appointed the following to be Conservators of Ports:

- (a) The Senior District Officer, of the Ports of Jugra and Sepang.
- (b) The District Officer, Klang of the Port of Klang.
- (c) The District Officer, Kuala Selangor of the Ports of Kuala Selangor and Sabak.

No vessel could enter or leave any port or change its berth within the limits of any port between the hours of sunset and sunrise, or during the prevalence of a thick fog, without the permission of the Conservator. Every vessel coming within the limits of any port was required to anchor whilst discharging passengers or cargo.

No vessel was allowed to anchor beside any other vessel closer than 1½ times the length of the longer vessel. Masters of vessels requiring the assistance of the police while in the port had to resort to the prescribed signals. By day, the ensign had to be flown at the mast head. By night, a gun or rocket had to be fired.

If fire broke out on board any vessel in the port during the day, the officer-in-charge was to hoist the ensign down at the main and “keep the ship’s bell ringing loudly until assistance comes”. A gun was also to be fired.

Rule 17 stipulated, in brisk and mandatory tones, what to be done if a fire broke out on board any vessel by night:

Fire a gun, burn the lights and send up rockets; keep the bell ringing until assistance comes, and hoist the red and green side lights vertical at peak or main, at least 10 feet apart.

Masters were also directed to take out the vessel, or destroy as soon as possible any powder, spirits or other inflammable substances that may be on board.

Every vessel intending to leave any port had to fly the Blue Peter for at least 6 hours of daylight prior to moving from her moorings and weighing anchor. Every steamer preparing to leave her berth or anchor had to blow a long blast on a steam whistle 15 minutes previous to moving. If a steamer blew her whistle announcing that she was going to leave in 15 minutes but failed to leave at the end of that time (or in the case of Klang, within 15 minutes after the signal ball was lowered for her), she forfeited her turn and had to give way to another steamer.

There were a number of rules regarding flags that had to be flown by ships. All vessels entering or leaving the port had to fly the ensign or the flag of the country to which they belonged. In addition, the ‘house flag’, if any, or the commercial code signal letters of the vessel had to be flown. If the British Resident was on board, the Selangor ensign had to be displayed too. Any vessel entering or leaving the port having mails on board had to fly the commercial code signal BTK (mail). All vessels arriving in any port with Indian immigrants on board had to fly the flags prescribed by the Indian Immigration Enactment of 1884, which was a Straits Settlements law. Section 18 of that Act stipulated the hoisting of the signal ‘DKW’ together with a flag or flags denoting the number of immigrants on board.

Steamers approaching the limits of any port had to sound 2 consecutive blasts of a steam whistle on 3 different occasions; 1st, on arriving within half a mile of the port limits; 2nd, on arriving within a quarter of a mile of the limits; and 3rd, on arriving opposite to the wharves, jetties or landing-place.

From 10 November 1892, navigation of the Klang River between the Police Station at Kuala Klang (at the river mouth) and the railway wharves at Klang were worked under the block system controlled by the Conservator. A Selangor Government circular explained the system clearly:

A signal mast carrying a red ball will be erected near the Police Station, Kuala Klang, and another at the wharves at Klang.

The normal condition of the river is to be considered closed when the red ball on the signal mast will be at the yard arm.

Every steam vessel desiring to enter the Klang River, and upon arriving within a mile of Kuala Klang, had to sound her steam horn, as a warning to the signal man at the police station. The vessel could not enter the river until the signal was lowered from the yard arm. Similarly, no steam vessel could leave the wharves at Klang until the signal at Klang wharves had been lowered. The ball signal was worked between sunrise and sunset, while a red lamp was shown in the same way between sunset and sunrise. This does appear to be a quaint system, and those acquainted with the old railway signalling system would probably be reminded of a similar set of rules. The Acting Resident of Selangor acknowledged, in his annual report for 1892, that the railway block system had been copied.

I was able, with the cordial consent of shipowners and commanders, to remove the very serious danger that has for many years existed, as evidenced by accidents, in the sudden bends and swift currents of the Klang River. From the 10th of November the navigation between the Police Station at the entrance to the river and the railway wharves at the port was worked on the railway block system.

When the railway line was extended to Bukit Kuda in 1886, temporary wharves were constructed there on the bank of the Klang River. In 1890, Klang Station was opened. New wharves were built on the adjacent river bank. There were 2 pontoon wharves and 1 made of timber. Owing to the swift current, however, it was found very difficult to maintain the pontoon wharves. They were abandoned and replaced by timber structures.

There were rules for use of the Klang Jetties made by the Selangor Resident in 1893, under Section 10 of the *Harbours Regulation 1891*. Vessels were allowed to use the wharves in the order of their arrival.

When the import cargo was completely discharged from any vessel, she had to “cast off” from the wharf unless there was export cargo waiting to be loaded. A clear berth had to be left, should there be any vessel in port requiring the use of the wharf. If the export cargo were to be ready for shipment immediately after the vessel had finished discharging, she would be permitted to retain the wharf for the purpose of loading.

If the Conservator of the port was satisfied that “utmost expedition” was not being used in discharging or loading the cargo of any vessel occupying a wharf, he could notify the master of the vessel that he was required to vacate the wharf at a certain hour. Every steamer had to drop her anchor before coming alongside a wharf.

The penalty provided by the Regulation for breach of these rules was a fine not exceeding \$500.

The *Shipping Lights Regulation 1894* was passed with the view to preventing collisions at sea. The Resident was empowered to make rules to be observed on board every sailing vessel “whose master or *nakhodah* may be subject to the Selangor jurisdiction”.

The rules were published in the *Selangor Government Gazette* of 25 May 1894. The lights prescribed were to be carried in all weathers from sunset to sunrise. A sailing vessel under way or being towed was required to carry:

(a) on the starboard side a green light, so constructed as to show an uniform and unbroken light over an arc of the horizon of ten points of the compass ... and of such a character as to be visible on a dark night, with a clear atmosphere, at a distance of at least two miles.

(b) on the port side a red light, so constructed as to show an uniform and unbroken light over an arc of the horizon of ten points of the compass ... and of such a character as to be visible on a dark night with a clear atmosphere, at a distance of at least two miles.

“The said green lights shall be fitted with inboard screens projecting at least three feet forward from the light, so as to prevent these lights from being seen across the bow”.

Dangerous Cargo

Section 16 of the 1891 Regulation provided that no vessel, having on board – as cargo – any quantity (or over 50 lbs. weight, if not part of the cargo) of any gunpowder, or other explosive substance other than safety cartridges, should be allowed to come within the limits of any port. Section 17 stipulated that no vessel carrying more than 50 passengers (other than cabin passengers) should carry as cargo or ballast any gunpowder or other explosive substance other than safety cartridges.

Carriage of mails

Masters of vessels arriving in or leaving Selangor ports were required by the postal law to carry out certain duties relating to the dispatch and receipt of mails. Regulation IX of 1890 was: *A Regulation for the better administration of postal matters in the State of Selangor*. Section 10 of the Regulation stipulated that “immediately on arrival and without any delay”, the master of a vessel should deliver to an authorised officer of the post office “all letter bags and correspondence on board, except such as are exempt by law”. He had to make a declaration that he had caused to be delivered to the post office, or to some officer of the post office appointed to receive the same at Klang, Kuala Selangor, Kuala Langat etc., every letter bag and correspondence that were on board the vessel.

The officer in charge of the Postal Department was required to pay to every master of a vessel (except in the case of contract vessels) a gratuity of 1 cent for every letter delivered by him to the post office, or 4 cents per pound for every parcel so delivered. This gratuity was not payable if there had been unreasonable delay on the part of the master in delivering his mails to the post office.

Every owner or agent of a ship, who proposed to dispatch a vessel from any port of the State to any other port “within or without the State”, was required to give reasonable notice, in writing, of the day and hour of the intended departure of the vessel, to the officer in charge of the post office at the port of departure. Details regarding the port or ports at which the vessel would be calling also had to be given. In the event of an alteration in the day or hour of departure, the postal authority had to be informed, so that the public could be notified of the day and hour for closing the mails to be made up for the ship concerned. An authorised postal officer could come on board, even after the closing of the mails by such a vessel, and receive all prepaid correspondence brought on board up to the time of departure to be transmitted by the vessel. The master of the vessel had “to give all proper facilities” for the postal official to enable him to discharge his duties and leave the vessel on her departure. If there was no officer of the post office on board a vessel, the master had the legal authority to “receive all such correspondence prepaid by stamps and he shall deliver the same to the post office at the port of destination”.

Light and harbour dues

Light and harbour dues were levied. As of 1 June 1893, the scale of dues enforced in the ports of Klang, Kuala Selangor and Jugra (Kuala Langat) was as follows:

*Steamers – 2 cents per registered ton per trip, Or 20 cents per ton per mensem.
Sailing craft of 20 tons burthen and upwards – 1% per ton per trip or 10 cents per ton per mensem.*

Cargo boats proceeding from Klang to Kuala Lumpur had to pay \$1 a trip. Before 1 June 1893, the levy had been \$5 a trip. This reduction would have been an incentive for traders and boat owners alike.

Shipments, via the jetties at Klang, passed through to destinations as far east as Pahang. These included consignments of opium under police escort going overland by road.

Traffic Control

In the absence of a good road system, the rivers were important as a mean of transport, and there must have been a significant volume of passenger and goods traffic both along the coast and up and down all navigable rivers.

Notices to Mariners were published (as the need arose) in the *Selangor Government Gazette*; 2 typical Notices are given below:

NOTICE TO MARINERS – SELANGOR COAST, STRAITS OF MALACCA. On and after the night of the 15th October, 1890, the existing light at the entrance of the Jugra River will be replaced by a fixed red light visible six miles from seaward. The new light-house is on iron pillars and painted white, it stands about 100 yards inshore of the old light on the south bank of the river. – (SGG Oct 17, 1890, No. 232).

NOTICE TO MARINERS AND OTHERS – Notice is hereby that on and after 1st January 1894 a white light, visible 15 miles, will be shewn from the new light-house on Tanjong Kramat, the southern point of the entrance to the Selangor River. – (SGG Jan. 5 1891. No. 27)

Expansion of Railway

The late 1880s witnessed the expansion of existing railway communications as well as ambitious plans for new railway lines in the Protected Malay States. The colonial administrators freely expressed their views concerning railway development. In transmitting to the Colonial Office in London the reports of the various Malay States for the year 1889, the officer administering the Government (or Acting Governor) of the Straits Settlements had some interesting comments:

Great progress has been made in determining the lines on which the railways should be pushed forward in the peninsula ... so far as the portion through the Protected States is concerned, a line running north and south would not be likely to pay for several generations and with so fine a highway as the Straits of Malacca, ready made and costing nothing for maintenance, no such line is required, or can be required, for many years to come. The Straits of Malacca

give the main line to which all railways should, for the present bring down their produce, and there are a sufficient number of ports to meet all requirements for the present and for the immediate future.

By the end of 1889, the railway situation in the State of Selangor was satisfactory. The Klang to Kuala Lumpur line (22 miles in length) was under construction and the Kuala Lumpur to Serendah line of 24 miles was “projected”. The colonial administrators were glad to record that the Selangor lines would give the State 60 miles of railway “from its small river port of Klang to Kuala Kubu on borders of Pahang”. In the case of all other protected States too, the railways already in operation (or projected) appear to have been planned with the objective of reaching the coast.

The “open line” of the Selangor State Railway in 1889 connected Kuala Lumpur with Bukit Kuda, which was described as “a temporary landing and shipping station on the Klang river”. In March 1888, the line was leased for 2 years to a syndicate of Chinese for \$25,000 a month. The lease had only been running for 12 months when the lessees complained that they were making losses. In July 1889, the Selangor State Government agreed to refund to the syndicate the expenses of the railway clerical staff and the wages of coolies employed in landing and shipping goods at the wharves and loading and unloading goods at the stations. The railway engineer, Spence Moss, was not satisfied that losses had been sustained. He felt there were many indirect ways in which profit may have been derived from the lease, which could not be shown in the accounts.

Coast Terminal moved to Klang from Bukit Kuda

The decision to move the coast terminus of the railway from Bukit Kuda to Klang involved the provision of wharf accommodations for steamers. According to the Resident, Sir W.E. Maxwell, there were sometimes 3 or 4 steamers loading and unloading in the river at the same time. Although it was decided to carry out some works of a temporary nature, little progress had been made by the Railway. It was decided to try to stimulate interest among private firms to invest in wharves:

... Proposals were invited from firms or individuals who might be willing to lease the river frontage at the town of Klang for the purpose of erecting wharves, goods sheds and other constructions incidental to the landing and shipping trade of the port.

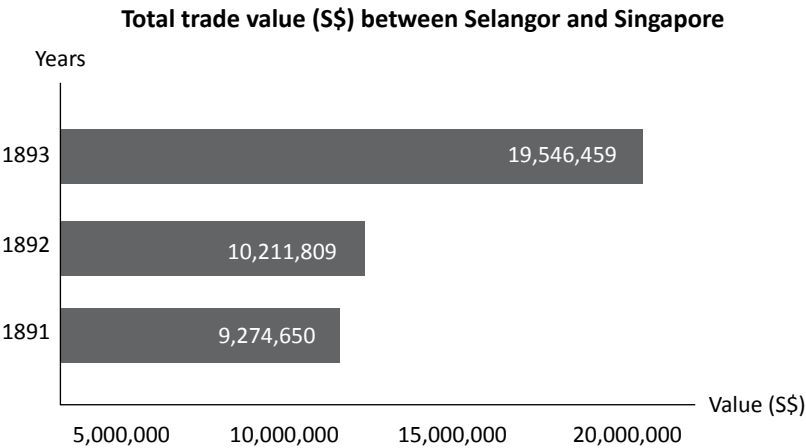
Nothing had been finally decided upon at the end of the year, but I have little doubt that it will be found advisable to construct these harbour-works, on the same principle as the railway, namely, as a State undertaking, leasing the premises afterwards, if desired, as the railway has been leased, to a company for a term certain.

Mr. Watkins, the Assistant Resident Engineer, had (at the Resident’s request) prepared a design “for a continuous iron wharf at Klang in connection with the railway line, with goods, sidings and warehouses close to the place where vessels would lie”. The expense of carrying out such a scheme would have been very great, and so it was decided to hold it in abeyance until the “superior advantages” of a port at Klang had been thoroughly examined.

The completion of the “Klang Extension” added 3 miles to the railway system. On 17 April 1890, the Connaught Bridge over the Klang River was formally opened by the Acting Governor, Sir (John) Frederick Dickson. Delay in the completion of jetties for the accommodation of steamers, and in the erection of the railway station buildings, prevented the general use of the line until 2 August 1890. From that date, the river terminus of the railway was moved to Klang (Pengkalan Batu) and Bukit Kuda was abandoned.

The Klang River was still important as a highway of commerce and its role as a navigation channel was summed up in *British Command Paper No. C 5884 of 1890* as follows:

The Klang River, the central stream of the three rivers that traverse the State is navigable for vessels drawing 13 feet of water, and given access to the principal tin mining districts. Kuala Lumpur the seat of Government is situated on the Klang River 27 miles from its mouth, and is connected with the steamer anchorage by a line of railway 23 ½ miles long. Kuala Lumpur is the focus of the tin industry and its central position greatly facilitates the work of Government.



Source: The Author

Trade and Tin

At this time, the entire external trade of Selangor was with the Colony of the Straits Settlements and predominantly with Singapore. The total value of exports and imports was as follows:

The most important export in terms of earnings and as a source of Government revenue was tin. To quote the Resident of Selangor, “The revenue of the State hangs directly on the output of tin”. As early as 1879, Her Britannic Majesty’s Resident in Selangor (to give him his formal designation) commented on the problem of accurately estimating revenue from tin. The reader should be able to follow his argument in spite of the lengthy sentence!

I would submit that it is impossible for me, or indeed any of those far more qualified than I can be to anticipate, in even the most approximate manner, the fluctuations of the tin market, which in these States is subjected to causes far remote, and entirely beyond our knowledge, and I would further state that this ignorance which arises from no fault of mine, and is as common amongst mercantile men as others, operates against the reliability of any Estimates as to Revenue on a staple so uncertain in its price as tin.

Lighthouses

Steps had been taken to make the Klang Straits a safe channel for navigation. A contract was entered into with a firm of Singapore engineers in 1885 to erect an iron lighthouse in the Klang Straits, but the boat on which the materials for the lighthouse had been shipped was lost off Cape Racado, on the voyage to Klang, and the work was consequently delayed. A new wooden lighthouse was erected at ‘Kwala’ Langat.

Close attention had to be paid to the physical condition of all navigational aids in the Klang Straits. The lighthouse in the Klang Straits was maintained in good order and repair, but by 1892, the sea had undermined the foundations to such an extent that the lighthouse had to be removed and reconstructed further inshore. Accordingly, a notice was published in the *Selangor Government Gazette* in January 1893, inviting tenders for the removal and re-erection of this lighthouse. Another report had described the foundations as being in a rather dangerous condition. Even 5 years later, a sum of \$799 had to be spent in “strengthening the groins of the Klang Straits lighthouse”, as the British Resident put it.

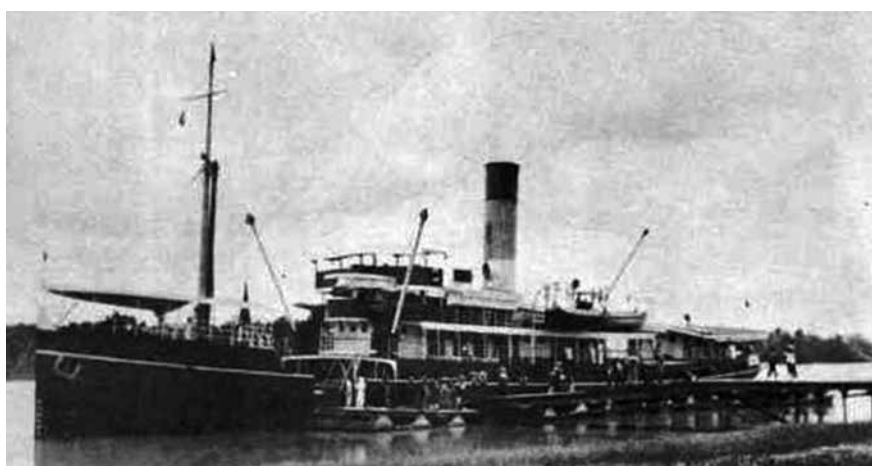
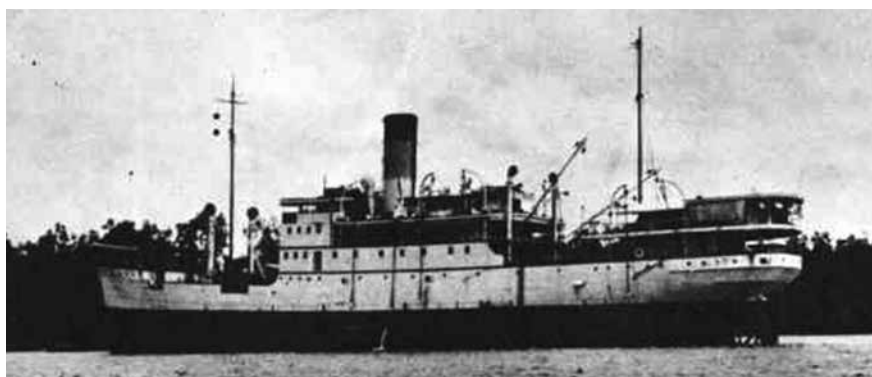
It was customary for District Officers and the Resident in that era to visit and inspect all government departments, schools, hospitals, railway stations and ports. District Officers were expected to submit monthly reports on events and developments in their respective districts. In his report on Kuala Selangor District for July 1893, the Acting District Officer described the Resident’s visit to the Pulau Angsa Lighthouse:

The British Resident visited Kuala Selangor on Monday, 17th, arriving in the Government yacht Esmeralda at about 7.30 P.M. The Resident left next morning early for Jeram, where he landed, accompanied by the Acting District Officer, and was met by the Penghulu, Raja Abdullah. The Resident first proceeded to inspect the school, and after recording in the schoolmaster's report book that it was one of the best-conducted schools he had as yet seen in the State, he walked as far as the Klang Road, and afterwards returned to the Esmeralda, called in at Pulau Angsa Lighthouse and inspected all the machinery and the lamps, etc. going right up to the top of the Lighthouse. After that the Resident sailed for Kuala Selangor, where he landed and was received by the Penghulus and other Chiefs of the District.

A new lighthouse was erected at the mouth of the Selangor River in 1893, while a small light was supplied at the mouth of the Sepang River.



The lighthouse at Pulau Angsa. A lighthouse has been onsite for over 120 years.



*Ships belonging to and operated by the Straits Steamship Company,
from top to bottom: S.S. Krian, and S.S. Klang.*

PART THREE

THE MAKING OF PORT SWETTENHAM

THE MAKING OF PORT SWETTENHAM

It appears to have been a policy from the beginning to treat the facilities at Klang purely as a temporary measure. This is evident from the fact that from the temporary facilities at Batu Pengkalen in Klang, the seaport moved to Kuala Klang (renamed Port Swettenham), and there is no doubt that the development was greatly influenced by the changes in shipping pattern, including growing vessel type and size, and also the changes in the composition and volume of cargo handled.

There were 3 timber jetties at Klang, 1 fixed and 2 with floating pontoons. "No changes was made to vessels for their use", the Selangor Resident mentioned in his annual report for 1890. He also discussed – at some length – the prudence of planning for the long term maritime needs of Selangor.

... the advance of the State may at any time make it necessary to seek for a deeper, safer and more commodious harbour at the Klang Straits. His Excellency the Governor was pleased to adopt my view that the temporary jetties may be considered sufficient for the present and that future permanent works should be constructed by the Government.

Klang was regarded as the port for Kuala Lumpur. Yet there were views openly expressed that it would be desirable to find a more suitable location for a port. Typical of that kind of viewpoint is the following comment by the Selangor Resident in his report for the year 1891:

The town of Klang is situated too far up the River Klang to be fit to be permanently the principal port of the State of Selangor. At no distant time, it will, I imagine be forced upon the Government of Selangor that the best interests of the State demand that a seaport shall be established at or near Sungei Dua, on the excellent natural harbour known as the Klang Straits.

The Resident then noted the physical attributes of that location. There was a deep water anchorage for ocean-going steamers and there were 1st-rate sites for wharves and goods sheds. Reference was made to the railway survey carried out by the Resident Engineer of the Selangor Railways in 1891:

The Resident Engineer reports that the country to be traversed (mangrove jungle exposed to tidal influences) is much firmer than he expected and that no great difficulty need be anticipated in constructing the line.

The project involved the construction of a bridge over the Klang River. Borings, which were necessary for estimating the cost of this bridge (and of iron wharves at the terminus), had been put in hand at Klang and Sungei Dua. The Resident observed that the bridge could be dispensed with if a line were to be extended from Bukit Kuda instead of from Pengkalen Batu.

The linking of Kuala Lumpur to Klang by rail was itself a great boon for trade. It was inevitable that the idea of additional port facilities and services would crop up sooner or later. Rather than expanding the meagre facilities already available at Klang, it would be more appropriate to find a location on the coast itself, taking into account the need for deeper draft to accommodate growing vessel sizes.

The railway line had already reached Klang. From there an extension could be planned to reach the coast. After all, 'from capital to coast' was a well-known phrase. The distance from Klang to the 'Kuala' was a comparatively short one. Planning for more railway construction went on. For the typical British Empire builder like Sir Frank Swettenham, a good stretch of railway, or a port with ships anchored alongside wharves, was a visible symbol of British power. At the same time British commercial interests would be safeguarded and trade and investment enhanced.

Details about Kuala Klang appeared in the 1891 Report of the Resident Engineer of the Selangor Railway.

I commenced a survey of a proposed line to Sungei Dua, the site on the Klang Straits of the proposed wharves and harbours for Selangor. At the end of the year a very good line had been selected and boring operations on the river and at Sungei Dua were at once put in hand, to enable estimates to be made of the cost of a bridge across the river and the wharves to the east.

The Resident Engineer said he was surprised, on going over the swamps from Klang to Kuala Selangor, to find that the ground was so much firmer than it appeared to be from the river. From what he saw, he did not anticipate a great deal of difficulty in the construction of a railway line to the Straits.

At that time, there had been some talk about building a railway from Kuala Lumpur eastwards into Pahang State. That projected railway was never built, nor was the line from Klang to Sungei Dua (better known as Deep Water Point). There were many who said that the decision was unfortunate, as Deep Water Point would have made a better port than the Kuala Klang area where Port Swettenham was developed.



Panoramic view of Port Swettenham in 1913.

In 1893, a firm decision was made to extend the railway from Klang to Kuala Klang. The Resident Engineer's annual report continues the story:

The accommodation available for shipping and the depth of the water available at this point had formerly been reported upon unfavourably but after sounding the proposed harbour I reported upon it as a suitable site for the construction of wharves and with abundance of water and swinging room for vessels lying in the harbour.

In his report for the year 1892, the Resident Engineer A.J.W. Watkins wrote:

The preliminary plans for the proposed extension of the line from Klang to the Klang Straits were completed early in the year and estimates submitted to Government. The work was, however, considered too expensive to be taken in hand at once, and it was thought to be more advisable to expend available capital in extending into and opening up the interior than in providing more extensive accommodation for the present traffic.

The "opening up the interior" was most probably a reference to the railway line that was to stretch from Kuala Lumpur into West Pahang. Similarly, a line to Kuala Selangor was being considered.

Presumably, the Kuala Klang wharves project was already mooted in the early 1890s. An extremely frank and sceptical view of the plan to create a new port, and to neglect Klang (or at least to relegate it to a secondary position in maritime development), was expressed by no less a person than Sir Ernest Woodford Birch (son of Sir James Wheeler Woodford Birch, the 1st British Resident in Perak, who was murdered), who was in Selangor as Acting British Resident. The landing jetties at Klang, he seemed to complain, were being regarded as low priority, as the Government was to start an ambitious port project in Kuala Klang.

The landing jetties were unfit for use for several months, and will continue to cost the Government a large sum of money, for, with 70 feet of mud and a very strong current, no foundations for temporary piers will ever be satisfactory. The project of taking the railway down to Klang Straits, where a site for a town will have to be made out of a mangrove swamp, where no one will ever in my opinion be induced to settle, and where for many years to come there will not be a sufficient trade to induce ocean-going steamers to call in, is keeping back the present town, where excellent sites for public buildings and private houses are at hand, and is deterring the Government from spending such a sum of money as would provide a permanent wharf at the port of Klang. The erection of such a wharf should be in fairness to shipping interests be no longer delayed.

Of course, Birch was correct about the whole Kuala Klang area being a mangrove swamp. It is also interesting to note the reference to 70 feet of mud in Klang. As

will be seen in a later chapter, the new port was plagued with the nightmare of mud too.

There were other voices supporting the extension of the railway to the 'coast' or to 'the Kuala', and to build wharves there. Typical of that viewpoint is the following paragraph from the Selangor Resident's report for 1894:

The extension to the Coast will provide an excellent harbour with sufficient wharf accommodation for ships of any size and will obviate all the present difficulties and delays connected with the navigation of the Klang River.

The question of removing the port of the State, which was situated at Klang about 9½ miles up a river that was "somewhat tortuous and not very broad", to a more favourable position at or near its mouth, had been under consideration for some time. The Resident, Sir William Goode Treacher, had requested Mr. Watkins to again examine the position of Tanjong Kubu at the point where the river began to narrow, and which had been adversely reported upon by a Commission appointed by the Governor in 1887. Watkins' report had been favourable.

The Resident Engineer went on to say that the question was eventually referred by H.E. The Governor to Captain Field, master of the surveying vessel H.M.S. *Egeria*. He arrived in Klang on 17 December 1893 and his visit was mentioned in the *Selangor Government Gazette* of 22 December 1893. His mission was "to report on the capabilities of the river at Tanjong Kubu for a port".

Capt. F.M. Field examined the locality and reported on 7 February 1894 as follows:

Inspection of the place shows the port to be deep and clear of dangers, and the eastern shore of the river, southward of the police station is well adapted for wharves, the deep water on that side extending close up to the shore throughout.

From a point about 500 yards S.E. of the police station to the mouth of the Sungei Aur there is a distance of 1,100 yards of river frontage suitable for wharves with an available space outside of three fathoms limits, for coming to and getting away from the wharves, of 400 yards.

Southwards of Sungei Aur wharves might be extended for another 1,000 yards, the available space for turning decreasing gradually from 400 to 250 yards.

From a point about two cables south of the police station, mooring buoys might be laid down in a westerly direction to accommodate half a dozen ships, if necessary, without at all obstructing the fairway, and westernward of these buoys, ships might lay at single anchor, in a line up and down the river, to almost any number without impeding navigation.

Captain Field then referred to the chart of the New Harbour, Singapore, which showed that the space for getting away from the wharves varied from 200 to 400 yards, and that the total length of wharfage (eastward of the P&O Wharf) was about 2,000 yards. He concluded that the port of Kuala Klang, therefore, appeared to compare not unfavourably with New Harbour as regards capacity and capabilities.

The cost of extending the railway from the terminus at Klang to the proposed port at Tanjong Kubu, a distance of 5½ miles, was estimated at \$122,188. This estimate did not include the wharves, which (it was pointed out) must be provided whether the existing port at Klang was retained or whatever site was selected for a new port. It was again reiterated that the temporary wharves at Klang were “entirely unsatisfactory”, and their upkeep was expensive.

The Selangor Resident’s final paragraph on the new port is worth quoting in full:

It would be out of place in a report on the events of 1893 to discuss further the question of change of the port of the State, which is being submitted to the Secretary of State, but bearing in mind the central situation, on the west coast of the peninsula, of Selangor and the possible extension of its railway system into Pahang and Jelubu it is satisfactory to record that at Tanjong Kubu the State possesses a possible site for a port and harbour, the best in the peninsula, and equal to New Harbour, Singapore.

At Sungei Dua, lower down the river, a still better natural harbour exists, to which eventually, the railway could be extended from Tanjong Kubu.

After the report of Captain Field was received and studied, the entrance to the proposed port site was examined under the superintendence of the Chief Surveyor by Messrs. Hemmy and King.

Port at Kuala Klang

Sir J.P. Rodger reported that actual work on the wharves at Kuala Klang began only in the latter part of 1896.

The construction of the wharves at Kuala Klang which will enable vessels of 16 feet draught to lie alongside at low waters has been delayed by prolonged discussion of alternative places, and the final decision was only arrived at, and actual work commenced in the latter part of the year. The superstructure of those wharves is being obtained from England while local contracts have been let in Singapore for the cast-iron screw piles. The whole works of construction is being carried out departmentally and will probably be completed by the end of 1898. The expenditure on construction was \$450,778.

Although operations had commenced, the initial progress was described as “very indifferent”, owing to the failure of the local contractors to supply the instalments of cast-iron work according to agreement. The Selangor State Government had to adopt a strict stance ...

It became necessary to make representations to them of a rather exceptional nature, when matters mended and the supply has since been fully up to requirements. The material for the embankment is being carried down by train from Bukit Jati, a distance of about seven miles, the greater portion of it having been placed in situ by the end of the year, and the passenger jetty and firewood jetty were completed.

The former structure is built on screw piles with wrought iron superstructure.

A commencement was also made with the sinking of the cylinders of two out of the three goods wharves.

The position at the end of 1897 was that work was still going on at the Kuala Klang wharves; the railway extension linking Klang with the Kuala Klang or ‘the Kuala’ was completed but not open for traffic. The railway officers regarded this 6-mile stretch as one of the best sections of the line. A rather unusual statement was included in the Resident’s Report for 1897 regarding expenditure:

The total expenditure upon the Kuala Klang wharves on 31 December 1897 was \$236,705.32. The Resident Engineer for Railways states that no estimate of the total cost of this work was ever compiled.

The Selangor Railway department gave brief accounts of work in progress at Kuala Klang in its 1898 annual report that “the wharves at Kuala Klang and connected works were half finished”.

In his 1898 report, the Selangor Resident wrote that the construction of the wharves at Kuala Klang in the Straits had been delayed “by the great depth of shifting mud – averaging 120 feet – into which the cylinders have to be sunk – but the passenger jetty has been completed and it is anticipated that one of the goods jetties will also be available for use during the current year”.

The railway extension from Klang to the coast at Kuala Klang was opened for traffic on 1 January 1899. As work proceeded on the wharves, the need to prepare Kuala Klang to become a township in its own right was recognised. The District Officer, Klang, reported that demarcation at Kuala Klang was nearly finished. During March 1899, 100 acres had been demarcated. The “resumption of a town site” was fast approaching.

Sir Frank Swettenham was the Resident General, and in his annual report of 1898, he described his pet project as follows:

A very large sum is being expended on the construction of wharves at Kuala Klang, the main port of the State of Selangor and this work was continued during the year, but is still far from being completed.

Plans were ready for the construction of quarters for the Boarding Officer of the port that was taking shape and also for building of a Post and Telegraph Office. Tenders for constructing those buildings were invited by the State Engineer. The Selangor Government Railway published notices in the *State Gazette* inviting tenders for the construction of quarters for the station master, chief goods clerk, delivery clerks and menial staff in connection with the 'Kuala Klang wharves', the preferred name for Port Swettenham in its expectant state.

The Acting Resident Engineer of Selangor used the powers vested in him by the Land Rules to check on all applications for land in the Kuala Klang area. *Gazette Notification 543* in the *Selangor Government Gazette* (page 344) dated 22 September 1899 was as follows:

No. 543 - LAND AT KUALA KLANG - The Acting Resident hereby directs that all applications for land at Kuala Klang situated within the area more particularly described in the schedule hereto, shall be referred to the Resident, in accordance with rule 4(c) of the "Land Rules, 1899".

The objective was apparently to prevent more speculation from taking place in what was going to be a growth area.

It was somewhat of a mystery or puzzle as to why the wharves had been developed south of the Klang river in 1899. There were vague stories and rumours of powerful interests having tipped the scales in favour of the south of the river, rather than the more suitable Deep Water Point.

In late 1931, when a scheme to develop new wharves in what is now the North Klang Straits area (the modern-day Northport) was first mooted, a letter written under the pen-name of '1895' appeared in the *Pinang Gazette*. The paragraph is particularly intriguing:

Old residents of Malaya will recollect that the original Kuala Lumpur-Kuala Klang railway trace was entirely on the north side of the Klang River. It was the influence of a certain person in bygone days with big interests in land about Klang South that brought about the deviating of the railway across the Klang River at what is now known as Connaught Bridge, to Klang Town South, and then, following the south of the Klang River to Port Swettenham.

George L. Peet's book '*A Journal on the Federal Capital*' was a collection of his articles, written originally for publication in the Straits Times of the 1930s. In a well-researched article headed '*Mud, mangroves and malaria*', Peet speculated

on the siting of the port at Kuala Klang. He was highly critical of the decision-makers of Selangor in the last decade of the 19th century. He did not mention any names.

In other words, the early British administrators in Selangor do not appear to have known very much about local waters when they chose the site of Port Swettenham.

Perhaps there is a secret of local history here. An old-timer writing in the Times of Malaya says that the original trace for the railway from Kuala Lumpur to Kuala Klang was entirely along the north bank of the Klang river, and that "powerful interests" forced the deviation across what is now Connaught Bridge to the south bank of the town of Klang.

When a new edition was brought out in 1983, Peet added a footnote which unfolds an explanation:

Footnote in 1981:- What could not be written in 1931, when Sir Frank Swettenham was still living in England, may be revealed now. I was told by J.H.M. Robson, one of the oldest residents of Kuala Lumpur, and a former member of the Federal Council, that it was Sir Frank Swettenham who ordered the deviation across Connaught Bridge of Klang, and thence along the south bank of the Klang River to the site of the future port. Furthermore, it was generally believed that he had extensive investments in land around Klang on the south side of the river. In Swettenham's early days Government officers were allowed to invest in land. It had long since been forbidden when I was writing in 1931.

Robson was a well-informed and active member of the Federated Malay States (FMS) community. His name was mentioned in an earlier part of this book. He was a member of the Federal Council and his name will be mentioned in later parts too. Robson took a keen interest in Port Swettenham and its development.

The latest biography of Sir Frank Swettenham is *Swettenham* by H.S. Barlow. The author shows very convincingly that Swettenham *did* indulge in land speculation in the Klang/Port Swettenham area ...

Who was Frank Swettenham?

Sir Frank Athelstane Swettenham GCMG CH was born in 1851. He secured a cadetship in the Straits Settlements civil service in 1870, and passed the prescribed examination in Malay in 1872. Although stationed in Singapore, he paid regular visits to the Malay States, serving as interpreter to the Governor of the Straits Settlements, who was engaged in promoting British political influence among the Sultans. In 1882, Swettenham became the British Resident of Selangor.

He can be described as a vigorous administrator, full of zeal for extending British notions of “law, order and good government” in the Malay peninsula. He took a keen interest in the improvement of sea and land transport. He rose rapidly in the service, becoming Acting Resident of Perak in the period 1884-6 and Resident in 1889. In 1896, he became the Resident-General of the FMS, the highest public position in the Protected Malay States. In 1901, Swettenham was made Governor of the Straits Settlements and by virtue of that position, he was also the High Commissioner for the Malay States.



A formal portrait of Sir Frank Athelstane Swettenham.

He retired in 1904. He took a keen interest in the affairs of British Malaya, the Sultans and the country generally, during his long retirement period from 1904 to 1946. Swettenham had a literary flair and he wrote extensively on Malayan topics. In 1946, the year of his death, he opposed vehemently the Colonial Office proposal to introduce radical reforms through the ‘Malayan Union’ plan. His book British Malaya, first published in 1907 is still worth reading. For an incisive analysis of Swettenham, the man and Empire-builder, one should read H.S. Barlow’s biography titled Swettenham, published by Southdene Sdn. Bhd. in Kuala Lumpur in 1995.

Early Years of Port Swettenham

The construction of the wharves at Kuala Klang went ahead, but as the Selangor’s Resident wrote in his report on the administration of the State for 1900, there was no end to problems:

The history of the construction of Kuala Klang wharves has been one of unpleasant surprises throughout and of unexpected expense and difficulties almost inseparable from the construction of heavy works in bad foundations. Much trouble has been experienced in keeping the cylinders in their exact positions, but this has been at last overcome, and the passenger jetty and three wharves are now practically completed.

The works remaining in hand were the passenger station and the goods sheds. Their construction was being pushed on "as fast as the difficulty of keeping skilled labour at this unpopular spot will permit".

Another important public project planned at this time was the laying of a pipeline for water supply to both Klang and Kuala Klang. The preliminary works at the impounding reservoir would involve 650 feet of rock trenching and 200 feet of tunnelling.

What were these wharves that were proving to be such a challenge to the engineers? There were eventually 3 of them, each with about 100 feet of frontage and intended for use by local steamers. They were founded on cast iron cylinders that were 6 feet in diameter and sunk to a depth of 70 feet below the mud level. The superstructure was made of steel, while the deck was made of timber. These pioneer wharves were also called 'coaster' wharves and 'rice' wharves.

In its infancy, by no stretch of the imagination could Port Swettenham have been called an ocean port. It was overshadowed by Singapore and Penang. The new port, and the construction work that preceded its opening, were described by the General Manager (GM) of the FMS Railway (FMSR), Charles Edwin Spooner, in his report for the year 1901. The Kuala Klang wharves were described first in a paragraph headed CONSTRUCTION:

The wharves were completed and though the buildings and yards were not fully completed they were handed over in March to the Way and Works Department. Through passenger traffic from Port Swettenham commenced in June and the port was opened for general traffic in September.

In another paragraph headed 'Port Swettenham', Mr. Spooner wrote:

The new Selangor port at Kuala Klang was opened for traffic on 15 September and it was only with the greatest difficulty that traffic could be maintained. I am glad to be able to report that a normal condition now exists and the traffic is fully maintained without complaint.

The dependence of the FMS on the ports of Singapore and Penang, which were both ports of the colony of the Straits Settlements, was frankly conceded by Resident-General Sir William Hood Treacher, in paragraph 28 of his report for 1901:

No ocean steamers at present visit the ports of the FMS. Our imports come to us through Singapore and Penang and our exports are distributed through those ports. The Federal Government grants a small honorarium to the colonial Registrar of Imports and Exports who is prepared to answer all reasonable enquiries addressed to him by merchants and traders in the State.

Sir William also described the opening of Port Swettenham:

The port of Klang inconveniently situated some 12 miles up the Klang River was closed and the port of Kuala Klang opened to traffic in September, its designation being changed to Port Swettenham in honour of the officer with whose name the Federation of the native States and the extension of the railway system will be indelibly connected in the annals of the Malay Peninsula. Port Swettenham is the most commodious and best equipped port in the Peninsula.

In 1901, the estimated population of Selangor State was 168,789.

E.M. Merewether became the Resident of Selangor in 1901. He described the opening of Port Swettenham on 15 September 1901 as an event of great importance to the State and the shipping trade.

The number of vessels that entered and cleared from Klang and Port Swettenham during 1901 was 806, and their tonnage was 209,189 against 768 vessels with a tonnage of 178,892 in 1900. Of the *tongkang* class, 229 were reported to have entered and cleared as compared with 244 in 1900, but the Resident expressed a cautionary note that owing to the move from Klang to Port Swettenham, these figures were probably not quite correct.

The principal exports through the new port were tin, tin ore, mangrove bark, charcoal, firewood, coffee and copras, betel nuts, gambier, *belacan* and salt fish. As for imports, the main items were charcoal, tea, sundry goods, medicine, rice, spirituous liquors, hardwood and mining engines.

As for the new wharves themselves, the Resident wrote as follows in his report for 1901:

The wharves are nearly always fully occupied and there seems to be little doubt that, before very long, an increase of shipping will render further accommodation necessary. The rise and fall of the tides is 14 feet, and this occasionally causes some inconvenience in discharging cargo.

One of the chief drawbacks to prompt discharge of cargo has been the want of sufficient rolling stock. Steps have been taken to supply this want, and it is hoped that before very long the Railway Department will be in a position to comply with all ordinary requirements.

The Resident also recorded his view that a proper survey of the Klang Strait was necessary. He described the existing chart as being on such a small scale as to be practically valueless:

The want of a proper chart constitutes a serious obstacle to the use of Port Swettenham by large steamers ... were the depth of the channel known it

might be possible to establish a direct service between Southern India and Port Swettenham in connection with Tamil immigration.

The moving of the port administration from Klang to Port Swettenham, and coping with an environment of widespread malaria, imposed a great strain on the Acting Harbour Master (C.W. Harrison) and his staff. They worked strenuously “to keep things going and were rewarded with success”. Among the new administrative arrangements was the establishment of a Customs station at Pulau Ketam. This resulted in an increase of about \$2,000 in the revenue collected, but the Resident felt that there was reason to believe that a good deal of sea produce still escaped duty, and further supervision was called for. Initially, only a clerk and a tidewater were stationed at the Customs post. ‘Tidewater’ is a term rarely heard or used these days. It meant a Customs official whose duty was to board ships to enforce the revenue laws.

After the 1st year of port operations, there seems to have been general satisfaction with the state of affairs at Port Swettenham. This is what the Resident-General recorded in his report for 1902:

Port Swettenham the Selangor sea-terminus continues to justify the policy of its substitution for Klang. Vessels of great burthen are frequenting the port and the wharf accommodation requires extension. A good water supply has been provided, swamps have been drained and the place is now healthy.

The contrast with conditions in 1901 could not have been greater. It is interesting to note that all the senior officials kept referring to the difficulties encountered in 1901.

The whole neighbourhood was so saturated with malaria as to be pestilential to European and native alike. These were some of the problems which had to be faced and were duly overcome.

The Resident went on to describe the engineering works that were carried out in rather difficult terrain:

The wharves and their approaches have been established on a firm basis. Thousands of tons of earth have been brought for miles by the railway, by means of which have been constructed a foreshore, a solid bed for the railway terminus and sidings, and a dry and even surface for many acres of the surrounding land. The process of filling in is still being continued and a proper drainage system is being carried out as the surface of the ground solidifies.

Port Swettenham was also becoming a more comfortable environment. The project to supply water for Klang and Port Swettenham was completed in 1902. It was a big project in itself. At the headworks, about 9 miles from Klang town, a concrete dam 166 feet in length with a maximum depth of 18 feet closed a

natural valley, forming a reservoir of 11,000 square yards superficial area, having a capacity of about 630,000 cubic feet.

A 'Rest House' was also built in Port Swettenham. While the towns of Klang and Port Swettenham were prospering, it had become patently obvious that the available accommodation at the port was "totally insufficient to cope with the reasonable requirements of shippers, shipowners and consignees". It was acknowledged by the authorities that much still remained to be done before adequate scope could be said to have been provided for an "increased and increasing shipping trade".

In respect of other maritime matters, 1902 had not been such a good year for the Selangor State Government. An exceptional amount of expenditure was incurred on vessels belonging to the State. The launch *Enid* ran on a rock and had to be beached. The vessel sank so deep into the mud that it took 3 weeks of incessant work to raise her, and she was towed to Port Swettenham for repairs. The steam yacht *Esmeralda* also ran aground off the mouth of the Perak River. She remained there for 10 days before being extricated from the mud bed. It required the efforts of 2 other government vessels to get her out.

The past year of the existence of Port Swettenham as an open harbour was marked by "an increase in the amount of the shipping so noticeable, when compared with the best records of the old port of Klang, that it appeared to supply a complete answer to pessimistic objections which had been raised from time to time to the situation and capabilities of the harbour", wrote the Selangor Resident in his annual report for the year 1902, which was also the 1st full year of operations for Port Swettenham.



Sampans at Port Swettenham's railway station jetty, also circa 1907.

The need for a complete survey of the port and its approaches was stressed by the Selangor Resident:

It is well understood that there is ample water in midstream to render the channels perfectly safe for steamers of large size but masters of vessels require something more than a statement of opinion of common local knowledge and must not be expected to risk such navigation without the assistance of properly authenticated charts. I allude to the subject again because it is of vital importance to the furtherance of the interests of the harbour and its trade that the necessary survey should if possible be no longer delayed. The history of the progress of the port during the twelve months under review is an argument in support of the request which could not be adduced a year ago.

A survey of the approaches

Towards the end of 1903, a survey of the approaches to Port Swettenham was made by Commander Vaughn Lewes RN and the officers and men of H.M.S. *Fearless*. The tracings of the survey were sent to His Majesty's Hydrographer. The initial study of the survey showed that the Klang Straits offered a safe channel for large vessels. Another finding was that a bar (21 feet) was forming at the entrance to Port Swettenham. The most interesting conclusion was if it was desired that ocean steamers should use the port, it should be moved down some 3 miles to a more commodious and useful harbour in North Klang Straits, where wharves could be erected on the eastern bank with deep water alongside.

After mentioning the salient facts of the survey, the Chief Secretary commented that to carry out what has been recommended would involve further railway extensions and a costly bridge too. Moreover, "if the theory of the decline of intermediate ports, to which reference has been made, is accepted, removal would appear to be unwise".

Actually, the "theory of the decline of intermediate ports" was expounded by Mr. F.J.E. Spring in a work *Notes on Port Swettenham* published in January 1904. Unfortunately, the work is not available now, although there were quotations taken from it and also some references to it in official reports of FMS administrators.

Field's theory was that as the railway was extended parallel to the coast of the Malay Peninsula, it would be more economical for goods to be sent from Penang by rail to Ipoh, for example. Pigs and poultry used to be sent by ship from Penang to Teluk Anson and from there to Ipoh on lorries. With the advent of the railway from Penang to Seremban in 1903, pigs could be sent directly on goods trains from Penang to Ipoh or other places served by the railway. In this way, the minor or intermediate ports like Teluk Anson or Port Weld must inevitably decline (or become less important).

Large consignments of mining machinery and pipes were being sent from Penang to stations in the Kinta Valley of Perak and Selangor. This traffic was discharged into lighters from ocean going vessels in Penang harbour, and then taken to Prai to be loaded direct into goods wagons for the destination. This arrangement was described as one that “suits the consignee”. He was able to obtain the goods earlier, cheaper and with less handling than was formerly the case. Presumably, according to Field’s theory, it was the large ports, which were visited by the ocean-going ships, and had the capacity to handle large volumes of cargo, that would survive. When Field’s theory was put forward, there was no threat to the railway. In the years to come however, the railway would lose heavily, simply because lorry transport would gain ground enormously. As things stood in 1903, of course, from all counts Port Swettenham was going to have a bright future, provided the facilities and operational methods could be improved. The Chief Secretary had a paragraph describing the ways in which Port Swettenham was being improved:

The existing facilities at Port Swettenham are being improved by the acquisition of lighters for working cargo on the off-shore side of vessels lying at the wharves, and the erection of berthage for them near the Railway Goods Sheds, at a probable total cost of \$30,000; and a scheme has been approved, which it is estimated will involve an expenditure of \$600,000, and will provide 1,200 feet of berthage with a minimum depth of twenty feet at L.W.O.S.T., by means of a pontoon wharf to be laid outside and abutting on the T heads of the existing wharves.

The Selangor Resident commented on the problems encountered at Port Swettenham and on the official action taken in his own report for 1903:

The delay and inconvenience to shipping caused by the present inadequate berthing accommodation was accentuated by the increased number of vessels visiting the port and led to appointment by the Resident-General of a Commission to advise as to the best method of extending the accommodation.

The recommendation of the Commission which were subsequently endorsed by Mr. F. J. E. Spring CIE, of the Indian Public Works have since received the approval of Government and are now being put into effect.

The S.S. *Kistna* of the British India Steam Navigation Company (BISN) was running between Madras and Penang and Singapore “touching Port Swettenham both ways”. In its running in connection with BISN steamers from Nagapatam every fortnight, it had fulfilled to some extent what the Protector of Labour, FMS, Mr. T.H. Hill, called a through-steamer service from South India to Port Swettenham. However, this official made a proposal in his annual report for 1904:

I should record here my strong opinion that the commercial possibilities of Port Swettenham and consequently of this Peninsula, will be considerably augmented by opening the former to the commerce of South India by a through-steamer service, whenever the trade now being built up permits it.

Only 3 years before this, or in 1902, the Resident-General had expressed regret that the BISN could not be persuaded to allow its vessels to call at any FMS port. He hoped, however, that “it may be arranged for one of the Straits Steamship Company’s boats to run between Port Swettenham and Penang in connection with the immigrant steamers”. These were small vessels or ‘coasters’.

Immigrant Ships

The *Indian Immigrant Enactment for Selangor State (No. 24 of 1904)* came into effect on 7 November 1904. It was a comprehensive piece of legislation, meant to enforce the regulated entry of Indian workers into Selangor. The new law set in motion the steady flow of coolies for the rubber estates as well as for public project such as road-making, railway construction and maintenance, quarrying and brick making.

Masters of ships had to follow a set procedure. On arrival within signalling distance of Port Swettenham, a signal had to be hoisted to indicate that there were passengers on board.

In addition, a flag or flags had to be hoisted to denote the number of immigrants on board. These flags had to be kept flying until the arrival on board of the Superintendent, or another officer of the Immigration Department. A master failing to comply with this requirement was liable to be fined a maximum of \$250. The Superintendent, the Health Officer or Port Officer or any of their subordinate officers, the owner, agent or consignee of the ship were the only individuals who were permitted to communicate with the ship before the immigrants had been disembarked. Disembarkation meant being taken to an immigration depot for medical examination and paper formalities.

The two pioneer BISN vessels that carried the transshipped immigrants to Port Swettenham were the *S.S. Kistna* and the *Kapurthala*. In some instances, the importing ships called at Port Swettenham on their way from Penang to Singapore and transshipment was thereby saved.

The *Firth of Dornoch*, a vessel registered at 1,893 tons, plied direct from New York, USA and Port Swettenham, while the *Ras Mora* brought material for the railway and for bridges direct from the UK in 1905. The H.M.S. *Thetis*, a 2nd class cruiser of 3,400 tons, visited Port Swettenham in February 1905.

During 1904, a larger class of steamers also began to call at Port Swettenham *en route* between Rangoon and China. These ships were the BISN Company’s steamers, of about 3,300 tons carrying capacity. On their fortnightly calls, they brought shipments of rice of between 1,500 to 2,000 bags from Rangoon. As the draft of the vessels was too great to enable them to come alongside the iron wharves, the cargo had to be discharged in FMSR *tongkangs* and then landed by means of a steam crane fixed on the head of one of the goods wharves.



Coolies, brought in from India to work in the rubber estates/plantations, formed a significant fraction of passenger traffic during the early 20th century.

The GM of the FMSR reported that there were no complaints during 1904 from steamers of delays in discharging cargo. He perceived this was due to 3 causes: (1) an alteration in the terms of the 'handling contract' (2) the purchase of 6 *tongkangs* and (3) the erection of a steam crane to handle cargo.

New Port rules

On 13 October 1904, new Port Rules were made for Selangor State by the Resident. Rules 1 to 22 were meant for all ports in the State, including the navigable rivers and channels in their vicinity. Rules 23 to 31 were meant only for Port Swettenham.

The following Rules numbered 23 to 31, inclusive, shall apply to Port Swettenham only:

23. No vessel or small craft shall lie at anchor opposite the wharves east of a line drawn parallel to the wharves half way between the wharves and the nearest point of Pulau Lumut.

24. *Steam launches and small craft shall anchor only within the area which would be defined by a line drawn from the port limit beacon on Tanjong Sungai Agas, thence to the end of the passenger jetty, thence to the ends of wharves Nos. 1, 2 and 3, thence in a straight line to the port limit on Pulau Lumut at the mouth of the Langat river.*
25. *No vessel or small craft shall anchor in the fairway of the mouth of the Klang river.*
26. *Steam vessels clearing from the port shall go beyond the western limit of the port before anchoring again.*
27. *No vessel shall proceed either to the passenger jetty or to a wharf unless signaled or ordered to do so by the Conservator. Such signal shall be made during daylight by exhibiting the vessel's flag on the wharf or passenger jetty to be occupied by her.*
28. *Vessels signaled to proceed to the passenger jetty shall not remain alongside the passenger jetty for a longer period than is necessary, in the opinion of the Conservator, to discharge passengers, passengers' luggage, horses, live stock, carriages or mails. No other cargo of any description shall, without the permission of the Conservator in that behalf, be discharged from or taken onboard any vessel whilst alongside the passenger jetty.*
29. *Vessels discharging passengers at the passenger jetty shall not be required to anchor unless the Conservator shall so direct.*
30. *No vessel or small craft shall, without the permission of the Conservator in that behalf, be made fast to any pier, jetty, landing place, wharf, quay, dock or other similar work or to any mooring buoy or beacon belonging to the Government.*
31. *All steam vessels taking in or discharging ballast or cargo shall be under banked fires.*

The Resident-General included a short paragraph on Port Swettenham in his report for 1904:

The trade of Port Swettenham shows a small increase in the number and tonnage of shipping using that harbour and the General Manager for Railways reports an increase of 42,000 pikuls in the quantity of goods carried by rail from the port.

The Selangor Resident, Sir H.C. Belfield recorded the same trend in his report for 1904:

The goods traffic from Port Swettenham shows increase to the extent of 42,000 pikuls but no difficulty was experienced in dealing with it nor even any complaints received of delay in the handling of cargo.

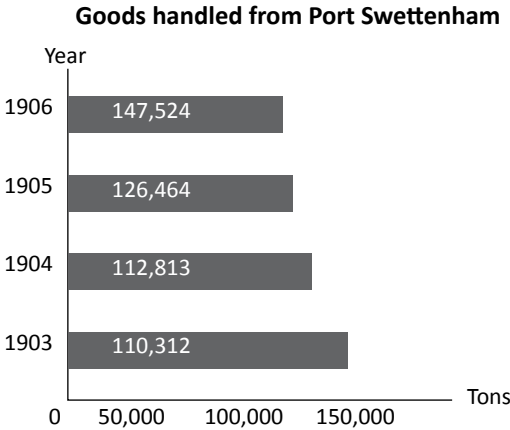
The ripple effect of railway connections between Kuala Lumpur and Port Swettenham via Klang were being felt. The acting District Officer for the Klang District was F. Bede Cox. In his report for 1905, he noted that a veritable boom was taking place in the Klang/Port Swettenham area:

The towns of Klang and Port Swettenham continue to expand and in the former at any rate no vacant houses exist. The fact that town lots are selling at very high prices seems to show that speculators are confident of a still further increase in the population and prosperity of the port.

Doubtless the new port had become a catalyst for beneficial change, as a modern economist would say.

Meanwhile, the performance of Port Swettenham at Kuala Klang continued to improve. In 1906, it was possible to report that in the space of 5 years, the tonnage of the port had increased upwards of 50%. More specifically, 1,213 vessels (other than native craft) with a total tonnage of 489,545 tons entered Port Swettenham that year. The aggregate tonnage of 979,211 tons showed an increase as compared with 1905 of 81,276 tons. The tonnage in 1902 was 612,813. Of the ships that entered the port, 14 were ocean-going steamers whose registered tonnage varied from 1950 to 3,619 tons.

During the year 1906, 14 ocean-going steamers called at Port Swettenham with direct cargoes from England. They included 1 P&O vessel, 2 Alfred Holts, 3 Glenn, 3 Shire and 3 Ben Lines.



Imports into Port Swettenham in 1906 were valued at \$22,568,616, while exports for the same year had a value of \$26,665,424.

Meanwhile, the development of the Klang and Port Swettenham regions continued. The Klang District Report for 1906 mentions “extensive railway reserves at Port Swettenham were surveyed and gazetted during the year”. The Klang River bridge project had been approved. This sanction was described as “a great and long-needed encouragement to local planters”.

Certainly, if the tonnage of goods handled by Port Swettenham is accepted as good an indicator of prosperity as any, then the Coast District of Selangor was becoming more affluent. Indeed, the Resident-General cited the appropriate statistics in his report, showing the increase in trade at Port Swettenham:

The quantity of goods forwarded was 147,524 tons in 1906 as increase was compared with 1905 of 21,060 tons and as compared with 1904 of 34,711 tons.

The Harbour Master, R.G. Hickory, summed up the facilities in Port Swettenham very briefly in his report for the year 1906:

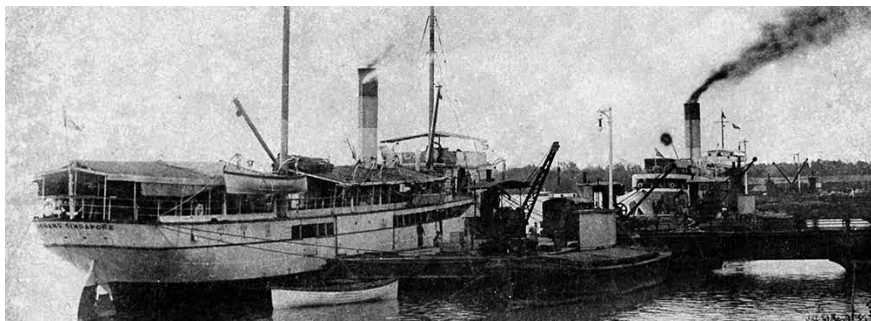
Wharves 1, 2 and 3 and the passenger jetty are in good order. All the local steamers come alongside the wharves to discharge their cargoes. Home steamers which are too big to come alongside have their cargoes discharged in the lighters and had very quick despatch, which speaks well of the administration of the port.

There was always at Port Swettenham a clear distinction between big vessels and small vessels. ‘Big ships need deep waters’ is a well-known adage, as well as an axiom of navigation. ‘Home’ steamers were also known as ocean-going vessels. Year after year, the port statistics indicated both the number and the tonnage of ocean-going steamers and native craft. Precise definitions given in the Port Rules of 1904 were as follows:

‘Vessel’ includes any steam or sailing ship, junk, boat, sampan, or any kind of craft, exceeding 20 tons burthen used for the conveyance of persons or things by water.

‘Steam vessel’ includes any vessel propelled by machinery and every vessel which is under sail and not steam shall be considered a sailing vessel, and every vessel under steam, whether under sail or not shall be considered a steam vessel.

‘Small craft’ includes every description of craft not propelled by steam, and every junk, tongkang, boat, sampan, prahu or other kind of craft not exceeding 20 tons burthen.



Steamships docking at Port Swettenham during the early 20th century. Port Swettenham was handling larger and larger tonnages every year.

The year 1906 was a record year also in respect of the immigration of labour from South India. The port of disembarkation was Penang, but from that port, after the compulsory detention for quarantine, the coolie immigrants for the EMS were 'transshipped' to Port Swettenham.

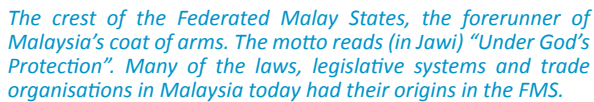
The FMSR authorities seem to have given priority to the needs of Port Swettenham. In 1907, the 115-volt electric lighting plant in the Kuala Lumpur railway area was "taken down and transferred" to Port Swettenham to replace the 110-volt plant there. The plant worked very satisfactorily in its new location and extra wharf lights were provided.

Substantial works were carried out at the Port Swettenham railway area as well as in the port precincts. The works comprised reclamation of about 8 acres of foreshore, 1 mile 52 chains of 'coal' sidings, and 2 pontoon wharves (207 feet and 103 feet in length respectively). A steel shed was also constructed for the protection of case oil in transit. Earth for filling the foreshore had to be transported a distance of 8 miles. Altogether, these works, charged to the capital account for 1908, cost the FMSR a total of \$98,046.18.

Work went ahead in 1907 to improve the Kuala Lumpur-Petaling road "which will improve the connection between Kuala Lumpur and Port Swettenham". Only the iron bridge over the Klang River near Kuala Lumpur remained to be completed.



Port Swettenham in the early 20th Century.



There were 2 developments in respect of navigational aids in 1908. The lighthouse at Kuala Selangor Hill was completed and a light was first exhibited on 1 July. The not-so-good news was that damage had been caused to the lighthouse building at Pintu Gedong in September by a 'Sumatra', which also damaged the quarters at Pulau Angsa.

An important event in 1908 that enhanced the economy of the Klang/Port Swettenham area was reported thus by the Selangor Resident in his annual report:

... What is perhaps the most important of all is the new bridge over the Klang River, giving road connection between the Kapar district and Klang town. This bridge was formally opened for traffic by His Excellency the High Commissioner on the 12th September. It has a total span of 560 feet exclusive of approaches and consists of four spans.

It was described as a fine piece of engineering and an important factor in the development of the agricultural district north of Klang town. The Resident also reported that the building boom showed no signs of diminution in Klang and Port Swettenham. 33 new shop-houses were constructed during the year in Klang “as also a handsome block of European offices”.

The FMS had come into existence in 1896. The legislature (Federal Council) for the new Federation was inaugurated in the year 1909. The High Commissioner, the Resident-General, the 4 Residents, the Rulers of the 4 States and some senior officials and unofficials were members.

Federal Council members had the privilege of asking questions on aspects of public affairs. Answers were provided by the appropriate Government officer and sometimes by the High Commissioner himself. It was the representatives of the European business community who usually addressed these questions to the official members of the Council. Port Swettenham and maritime matters were the subject of questions from time to time. Mr. Day, for example, asked if the Government were aware that the charges for storing goods at Port Swettenham were 10 times in excess of those charged at the Tanjong Pagar warehouses (in Singapore). The Resident-General responded by distinguishing the sheds at Port Swettenham from their Singapore counterparts. He explained that the sheds in the port for which the charge in question was made were provided for merely railway purposes. He continued:

They are transit sheds and are not meant for storage godowns. There is no charge for warehousing unless the period exceeds 28 hours, after which the charge is 2 cents per pikul per day which is equal to 34 cents per ton. Godowns are provided which are let out to traders for storage purposes and more will be shortly constructed. At Tanjong Pagar the godowns are entirely for storage purposes.

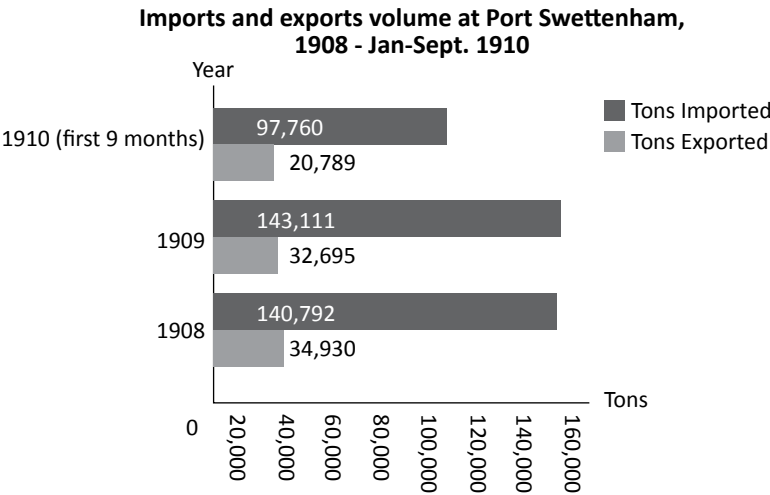
Another question reflected the concern of estate owners and managers over freight charges for rubber sent to Port Swettenham by road. Mr. Day asked whether if estates (owing to increased charges for freight of rubber) instead sent their rubber to Port Swettenham by road rather than by train, the Government would guarantee that wharfage charges at the port would not be increased without the consent of the Federal Council. The acting Resident-General replied that the Government did not feel itself called upon to give any such guarantee.

The promise that more godowns would be constructed at Port Swettenham was followed by allocation of public money by the Federal Council. On 2 November 1910, the Acting Resident-General moved a resolution for a special appropriation, of the sum of \$22,000, for the construction of additional warehouses at Port Swettenham. He explained that the GM of the FMSR had asked that the sum be given as soon as possible, as there was a large demand by traders for those extra warehouses. If the vote was approved and the warehouses put up, they would remain in the hands of the Government and not be leased out as was the

case with the existing warehouses. A charge for storage would be made. Essential ancillary facilities for the port were therefore being steadily provided.

Day also wanted to know the amount of tonnage imported and exported over the wharves at Port Swettenham during the years 1908, 1909 and in the first nine months of 1910.

The reply given was:



Source: The Author

Day also asked if anything had been done towards the construction of a small pontoon jetty to facilitate the landing of passengers and mails at Port Swettenham. He was informed that the pontoon jetty was being constructed.

When the Federal Council met on 2 November 1910, Mr. Day brought up the Deep Water Point issue. Although his tone was mild and dignified, he did communicate the disappointment felt by many business people that there was not going to be a new harbour at Deep Water Point.

In Selangor we had hoped that the new Resident-General would have found some particular forms of argument which would have led Government to make a harbour at Deep Water Point but now with the abolition of the post I am afraid that our hopes will not be realised. It is a subject on which Mr. Robson addressed the Council last year and there was then and still is a very strong feeling on the matter amongst the merchants in Selangor.

He said he, and all others in Selangor, were delighted to see that a railway line was being extended to Kuala Selangor. At the same time, they would have liked to see a railway link with Deep Water Point. They would ask, in case somehow or other the Government should be persuaded by some fresh reason, that while they were building this new railway, they would as far as possible use some of the land which would be most useful to Deep Water Point.

The expanding role of Port Swettenham beyond Kuala Lumpur and Selangor was evident, and this came about as British interests in the Malay Peninsula were being deepened and consolidated. The British saw the need for changes in the administrative structure to consolidate and strengthen British rule, especially over the Malay states and the Crown Colony of the Straits Settlements. Any such changes would therefore have direct impact on the development of Port Swettenham, because the port was not only viewed as a sea outlet for Selangor, but had become a lifeline for the economic hinterland covering other states in the Malay Peninsula.

Matters relating to the port, especially those relating to its development and expansion, were therefore raised from time to time in the Federal Legislative Council, requiring response from the Chief Secretary and no longer from the Resident of Selangor.

The position of the Chief Secretary was created with the passage of the Chief Secretary (Incorporation) Enactment 1911. The office of Resident-General of the FMS disappeared. 'The Chief Secretary to Government' assumed all the rights, privileges and powers that had been conferred upon the Resident-General by the FMS Agreement that the Rulers and Chiefs of Perak, Selangor, Pahang and Negri Sembilan had signed and sealed in July 1895. The position and status of the High Commissioner of the FMS were unchanged. The official wore 2 constitutional hats. He was the Governor of the Crown Colony of the Straits Settlements comprising Singapore, Penang and Malacca, but for the FMS he was the High Commissioner. He resided in Singapore, but came up to Kuala Lumpur for Federal Council meetings and other official functions. The status and powers of the British Residents in the 4 States of the FMS were unchanged. They remained subordinate to the Chief Secretary, who in turn was subordinate to the High Commissioner.

These details will help the reader to understand aspects of public policy, official decision-making, financial control as well as the political power structure that prevailed in British Malaya in that era.

A similar change in the management of the new and rapidly expanding port that had become the lifeline for the economy of not just Selangor, but with an outreach serving the needs for a sea outlet for the other states in the peninsula, was therefore needed.

Advisory Board for Port Swettenham

In April 1911, an Advisory Board was appointed for Port Swettenham. The purpose of establishing this Board was "to hold periodical meetings, at which measures for the improvement of the port or the method of working might be discussed". It will be noted that the objectives were broadly stated, perhaps deliberately.

The membership of the Board consisted of the British Resident of Selangor (Chairman), the GM of the FMSR and a member nominated by the Selangor Chamber of Commerce. The first nominee of the Chamber was Mr. A.K.E. Hampshire. In its first year, the Board held 3 meetings at which “many important matters relating to the trade of the port were considered”.

From its inception, the Advisory Board was subject to criticism. It was not a statutory body and therefore it lacked the high status or prestige associated with a creature of statute. The membership of 3 was also too small. It was felt by some that for credibility, an advisory body should have a fairly broad spectrum of representation, both official and unofficial. Although the Selangor Chamber of Commerce had a nominee on the Advisory Board, the Chamber itself was the most vociferous critic. Somehow, even 2 years after it came into existence, the Advisory Board was the target of criticism.

On 11 July 1913 in the Federal Council, Mr. W.F. Nutt asserted that the Advisory Board had little practical use. He went on to give reasons for his assertion. At the meetings, suggestion and recommendations had been made by the unofficial member, but in most cases that ‘advice’ was ignored by the Railway Department. Mr. Nutt described the Board’s proceedings as being “more or less informal”. Also the functions were purely advisory, and the GM of the FMSR had the final word in that acceptance or otherwise of any proposal rested with him alone. Underlying this heavy criticism, one detects the dissatisfaction with the arrangement by which the major port of the FMS was in the hands of railwaymen.

Another viewpoint expressed in the Federal Council had pinpointed the reliance on lighters as the big weakness. This criticism must be weighed against the backdrop of the problem that was to recur in Port Swettenham, namely, congestion.

The system of loading and off-loading by means of lighters, which are themselves again loaded and off-loaded at the wharfs, is antiquated and not worthy of the progressiveness of this country when we realize that the conditions would permit of the construction of wharfs along which ocean-going steamers could tie up and off-load direct into railway trucks. Would the Government be disposed to give immediate instructions for some expert in the matter to examine thoroughly the river conditions at Port Swettenham and report with estimates upon what could be accomplished there on modern and adequate liens, and submit such report to the consideration of this Council at an early date?

Expansion Plan

The need to expand the capacity of Port Swettenham was evident, with the growth in trade and shipping traffic at the port, not long after its official opening.

On 24 April 1911, Mr. P.A. Anthony (the GM of the FMSR) sent a memorandum 'Future Harbour Development at Port Swettenham' to the Under-Secretary, FMS. He cited statistics on the cargo dealt with at Port Swettenham from 1907 to 1910 and for the first two months of 1911.

He also pointed out that in 1910, the port of Singapore had handled 2,358,782 tons of cargo. Anthony favoured the construction of an additional berth for 1 local steamer in 1912. More godown accommodation was also badly needed. He considered it desirable to have a definite scheme of development, which should be gradually expanded to meet such increase of trade as could be reasonably expected in the future.

The GM was definitely against the idea of a new port in the neighbourhood of Sungei Dua. He felt that there had already been much expenditure at Port Swettenham; on the construction of the railway from Klang, the reclamation of land, and on the building of a township, sidings, godowns and wharves. He was of the opinion that the FMS Government would not at that time be justified in abandoning all that expenditure and incur the cost of a new port. He felt additional wharfage accommodation and godowns that might be needed in the future could be provided in the existing port area itself.

Based on the movement of cargo to and from the railway ports of Teluk Anson, Prai and Port Swettenham, he concluded that Port Swettenham must depend principally upon Selangor for its traffic, while Teluk Anson and Prai would remain the main trade outlets for Perak and Kedah. Also he anticipated that the FMSR would carry a good deal of trade to all places south of Kuala Lumpur direct from Singapore. Whatever trade the East Coast Railway might bring would also under those circumstances be carried by rail to Singapore.

The penultimate paragraph of the GM's memorandum contained his view on new development at Sungei Dua.

Should the time ever come when it is found that even with the completed schemes as shown on plans A, B and C the traffic has outgrown the accommodation, that in my opinion would be the time to consider the advisability of constructing additional wharves at Sungai Dua and the trade expansion would justify the expenditure on the railway from Klang, reclamation, township, etc., but this port would then be an auxiliary to Port Swettenham, where as if as has been suggested we were to construct wharves at Sungai Dua now and incur the necessary expenditure on the railway, reclamation and township it would mean moving the port altogether

and abandoning the whole outlay already incurred at Port Swettenham, as it cannot be argued that at the present time there is sufficient trade to justify the upkeep of the two ports.

Port Swettenham was destined to wait for a full 50 years to pass before the authorities would be satisfied that the time had come to develop new facilities in the Sungei Dua or North Klang Straits area. In the meantime, work began at the existing site for the improvement of facilities.

Port Swettenham and its problems were given exceptional attention by the FMS Chief Secretary in his annual report for 1912. Mr. Brockman discussed frankly the deficiencies of Port Swettenham. His perception was that “this port which, a few years ago, was only made use of by local shipping, suddenly became a port of call for ocean-going steamers”. He pointed out that if, as of course it was hardly possible, shipping companies could arrange the arrivals of their vessels in such a way that arrivals did not clash, the trouble would have been slight in comparison. However, sometimes 5 large vessels would arrive, and all wanted to discharge their cargo at the same time.

The Chief Secretary contended that the resources of the port were certainly overtaxed, but still every effort was being made and a scheme of development involving a very large expenditure was proposed.

The Chief Secretary dealt with 3 major criticisms about Port Swettenham. Regarding the first criticism that the number of lighters was inadequate, he pointed out that the Government did not claim to have a monopoly of the lightering business. There was nothing to prevent any shipping company from providing its own lighters, but the Government had decided to largely increase the number of lighters, and there was a number then which was in excess of the ordinary requirements of the port.

Another complaint was that the facilities for unloading from lighters were inadequate. The Chief Secretary’s comment was that the permanent wharfage was being increased, but progress in such works was slow. The Government had decided at once to erect a wooden wharf especially for unloading lighters and the work was put in hand without delay.

As for the criticism that the labour force was unsatisfactory, Mr. Brockman’s viewpoint was expressed in a single sentence:

The labour question at Port Swettenham is one that must always present some difficulty owing to the want of a large labouring population and it is obviously unfair to attempt at present any comparison between Port Swettenham and the long-established ports of the colony.

By “the long-established port of the colony”, the Chief Secretary meant Penang and Singapore, which were in the Crown Colony of the Straits Settlements.

Having dealt with the criticisms of the port, the Chief Secretary drew attention to the attitude of the shipping companies that made use of Port Swettenham.

One might have expected that the evidence thus offered of the intention of the Government to do all in its power to improve the state of affairs would have met with some recognition on the part of the representatives of the shipping companies making use of the port. They did not wait to see what was the result of the improvements. The reply was as prompt as it was unexpected, an increase of 2s 6d, a ton in freight making 12s 6d a ton more than at Singapore and Penang.

The Chief Secretary went on to castigate the shipping companies who were holding consignors to ransom, as it were. He concluded, from the promptness with which the increase of freight was made, that the shipping companies had already decided upon the increase in freight rates, and that the alleged deficiencies of Port Swettenham were made an excuse rather than a reason for raising “the already high rates”. If any evidence was wanted to confirm his view, he said, it was to be seen in the decision of the shipping conference to raise the rates on rubber shipped from Penang and Singapore, so as to bring them more in line with those from Port Swettenham. He drew the attention of cargo shippers to the pernicious effects of the Shipping Conference’s policy decisions. Companies that were members of the Far East Shipping Conference (FESC) possessed a monopoly of transport. There was a strong temptation for them to fix the rates on a valuable commodity such as rubber, not so much on the basis of what the cost of transport was, but what such a commodity could afford to pay.

As a rationale for the increase in freight, the FESC representatives had apparently drawn a comparison between the facilities for dealing with cargo at Port Swettenham on the one hand and Singapore on the other hand. The Chief Secretary added the retort “they might with almost equal justice have made the comparison with, say, Liverpool”.

The Chief Secretary’s lengthy views on the freight charges, and the strained relationship between the shipping companies and the Government, as well as between the shipping companies and the shippers of cargo, did not augur well for the future of Port Swettenham. The FMS Government had to respond to the challenge from the FESC. It decided to play the ‘legislative card’ and curb the power of the FESC members. In this matter, the FMS Government followed the example of the Colony of the Straits Settlements. On 4 November 1910, the *Times* (London) reported:

A Freight and Steamship Enactment similar to the measure already adopted by the Legislative Council of the Straits Settlements, yesterday passed the Federal Council of the Malay States without opposition.

The long title of the Enactment (No. 13 of 1910) which was intended to come into effect on 1 January 1911 was *An Enactment to impose a Duty on certain Bills of Lading and to protect Shippers of goods from excessive charges and undue restriction.*

Apart from becoming a legal landing place for immigrants, Port Swettenham was the designated port of entry for cattle. The *FMS Gazette* of 1 April 1910 contained this notification:

Cattle may only be imported from Penang into Selangor via Port Swettenham and all cattle on arrival at Port Swettenham to undergo 10 days' quarantine. Similarly for cattle from Siam.

In June 1913, Port Swettenham was prescribed by the Resident of Selangor to be “the port by which alone” another class of animals could be imported into the State of Selangor. This time the notification concerned the importation of sheep and goats.

Meanwhile, as the volume of marine traffic into and out of Port Swettenham had increased, there was a need for more lighting facilities to assure navigational safety. Beacons were erected on Pulau Angsa and the island to the southward to mark the position of Glamorganshire Rock, and also on Pulau Besar and the mainland near Jeram. The latter beacon, it was explained, was necessary ‘as the hospital and red roof’ marked on the chart had disappeared. Beacons had also been erected to mark a channel with not less than 24 feet at LWOST at the entrance of the inner anchorage at Port Swettenham.

The new lights at Deep Water Point were exhibited, and also a light at the beacon near Tanjong Gila at the entrance of the inner harbour. A new lighthouse was still under construction at Pulau Pintu Gedong at the end of 1910, but it was completed in 1911. It was fitted with a light flashing every 5 seconds and visible for 15 miles. The light was exhibited for the first time at the Pulau Pintu Gedong lighthouse on 21 January 1912. Bad weather proved to be a severe setback. Work on the beacon at the 2¾ fathom patch Pulau Pintu Gedong had begun, but it had to be abandoned on account of the stormy weather. In November 1912, “another bout of bad weather damaged the lightkeeper’s quarters”. Erosion of the bank was so bad that both the beacons at the first and second points were swept away.

The lighting of the North Channel became the subject of discussion between the Harbour Master and captains of vessels calling at Port Swettenham. The Harbour Master submitted his opinion on this matter to the Government of Selangor.

I regret to say that in spite of all the money which has been spent on building a lighthouse and providing a good light at Kuala Selangor vessels will not use the North channel, all the Captains say that now there is such a good light on Pulau Angsa the light at Kuala Selangor is not required; they say that if a

small sum had been spent on putting a beacon in about four fathoms on the bank to the northward and westward of Pulau Angsa, with an unwatched light and a gas buoy on the Glamorganshire Shoal, the North Channel would be perfectly safe and easy to use at any time; in clear weather they say they do not require to use Kuala Selangor Light, in thick weather they would be able to see the beacon and gas buoy when both Pulau Angsa and Kuala Selangor Lights were obscured as they would be so much nearer. As a result of two years' experience of Port Swettenham and its approaches, and obtaining the opinions of the Captains of the various ocean steamer using the port, I am of opinion that in order to make the port absolutely easy of access by day and night three gas buoys or beacons are required: one on the shoal patch near Pintu Gedong, one at the edge of the shoal ground to the northward and westward of Pulau Angsa, and one of the Glamorganshire Shoal; with these three gas buoys or beacons I am sure no Captain would have the slightest hesitation in approaching the port by either channel at any time.

On 23 July 1912, the Chief Secretary obtained the approval of the Federal Council for special appropriations; of which 2 were for Port Swettenham. Regarding the sum of \$113,000 requested for the construction of an addition wharf, the Chief Secretary explained that a general scheme had been drawn up and approved for extending the permanent wharves at Port Swettenham “at a very large expenditure of money, which will necessarily take some years to complete”. He noted that in the meantime, there was an urgent need of an additional wharf “as the present facilities for loading and unloading cargo are inadequate”. It was decided to erect a semi-permanent wooden structure which will take only a few months to complete.

A special appropriation of \$26,573 was also approved unanimously. This money was for meeting the cost of 12 additional *tongkangs* for the port. At the end of 1911, the Chief Secretary explained, it was found necessary to purchase 12 additional *tongkangs*. They were found to be insufficient and it had been decided to purchase 12 more. Another request for “special expenditure” was made by the Acting Resident of Selangor State. \$20,000 was needed for moorings for Port Swettenham. In the Selangor Estimates for 1912, a vote of \$10,000 had been provided for only 1 set of moorings.

The commercial interests of the FMS, while welcoming the various measures being taken to facilitate the handling of a greater volume of cargo at Port Swettenham, had other grievances. The Selangor Chamber of Commerce, for example, wanted the Kuala Lumpur-Port Swettenham permanent way to be a double track rail line. The Chamber's Chairman (Mr. H.C.F. Zacharias of Peterson Simons and Co. Ltd.) reported in 1912 on the urgency and importance of a 2nd rail line link between Port Swettenham and Kuala Lumpur. He said the chronic congestion of this line was too well known, and in view of the “insufficiency of rolling stock and interminable delays, it has been left to the present year of grace to see a revival of bullock cart traffic from Port Swettenham as being quicker than the railway”.

As the ocean-going vessels had to stay away from the wharves, the dependence on lighters and *tongkangs* to bring to the shore and to take away cargo was a vulnerable factor. Questions were asked in the Federal Council about the *tongkangs*. Mr. Nutt wanted to know how many *tongkangs* (iron and wood) were in use at Port Swettenham, and also whether it was true that a large number of wooden *tongkangs* were leaking and some were under repair. The Chief Secretary's answer was:

There are now (November 1912) 57 tongkangs in use at Port Swettenham of which 17 are steel and 40 wood.

The total capacity of the present supply of tongkangs is 3,340 tons. Owing to the intermittent traffic the wooden tongkangs are often out of use for some days, with the result that the seams open above the water-line and considerable difficulty is experienced in keeping watertight. Seven of the wood tongkangs are out of use waiting for repairs, five are now under repair, and seven others are in need of repair although they are in use.

The next two questions were about facilities at Port Swettenham for repairing *tongkangs*. In view of the large amount of capital tied up in *tongkangs*, Mr. Nutt sought details on what steps the Government proposed to take to "systematically upkeep and repair these *tongkangs*". The Chief Secretary replied:

All the steel lighters have recently been overhauled, and the wooden tongkangs will be repaired in rotation. Minor repairs are carried out by beaching the tongkangs on the foreshore. They are systematically repaired and upkept so far as slipway accommodation permits, but the accommodation at present is inadequate to deal with the large increase

A leading question was also asked about the availability of wagons. The question put and the answer given were:

Is it not a fact that since the reduction in the long distance rate for goods came into force, Port Swettenham has been very short of wagons, due to trucks being occupied for a week instead of one day as from Port Swettenham to Kuala Lumpur?

THE CHIEF SECRETARY: There are occasional shortages of wagons at Port Swettenham when rushes of traffic occur. It is not admitted that this is due to long distance traffic.

The position as regards wagons has improved and a further improvement is expected when the additional locomotives which have been ordered and are now overdue arrive. This will make it possible to get empty trucks back more quickly to Port Swettenham.

In February 1912, the Chamber of Commerce sent a deputation to meet the Chief Secretary to the FMS Government solely to put forward suggestions for the future of Port Swettenham, and for improvement of the existing situation. There were serious complaints of delays, and in November, a Chamber of Commerce team was shown the works going on in the port area. The team was also taken to Deep Water Point and in the words of Nutt, “we saw there what an excellent place it would be put a port”. The business people were also mindful of the pros and cons of a Deep Water Point project. Nutt spoke in the FMS Council on 13 November 1912 regarding the Estimates for the year 1913:

At the same time we recognized that with the large expenditure ear-marked for and already expended on Port Swettenham it seemed difficult to ask that the Government should throw away the money expended at Port Swettenham and spend more at Deep Water Point. I believe this year it is hoped to finish 400 feet of the steel pile wharf. The idea of a commercial community is that it would be better if work really stopped at that point and the wharf utilized more for tongkangs than for ocean-going steamers. But being laymen we do not like to put too much stress on that, or in any way to try and stop the development of Port Swettenham. But we do suggest to the Government that they should hold a commission on this matter, and get out from home a harbour expert. I should like to ask the Government to consider that as it would settle the question once and for all, and I do not think it would cost very much. I would, therefore, like to suggest that an amount of \$35,000 be put into the Estimates for this commission.

Earlier, when Nutt discussed the costs and the economics of the 2 alternative projects, he stressed that even if the whole scheme (including the doubling of the Kuala Lumpur to Port Swettenham line) were to cost \$4½ million, it would be worthwhile. That expenditure, large though it might be, would enable “1¼ million tons deadweight to be dealt with against a quarter of a million at present”.

Port charges needed to keep in line with changes in composition and volume of cargo handled. The FMSR obviously wanted the inland users of Port Swettenham to carry their cargo to and from Port Swettenham using the railways, and thus the charges levied blatantly reflected this desire (see sidebar on ‘Prescribed Charges’).

Prescribed Charges

Rules were made (under the Railway Enactment 1912) prescribing new charges for import and export cargo stored in godowns at Port Swettenham. They were published in the *FMS Gazette* of 2 August 1912. The scale of charges clearly favoured export cargo and import cargo using the railway.

Import cargo meant to be forwarded by rail was allowed 48 hours free storage in the port godowns. After that period of time the charge was 2 cents per *pikul* per day for the ensuing 14 days. For any subsequent period, the charge was 4 cents per *pikul* per day. Cargo not forwarded by rail was allowed by contract only 14 hours free storage, after which 2 cents per *pikul* was charged for the ensuing 14 days. For any subsequent period, 4 cents per *pikul* per day was to be charged.

For export cargo carried by rail to Port Swettenham, 7 days free storage was allowed. After that, a charge of 2 cents per *pikul* per day was prescribed for the ensuing 14 days. For any subsequent period, the charge was 4 cents per *pikul* per day. If the cargo was not carried by rail, only 24 hours free storage was allowed, after which 2 cents per *pikul* per day was charged for the ensuing 14 days. For any subsequent period, the charge was 4 cents per *pikul* per day.

The policy of the FMSR was openly discriminatory and the scale of charges lends support to the oft-heard assertion that Port Swettenham was a railway port.

Quarantine Camp for Indian Labour

The years 1911 and 1912 witnessed the emergence of Port Swettenham as the port of entry for thousands of immigrant workers (coolies) from South India. Previously, it had been the practice for such persons to be landed at Penang to undergo the strict quarantine formalities. From there, they would be transshipped to Port Swettenham (and other authorised places) for deployment to plantations and other work places in the FMS. The Immigration authorities did not feel the need for a separate quarantine station for the FMS. In fact, in his annual report for 1906, the Acting Superintendent of Immigration had asserted that there was no suitable site for Port Swettenham for such a facility.

By 1910, it had become evident that the Pulau Jerejak camp, although a very convenient location, could not cope with the larger numbers of coolies being imported into the FMS and the Straits Settlements. The first step was approval for a temporary quarantine facility at Port Swettenham. The 1911 Estimates provided for the purchase of a large bungalow at Port Swettenham for \$3,000 from Messrs. Boustead, Hampshire and Co. This dwelling place was to provide temporary accommodation for at least some arrivals.

Further measures had to be taken to relieve Pulau Jerejak, as some vessels arriving from India were infected with cholera and smallpox. The quarantine station at Penang was becoming over-crowded. An extension to the available accommodation at Port Swettenham was urgent. The planters were opposed to any proposal to call a halt, however temporary, to the entry of Tamil immigrant labour. Plans were accordingly made for the erection of a larger temporary camp, pending the construction of a permanent quarantine station complex. By this time, the BISN steamers were bringing “weekly shiploads of coolies”. The Chief Secretary had a formal meeting with the planters. What happened next was recounted by the Director of Immigration:

Material was promised to them and hurriedly forwarded to Port Swettenham. Thanks to the energy of Mr. Swift of the Public Works Department a temporary camp was built, completed and occupied in fourteen days. The camp consisted of wooden sheds, with sleeping benches, kitchens, latrines and bath-rooms to accommodate 3,000 coolies and it has been in use since August 1911. All coolies except those wanted in Perak have passed through it ... credit is due to Dr. Milland and his subordinates not only for the way in which he housed and successfully cared for large numbers of coolies before the camp was ready but also for the efficient manner in which his temporary camp has been maintained. A permanent camp has been commenced and it is hoped may be ready for occupation in 1912.

In September 1911, a detachment of the Malay States Guides provided a guard for this emergency quarantine station at Port Swettenham. Without this temporary camp, the migration of Indian labour would have had to stop; for a time, at any rate. Measures were therefore taken for launching Port Swettenham as yet another sphere of activity, namely that of receiving and caring for thousands of immigrants, before they were sent off to their new workplaces in plantations all over the FMS. Similarly facilities were developed for those returning to India.

A “parcel of land” was received for the purpose of a Depot for Indian Immigrants, to be maintained by the officer for the time being holding the appointment of Protector of Labour. The relevant *Gazette* Notification is reproduced:

No. 3364 - NOTIFICATION UNDER SECTION 9 OF “THE LAND ENACTMENT, 1911” - RESERVATION OF LAND FOR PUBLIC PURPOSES - In exercise of the powers vested in him by section 9 of “The Land Enactment, 1911,” the Resident of Selangor proclaims that parcel of land situated at Port Swettenham, described in the schedule hereto, and delineated upon revenue survey plan No. 8,664, deposited in the office of the Superintendent of Revenue Surveys, Selangor, to be a reserve for the purpose of Government Buildings - viz., a Depot for Indian Immigrants, to be maintained by the officer for the time being holding the appointment of Protector of Labour, Federated Malay States.

This notification is made under section 9 of "The Land Enactment, 1911".

Dated at Kuala Lumpur, this 4th day of December, 1912

O. F. Stonor,
Acting Secretary to Resident, Selangor

A few months later, plans and specifications were ready, and tenders were invited for the erection of quarters for the inspectors and clerks of the Indian Immigration Depot, Port Swettenham. It is no exaggeration to say that importation of immigrant labour (particularly from India) was a major activity of Port Swettenham in that era. It involved work for the port, as the immigrants had to be brought in *tongkangs* to the railway passenger jetty and then sent to the Quarantine Camp.

The Port Swettenham Tariff specified the charges for use of *tongkangs* for this purpose:

The charge for use of railway tongkangs at Port Swettenham, for purpose of discharging coolies from any steamer lying in the stream within a radius of one mile from Railway Passenger Jetty, will be \$7.50 per loaded trip, including towage by steam tug.

Large quantities of foodstuffs and water supplies had to be made available to the camp. Above all, the general sanitation and anti-malarial infrastructure had to be of a high standard.

On 8 May 1911, the Tamil Immigrant Fund Enactment had come into force. The Enactment was intended "to establish, maintain and administer" a Fund for encouraging the immigration of Tamil labour. From this Fund, disbursements were allowed for payment of free passages for Tamil labourers and their families from the Madras Presidency to the FMS. The Fund could also be drawn upon "for the general expenses incurred in connection with the recruiting of labour ... and in connection with the quarantine on arrival at Singapore, Penang or Port Swettenham ..."

Ancillary works had to be carried out for the following "administrative buildings at the New Quarantine Station, Port Swettenham", as it was officially called. The various works were:

- 1. Hospital Attendant's Quarters, with Out-Buildings;*
- 2. Quarters for Engine Driver;*
- 3. Barracks for Married Police, with Out-Buildings;*
- 4. Attendants' Quarters, two Blocks of Ten Quarters each with Out-Buildings;*
- 5. Cooks Quarters.*

Notices inviting tenders for the various works were published in the *FMS Gazette* in January 1913.

By *Gazette Notification no. 3147 of 6 December 1912*, it was declared that under the Labour Code, Port Swettenham was prescribed to be a port of call at which all classes of immigrant ships may call. And so the reception, processing and deployment of Indian immigrants became a veritable service industry; both for the port administration and the Port Swettenham community.

There seemed to be no end to the construction projects planned at Port Swettenham, judging from the notices inviting tenders. Some examples taken from the *FMS Gazette* of 1912 and 1913 are:

1. Barracks for coolies
2. Erection of 6 Rubber Godowns (each 195' x 50')
3. Excavation, Brickwork, Masonry, Piling etc. in connection with foundation of godowns
4. Construction of a Slipway

A particularly interesting notice dated 22 February 1913 invited tenders for the supply and driving of about 672 reinforced concrete piles at the port. Given the nature of its terrain, Port Swettenham seemed destined to undergo endless 'piling'.

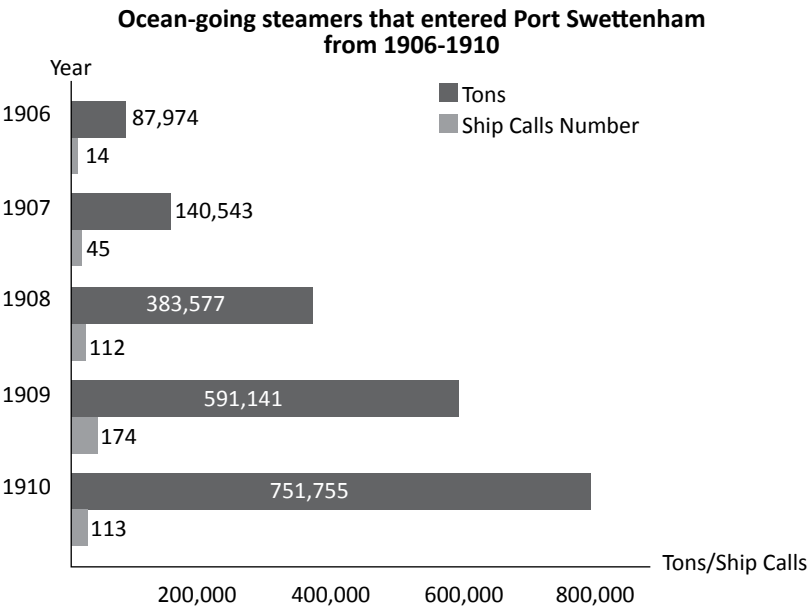
The *FMS Gazette* carried notices inviting tenders for various works at Port Swettenham. Tenders were invited for "excavation masonry and piling in connection with foundations for godowns" and the closing date for tenders was 18 January 1912. Another notice may appear quaint and curious for the reader of today. Tenders were invited for the supply of kerosene oil for lighthouses. 2 other commodities which were needed for government vessels were firewood and coconut oil.

In the midst of these developments, an interesting entry was made regarding Port Swettenham by Arnold Wright and Thomas H. Reid in *The Malay Peninsula* published in 1912. The authors wanted to produce "a record of British progress in the Middle East". In their account of the political and economic milieu of the FMS in the early 1900s, they also discussed the trends in commerce and shipping in the Malay States and Singapore. Their brief comment on Port Swettenham was:

On the Peninsular coast there are several ports besides Malacca but none of them so far have drawn to themselves any considerable amount of trade ... Further south is Port Swettenham, in Selangor, at the mouth of the Klang River, which superseded Klang further up the Klang River. There is here commodious anchorage for deep-draught vessels with every convenience for the handling of cargo. It is the only port outside Singapore and Penang at which heavy goods can be landed, and on that account is increasingly made use of by ocean-going steamers.

The authors had good reason for claiming that Port Swettenham was being made use of increasingly by ocean-going steamers. The report of the Chief Secretary of the FMS for the year 1910 contained statistics showing the entry of ocean-going steamers into Port Swettenham during the period 1906-1910:

The following table shows that whilst in 1906 only 14 such vessels, with an aggregate tonnage of 87,974, entered that port, the figures rose in 1910 to 224 vessels, with a tonnage amounting to 751,755.



Source: The Author

There was a substantial increase in the size, as well as number, of the merchant steamships calling at the port. To quote the Harbour Master, “the accommodation and resources of the harbour were usually taxed to the utmost, and strenuous efforts were made by the Harbour and Railway Department to meet the requirements of rapidly growing business”.

A flattering description of the role of Port Swettenham in the trade of the Malay Peninsula appeared in the *Times* (of London) on 16 January 1913. The writer had apparently studied the movement of rubber exports out of the Malay States and deduced the following trends:

Penang the northern port of the Straits Settlements handles about 28 per cent of the total trade but Port Swettenham, close to the centre of the Federated Malay States, is becoming a factor of considerable importance, as many of the large ocean-going ships now call there to receive and discharge cargo. About half of the total exports of rubber from the Peninsula go to Port Swettenham, and the trade of that port will increase enormously, possibly a little to the

detriment of Singapore and Penang when greater wharf and labour facilities are provided there.

The writer did concede that delays at the port were a constant subject of bitter complaint by shipowners, but “the Federal Government was making serious efforts to improve the conditions”.

The Acting Commissioner for Trade and Customs FMS avoided the usual practice of bland reporting of work done and citing of pertinent statistics in his annual report. Under ‘General’, he had some optimistic observations about Port Swettenham:

The development of Port Swettenham is perhaps one of the most interesting and important features of the year in connection with the trade of the Federated Malay States. No one would I suppose contend that Port Swettenham was an ideal port with unrivalled capabilities. The site was chosen some years ago and everything that can be done is being done to make use of such facilities as it does offer for sale.

The Acting Commissioner went on to quote, “Rome was not built in a day”. Although in the past there had been frequent criticism of the lack of trade facilities, it may, he thought, be confidently predicted that when the new wharves were completed and the new railway station had been erected, the spirit of criticism would give place to congratulation for what has been done.

British merchant vessels had a practical monopoly of the trade of Port Swettenham. The lines of ocean-going ships (and the ship calls) which made use of the port were:

Ocean Steamship Company	33 entries
British India Steam Navigation Co.	89 entries
Ben Line	24 entries
P&O Steam Navigation Co.	56 entries
China Mutual Steam Navigation Co.	34 entries
Glen Line	14 entries

The large number of entries recorded by the BISN line demonstrates the importance of immigration from Madras. In 1913, 13 extra trips were made owing to demand.

The Port Advisory Board met on 2 occasions in 1913, and 1 occasion, it also visited Port Swettenham. The GM of the FMSR was happy with port operations during the year 1913:

The working of cargo at Port Swettenham has greatly improved in all directions and great credit is due to the officer in charge (Mr. Stewart) for the way in

which he has supervised the work of the port. We are now in a satisfactory position as regards wagons and with the delivery of the large number still on order, I anticipate that we shall be well in advance of immediate requirements.

The working at Port Swettenham was carried on in a thoroughly satisfactory manner and a great improvement effected. The Traffic Manager attributes this to the excellent work done by the local officer in charge, to the provision of more tongkangs and opening of the new wharf at Sungei Aur. The employment of a regular staff of Chinese tally clerks has been a success.

The new wharf at Sungei Aur was opened on 1 March 1913.

The Marine Department, for its part, reported some encouraging developments. 107 ocean-going steamers had entered Port Swettenham in 1913. These included 3 new lines of steamers. Arrangements were made for a vessel of the Indra Line to call once a month at Port Swettenham for direct shipment of rubber to New York.

A set of moorings put in position opposite the passenger jetty had also proved to be a boon to many passengers. The largest vessel to visit Port Swettenham, the S.S. *Cardinganshire*, was brought to the moorings. The vessel's length was "517 feet overall, and at the time she entered the port she was drawing 28 feet 6 inches". Another ship that called at Port Swettenham on 29 September 1913 was H.M.S. *Swiftsure*, flying the flag of the Commander-in-Chief of the East India Station. Measuring 460 feet overall and drawing 26 feet, this vessel lay at single anchor all the time close off the passenger jetty.



The lead ship of her class of pre-dreadnought battleships, H.M.S. Swiftsure was the flagship of the East Indies Station in 1913 when it called at Port Swettenham.



One of the largest ships of her day, S.S. Cardinganshire visited Port Swettenham in 1913. Port Klang continues to accommodate the largest seagoing vessels to this day.

1,471 merchant vessels also entered the port in 1913 with a total tonnage of 1,577,335.

In mid-1913, the FMS authorities formally took up the urgent question regarding the extension of wharfage accommodation at Port Swettenham. The correspondence with the Colonial Office in London included a dispatch from the High Commissioner of the FMS. His Excellency described certain proposals for the extension of the wharfage accommodation. It was suggested that advice should be obtained as to whether the capacity of the port would be sufficient “to admit of the carrying out of such works as would be necessary to cope with the trade which might reasonably be anticipated during the next twenty years, or whether the port is considered to be too congested for such a purpose”.

The Colonial Office contacted the Crown Agents, and they in turn commissioned Messrs. Coode, Matthews, Fitzmaurice and Wilson to carry out the appropriate study and to report back so that the High Commissioner would have the advice he was seeking.

Coode & Partners

It is appropriate at this stage to say a little about ‘Coodes’, as the firm is popularly called. This name has been associated with Port Swettenham and Port Klang since 1913. Coode and Partners was founded in 1836 by Sir John Coode, who established himself amongst the world’s leading dock and harbour engineers of his day. Ports, harbours and coastal engineering have been principal activities of the firm since its inception. In the 19th century, there was a preoccupation with the expansion of trade routes and the skills of the maritime engineer were in great demand. John Coode was knighted by Queen Victoria in 1872 on completion of a major public project (the Portland Breakwater project), in recognition of his outstanding contribution to a work of national importance, with which he had been associated since 1847.



A woodcut of Sir John Coode, founder of Coode and Partners.

Coodes is a household word in the Commonwealth as well as some other countries. Its standing in the world of engineering can be gauged from the fact that a number of the firm’s projects have been featured on postage stamps. The firm was later known as Coode Blizard Limited, as part of the Graham Consulting Group Limited. As of 2013, both Coodes and Graham have been merged into the WSP Group, a subsidiary of Swedish-based Genivar Inc.

To return to the events of 1913, Messrs. Coode and Partners felt they needed more information before they could give a satisfactory reply. They therefore communicated with their partner, Mr. T.L. Matthews, who was then in Singapore, and asked him to proceed to Port Swettenham to make a personal examination on the spot and transmit the required information. Mr. Matthews was also provided with some background notes to assist him.

Mr. Matthews visited Port Swettenham in August 1913. He “went fully into the whole matter of the proposed wharfage accommodation”. He also considered the best means of extending the wharfage and the question of the trade of the port and its possible development. Mr. P.A. Anthony, FMSR GM, met Matthews at the port and briefed him fully on all pertinent aspects of port development.

The results of Mr. Matthews’ work were embodied in a report submitted to the Crown Agents by Messrs. Coode, Matthews, Fitzmaurice and Wilson. The report was tabled in the Federal Council as *Council Paper No. 2 of 1914*. In the original report, a set of drawings in colour had been included showing (a) the wharfage and shed accommodation then in use (grey colour); (b) the extension works under construction by the FMSR (green) and (c) further extension works contemplated by the Railway Administration (red). Unfortunately these drawings were not attached to the Council Paper.

The Matthews Report contains a short general description of the port and technical data on the existing accommodation.

The report described the passenger jetty then in use “as a covered structure carried on steel piles, used almost entirely for the embarking and landing of passengers, being quite unsuitable for the working of cargo”.

The T-head wharves numbered 1, 2 and 3 were carried on cylinders, having a girder superstructure with timber decking, each with a length on the face of about 100 feet. The pontoon wharf was 208 feet in length, the deck being carried upon iron pontoons cylindrical in shape. Mr. Matthews noted the following limitation about the pontoon wharf:

Owing to the short distance between the pontoon and the shore, the inclination at low water of spring tides, of the connecting bridge is extremely steep, often occasioning a cessation of work during that period.

The new *tongkang* wharf at Sungei Aur, which was constructed of timber, was 214 feet in length and somewhat similar to the pontoon wharf described earlier. The Sungei Aur Wharf was meant “for oil stores”.

The handling of ocean steamers calling at Port Swettenham was described thus in the report:

The large steamers visiting the port lie off in the river and swing to their anchors with the tide, the cargo to and from these vessels being dealt with by means of lighters. The width of the river and the general depth of water available are amply sufficient to accommodate any ships using the port, but the approaches, both by the North and South Klang Straits are not quite so satisfactory.

It will be observed that the expert considered the 'approaches' to be less than satisfactory. However, he also observed that some dredging was being carried out in order to improve the approach into the North Klang Channel. When that work was completed, he asserted, "a vessel drawing 30 feet will be able to enter the port at any state of the tide".

The High Commissioner had requested an opinion as to the trade that might be reasonably expected during the next 20 years, and also as to the sufficiency of the port to deal with the same.

The response was that because of so many factors and contingencies involved in considering a question of that kind, it was not possible to estimate (with any degree of accuracy) what might happen with regard to the expansion of trade for so many years in advance.

It is in our opinion somewhat doubtful if the trade at the port would continue to expand for 20 years at the same rate as during the last five years, namely 37 per cent over that period.

Assuming, however, for the purpose of a very approximate estimate, an average increase of 33% every 5 years, the total trade in 1932 (according to the report) would be about 825,000 tons. All necessary facilities in the way of electric capstans, turntables etc. would be provided to deal with the traffic, and sufficient numbers of lighters would be supplied to meet all the requirements of the trade, to prevent undue delay taking place on account of the increase.

Mr. Matthews had raised these points with Mr. P.A. Anthony the GM, and the latter was satisfied that with the proposed arrangements in respect of cranes, capstans, turn-tables, conveyors etc., he would be able to deal satisfactorily with the whole of the anticipated traffic.

Based on the formula of 300 tons per linear foot per annum, a calculation was made of existing or old wharves and new wharves:

Wharfage facility

<i>New wharves in Langat river</i>	<i>1,200 linear feet</i>
<i>Old wharves with pontoon</i>	<i>500 linear feet</i>
<i>Tongkang wharf at Sungei Aur</i>	<i>200 linear feet</i>
<i>Total</i>	<i>1,900 linear feet</i>

Source: The Author

This wharfage at the rate of 300 tons per linear foot per annum would be capable of dealing with an annual trade of 550,000 tons. That was the “answer” Matthews came up with.

The consultant had to grapple with the “problematic question” of how much wharfage would be required to accommodate the traffic to be anticipated. He pointed out that there was no precise mathematical answer. “The amount of tonnage which can be actually dealt with over a given length of wharf varies very largely as between different ports”. 2 relevant factors to be considered were:

- 1. What was the capacity of wharves for dealing with cargo?*
- 2. What was the discharging capacity of steamers?*

All the facts and circumstances having been weighed, the strong opinion was that it would not be prudent to estimate upon an average of more than 300 tons of cargo being dealt with per annum per linear foot of wharf. In arriving at this figure, it was assumed that adequate cartage would be supplied on the wharves.

It would seem that any growth in the trade to be handled at Port Swettenham would be due to the development of trade in the area already referred to as being served by that port rather than to any extension of the area to be served.

Paragraph 31 of the consultant’s report focused on the hinterland of Port Swettenham. In the beginning, Port Swettenham was regarded as “the natural port for export and import” for the whole of the State of Selangor along with a portion of the State of Negri Sembilan. Developments were rapidly taking place in rail transport both at Penang and Singapore (the northern and southern terminals of the FMSR). The Singapore Government Railway had been purchased by the FMS. There was already some discussion about building a bridge or causeway over the Johore Straits. In the Penang region, the FMSR had bought the ‘Pyre Dock’. These major developments led the consultants to concluded that Port Swettenham’s hinterland was likely to remain unchanged.

The consultant was mindful of the fact that the rubber trade had grown very rapidly in the 1910s, as exports of rubber from Port Swettenham had increased from 950 tons in 1908 to 8,491 tons in 1912. However, he was not prepared to be over-optimistic about the prospects of a greater volume of export cargo passing through Port Swettenham. The rubber export tonnage in 1912 represented only

3.3% of the total tonnage dealt with by the port. The inference was that it would appear extremely unlikely that the increase in this trade would continue in this proportion, and probably many years would elapse before the export of rubber exceeded 40,000 or 50,000 tons per annum.

“Practically the whole of the ocean-steamer traffic is conducted by means of lighters”. Matthews perceived this service as a very important feature of the port. He pinpointed the problem as one of supply and demand. The number of lighters was small compared with the requirements. The predictable consequence was, of course, delay. The most obvious remedy was to increase the number of lighters.

Apparently, at that time there was a practice prevailing in Port Swettenham of loading up in advance a number of lighters with certain special classes of cargo, such as rubber for example, in anticipation of a homeward-bound ocean steamer. Having the cargo and the lighters ready and waiting for the “home-ward bound” (meaning UK-bound vessel) was perhaps a good idea - but there was no certainty nor guarantee that an expected ship would arrive punctually. Should any delay take place in the arrival of the steamer, the loaded lighters would, of necessity, be locked up and kept out of employment during that period. Delays arising from loaded lighters being kept waiting for their steamers sometimes reached serious proportions. As many as 10 lighters were usually locked up in this way with rubber, waiting for the arrival of the steamer. Matthews considered 10 lighters to be a large proportion out of the total number of 60 lighters actually available for use.

Among the facilities proposed for the port was a large electrical power station to provide power for cranes, lifts, conveyors and capstans for hauling and shunting wagons and turn-tables.

At the meeting of the Federal Council on 10 July 1913, Mr. W.F. Nutt spoke on the “hardy annual” (as he called Port Swettenham). He said he had visited the port the previous week with his colleague Mr. Day. He was pleased to see improvement going on in connection with the development of the port, especially the extension of the wharves. Yet he felt, frankly, that what was being done was not enough:

The facilities are not what they should be. They are slightly better but a lot requires to be done. The slip for the repair of tongkangs has not been constructed. There is an improvement in the facilities for discharging lighters, but nothing has been done with regard to the supervision of the staff on shore.

The Chamber of Commerce had been openly critical of what it felt were inappropriate arrangements in Port Swettenham. It was equally critical of the Advisory Board and its constitution. Mr. Nutt read out lengthy extracts from a letter addressed by the Secretary of the Selangor Chamber of Commerce to the Government. It asserted that the Advisory Board was of little practical use, because even though suggestions and recommendations were tendered as ‘advice’, they were in most cases ignored by the Railway Department. The Board’s

meetings were more or less informal and its functions purely advisory. Further, the acceptance or otherwise of its proposals apparently rested with one official; namely, the GM of the FMSR. Adopting the vigorous style of an advocate arguing his case, Mr. Nutt continued:

My committee submits that under these circumstances the usefulness of the Board is reduced to a minimum. An officer of the Railway Department has recently been posted to the charge of Port Swettenham who, however excellent as a railway official, is entirely ignorant of the work connected with shipping and the loading of cargo, and as a consequence, quite apart from the question of the adequacy of the rolling stock matters at this Port are now in a chaotic condition, entirely due to inexperience in management.

Nutt's vigorous articulation of the malady was followed up with a suggested remedy. What the Chamber of Commerce felt was required, for the effective control of the Port, was a body with greater powers. They strongly urged the Government to reconstitute the Advisory Board. A Harbour Board should be formed consisting of not less than 7 members, of whom at least 3 should be unofficial. The Chairman should be a Wharf Manager, who would be the head of a newly-formed department of the railways. The Chamber further asserted that the officer should have the same emoluments as the heads of other departments of the railway and should have "undoubted and actual qualifications for the post". Meetings of the Board should be held at frequent and regular intervals, its minutes should be published and all appointments to it must be gazetted.

The Chamber's call for a port officer, rather than a railwayman, to be in full charge in Port Swettenham was not surprising at all. This particular criticism would be heard from time to time, but nothing was done to rectify the weakness that the merchants of Kuala Lumpur perceived. Port Swettenham continued to be a railway port, run by railwaymen, until the parting of the ways came in 1963.

In suggesting that a Harbour Board be set up, the Chamber of Commerce members must have had in mind the Singapore Harbour Board, a much older entity; a statutory body responsible for a variety of tasks to ensure efficient operations at the older Port of Singapore.

Although no immediate reforms were put into effect vis-à-vis the governance and administration of Port Swettenham, the FMS authorities did embark on expansion of some of the facilities of the port. At the same time, they decided to refer to the Secretary of State for the Colonies the question of seeking expert advice on their plans for expansion. This was also meant to be guidance or advice regarding the development of Deep Water Point. It is significant that this aspect of the affairs of Port Swettenham was dealt with, not by the FMS Chief Secretary, but by the High Commissioner himself. He began by informing the Council members that he had already written to the Secretary of State, giving him information on what had been done, and what was proposed to be done at Port Swettenham. All the salient

facts and the plans had been submitted to London. The High Commissioner said that he had asked the Secretary of State whether, from the information given to him, he considered that an expert could give advice on the subject without coming out to the FMS; if not, he would be glad to know the expenses of the expert before he was sent out.

I have since received information from the Secretary of State by telegraph that he wished for some further information and that they are writing to Mr. Leigh Matthews, who was to visit Port Swettenham and obtain the additional information required. I informed the Secretary of State that in my opinion we should not stop the works going on at present, but if an expert considered that these works at Port Swettenham will not be sufficient for the trade that may be expected 20 years hence and it is necessary to go elsewhere, he will no doubt advise what steps we should take at Deepwater Point. It is a question whether the works at Port Swettenham will be sufficient or not.

It was obvious that the Deep Water Point enthusiasts were not going to achieve their cherished goal. The FMS Government was simply not going to embark on a new port at Deep Water Point, unless the expert advised that the existing facilities, and the works already in progress, in Port Swettenham would not be sufficient to cope with the volume of traffic at the port for the next 20 years.

Finance was always a major consideration. In the economy of Malaya in those days, the undue reliance on the production and export of only 2 commodities (rubber and tin) was a weakness. Prices of these 2 commodities were notorious for fluctuating. Under the circumstances, there was no guarantee that what was planned for could be consummated. The fear of falling revenue receipts was ever-present in the minds of the administrators.

In the Federal Council, Mr. Skinner also raised the question of the possibility of Port Swettenham becoming a coaling station for steamers, if the Rawang Coal Fields were developed and the necessary facilities were available at the port. The Chief Secretary in reply said that the government had not realised the possibility of Port Swettenham becoming a coaling station for steamers and that Government had no information before it about Rawang coal being suitable for ships. Facilities for coaling ships on any considerable scale could not be provided at Port Swettenham "at present". In 1916, the FMSR branch line from Kuang to Batu Arang was completed. The line was only 6 miles 75 chains in length. It enabled coal from the collieries at Batu Arang to be sent out, but Port Swettenham did not become a coaling station.

A new contract, made between the British Steam Navigation Company and the Government of the Straits Settlements, enabled an orderly flow of immigrants from the Madras Presidency to Singapore, Penang and the FMS. Port Swettenham, being the prescribed port of entry for immigrants into the FMS, was specifically mentioned in some of the terms of the contract. Thus the BISN

Company had agreed to provide (a) a fortnightly immigrant service from Madras and Nagapatam to Penang, Port Swettenham and Singapore, and (b) a fortnightly immigrant service alternating with (a) from Madras to Port Swettenham calling at Nagapatam and Penang.

The BISN steamers arriving at Port Swettenham were to be accorded a preference in the use of railway *tongkangs* and launches for the landing of passengers, and the Company's agent was to notify the port authorities of the date and time of arrival of the vessels concerned.

The passage money payable for tickets from Madras to Port Swettenham was 12 rupees and from Nagapatam to Port Swettenham 10 rupees, for every passenger.

The contract was for a period of 5 years and renewable. The Government was committed to taking 50,000 tickets for adult labourers per year. In fact, the contract was always renewed and 2 BISN ships in particular (S.S. *Rhona* and S.S. *Rajula*) were familiar visitors to Port Swettenham. The *Rajula* kept coming even after the Second World War and well into the 1960s until air travel became more popular.

Sir Arthur Young's review

On 25 November 1913, the High Commissioner, Captain Sir Arthur Henderson Young, delivered the traditional High Commissioner's address to the Federal Council. It was the practice for the High Commissioner to give an overview of various developments, trends and government's plans for the next year. His Excellency referred to the tasks facing the FMSR, and also took a look at Port Swettenham's progress. According to him, in addition to its regular work, the FMSR was making every effort to improve and increase the facilities for dealing with cargo at Port Swettenham.

... the fleet of lighters already numbers 61, to be augmented by four more which are still under construction, and ten new lighters for which you will be asked to make provision in the Estimates for 1914. A slipway for repairing these lighters has been purchased, another is being negotiated for; and I am asking you to vote \$125,000 next year towards the cost of a tongkang wharf at Sungei Aur to accommodate two extra lighters.



A coal train on its journey from Batu Arang, (a station near the Malayan Collieries coalfields in the State of Selangor), to Singapore during early 20th century.

The new timber *tongkang* wharf was to be built at the mouth of the Sungei Aur. In later years it would be called a 'lighter wharf'.

These positive measures for improving facilities and services at Port Swettenham were well received by the commercial interests, judging by the response of Mr. W.F. Nutt, a planter and unofficial member of the Federal Council. Speaking the next day (26 November 1913) in the formal sitting of the Federal Council, he said:

At Port Swettenham this year there have been very few delays and that shows that the work of improvement is steadily going on and that everything is falling into line. The fact of H.M.S. Swiftsure coming up so close as it did shows that the port is quite satisfactory as far as depth is concerned.

The faithful dredger 'KUANTAN' was kept busy in the early part of 1914. The result of this good work was that "a dredged channel about 100 feet wide with not less than 26 feet of water at low water ordinary spring tides" was created. The channel was also properly marked with buoys. New beacons were erected to mark the dredged passage over the bar at Tanjong Gila and one mile above the First Point. Commander J.F. Mills, the Harbour Master, then commissioned the dredger to work on a shoal off the passenger jetty. "When that is finished it will be possible to moor at No. 2 buoy the largest vessel likely to visit the port".

Among the ships that did visit Port Swettenham in 1914 were French and Japanese men-of-war (or battleships). War clouds were gathering elsewhere in Europe.

Menace of Malaria in Klang & Dr Watson

In the midst of the development of the wharves at Kuala Klang, malaria flourished in the Klang and Kuala Klang areas. Port Swettenham and Klang both suffered severely. The place was badly infested by mosquitoes and full of malaria. The annual death rate stood at 300 per thousand inhabitants, as against the English death rate of 11 or 12.



A formal portrait of Sir Dr. Malcolm Watson, the pioneer of anti-malarial initiatives in the Port Swettenham and Klang areas.

Owing to sickness among the coolies and the port staff generally, there was considerable difficulty for several weeks. Delays occurred in the discharging of cargo, and in a good many instances (according to the Resident), steamers had to leave the wharves with a great part of their cargo undischarged.

In fact, 1901 (the year Port Swettenham was officially opened for handling of cargo) was particularly bad, because it was found that only 3 houses in the "European section" of Klang town were free of malaria.

The sanitary condition of the port and its vicinity left a good deal to be desired. The Resident-General, on the Selangor Resident's recommendation, appointed a Commission consisting of the Director of the Institute for Medical Research (Chairman), the State Surgeon, the District Surgeon, Klang, the GM of the Railways, the State Engineer and the Resident Engineer for Railways, to enquire into the causes of the unhealthiness of the place and to make recommendations for improving the sanitary conditions. The Commission recommended the extensive felling of the mangrove trees, filling in of swampy land and a proper scheme of drainage.

No time was lost in executing the works that were proposed. They were carried out under the personal supervision of the State Engineer. It was sheer luck that (Sir) Dr. Malcolm Watson was in Klang.

Dr. Watson was a medical doctor who had started off his long medical career as a ship's surgeon in 1859. His work had taken him to South Africa, Australia, the Philippines and Singapore. He spent the next 4 years doing post-graduate studies. His career in the FMS is best recounted in his own words:

On 7 December 1900 I sailed for Malaya in the Government Medical Service and, happily, was stationed at Klang. Happily, for the time and the place were, as it turned out, ideal for the study of malaria and its prevention. In time happy for Dr. Roland Ross had just completed his discovery that some mosquitoes carried malaria ... the town of Klang where I lived was in an area where three of the most dangerous malaria-carrying mosquitoes were working their evil deed with devastating effect on the people.

In January 1901, Dr. Watson was appointed the district surgeon for the Coast of Klang District. According to Gordon Harrison, who wrote *Mosquitoes, Malaria and Man* (London: John Murray 1978), the town of Klang in 1901 had about 3,500 people, a large proportion of whom were more or less chronically ill with malaria. Dr. Watson had no training in tropical diseases, but he had read Dr. Ross's papers, and finding the Klang hospital packed with fever cases, he decided that malaria was to be his principal business.

Dr. Watson noted:

In November the Chinese merchants closed their shops for three days, when processions and religious rites were staged in an effort to lift the curse. By the end of December almost 500 deaths had been recorded, most of them directly or indirectly attributable to malaria.

In the light of Ross's discoveries, Klang's affliction seemed easy enough to explain. It and its newly opened satellite town, Port Swettenham, 5 miles down the River Klang, were sited and constructed as though the purpose had been to make life as convenient and abundant as possible for mosquitoes and plasmodia. 22 acres in the middle of Klang town were marsh; Port Swettenham arose literally from a mangrove swamp that was flooded every spring by the seasonal high tides. The rain was abundant all year round, collecting everywhere in low-lying ground, in small depression and shallow wells – all of which bred mosquitoes in profusion. Dr. Watson found them also swarming in the jungle and secondary forest which together comprised almost half the acreage of the town.

The crisis of 1901 did not allow any time for detailed study. The young Dr. Watson drew the obvious conclusion that the watery mosquito breeding places of Klang and Port Swettenham had to be dried. Besides draining and filling the swampy areas, dikes had to be built to keep out the high tides. Watson's strategy was to reduce the number of mosquitoes in the vicinity of houses. The FMS Government were said to be "embarrassingly cooperative and generous". They promptly accepted Watson's plan, and in the end, they spent twice as much money on anti-malarial measures as he had recommended. Gordon Harrison recounts the results of Watson's work:

The causes of their generosity were two: Dr. Watson's control measures worked, and the resulting reduction in malaria directly profited the planters for whom the government had a special care. Hospital admissions for fever dropped in the first year (1902) to a third, and in 1903 to a tenth, of the 1901 figure. Deaths from all causes in Klang and Port Swettenham fell from 582 in 1901 to 144 in 1902. That meant a lot more working hours in the plantations.

Sir Malcolm Watson had occasion to recall his pioneer years as an anti-malarial worker when he spoke at a public gathering in London on 3 October 1924. A luncheon had been arranged in his honour. Apart from being knighted by His

Majesty King George V, Watson had been conferred an Honorary Doctor of Science degree by the University of Glasgow. Presiding over the gathering was Sir Roland Ross, another personality associated with significant anti-malarial research.

The *Times* (London) of 4 October 1924 carried a fairly lengthy report on Sir Malcolm Watson, from which the following paragraph is extracted:

Sir Malcolm Watson referred to the beginning of his work at Klang when he was called out to a case of malaria from which a man was dying and found also six other cases. It became so bad that the Governor sent a telegram ordering Port Swettenham to be closed. They were, however, allowed to carry out their programme for the prevention of the disease.

Inevitably, Klang, Port Swettenham and the estates in the vicinity became the laboratory in which Dr. Watson carried out tests and observations in the war on malaria. His findings were published in the *FMS Gazette* of those years and the more technical papers appeared in medical journals.

Dr. Watson served in Klang district until 1928, before leaving to work as a consultant at the Ross Institute of Tropical Hygiene. He was director of this Institute from 1933 to 1942. Even after his formal retirement, his expertise was sought after by governments and health authorities in various parts of the world. In 1948, at the age of 75, he delivered the Roland Ross oration in Washington D.C. in the U.S.A. He died in Surrey, England on 28 December 1955. There used to be a Jalan Watson in Port Swettenham commemorating the dedication of this medical personality, but some years ago the road was given another name ...



Watson Road in the 1920s.



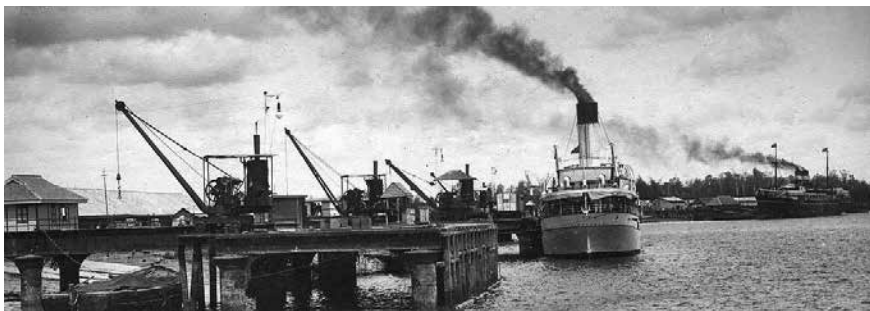
Watson Road in the 1950s.



Persiaran Raja Muda Musa (formerly known as Watson Road) in 2013.



Coolies, brought in from India to work in the rubber estates/plantations, formed a significant fraction of passenger traffic during the early 20th century.



Ship that brought the labour / immigrant from India.

PART FOUR

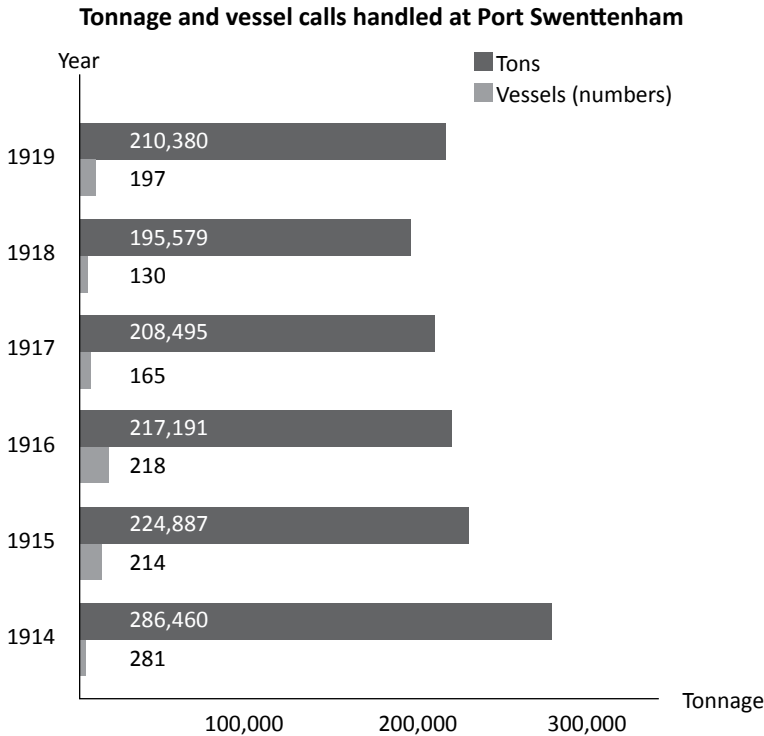
WAR AND THE
LEAN YEARS...

WAR AND THE LEAN YEARS....

The Great War (First World War) may have broken out in Europe on 5 August 1914, but in Port Swettenham, it was time for breaking records, as the port received the largest vessels that had ever visited Port Swettenham. It was the year when the *Ixion* and *Talhybius* of the Ocean Steamship Company visited Port Swettenham. The vessels were 530 feet overall and displaced 10,220 tons. The *Talhybius* left after dark and had to be turned round before leaving the port, as the tide was running out at the time.

In July, the *El Kantara*, a cargo vessel of the well-known French line Messageries Maritimes, arrived at Port Swettenham with a cargo consisting mainly of French tiles. The Harbour Master decided to put the ship alongside the new wharf. This was a good opportunity to test the wharf, as the *El Kantara* was a vessel of 7,000 tons and 450 feet in length. No difficulty was experienced, either in going alongside or when leaving.

Although it was a celebration of sorts with the berthing of bigger vessels, the port was engulfed in gloom, as the effects of the war had depressed the trade at Port Swettenham. The number of ocean-going steamers which called at Port Swettenham during the period 1914 to 1919 was as follows:



It was evident that war was the principal cause of the decrease in the number of vessels calling at Port Swettenham. Trade did not quite recover for some time. It will be noted that from 281 in 1914, the number had dropped (by 67) to 214 in 1915. In year 1916, 218 ships came by, but there was a decrease in the cargo handled at the port.

Although the traffic was down, trade in rubber and tin, both of which were vital raw materials for the war effort, kept increasing. An editorial in the *Times* (London) of 21 January 1916, with the title '*Trade Revival*', reviewed the economic prosperity of the FMS. Rubber exports for the first 11 months of 1915 had amounted to 39,413 tons, compared to 27,336 tons in 1914 and 20,847 tons in 1913.

Meanwhile, the port was kept busy for another reason. More coolies were needed. In 1916 alone, 48,280 immigrant coolies from South India arrived and passed through the Quarantine Camp. This represented an increase of 11,679 arrivals compared with the figures for 1915. From 1 November 1916, a part of the Immigration Depot was also utilised as a much-needed shelter for emigrants waiting for steamers. A news item dated 2 October 1916 in the *Times* described the favourable trade trends:

The increased output of rubber and tin in recent years and the high prices which those products have realized since the war, have brought great prosperity to the Straits and the Federated Malay States ...

In 1914 more than half the imports of motor cars motor cycles and accessories came from the United Kingdom and most of the remainder from the United States. In 1915 it appears, the position was reversed and the United States supplied more than half.

Trade is difficult on account of lack of shipping, and consequent high freight rates but this valuable market must be borne in mind. Large numbers of cars might be disposed of, not only amongst the white population but also amongst the numerous wealthy Chinese.

On 12 January 1917, the *Times* described 1916 as a year of prosperity for the FMS in spite of the shortage of shipping, but with the rubber industry steadily expanding, money had been more plentiful than ever in the country.

In 1918, the last year of the Great War, there was a further decrease in the number of ocean-going vessels that called at Port Swettenham. 130 such vessels came, with a tonnage of 416,320. This represents a decrease of 35 in number and 191,428 in tonnage on the figures for 1917. The number of merchant vessels that called was also fewer than in 1917. All were British-registered except for 5 Dutch, 2 Japanese and 23 Russian vessels.

There was a steep decrease in the imports of cattle, sheep, goats, whisky, machinery, tramway and railway materials. However, there were increases in imports of rice, wheat flour, opium, petroleum, cotton piece goods and tobacco. With regard to rubber, not only was the price of rubber low, but the quantity exported was also a great deal less than in 1917. Tin, on the other hand, fared better. Revenue from tin and tin ore exports exceeded the estimates.

The Report on the Trade and Customs Department of the FMS for the year 1918 was concluded with this paragraph:

Japanese destroyers continued to make use of Port Swettenham as their base until the Armistice was signed and the Admiral thanked the Harbour Master for services rendered.

The paragraph quoted is a reminder that in the First World War, Japan was on the side of Britain, France and the USA (the Allies). Its navy, in particular, was a source of support in the vast South Pacific and East Asia regions.

The declaration of an armistice and the cessation of hostilities on 11 November 1918 were received with great relief and, of course, celebrations took place. Yet it cannot be said that all was well. The world-wide influenza epidemic hit Malaya severely. The absence of a perfect system of death registration made it impossible to state the exact number of deaths. By September 1918, the situation became alarming and in spite of emergency measures, the hospitals were unable to cope with the work. Hospital staff themselves were affected by influenza early in the outbreak. Port Swettenham had to provide treatment for over 2,300 immigrants who were suffering from influenza and pneumonia. Many developed influenza after landing. To quote the Acting High Commissioner, Sir Frederick Seton James, who addressed the Federal Council on 25 November 1919, “but for the detention of immigrants, widespread outbreaks would certainly have resulted”.

The statistics of arrivals of ocean-going steamers at Port Klang during the war years (and soon after) are quite revealing. The marked decrease in 1917 and 1918 can be attributed to shortage of shipping, defence priorities and the influenza epidemic. In the early months of 1919, it had become obvious that a shortage of rice – the staple food – was looming, and might become a serious situation.

The war had created all manner of problems, with some rather peculiar ones for the government departments. The Marine Department reported that the acetylene gas buoys were not in working order throughout 1918. The fault was ascribed to the poor quality of the local carbide that had to be used. Many ocean steamers in consequence had to use the south channel when coming from Penang, and this of course added considerably to the distance they had to come. The Marine Department was greatly relieved when carbide from Europe arrived. It was possible to get the acetylene gas buoys to burn again.

As more goods arrived in an increasing number of ships, there were also more thefts in the port area. The FMSR authorities decided to seek the assistance of the Police Department, even though there was a Railway Police Force headed by an officer with the rank of Assistant Commissioner of Police with 2 European Police Inspectors, 2 Sergeants-Major, 4 Investigating Officers, 12 Detectives and over 650 constables. The reason for recruiting a separate group of men (rather than seconding individuals from the Railway Police) was that experience in the handling of boats was considered an essential skill for would-be marine policemen. 4 Malay NCOs and 12 constables were recruited. The FMSR Annual Report for 1919 mentioned that the men would take up their duties as soon as the necessary quarters for their accommodation at Port Swettenham were completed.

The Great War and the influenza epidemic were over when the 1920s began. However, not all the troubles of the FMS were over. There seemed to be a glut of rubber... and British Malaya was already the world's leading producer of that raw material. The question of whether measures should be adopted to reduce the quantity of rubber entering the stream of world commerce was discussed freely in the FMS and in the UK. Another problem that was gradually beginning to compel attention was the difficulty of obtaining rice.

Officially, the Rubber Restriction Scheme, or Stevenson Restriction Scheme as it was also called, came into effect on 1 November 1922. It ended exactly 6 years later, on 1 November 1928. An elaborate scheme was devised and enforced, whereby all estates and small holdings were required not to exceed the production quota allotted to them. These regulations were intended to control the export percentage of rubber from British Malaya. Documentation was elaborate, and there were 'coupons' which had to be produced before any rubber could be exported from any of the designated ports.

From the smaller or minor ports, rubber exports were permitted only on specific days of the week. Manufactured rubber goods which were finished products (and ready for sale to the public) were not subject to restrictions. The belief was that as rubber stocks were reduced, the world market price would go up.

The Rubber Restriction Scheme had its impact on Port Swettenham, as there was a marked decrease in the quantity of raw rubber exported during the Restriction Era. On the whole, this interference with the normal market forces of supply and demand was regarded as 'ill-advised' by most economists who evaluated the restriction scheme.

The general financial stringency also affected Port Swettenham in another way. The Customs warehouse accommodation consisted of 2 whole sheds. They were ample for the greater part of the year, but congestion became so acute in the latter part that some importers were unable to take delivery of their goods.

In July 1920, the arrival of a number of ocean steamers bringing heavy consignments of goods caused further congestion at the port. It was fortunate that at about the same time, large consignments of railway truck parts arrived. By a great effort on the part of the railway authorities, a number of trucks were quickly assembled and the situation was greatly relieved.

The number of ocean-going steamers which called at the port in 1920 was 299, against 197 in 1919, an increase of 102. Half of the increased number was due to P&O vessels carrying rice for the Government. This statement requires some elaboration. Malaya was not self-sufficient in the staple food, rice. Rice control was introduced during the war out of necessity, and it continued into 1920 and 1921. De-control was effected only in May 1921. The special post of 'Food Controller' was created. This official had to buy rice in foreign countries and import it. A drought in Siam (now Thailand) led to greater scarcity of rice. The Food Controller also bought the output of the local rice mills. Rice was brought by steamers, and conveyed by rail to various depots in the FMS, for delivery to the local wholesale dealers. Consumers were able to purchase rice at subsidised prices. The FMS Government had to resort to this expensive method to prevent unrest. The cost to the FMS of the Rice Control Scheme from the beginning to end was \$20,000,308. And so, the ships bringing the sacks of rice to Port Swettenham were vital carriers indeed.

1921 being a bad year for the FMS, the watchword for every government department was 'economy'. The High Commissioner, in his annual address to the Federal Council, referred to the decision to stop the doubling of the line from Kuala Lumpur to Port Swettenham.

The earthwork for this is practically completed, 37,785 cubic yards having been completed during the last six months. Out of 67 bridges and culverts, 23 have been completed and 11 were in progress. New station buildings were in progress at Pantai and Petaling.

Owing to the financial situation it has been found necessary to close down work on this doubling and such works as are in hand are being carried out merely to complete and make good what has already been commenced.

H.M.S. Malaya

The gloom and slow-down in port trade notwithstanding, Port Swettenham was a hive of activity when the FMS played host to Captain H.T. Buller, and the officers and crew of H.M.S. *Malaya*, in January 1921. This battleship was the gift of the FMS to the British Empire. The building of the battleship was the result of a resolution passed at a meeting of the Federal Council, held in Kuala Lumpur, on 12 November 1912. The ship was launched in 1915, and was completed in time to take part in the famous Battle of Jutland in 1916.

The battleship arrived in Port Swettenham on 17 January 1921. She received an enthusiastic welcome, and for the succeeding 10 days, thousands visited the ship at Deep Water Point. Among the interested visitors were Their Highnesses the Rulers of the FMS. The port facilities were strained to provide transport for the numerous visitors to the vessel.

Entertainments of all kinds were organised in Kuala Lumpur and elsewhere. Among the ceremonies that took place during the visit of the battleship was the unveiling of a bronze statue of Sir Frank Athelstane Swettenham, the 1st Resident-General of the FMS, and the founder of the port that bore his name. The statue had been erected by friends and admirers to “commemorate his eminent and unique services to Malaya”. The site set apart for the statue was at the northern end of the main block of what were then the Government offices in Kuala Lumpur (the present Bangunan Sultan Abdul Samad). The ceremony of unveiling was performed by the High Commissioner on 19 January 1921. A guard-of-honour from H.M.S. *Malaya* was in attendance. There were present also Their Highnesses the Rulers of the 4 States of the FMS, as well as the Chief Secretary to Government, the British Residents and Captain H.T. Buller of H.M.S. *Malaya*.



17 January 1921:
H.M.S. Malaya docked
at Port Swettenham.

Prince of Wales Visits Port

Another great event witnessed at Port Swettenham in 1922 was His Royal Highness the Prince of Wales' visit to the FMS. The Prince arrived at Port Swettenham on 28 March on board H.M.S. *Renown*, escorted by H.M.S. *Comus*. The ships anchored at Deep Water Point. The royal visitor was accorded a fitting welcome marked by due pomp and ceremony. He was received at the landing stage by the High Commissioner. The Rulers of the States of Perak, Selangor, Negri Sembilan and Pahang were presented to the Prince. H.R.H. was then driven to Klang and after that to Kuala Lumpur. A procession of cars drove slowly through the decorated streets amidst large crowds. The Prince had a very busy programme during the next 2 days. The FMSR played a prominent part in this great event, as can be noted from the extracts in its annual report for 1922:

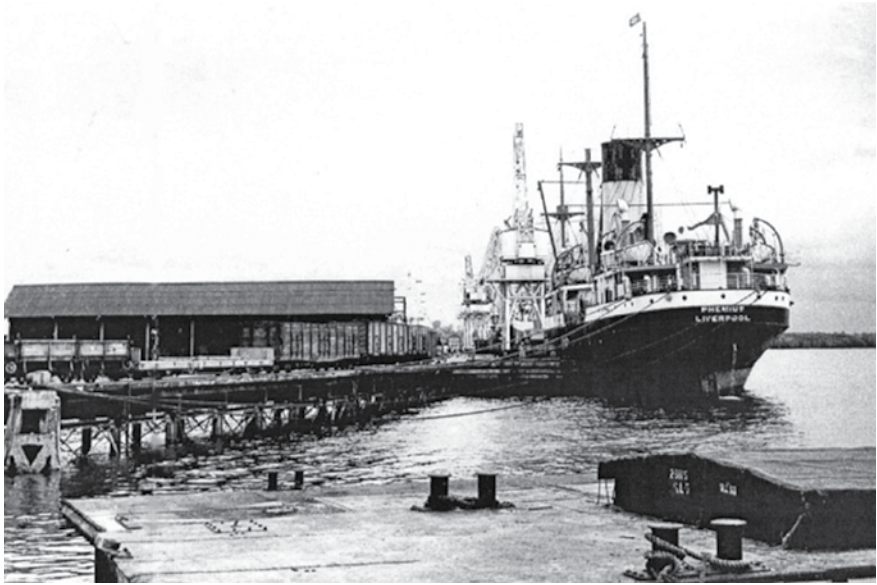


17 January 1921: Visit of H.H. Sultan Alaudin Sulaiman Shah, Sultan of Selangor to H.M.S. Malaya at Port Swettenham.

In connection with the Royal visit the Federated Malay States Railways provided 38 special trains, in addition to the ordinary train service, for the conveyance of visitors to and from Kuala Lumpur. Free transport was granted to a large number of Malay nationality to enable them to visit Kuala Lumpur. Some of the specials were run from stations as far north as Parit Buntar (218 miles from Kuala Lumpur) and from Kuala Lipis (250 miles from Kuala Lumpur).

On 30th March, His Royal Highness rejoined the "Renown" at Port Swettenham harbour and a special train of saloons was provided for the conveyance of His Royal Highness and staff; accompanied by His Excellency the Governor of the Straits Settlements, Their Highnesses the Rulers of the Federated Malay States, the Chief Secretary to Government and the Principal Railway Officers. It was a source of great satisfaction to the staff of the Railway department to know that His Royal Highness before rejoining the "Renown" expressed his appreciation of all the railway arrangements.

Meanwhile, a major news event in 1924 was the official opening of the Johore Causeway linking Woodlands in Singapore with Johore Bharu on the mainland on 28 June. Passenger and goods trains began to run in September 1924. It may have been a 'feather in the cap' for the FMSR, but it also became a conduit for taking away some of the cargo from Port Swettenham to Singapore, where better shipping connectivity continued to pose a challenge to Port Swettenham.



A reminder that during the time immediately following the First World War, passenger traffic remained a significant component of Port Swettenham's ship calls. Here, Blue Funnel Line passenger ship S.S. Phemius is docked at Port Swettenham circa 1920s. Phemius was torpedoed by German U-boat U-515 during the Second World War.

Cruisers

An exciting event for the Port Swettenham and Klang communities in particular was the visit in February 1924 of two cruisers, H.M.S. *Hood* and H.M.S. *Repulse*, belonging to the Special Service Squadron under then-Vice Admiral Sir Frederick Laurence Field GCB KCMG. The Chief Secretary to Government wrote:

The visit aroused great public enthusiasm and thousands of men, women and children were given special facilities to avail themselves of the opportunity to go over these battle cruisers admirable arrangements for entertaining our guests were made by committees in Kuala Lumpur and Klang, and the thanks of the community are due to these committees.

Another report estimated that no less than 15,000 visitors from various parts of the FMS were conveyed by launch to the flagship. Other men-of-war that called at Port Swettenham in 1924 were H.M.S. *Hawkins*, *Durban*, *Bluebell*, *Magnolia* and the H.M.S. *Iroquois*.

New Rules & Regulations

With increased vessel traffic at Port Swettenham and other ports in the FMS, there was a need to license harbour pilots. The *Pilots Enactment (No. 20 of 1921)* came into force on 20 January 1922. It was also required "owing to the increasing use of

Federated Malay States ports by ocean going steamers". Some of the provisions were taken from the *Pilots Act 1913* of the U.K., and the remaining clauses from the corresponding provisions of the Colonial Merchant Shipping Ordinance. It was also explained that there was no intention to impose compulsory pilotage.

The pilotage district of Port Swettenham was prescribed and the following notification appeared in the *FMS Gazette* in March 1922:

The limits of the pilotage district of Port Swettenham shall be:

From a beacon set up on the south bank of the Sungei Aur in a straight line to a beacon set up on Pulau Lumut, thence along the northern shore of Pulau Lumut to a beacon set up at a point bearing south $63^{\circ} 6 \frac{1}{2}'$, west true, distance 978 feet from the beacon making the old harbour limit (approximate 2 cables north-west of Tanjong Gila), thence in a straight line to a beacon set up at a point bearing north $51^{\circ} 31'$, west true, distance 11,015 feet from beacon north-west of Tanjong Gila, thence in a straight line to a beacon set up at point bearing north 13° , west true, distance 5,901 feet from beacon north-west of Tanjong Gila, thence along the shore of mainland to a beacon set up on Tanjong Sungei Agar, thence in a straight line to a beacon set up on the left bank of the Klang river, thence to a point of commencement, including all piers, jetties, landing-places, wharves, quays, docks and other similar works, whether within or without the line of high-water mark, and any position of the shore or bank within 50 yards of high-water mark.

The first Pilot Board for the State of Selangor was also established at the same time, and the following "gentlemen" – as the notification termed them – were the members:

*The Harbour Master, Selangor President
D. H. Hampshire, Esquire
H. A. Wootton, Esquire
Captain M. McDonald*

All pilotage matters had previously been in the hands of the Harbour Master. Under the new arrangement, there were always to be 2 licensed pilots at the port.

Rules for the Pilotage District of Port Swettenham were published in the *Government Gazette* as *Notification 4270 of 1922*. The *Pilots Enactment* empowered the Pilot Board for the Pilotage District of Port Swettenham to make rules with the sanction of the Chief Secretary. The Rules required pilots to be licensed. They had to be conversant with all written laws relating to shipping, insofar as those laws applied to their duties.

On taking charge of a steamer, every pilot was required to ascertain forthwith whether the engines were in good working order, and able to reverse quickly. He had also to see that the anchors were clear and ready for immediate use, and that the steering gear was clear and in good working order.



Port Swettenham railway yard and loading area c. 1907.

The sensitivity of the FMS government to the entry of infectious diseases into its territory was reflected in 2 of the Rules. Every pilot, before boarding a vessel, had to ascertain from the Master whether there had been an infectious disease “or any disease suspected of being infectious” on board during the voyage, and whether the vessel was from an infected port. In case there had been any such disease, or if the vessel was from an infected port, the pilot had to direct the Master to hoist the quarantine flag and to proceed forthwith to the quarantine anchorage. A pilot was permitted to board any vessel flying the quarantine flag for the purpose of piloting her to the quarantine anchorage, but he was not to allow any member of his crew or other person to board her, nor could the pilot leave the vessel except with the permission of the Port Health Officer. The pilot had to submit to vaccination or any other quarantine precaution “as the nature of the case may require”.

It was mandatory for the pilot to ascertain from the Master whether there were any dangerous goods on board and their nature. It was his duty to direct the Master, as the situation might require, in accordance with the port regulations.

In taking a vessel outwards, the pilot had to remain on board until the service for which he was engaged was completed and the Master agreed to take charge. A pilot bringing a vessel inwards had to remain on board until the vessel was anchored, moored or otherwise secured, to the Master's satisfaction.

Every pilot had to use his utmost care and diligence "to avoid all accident and damage either to the vessel he is piloting or to any vessel or property of whatsoever kind". The pilot had to send a report about any accident that had happened while a vessel was in his charge to the President of the Pilot Board without delay.

New rules relating to the Port Swettenham wharves were brought into force in 1923. They provide a good insight into port operations in that period. The working hours at wharves and godowns were 7 a.m. until 11.30 a.m. and 1 p.m. to 5 p.m. daily, Sundays included. Applications to work after 5 p.m. had to be made to the Assistant Traffic Manager (ATM) not later than 4 p.m. Ships discharging into lighters had a different set of working hours; namely, 7 a.m. till 12 noon, 1 p.m. till 6 p.m. and 7 p.m. till 10 p.m.

Any cargo for export had to be in 'hand' at Port Swettenham, with full shipping instructions and all duty paid, 24 hours before the ship by which the cargo was to be exported was due at Port Swettenham.

Berthing of vessels alongside the wharves was not allowed between 6 p.m. and 6 a.m. except by special arrangement. No vessel could be brought or placed alongside any wharf without the authority – or contrary to the directions – of the ATM, subject to the discretion of the Harbour Master. The ATM had to allot the berth which a vessel should occupy. Vessels coming alongside had to be berthed and secured by the pilot or officer-in-charge of the vessel. A "wharfinger and men" were to be in attendance "to render assistance under instructions issued from the vessel in taking ashore, making fast or casting of wire hawsers or ropes". On leaving a berth, similar assistance was to be rendered on due notice being given to the wharfinger. Vessels using the wharves or piers at Port Swettenham had to use their own hauling lines, hawser mooring chains, and mooring gear, and if required, they had to provide suitable fenders for such material that would float. The boiling or heating of pitch on board any vessel alongside a wharf was forbidden.

The Master of a vessel taking in or discharging any cargo or ballast had to ensure that a proper gangway was rigged between the vessel and the wharf. The gangway had to have "double rails or stanchions with ropes rove taut through the same, the top rail or rope being not less than 3 feet 3 inches high..." Lanterns or lights had to be supplied at both ends of all gangways from 6 p.m. to 6 a.m.

Cargo handling was of necessity slow, compared to the standards of the 21st Century. Not only were the mechanical devices of the late 20th century unknown, but the cargo was also 'exposed' to a greater degree. Boxes, packages and casks

were the containers of those days. Invariably, cargo had to be loaded from ships into lighters, and then on reaching the wharf, the cargo had to be taken to the godowns or loaded into lorries or railway wagons. The covered goods wagon 'CG', or the bogie covered goods wagon 'BCG', were used to convey goods from Port Swettenham to the appropriate destinations. There was much paper work involved, as well as much manual handling of cargo. The advent of containerisation 50 years later was nothing short of revolutionary.

The Railway as the port authority, following the practice of that era, protected itself from liability for loss, deterioration and damage to goods, by including an elaborate set of 'exclusion clauses' in the rules as well as in all contractual documents. Even in the odd or exceptional cases where liability was admitted, the maximum sum payable by the Railway as a carrier or a bailee could not exceed \$100.

In April 1924, the Pilotage District of Port Swettenham was further revised, and new limits were prescribed:

PORT SWETTENHAM PILOTAGE DISTRICT

Boundaries - From a beacon on the south bank of the Sungei Aur a straight line bearing approximately north-west to a beacon on the east end of Pulau Lumut; hence along the northern and north-western shores of Pulau Lumut to its western extremity; thence a straight line to the 10 fathom line on the south-west extremity of the bar, 2.5 miles south-west from Pintu Gedong Light House; thence along the 10 fathom line to a point due west of Pintu Gedong Light House; thence a straight line to Pulau Angsa Light House; thence a straight line to a position in Latitude 3° 21' north and Longitude 101° east; thence a straight line bearing north-east to the mainland; thence southward along the shore of the mainland to the point of commencement.

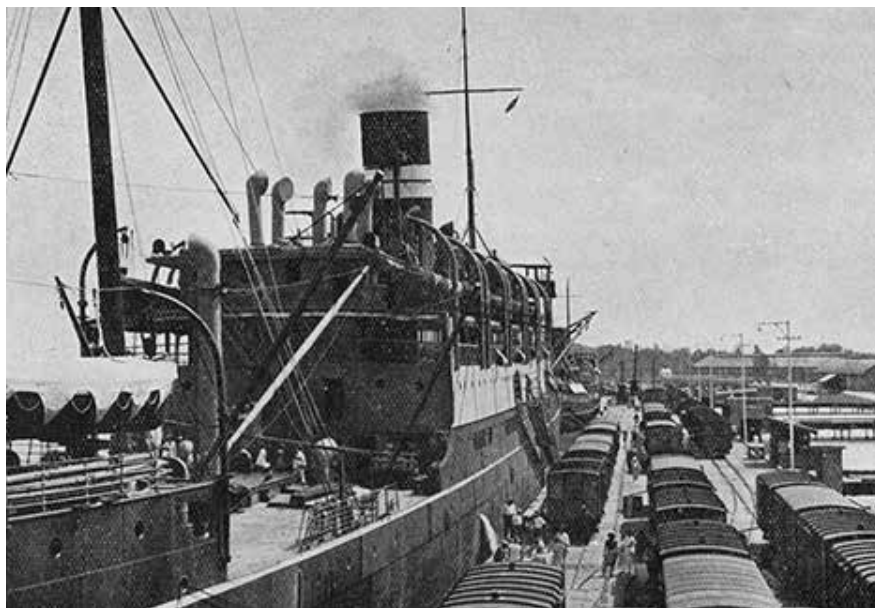
These limits include the whole of the coast line within 50 yards of high water mark, and of Port Swettenham harbour together with all piers, jetties, docks and other similar works therein contained.

Exclusion - All islands within the above described limits with the exception of their coast line within 50 yards of high watermark. [Sel. 1448/23 1].

Another notification in the *Gazette* prescribed \$50 as the due that pilots could charge for pilotage service between Angsa Bank light vessel and Pulau Angsa.

At this time, 2 licensed pilots were continually employed at Port Swettenham.

Although the *Port Enactment* was a federal law, the Resident of each State had the authority to take important decisions concerning harbours, ports and shipping. In January 1924, the area constituting the ‘port’ of Port Swettenham was demarcated and declared:



Cargo loading into railway wagons, 1920s.

“THE PORTS ENACTMENT, 1923”

DECLARATION OF OUTER PORT - PORT SWETTENHAM

No. 912 - In virtue of the powers vested in him by section 3 of “The Ports Enactment, 1923”, the Resident of Selangor hereby declares the area defined in the schedule hereto to be a port:

SCHEDULE

Boundaries - From the north-western Port Limit Beacon in the North Klang Strait northward along the east coast of Pulau Klang to the Beacon with a circular top-mark off Tanjong Bakau. From thence a straight line south-eastward to the rear leading Beacon in the Sungei Dua Besar, from thence southward along the coast of the mainland to the south-eastern Port Limit Beacon in the North Klang Strait and from thence a straight line to the point of commencement [Sel. 150/24]]

*Kuala Lumpur,
29th January, 1924.*

The Port Swettenham area was also becoming famous for fish and fish products. The Fisheries Department reported that Pulau Ketam was the largest centre of *belacan* in Malaya.

The British Resident of Selangor in his annual report for 1924 stated:

Pulau Ketam remains one of the largest fish salting centres on the west coast, salt being imported mainly from Siam, and to a lesser extent from Egypt. No fish-canning industry has yet been started, but experiments go to show that there is a reasonable possibility of success for such an industry.

A new scale of charges for the traffic of all classes of goods was introduced by the FMSR in January 1924.

Some criticisms were voiced concerning the charges that were to be levied for various services at Port Swettenham. The Chief Secretary responded to the various objections and arguments in the Federal Council on 6 March 1924. He pointed out that the Railway Board had made the decisions. On that Board, there were a number of leading unofficial members from the commercial sector in the Federated Malay States and the Straits Settlements. They had approved all the charges to be levied. There was in fact a sub-committee of the Railway Board that was responsible for handling this matter. "The Government feels the greatest difficulty in going behind the recommendations made by the Board", the Chief Secretary added.

Reacting to a proposal that an inquiry should be instituted into the scale of wharfage charges, the Chief Secretary maintained that no case had been made out for holding such an inquiry. He contended that it was also not right to act on Mr. Rich's suggestion that the Federal Council must give its approval before any changes were made in the charges.

In 1925, a new set of Port Rules was introduced to replace the older set that had been in force from 1904. What was adequate for 1904 was not appropriate for 1925. Some of the old rules were discussed in an earlier part. The new rules were subsidiary provisions, drafted under powers conferred by the *Ports Enactment (Federal Enactment No. 7 of 1923)*. The intention was to have common or uniform rules for all ports in the FMS. However, in addition, there were 6 special rules for Port Swettenham:

SPECIAL RULES FOR PORT SWETTENHAM

1. *No vessel or small craft shall lie at anchor opposite the wharves east of a line drawn parallel to the wharves half-way between the wharves and the nearest point of Pulau Lumut.*

2. *Steam launches and small craft shall anchor only within the area which would be defined by a line drawn from the port limit beacon on Tanjong Sungei Agas, thence to the end of the passenger jetty, thence to the end of wharves Nos. 1, 2 and 3, thence in a straight line to the port limit on Pulau Lumut at the mouth of the Langat River.*
3. *No vessel or small craft shall anchor in the fair-way of the mouth of the Klang River.*
4. *Steam vessels clearing from the port shall go beyond the western limit of the port before anchoring again.*
5. (a) *When a vessel is leaving Port Swettenham, and at the same time another vessel is approaching the port by way of the North or South Klang Straits, a red flag will be hoisted at the signal mast at Deepwater point. The vessel or vessels approaching the port shall then delay entering until all risk of collision is passed.*
 (b) *When two vessels are approaching the post, the one by the North, and the other by the South Klang Strait so that both may arrive off Tanjong Gila at the same time, the vessel stemming the tide shall give way to the vessel with the following tide, and allow her to enter the port first.*
 (c) *The vessel so giving way shall indicate her intention by sounding on her whistle the Morse letter "R" i.e. - — - (short, long, short).*

SOUND SIGNALS IN USE IN THE PORT

6. *One long blast on whistle or siren calls the mooring boat. Three long blasts call the mooring boat and the pilot. Four short blasts from a heavy draft vessel indicate that she is unable to give way to one of lighter draft. Five long blasts from a vessel in difficulties is the signal for a tug.*

It was also decided that a special area called the "quarantine anchorage area" must be demarcated and officially notified. The *FMS Government Gazette* of 3 September 1926 carried this notification:

The Quarantine anchorage shall be within port limits to the westward of the meridian of 101° 22' 40".

The Great Floods

In November 1925, there were floods in the heart of Kuala Lumpur. There was great inconvenience and the General Post Office was flooded on three occasions. By employing rafts and boats, however, mails were received and despatched every day – except on 30 November, when “the water was too high and the current too dangerous” to allow the use of small craft. In this predicament confronting the Post Office, it was Port Swettenham that came to the rescue. *Sampans* from Port Swettenham were obtained, and the delivery of letters continued! Major Richard J. H. Sidney, who was at that time the Headmaster of the Victoria Institution, Kuala Lumpur, commented humourously about this famous event in his book *In British Malaya Today*:

As the waters deepened so it became necessary to use boats, and the Post Office showed great enterprise in bringing up sampans from Port Swettenham. They must try and continue business, flood or no flood.

Road-bound Traffic Expands

The rapid increase in motor vehicles, and the steady rise of both bus and lorry transport services, inevitably affected the revenue of the FMSR adversely.

Presumably, the doubling of the Kuala Lumpur to Port Swettenham line had been planned and carried out both in anticipation of general economic development, and to avoid bottlenecks in the distribution of exports unloaded and imports despatched at Port Swettenham. As mentioned earlier, however, the work had been discontinued.

The unsatisfactory condition of the road between Kuala Lumpur and Port Swettenham was the subject of discussion at the meeting of the Klang Sanitary Board on 21 March 1925. The unofficial members took the initiative in this matter. The road was described in the minutes as “probably the most important road in the State leading to the port”. The common complaint was that places that had been repaired the previous year were already showing signs of wear, due to the heavy traffic. The advent of lorry traffic had evidently brought about this condition. The members of the Sanitary Board asserted that a road like the Kuala Lumpur to Port Swettenham link “must be reconstructed as it would be a wrong policy to hinder traffic development”.

The 2nd half of the 1920s witnessed a rapid increase in all types of motor vehicles on Malayan roads. The old rules of the road were repealed and replaced by new ones. There were prohibitions as to use of particular motor vehicles on specified roads. In Klang District, there were several such restrictions. The Resident of Selangor imposed restrictions on “those descriptions of motor cars known as motor omnibus and motor lorry” if their gross weight (when loaded) exceeded 2 tons. The likelihood of excessive wear and tear was mentioned. Such vehicles

were restricted from using, for example, Teluk Gadong Road, and Pandamaran Road “from the junction with Klang-Port Swettenham road near the 3rd mile to the junction with the Kuala Langat Road near the 5th mile”. The same restriction applied to the use of Belfield Bridge at Klang.

The *Traction Engines and Motor Cars Enactment of 1912* was repealed, and legislation more appropriate for the changing times took over. The *Motor Vehicles Enactment* came into force with effect from 1 January 1929. At about the same time, the authorities decided that the Klang-Port Swettenham Road must be widened. This task was listed as Item 14 in the *Memorandum of the Chief Secretary to Government on the Estimates for the year 1929*, which was also *FMS Council Paper 35 of 1928*.

Item 14. Widening Klang-Port Swettenham Road \$20,000

The increased traffic on this road has necessitated this improvement and it is expected that the widening will be completed next year.

The ending of the Rubber Restriction Scheme led to an increase in rubber exports. That meant Port Swettenham was kept busy with an increase in the handling of rubber exports. 217 ocean steamers called for export cargo, as against 231 in 1927. There was also an increase in the number of ocean steamers that came with import cargo, namely 476 vessels. In the previous year (1927), 425 vessels had arrived with import cargo.

The bad news in 1928 was that a disastrous fire occurred at the Port Swettenham Railway Station at about 4:15 a.m. on 28 May. The fire destroyed the office of the Station Master, as well as the booking office and the telegraph office. Damage was estimated at \$12,000.

1928 was a remarkable year in that 315 ocean vessels came alongside the wharves as against 161 in 1927. The largest vessel that entered Port Swettenham was the S.S. *D'Artagnan* (French) while the deepest draft vessel that entered the port was S.S. *Perseus* (British), drawing 32 feet 2 inches of water.

Port Advisory Board Reconstituted

In July 1928, the Port Swettenham Advisory Board was reconstituted. Its function was still “to advise on matters relating to the management and working of Port Swettenham”. The Chairman was the GM of the FMSR, and not the Resident as formerly. Members of the Advisory Board were:

The High Commissioner of Trade and Customs, FMS

Harbour Master, Port Swettenham

Distict Officer, Klang

D. H. Hampshire, Esq.

D. F. Topham, Esq.

Mr. E.H. Everest was appointed a member of the Advisory Board in 1929, and in that year the Board held 5 meetings. The main topics considered were:

- (a) proposals for additional wharf accommodation at Port Swettenham*
- (b) proposals regarding Customs procedure affecting the examination of passengers and baggage on disembarkation at Port Swettenham*
- (c) the draft Enactment to amend the Customs Enactment 1923 and its effect on the presentation of ship's manifests.*

That draft Enactment did in fact become law on 18 August 1929 as the *Customs (Amendment) Enactment (No. 13 of 1929)*. The draft explained that it occasionally happened that vessels arriving at ports in the FMS had no manifest of the cargo for delivery, or an incomplete or partial manifest. The object of the proposed law was to avoid delaying the ship in such cases, by authorising the landing of the cargo, which would then be held in proper custody until the arrival and presentation of the manifest.

New Port Limits

By *Gazette Notification No. 3620 of 24 May 1929*, the Resident of Selangor declared the new limits of the port of Port Swettenham:



The limits of the port of Port Swettenham shall be as follows:

From a beacon set up on the south bank of the Sungei Aur in a straight line to a beacon set up on Pulau Lumut, thence along the northern shore of Pulau Lumut to a beacon set up at a point bearing south 63° 6' W west true, distance 9,078 feet from the beacon marking the old harbour limit (approximate 2 cables north-west of Tanjong (Gila), thence in a straight line to a beacon set up at a point bearing north 51° 31' west true, distance 11,015 feet from beacon north-west of Tanjong (Gila), thence in a straight

line to a beacon set up at point bearing north 13° west true, distance 5,901 feet from beacon north-west of Tanjong (Gila, thence along the shore of mainland to a beacon set up on the right bank of the Klang River thence in a straight line to a beacon set up on the left bank of the Klang River, thence to a point of commencement, including all piers, jetties, landing-places, wharves, quays, docks and other similar works, whether within or without the line of high-water mark, and any position of the shore or bank within 50 yards of high water mark.

This Notification cancels Notification No. 622, published in the Selangor Government Gazette of the 23rd October, 1908.

George L. Peet, in his book *Journal in the Federal Capital*, summed up the volume of trade passing through Port Swettenham in the late 1920s:

The growth of Port Swettenham reflects the growth of Selangor. In 1907 its trade was under 200,000 tons. That trade had increased by 37 per cent five years later; it remained almost stationary during the Great War, but in the post-war boom it grew steadily from 1925 onwards, reaching its peak with over 600,000 tons in 1929. The rubber handled at the port in that year was five times the figure for 1913.

There is a very simple explanation. After the Rubber Restriction Scheme was ended there was an upsurge in the volume of rubber exported from Port Swettenham. It was a windfall that did not last long. The Great Depression of the 1930s was creeping in...

The Lean Years

In 1930, the town of Klang had an estimated population of 17,775, while the estimate for Port Swettenham was 6,621. The 1930s was an era of severe economic depression for the whole world. There was no international economic organisation in existence that could at least attempt some kind of coordinated action. Rather, economic nationalism in its most severe aspect was much in evidence. The British were concerned with the well-being of their vast Empire and the British Dominions. The Dutch, French, Portuguese and Belgians displayed the same inward-looking tendencies as colonial powers. The USA followed isolation, while Japan struggled hard to break into highly protectionist markets. Was there over-production or under-consumption of basic commodities (such as Malayan rubber and tin and Brazilian coffee)? In the 1920s, the ill-advised Stevenson Restriction Scheme had been tried out. In the 1930s, economic policy in the FMS was dominated by schemes for rubber regulation and for tin restriction. Basically, it was a repetition of

the old commodity restriction scheme of the 1920s. This time, however, the Netherlands was a participant, whereas previously it was not; while British Malaya had restricted its rubber output, the Netherlands East Indies (Indonesia today) increased its own output.

British Malaya was wholly dependent on the production and export of rubber and tin, which prices were always subject to fluctuations. The FMS Government for its part relied overwhelmingly on the revenues collected from exports of those 2 commodities. The citizens of present-day Malaysia may be surprised to learn that in the FMS of the 1930s, even simple manufactured items like matches, toothpaste and torchlight batteries had to be imported. In 1929, everything looked promising for the FMS. In 1930, things were more serious and there were many forebodings. In 1929 and early 1930, the decision-makers thought that facilities in Port Swettenham were adequate. As the 1930s unfolded, the question was: Can we afford the luxury of more facilities?

Symptoms of the economic decline were starting to show in 1930 in Port Swettenham. 333 ocean-going steamers came alongside the wharf in 1930, as against 365 in 1919. The general economic slowdown was creeping in. 31,410 Indian labourers were repatriated through the Immigration Depot at Port Swettenham as compared to 2,310 in 1919. The majority were repatriated on account of unemployment. In May 1930, most of the more important rubber estates agreed to cease tapping the trees for a month. There was simply no alternative work available for estate labourers. The standard rates of wages were reduced from 50 cents, 40 cents and 20 cents a day for men, women and working minors to 40, 32 and 16 cents a day respectively from 5 October 1930.

Chinese labourers were affected by the depression too, and a Chinese Unemployment Relief Committee was formed. A camp for the unemployed was opened in July 1930. The camp was financed entirely by public subscription. Repatriation to China was also organised.

In September 1930, the Klang District Planters Association and a group of landowners of Klang and Port Swettenham held separate meetings to protest against a proposal to increase assessment rates on agricultural and vacant lands within the Klang Sanitary Board areas.

Van Tooren, the contractor for Port Swettenham, had approached the Traffic Manager FMSR requesting that the quarters occupied by his loading and unloading coolies be exempted from payment of assessment. The Board rejected the request and decided that assessment should be paid.

'S' class engine

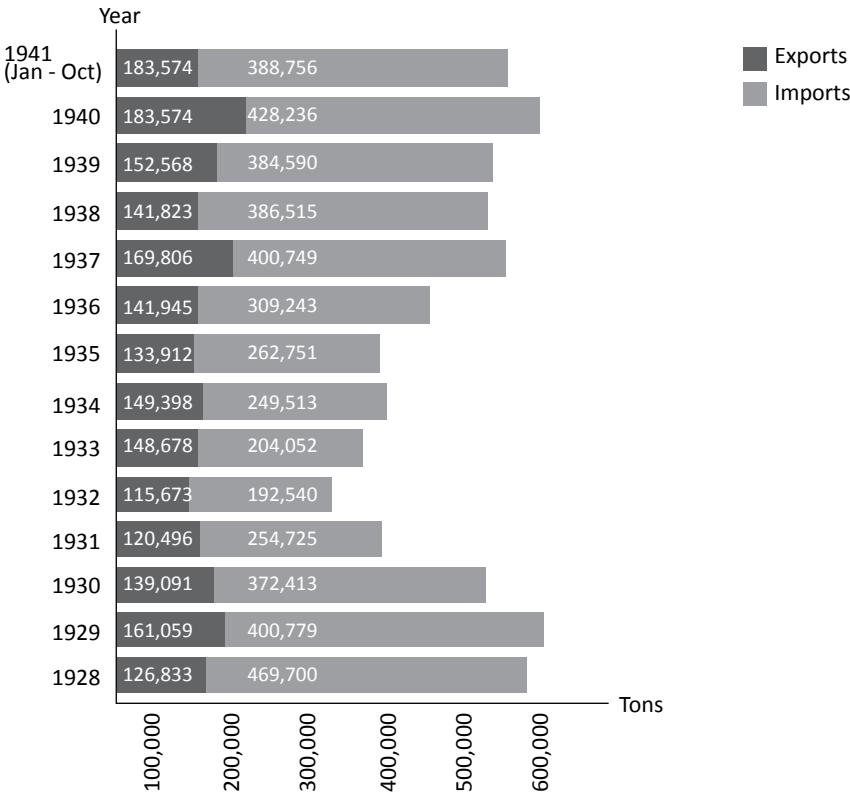
A major change in locomotive traction in the FMSR was the advent of the 'S' class locomotive. Anyone who was familiar with the railways before the Second World War will remember this elegant locomotive that was the embodiment of steam power. The first batch of 'S' class locomotives made their appearance in 1930. They were heavy locomotives, but they had the advantage of being able to haul 800 tons. The impact on goods traffic to and from Port Swettenham was thus recounted by the FMSR GM in his annual report for 1930:

Since the track strengthening of the Port Swettenham branch has been completed an 'S' Class locomotive capable of hauling 800 tons has displaced two smaller locomotives with a reduction in train mileage.

The economies were obvious.

The volume of cargo handled at Port Swettenham continued to decline between 1928 and 1941. In some years, the tonnage handled was so low that it would have seemed extravagant to talk of expansion of facilities.

Volume of cargo handled at Port Swettenham, 1928 - 1941



Source: The Author



The 'S'-class steam locomotive, a significant improvement over the previous locomotives.

Rubber exported through Port Klang was 91,407 tons in 1930, as compared with 103,761 tons exported in 1929, or a decrease of 12,354 tons. Of this quantity, 87,903 tons in 1930, and 100,783 tons in 1929, were rail-borne.

The statistics show that the tonnage handled across the wharves in 1929 exceeded the 600,000-ton mark. It was the highest volume of cargo handled since Port Swettenham had commenced operations as a port. No one could have predicted that an economic depression of large proportions was going to sweep across the globe. It was going to hit not only a relatively under-developed economy like that of British Malaya, but also the giant economies of the USA and Great Britain.

Port Swettenham felt the impact of the deepening recession. The virtual cessation of recruiting of Indian immigrant labour was one symptom. Whereas 60,761 immigrants and deck passengers arrived at the port in 1919, there were only 30,090 arrivals in 1930. To quote the Chief Secretary's report for 1930:

Assistance was given to the Labour Department during the reduction of labour on estates in the autumn by accommodating in the Quarantine Camp in Port Swettenham, 15,823 labourers and their dependents, pending their repatriation to India. As a result large numbers of patients, in all 1,612, were treated in the Camp hospital.

Many improvements in the private and the public sector alike, which might otherwise have been carried out, were shelved in view of the financial depression or 'slump', and only work of an absolutely urgent nature was undertaken.

The Public Works Department completed the following essential works for the Selangor Marine Department in 1930:

- (1) *A new steel lattice tower with quarters for staff at Deep Water Point, Port Swettenham*
- (2) *A replacement of the light buoy at Batu Penyu Rock by a permanent structure.*

Both were obviously relevant to maritime safety in the immediate vicinity of Port Swettenham.

A Club for Mariners

The Klang Sanitary Board had a meeting on 12 February 1930. A proposal to purchase a Hatfield trailer pump for Port Swettenham was on the agenda. After discussing the matter, the Board decided that purchase of a trailer would not be advantageous.

At the same meeting, the Sanitary Board members approved a plan for the Mariners' Club to be built in Port Swettenham. Perhaps this club should have been built much earlier, for the welfare of seafarers arriving in Port Swettenham.

Radical measures

The Rates and Fares Advisory Committee met on 7 occasions in 1930 and its work was largely concerned with "special rates to meet competition by other means of transport". Owing to the importance of rates and fares and other questions coming before this Committee, the Railway Board agreed to its reconstitution. The Acting Traffic Manager (J.O. Sanders) became Chairman of this Committee. Mr. D.F. Topham, a member of the Port Swettenham Advisory Board, was also a member of the Rates and Fares Committee. He provided the link, as it were, between the two Committees.

New measures were adopted to retain as much freight traffic as possible, or at least attempts were made for that purpose. A special rate of 55 cents per *pikul* (inclusive of rail, causeway and Singapore Harbour Board haulage charges) for tin and tin ore was available when conveyed in lots of not less than 50 *pikuls*. The attractive concession or incentive was announced for tin and tin ore produced in Batu Caves, Kent, Batu Village, Pudu, Ampang and Salak South, and was brought into operation from 14 April 1929. The objective, as explained by the GM of FMSR, was "to divert to Singapore throughout by rail the traffic that was passing from these stations to Port Swettenham by rail and thence by steamer to Singapore". The charge at ordinary rates would be 77.70 cents per *pikul* plus the Singapore Harbour Board charge of \$1.88 per 12-ton truck. It was therefore a package deal that cut costs drastically for the consignor. Also it meant that only 2 levels or stages of handling were involved; namely, from railway truck in Kuala Lumpur to ocean-going vessel in Singapore. Otherwise the contents of the truck would be off-loaded at Port Swettenham into coasters or small vessels for transshipment into much large vessels in Singapore. Although no relevant statistics are available on this strategy and how much revenue the FMSR earned, it did mean that traffic was diverted from Port Swettenham. Some may cite this as a prime example of railway revenue as top priority at the expense of port revenue.

It is perhaps unusual to find statistics of road vehicles in a railway annual or administration report. However, that was exactly what the GM of the FMSR

decided to do to drive home to the public the severity of competition from road transport. The whole of paragraph 92 of the FMSR annual report for 1929 is given below:

The following statement of the number of motor road vehicles running in the Federated Malay States during the period 1921 to 1929 will give some idea of the increase of road competition:

Motor road vehicles running in the Federation Malay States, 1921-1929

<i>Year</i>	<i>Lorries</i>	<i>Hire cars and buses</i>	<i>Private Cars</i>
<i>1921</i>	<i>205</i>	<i>1,640</i>	<i>1,341</i>
<i>1922</i>	<i>260</i>	<i>1,723</i>	<i>1,410</i>
<i>1923</i>	<i>321</i>	<i>2,210</i>	<i>1,735</i>
<i>1924</i>	<i>452</i>	<i>2,518</i>	<i>2,061</i>
<i>1925</i>	<i>881</i>	<i>4,068</i>	<i>3,329</i>
<i>1926</i>	<i>1,715</i>	<i>6,163</i>	<i>5,042</i>
<i>1927</i>	<i>2,250</i>	<i>7,022</i>	<i>5,746</i>
<i>1928</i>	<i>2,818</i>	<i>8,426</i>	<i>6,894</i>
<i>1929</i>	<i>4,113</i>	<i>10,486</i>	<i>8,579</i>

Source: FMSR Annual Report, 1929

On 4 December, an amendment was made to the *Railways Enactment 1912*. It conferred on the Railway Administration Statutory power to “establish and work” motor services. The FMSR had to cope with fierce competition from road transport. A new provision, namely, section 77(i), was added at the end of the 1912 Enactment:

The Railway Administration may with the approval of the Chief Secretary to Government establish and work any Motor service, whether necessary or not for the accommodation of its traffic, and may with the like approval make rules to regulate ...

The Railway Administration was empowered to specify routes, time schedules for cars and lorries, type of traffic to be carried, fares and so on.

In 1930, the FMSR decided to reduce the rates charged for transport of rubber in order to (a) retain traffic that was about to be diverted to road transport and (b) attract additional traffic.

Another important innovation was introduced at Port Swettenham and other FMSR ports in 1932. An amendment to the Customs procedure came into effect in December. Dutiable imported goods could be loaded direct from a ship into a railway wagon. The wagon was locked with special Customs locks and forwarded directly to an inland Customs station. This procedure eliminated delay at the ports, and enabled railway users to conduct their own Customs work at the inland stations.

Lorry transport was becoming a greater threat to the railways. In 1934, a Joint Committee of the Straits Settlements, and the Federated Malay States was set up “to consider the effect the competition with other forms of transport being caused by the introduction into Malaya of commercial vehicles equipped with diesel or heavy oil engines”. The Joint Committee report was published as *Federal Council Paper No. 27 of 1934*. It was a very technical document that examined thoroughly the economics of lorry transport and compared the performance of the railway with road haulage. The Memoranda were submitted by interested organisations. In the Memoranda sent by the GM of the FMSR to the Joint Committee, there is one particularly striking statement:

It is a common practice for Asiatic-owned hire lorries to make regularly three trips a day between Kuala Lumpur and Port Swettenham, the average annual mileage for such vehicles being the neighbourhood of 50,000 miles.

The price of rubber fell steadily to a deplorably low level. The number and tonnage of ocean-going steamers entered and cleared at Port Swettenham in 1932 were 1,314 vessels and 5,250,130 tons as compared with 1,406 vessels and 5,555,534 tons in 1931, being a decrease of 305,404 tons. There was also a decrease in the number of merchant vessels. 2,596 vessels called at Port Swettenham during 1932 while in 1931, 2,772 vessels had called.

197 ocean-going steamers came alongside the wharf in 1932, against 259 in 1931. The largest vessel entering the port in 1932 was the British vessel S.S. *Ulysses* of 14,652 tons. The deepest draft vessels that entered Port Swettenham was S.S. *Calchas* of British registration drawing 32 feet 5 inches of water.

Plans Mooted for new wharves

In the years 1928/29, a scheme had been prepared for the construction of 3 additional wharves in the port area. The railway had experienced enough criticism about congestion as well as demands for “additional wharfage”. The 1930 annual report of the FMSR (in paragraph 64) summed up the problem like this:

Wharf accommodation is insufficient for present requirements, and will it is expected, prove altogether inadequate when trade conditions improve. During the year proposals for an extension of wharf accommodation were under consideration.

The composition of the Port Swettenham Advisory Board in 1930 was:

The General Manager, Federated Malay States Railways (*Chairman*);
The Hon’ble the Commissioner of Trade and Customs, Federal Malay States;
The District Officer, Klang;
The Harbour Master, Port Swettenham;

Mr. D. H. Hampshire;
Mr. D. F. Topham;
Mr. E. H. H. Everest.

Mr. H.A. Wooton, who was appointed to the Board with effect from 26 March 1930 to act during the absence on leave of Mr. D.F. Topham, held office up to 7 November 1930.

It is on record that on 14 February 1930, the Port Swettenham Advisory Board members visited both Port Swettenham and Tanjong Gila “in connection with proposals under consideration for the provision of additional facilities at or near Port Swettenham”. The Board members rejected the proposal to construct 3 wharves “at the existing port site”. They favoured new wharf development in the North Klang Straits.

The Board felt that the volume of trade through the port would not remain static. It was bound to expand “beyond the scale which could be handled by any extensions physically possible to the existing site”. The GM of the FMSR submitted fresh plans to Messrs. Coode, Wilson, Mitchell and Vaughn Lee (Coode and Partners) for a technical opinion on the matter.

The site that had been proposed was “on the mainland to the east of Klang Strait and to the northward of Tanjong Gila”. There were 3 instalments for the project, each providing for a 1,000 linear feet of deep water wharf, with 2 transit sheds thereon. There would be a road from Port Swettenham as well as a double track of railway, and full facilities in the way of offices, sidings, quarters for workers and so on. It was a massive project, on which a decision had to be taken.

The merits of the proposed wharves at North Klang Straits were considered. The FMSR GM and the consultants were mindful of the prospective size of vessels in the Far Eastern and Australian trades. The Suez Canal Company was preparing for the passage of vessels of 35, possibly 36 feet draft. Even greater depths were under discussion. Therefore, deep-water wharves were going to be important. The implications for the channel off Tanjong Gila were related to dredging. The approach to the wharves at Port Swettenham was through the dredged channel off Tanjong Gila in which, according to the available charts, there was 26 feet at low tide, with the usual variations for spring tides and neap tides. The consultants stipulated that it was essential to obtain information regarding tidal levels, and the most important among them were the low water spring tides.

Having considered more data, the consultants concluded it ought to be sufficient to provide for vessels drawing up to 33 feet in the first instance, with the possibility of future deepening by dredging, so as to accommodate vessels drawing 35 feet.

Another important comment made by Coode's engineers related to the exposure of the new site. It would be more exposed than the then-existing site. With strong winds from the North-West, there would sometimes be "a nasty short sea"; which would be uncomfortable for launches and small craft. They felt this phenomenon should not cause any real difficulty in the berthing or unberthing of large vessels, or when they were lying alongside the wharf. In any case, when the Surveyor embarked on the extended survey of the waters, he would have the opportunity of recording the state of the sea and the general conditions in the vicinity of the proposed wharf. The maximum speed of currents, recorded as 2.94 knots, should not affect adversely the successful use of the wharf, though at times, especially with a strong wind blowing, it might be desirable to have a tug to assist vessels in coming alongside or for going away from the wharf.

The consultants referred to what a lay person would interpret as erratic behaviour, on the part of the Klang River. They felt that changes were taking place in the course of the Klang River.

This river has an exceedingly tortuous course; it seems to be getting worse in this respect and might, if the country is flat, change its course altogether, possibly even to the extent of discharging direct into the North Klang Strait.

It was emphasised that when making the detailed survey for the railway to connect the new site to the existing railway line, particular attention should be paid to and notes made of apparent changes in the course of the river.

The consultants also recommend that the position of the mouths of the Sungei Dua Besar and Sungei Dua Kechil creeks should be established with reference to the proposed site for the wharf.

Messrs. Coode and Partners were satisfied that the chosen site was appropriate for a wharf:

In conclusion, we have to say that, from the information available, the proposed site in the North Klang Strait appears to us quite suitable for a wharf for the accommodation of large steamers, and lends itself to future extension as and when required. We have already stated that we consider the estimated cost high compared with the amount of cargo which can probably be handled, but we believe that upon further examination the estimated cost could be appreciably reduced. The examination, however, of the details need not delay the consideration of the project as a whole.

The Imperial Shipping Committee

For Port Swettenham, the most important event in the 1930s was the positive reaction of the Imperial Shipping Committee to the proposal to develop deep water berths at the North Klang Straits, north of Tanjong Gila.

The Imperial Shipping Committee can be described as a high-powered group of shipping and transport experts. Apart from members from Britain, there were experts from Australia, Canada, New Zealand, South Africa and India, and one representing British colonies. There were also members drawn from the shipping lines and shipbuilding firms. The Chairman was Sir Halford John Mackinder PC.

On 19 February 1931, the Secretary of State for the Colonies asked the Committee to report on the proposal to develop port facilities at the North Klang Straits site. Many of course looked forward to the report of the Imperial Shipping Committee. The report was published in full in the Straits Budget of 22 October 1931, and summaries appeared in all the leading periodicals in Britain too. It was not a bulky report, and it was tabled in the British Parliament as *Command Paper No. 3953 of 1931*.

The Committee had the benefit of evidence given by the High Commissioner for the FMS, Sir Cecil Clementi, the GM of the FMSR John Strachan, the Consulting Engineers (Messrs. Coode and Partners), representatives of the BISN and P&O shipping lines and several other experts. All the technical data relating to the port and its vicinity were studied, and the report contains a wealth of information on trade and general problems of Port Swettenham as a railway port.

The Committee's report was drafted against the background of the deepening recession, but the members preferred to consider the role of Port Swettenham "when trade revival comes". They were also aware that there was some attention being paid to an East-West Railway to link the East Coast States of Pahang and Kelantan directly with Port Swettenham. In view of that possibility and the probable expansion of existing trade, they felt that additional facilities were necessary. They also accepted the reality that "ocean-going vessels prefer to anchor in the stream and work from lighters rather than to go alongside the existing deep water wharf".

The Committee was happy with the proposed site for the new wharves, and described its advantages and attractions:

The proposed site is easy of access to shipping, the current flows north and south and the consulting engineers assure us that only very occasional dredging will be necessary ... on general grounds we are satisfied that the site is a suitable one for deep water wharves. Moreover it has the added advantage that it is capable of almost unlimited expansion.

It is interesting to note that the Committee did not favour a complete move to the North Klang Straits. They felt that the 'old' port would still have a role, as it could handle cargo brought by, or intended for, coastal vessels. The new deep water site could be reserved for ocean vessels and heavier cargoes. They favoured the immediate construction of 2 'ocean-going' (i.e. deep-water) berths. The Committee was confident that Port Swettenham would need the new facilities.

When the trade revival comes, however, it may be sudden, and it is essential that the facilities at Port Swettenham should be adequate to deal with the growth in traffic which will result.

G.L. Peet, writing in Kuala Lumpur on 31 October 1931, made the following comments on the proposed Deep Water Point on North Klang Straits port project:

Today, after a lapse of 21 years, we are about to hear of Deepwater Point in the Federal Council again, but whereas the total cost of constructing Port Swettenham as it stood in 1911, including reclamation, wharves, godowns, quarters, roads, buildings, water supply and the railway extension from Klang was only about two and a half million dollars, the complete scheme which the Imperial Shipping Committee has just considered would cost 36 million dollars.

Few people are optimistic enough to believe that the Federal Government will go on with this scheme at the present time, but the vision of mighty funnels smoking above mangrove swamps in a new port on the Klang Straits is less incredible to us who can look back on the past fifty years than it was in the days when "the village of Klang" was the principal port of Selangor.

In fact, there was no discussion whatsoever in the Federal Council about the North Klang Straits. Members were busy debating and discussing the various problems that arose out of the economic down-turn. In the late 1930s, as the clouds of war gathered in Europe, attention had to be paid to internal security as well as defence.

The Port Swettenham Advisory Board held only 1 meeting in 1932, and again the proposals for additional wharf accommodation at Deep Water Point were discussed. The Port Swettenham Advisory Board recommended that when the volume of traffic through the Port recovered to 450,000 tons a year, consideration should be given to providing additional wharfage in the North Klang Straits. This figure was subsequently reached in the year 1936.

The Governor speaks

Meanwhile, in Singapore, at the start of the Budget session of the Legislative Council of the Straits Settlements towards the end of 1931, the Governor spoke on the economic situation in the British Empire and how it affected Singapore.

He also explained the results of the Ottawa Conference of 1930, the onset of an imperial system of preferential tariffs, and the probable repercussions on Singapore's free port traditions. In the course of his address, the Governor referred to Port Swettenham and to an important recommendation made by the Imperial Shipping Committee about expansion of that port's facilities:

There also a prospect that both Singapore and Penang may lose much of their trade to Port Swettenham, which is the central harbour of the Malay Peninsula, and whose shipping before the slump was rapidly increasing. The tonnage handled at Port Swettenham during the years 1925 to 1929 was as follows:

Tonnage handled at Port Swettenham, 1925-1929

<i>Year</i>	<i>Tons</i>
<i>1925</i>	<i>330,230</i>
<i>1926</i>	<i>423,988</i>
<i>1927</i>	<i>489,696</i>
<i>1928</i>	<i>586,886</i>
<i>1929</i>	<i>601,828</i>

The increase was therefore 82% in four years. Then the slump checked it. The average maximum which can be handled at Port Swettenham with existing facilities is 650,000 tons a year, and in view of these figures the Imperial Shipping Committee in London unanimously recommended, on the 24th July 1931, that additional deep-water wharfage should be provided at Port Swettenham, and that the rail communication to it should be doubled. The Committee added: - "it appears not unreasonable that a portion of the capital charges should be borne, at any rate for a time, not by the trade of the port itself, but by general revenues of the Federated Malay States Government, with any assistance that may be given from Imperial funds". It is certain that, when prosperity returns to Malaya and funds become available, the Government of the Federated Malay States will improve and extend the existing facilities for shipping at Port Swettenham, which is a fine natural harbour, and which is also being developed as an air-port. Is it not, therefore, doubtful whether Singapore and Penang will be best served by a commercial policy which results in tariff barriers being erected between them and the peninsula whose southern and northern ports they are destined by nature to be? Will not such a policy divert trade to the centre of the peninsula at Port Swettenham? And if such be the writing on the wall, shall we not be wise to take warning before, rather than after, the event? All three ports are needed for the development of Malaya, and it will be a grave misfortune if in future all three are not equally available.

A Comment

The Imperial Shipping Committee made its recommendation, but financial circumstances and Government priorities were such that the recommendation was not carried out. The report was not even printed as a Federal Council paper for debate and discussion. It is also clear from the Governor's speech that he, like many other British administrators, considered Singapore and Penang as being ports for the FMS or the Malay peninsula too. It was after all *British Malaya* that the British administered. It was not as though Port Swettenham was to be the sole port for the FMS. The Governor wore 2 constitutional hats. He was Governor of the Crown Colony of the Straits Settlements. He was also High Commissioner for the FMS. Were there any confidential policy decision that guided him if he were confronted with a conflict between Singapore interests and FMS interests? Some were inclined to think that Imperial interests were always given priority. They would be easier to justify. Another development was taking place that is relevant to this issue of Singapore and Penang versus Port Swettenham. The old railway terminus of the Singapore stretch of railway used to be at Tank Road. It was decided to embark on a deviation to re-locate the railway terminus closer to the docks. The Bukit Timah-Tanjong Pagar deviation was completed, and so was the new railway station at Tanjong Pagar, which was officially opened by the Governor on 2 May 1932.

An extract from the Governor's address to the Straits Settlements Legislative Council in 1932 demonstrates this clearly:

Hitherto the prosperity of Singapore and Penang has been largely based on their exchange trade with neighbouring countries in general tropical produce. As the Customs Duties Committee explained in its report, dated the 23rd February, 1932, apart from rubber and tin of all kinds, there are imported into Singapore and Penang arecanuts, copra, sago, jungle produce and marine produce of every variety; these imports are here sorted, graded, conditioned and treated, and are then exported as "Straits produce", payment being made to a large extent by means of cottons, hardware, cutlery, agricultural implements, etc., also imported into Singapore and Penang for re-export. This produce exchange trade is an industry in itself; and its importance lies, not only in the intrinsic value of the produce, but in the fact that the trade provides a large market for manufactured goods imported into the Colony. The position of Malacca is, however, not the same as that of Singapore or Penang, since in its case the local exchange trade with foreign territory is not an important factor.

The graphic phrase "sorted, graded, conditioned and treated" is what an economist of today would probably describe as 'value-added'.

Both these ports of call were situated in Crown Colony territory, the Straits Settlements. The big ships always came and kept coming to Singapore. From there, the smaller coastal vessels could carry away cargo for different ports including

Port Swettenham. Why upset this pattern of cargo movement, especially as there were such frequent criticisms of Port Swettenham from the navigational as well as the commercial points of view?

There are several comments that need to be made. The tonnage handled across the wharves at Port Swettenham was certainly the highest ever recorded since 1901, when the port became operational. But alas! After that year ended, the slump began. Even in the USA, 1929 was a boom year, but after that, the economy crashed. The stocks of rubber that had been held back during the Restriction Era were exported in 1929.

An airport in Port Swettenham

The Governor's mention of an airport being developed at Port Swettenham requires some elaboration. In 1930, "in conformity with the principle of an Imperial chain of landing grounds, provision for an aerodrome at Port Swettenham was made", according to the Selangor British Resident's annual report. Work was undertaken in the same year. The Resident's report provided more details:

The 200 acre area selected for the site was subject to tidal flooding which necessitated bunding and the provision of large outfall drains and a tide gate. Work on the reconditioning was about 90 per cent completed at the year's end at an expenditure of \$104,388.

On 14 May 1930, the Chairman of the Sanitary Board submitted a plan showing the line at which buildings not exceeding 21 feet in height would have to be set back on certain lots on the Port Swettenham Road, to enable airplanes to leave the edge of the aerodrome at an inclination of 1 in 15. The Senior Executive Engineer Klang District, Mr. B.O. Bush, expressed his viewpoint that airplanes would probably be able to rise at an increasingly steep angle as time passed. As only part of the site was being conditioned at that time, it might not be necessary to set back buildings so far, except for a few lots opposite the part of the aerodrome that was being conditioned. The Chairman undertook to address the relevant authorities again.

The close proximity to an aerodrome or landing ground was of course going to be a novel experience for the citizens of Port Swettenham. The Chairman of the Klang Sanitary Board wrote to the Resident regarding the need for "a building and planting set back line" on lands adjoining the aerodrome. A reply was received from the Officer Commanding the Royal Air Force in the Far East, setting out guidelines on the building and planting set back line on "lands around the aerodrome". The Chairman read out this letter at the Sanitary Board meeting on 9 July 1930. The Board minutes indicate that a decision was made to follow the recommendations in controlling building operations near the aerodrome.

The Selangor Resident's report for 1932 contained the following paragraph about the aerodrome project:

Work continued on the Port Swettenham aerodrome where sub-soil drains were laid at a cost of \$2,975. The condition of this landing ground has much improved and damage by crabs has lessened but the nature of the sub-soil which is of coastal mud renders adequate drainage a matter of some difficulty.

It will be noted by the reader that once more, the ever-present problem of mud in the Port Swettenham area had confronted the aerodrome engineers.

In 1936, the landing ground at Port Swettenham was described as still in the experimental stage and unfit for aircraft but in 1937, work was reported to be on land to provide 2 specially prepared runways. The runways formed a letter 'L' and they were planned to provide two areas, each 700 yards by 120 yards, one oriented North East-South West and the other North West-South East. The date of completion was to be May 1937. The landing ground was opened to traffic in September 1937. At the same time, an alighting area, provided with moorings for use by seaplanes in emergency situations, was made available at Port Swettenham Harbour, according to the *Malaya Year Book* for 1938. The landing ground was located a mile and a half to the west of Port Swettenham town.

Pilgrim ships

Pilgrimage to Mecca had always been important for Muslims. In an effort to ensure that pilgrims were properly accommodated and provided with food, water and medical attention, the FMS Government passed the *Pilgrims and Pilgrim Ships Enactment 1930*. It came into effect on 1 November 1930. It was modelled closely on *Straits Settlements Ordinance 125 (Merchant Shipping)*.

In the *Pilgrims and Pilgrim Ships Rules 1930*, rule 3 was:

The port of Port Swettenham in the State of Selangor is appointed to be the port from which pilgrim ships may depart or proceed and at which pilgrims may be discharged.

Rule 4 provided as follows:

Every pilgrim ship which commences her voyage at or touches at the Port of Singapore before calling at Port Swettenham shall comply with the Pilgrim Ships Rules 1928 under the Straits Settlements Ordinance 1925 ... in respect of all matters specified ...

The matters specified related to tonnage and power of ships, boats and lifesaving appliances, distress signals, wireless apparatus, anchors, chain cables, food, water supply, medical stores, hospital accommodation, dispensary, latrines, sweepers and washing places.

The master of a pilgrim ship had to obtain a bill of health for his ship from the Port Health Officer before sailing. The Port Health Officer had to state "the present health conditions of Port Swettenham and environs are owing to the existence/non-existence of sporadic/endemic ..." and state whether the conditions were good, or indifferent or bad.

Further Set of Port rules and charges

A new set of rules for Port Swettenham came into effect in August 1932. As these rules were unchanged for the next 21 years, they are reproduced below in full:

Gazette Notification No. 6057, August 12, 1932, No. 17, Vol. XXIV.

In exercise of the powers vested in him by section 10 of "The Port Enactment, 1923," the Resident of Selangor hereby makes the following Ports Rules to have effect within the limits of Port Swettenham only:

1. *No vessel or small craft shall lie an anchor opposite the wharves east of a line drawn parallel to the wharves half-way between the wharves and the nearest point of Pulau Lumut.*
2. *Small craft shall anchor only within the area which would be defined by a line drawn from a beacon on Tanjong Sungei Agas, thence to the end of the passenger jetty, thence to the end of wharves Nos. 1, 2 and 3, thence in a straight line to the port limit on Pulau Lumut at the mouth of the Langat River.*
3. *No vessel or small craft shall anchor in the fair-way of the mouth of the Klang River.*
4. *The speed of all vessels entering and leaving Port Swettenham is not to exceed six knots and is only to be increased in case of danger or when maneuvering near the wharves. When entering the port, speed shall be reduced to six knots or less at a distance of a thousand yards from the first vessel at anchor or at a buoy; when leaving the port, speed may be increased after passing the last vessel anchor or at a buoy.*
5. *No vessel shall proceed either to the passenger jetty or to a wharf unless signaled to do so by the Harbour Master.*
6. *Steam vessels clearing from the port shall go beyond the western limit of the port before anchoring again.*
7. *(a) When a vessel is leaving Port Swettenham, and at the same time another vessel is approaching the port by way of the North or South Klang Straits, a red flag will be hoisted at the signal mast at Deepwater point. The vessel or vessels approaching the port shall then delay entering until all risk of collision is passed.*

- (b) When two vessels are approaching the port, the one by the North, and the other by the South Klang Strait, so that both may arrive off Tanjong Gila at the same time, the vessel stemming the tide shall give way to the vessel with the following tide, and allow her to enter the port first. The vessel so giving way shall indicate her intention by sounding on her whistle the Morse letter "R", i.e. - — - (short, long, short).
8. One long blast on whistle or siren calls the mooring boat. Three long blasts call the mooring boat and the pilot. Four short blasts from a heavy draft vessel indicate that she is unable to give way to one of lighter draft. Five long blasts from a vessel is the signal for a tug.
 9. The quarantine anchorage shall be within port limits to the westward of the meridian of 101° 22' 40".
 10. No small craft proceeding to or from the Klang River from or to any wharf or vessel shall pass through the area contained within the following boundaries:

From the railway passenger jetty for a distance of 800 feet in line with mooring buoy No. 1; from thence on a bearing 320° for a distance of 1,000 feet from thence in a straight line to a beacon carrying a white circular mark erected on the foreshore to the southward of Tanjong Kubu. [G. 1581/31]

The port limits were also altered, and the new limits of Port Swettenham were set out in *Gazette Notification No. 6059* dated 12 August 1932.

The limits of the port of Port Swettenham shall be as follows:

From a beacon set up on the south bank of Sungei Aur in a straight line to a beacon set up on Pulau Lumut, thence along the northern shore of Pulau Lumut to a beacon set up at a point bearing south 63° 6 ½ ' west true, distance 9,078 feet from the beacon marking the old harbour limit (approximate 2 cables north-west of Tanjong Gila), thence in a straight line to a beacon set up at a point bearing north 51° 31' west true, distance 11,015 feet from beacon north-west of Tanjong Gila, thence in a straight line to a beacon set up at point bearing north 13° west true, distance 5,901 feet from beacon north-west of Tanjong Gila, thence along the shore of mainland to a beacon set up on the right bank of the Klang river thence in a straight line to a beacon set up on the left bank of the Klang River, thence to a point of commencement, including all piers, jetties, landing places, wharves, quays, docks and other similar works, whether within or without the line of high-water mark, and any position of the shore or bank within 50 yards of high-water mark.

The Resident of Selangor also prescribed on 12 August 1932 the maximum fares that could be charged for the use of cargo and passenger *sampans* plying for hire at Port Swettenham:

Fares between the railway passenger jetty and other selected points

Between the railway passenger jetty and the following places:

	<i>FARE Single journey per Passenger</i>
<i>No. 1 Buoy</i>	<i>20 cents</i>
<i>No. 2 Buoy</i>	<i>25 cents</i>
<i>No. 3 Berth</i>	<i>30 cents</i>
<i>No. 4 Berth</i>	<i>35 cents</i>
<i>One mile railway beacon</i>	<i>50 cents</i>
<i>Vessels anchored off No. 1 Wharf</i>	<i>20 cents</i>
<i>Vessels anchored off No. 6 Wharf</i>	<i>25 cents</i>

Re-decking a wharf

A work of an “absolutely urgent nature” was the re-decking of Wharf No. 6. On 23 January 1933, the Federal Council approved the payment out of public funds a sum of \$89,100 for the “re-decking of Wharf No. 6 at Port Swettenham”. The background to the re-decking project is interesting. In January 1931, the S.S. *Rameses* had collided or crashed into Wharf No. 3, and practically destroyed the wharf. Several lighters, and 3 trucks that were on the wharf at the time, were also wrecked. The owners of the steamship paid the FMS Government a total sum of \$118,000, of which the cost of repairing Wharf No. 3 would have been \$106,000. The loss of Wharf No. 3 had, of course, reduced the cargo facilities of Port Swettenham considerably. However, the Railway authorities felt that instead of replacing or reconstructing Wharf No. 3, it would be somewhat cheaper and equally satisfactory to re-deck Wharf No. 6 with concrete slabs. That course of action would also enable them to use tow-motors, instead of shunting engines or hand shunting. To quote the Financial Secretary, “as things stand at present, tow-motors have had to be prohibited, because they destroy the wooden decking now on Wharf No. 6”. It was estimated that with concrete decking and the use of tow-motors, the capacity of Wharf No. 6 would be increased by something like 50%, and would more than make good the loss of Wharf No. 3.

Petroleum and Port Swettenham

An inevitable consequence of the increase in motor vehicles, and in freight and passenger conveyance by road, was a steady rise in the demand for petroleum. The old law on petroleum, which had been in existence from the year 1914, was repealed, and the new law, *Petroleum Enactment No. 27 of 1929*, had come in effect on 12 December 1929. The *Petroleum Enactment 1914* had been rendered “out of date by later developments in the Petroleum Trade”. In the new law, there was an emphasis on the distinction between “dangerous” and “non-dangerous

petroleum”, with separate provisions applicable to each. Also, there were more detailed provisions regarding the import of petroleum.

The new law introduced the concept of “dangerous petroleum anchorage”, which was defined as “Any place prescribed as an anchorage for ships carrying dangerous petroleum”. “Dangerous petroleum” itself meant petroleum which had a flashing point of 73 degrees Fahrenheit.

Port Swettenham had to have an area demarcated as its dangerous petroleum anchorage. This was done on 29 December 1933, through *Gazette Notification No. 9316*:

1. *The dangerous petroleum anchorage shall be that portion of the harbour to the westward of an imaginary line drawn from the rear Beacon on Labuan Garap, Pulau Lumut, and thence true north to the shore of the mainland.*
2. *The transport by water within port limits of Port Swettenham of dangerous petroleum or of a mixed cargo of dangerous and non-dangerous petroleum shall not be permitted in a quantity exceeding 200 gallons except in a steel vessel, provided with a compartment protected by a screw-down gas-tight hatch, as approved and licensed by the Harbour Master. Provided that this rule shall not apply to the transport of petroleum in any vessel entering or leaving the dangerous petroleum anchorage in accordance with permission previously obtained in writing from the Harbour Master.*
3. *Every vessel licensed under rule 2 above shall carry clearly exhibited a plate or board inscribed with the words “Approved for the transport of dangerous and non-dangerous petroleum. Licence no. ...”*
4. *A licence may be issued on payment of a fee of \$12 for any period not exceeding one year, but every such licence shall expire not later than the 31st December next following the date of issue.*
[G.1521/31].

A vessel having dangerous petroleum on board as cargo was allowed to enter the limits of the port only for proceeding direct to the dangerous petroleum anchorage. Any master of a vessel who contravened this provision was liable to a fine of \$1,000. No petroleum could be taken out of any vessel until a permit for the purpose had been granted by the Harbour Master. No permit was granted until the petroleum had been tested by an Inspector. The landing of petroleum between sunset and sunrise was prohibited, “except in the case of loading or discharging petroleum in bulk into or from tank steamers”.

It is not surprising that the Asiatic Petroleum Company had decided to have a bulk installation depot for its petroleum in Port Swettenham.

Railway Issues

D.F. Allen, as already mentioned elsewhere, had access to an abundance of materials, both published and unpublished, when he prepared his report *Major Ports of Malaya*. He has asserted that criticisms of Port Swettenham appear to have been plentiful in the early 1930s. He wrote further:

In 1935 the General Manager of the Railway had to make a case to the Government of the Federation of the Malay States for the retention of Railway control of the port, and drew attention to the difference in function between Port Swettenham, where entrepot trade has always been negligible, and the Straits Settlements Ports, where it can be dominant. The Straits Settlements Trade Commission in 1933/4 had received views from shipowners against the continuation of Railway management of the port, but dismissed them. The management of the port remained a responsibility of the Traffic Department of the Railway.

There was certainly no denying that for Singapore in particular, entrepôt trade was a dominant element in the economy.

The FMSR authorities had sufficient cause for concern. The Kuala Selangor branch line, which had been constructed and opened for traffic in 1914, was closed in 1934. Its maintenance, as the GM of FMSR John Sanders explained, had become quite unprofitable owing to “road, river and sea competition”. Moreover, an endeavour to lease the branch line had proved to be unsuccessful. Perhaps the location of Kuala Selangor at the mouth of a navigable river was quite exceptional, and the degree of competition was high. Yet, generally, the competition from road transport could only increase as time went on, with the steady march of technology.

Port Swettenham town

What was Port Swettenham as a town like in the mid-1930s? A visitor’s viewpoint can be found in W. Robert Foran’s book *Malayan Symphony* published in 1935. He recorded his impressions “gathered during a 6 months’ journey through the Straits Settlements, Federated Malay States ...”

It is five miles from Klang to Port Swettenham. A good road and railway feed and drain the latter, which is well-sheltered, has many good wharves, and is conveniently situated in regard to Kuala Lumpur. Soon after its creation, the wisdom of the expenditure upon this big undertaking was definitely proved. The harbour lies at the landward end of an estuary in which meet the Klang and U Langat Rivers. Work was started there about thirty-five years ago. The original site was a tidal flat, covered with mangrove growing in muddy salt-water. This area had to be reclaimed. There is now sufficient water to wharf the largest ocean-going steamers plying to and from the Far East. In its earlier

history Port Swettenham was most unhealthy; but, thanks to the vigorous methods employed to stamp out malaria, it now affords a classic example of what energy and applied science can achieve in a determined assault upon the sources of disease.

Like most other visitors, Foran found nothing aesthetic about Port Swettenham, for he wrote:

Beauty cannot be found here. Port Swettenham is far too engrossed with commercial enterprise to be troubled about its personal appearance. The works of Nature concern it not.

The slump or depression, which began in 1930, had escalated to a succession of very “lean years”. However, 1936 was the turning point. To put it very specifically, the excess of revenue over expenditure for the FMSR was \$2,700,000. considerable increase both in passenger and goods traffic. What is most remarkable is that the increased revenue was earned in spite of the average freight rate being only \$3.88 per ton, as against \$4.05 in 1935 and \$4.36 in 1934.

It was still necessary to undercut lorry transport in mid-1930s. A feature of 1936 freight traffic was the demand for transportation of bulk latex and palm oil.

The completion of the Causeway in 1924 had enabled the FMSR to run goods and passenger trains directly from Singapore to Johore Bahru and beyond. The old system, whereby ferries brought goods, wagons and passengers from Woodlands to Johore Bahru and vice versa, was discontinued. However, the goods offloaded



View of causeway and railway station at Johor, a train going to Singapore in the 1930s.



A scale map of the routes operated by the Federated Malay States Railways. There are 946 miles of metre gauge track open, and also 121 miles of metre-gauge track leased to the system.

into lorries at the docks in Tanjong Pagar had to be re-loaded into wagons at Tank Road, where the railway terminus was located, for transportation to stations in the FMS or to the Siamese border. That was why the Bukit Timah to Tanjong Pagar deviation was planned and executed. It was a classic example of good economics. There was now a direct connection from the docks to the FMSR railway station area, also at Tanjong Pagar.

No doubt, during the slump years, whatever facilities were available at Port Swettenham would have been sufficient for the handling of cargo. But with the increase in exports and imports, these facilities were strained to the utmost. Complaints of congestion – and therefore of delay – were admittedly mounting. Many a consignor would have decided to avoid sending his cargo to Port Swettenham, and to use Singapore instead. From there, either the FMSR, or freight lorries owned by the growing number of forwarding companies, brought the goods over to destinations all over the Malay peninsula. Port Swettenham was probably bypassed by many ocean-going vessels, which favoured Singapore.

Trade rebounds at Port

The GM of the FMSR, L.M. Smart, began his annual report for the year 1937 on a cheerful note:

A welcome return to a reasonable measure of prosperity in Malaya where the principal products are rubber and tin is reflected in the railway returns for 1937. The revenue for the year is actually the highest derived from the services since 1930 and exceeded that of 1936 by 28 per cent.

The impact of the economic recovery was felt in Port Swettenham, where the increased traffic brought about “a certain amount of congestion”. As it had become evident that the existing facilities could no longer cope with a further increase in traffic, a number of arrangements were made. The shortage of CG wagons was partly solved by converting 50 cattle wagons into CG wagons, pending the arrival of more wagons from England.

The Customs Department was requested to increase the hours of work at the Customs Bond section at the port, and to work overtime when required. This enabled wagons awaiting clearance at the Bond to be more expeditiously cleared, and also released trucks for the loading of inward cargo.

Arrangements were also made to increase storage accommodation at No. 6 Wharf, to enable cargo to be dealt with more quickly. The lighter wharf (No. 7) was extended to provide 4 further tracks and to accommodate 2 extra cranes.

All the positive measures adopted did not bring about the improvements desired. There were frequent complaints from the FMS Chamber of Commerce regarding congestion at Port Swettenham. This problem was discussed by the Port Swettenham Advisory Board when it met on 23 August 1937. It is interesting to note that at this one and only meeting held in 1937, the Board also deliberated on the recurrent topic of additional wharf accommodation at Deep Water Point, Port Swettenham:

The members of the Port Swettenham Advisory Board were as follows in 1937:

The Hon'ble the General Manager, Federated Malay States Railways
(Chairman)

Mr. J. Hobbs, Senior Deputy Commissioner, Customs and Excise, Federated Malay States

The district Officer, Klang

The Harbour Master, Selangor

Mr. D. H. Hampshire, J.P., representing the Railway Board

Mr. A. W. Youtman, representing commercial and

Mr. R. W. Hughes, representing shipping interests

Apart from the usual raw materials like rubber and tin, which were exported via Port Swettenham, substantial quantities of scrap iron were also sent to a number of overseas destinations. The feverish re-armament policy, which several governments had adopted, sparked off a big demand for scrap iron. Until mid-1937, when (for strategic reasons) a ban was imposed on scrap iron exports, this was a major export item for Port Swettenham. As for imports, the revival of tin mining and plantation activity meant that large quantities of mining equipment and estate supplies were being brought to Port Swettenham.

There was also a considerable improvement in the revenue from passenger traffic. The railway authorities attributed this increase to 2 developments. One was the arrival from India and China of large numbers of immigrant labourers, to meet the increased requirements of rubber estates and tin mines. The second reason was that general improvement in economic conditions encouraged more travelling than was the case in previous years.

The increase in vessels calling at Port Swettenham was another indication of recovery. 1,493 vessels called at the port in 1937, as against 1,485 in 1936 and 1,398 in 1935. Of that number, the following were:

Vessel calls at Port Swettenham, 1937-1938

	1937	1938
(a) Ocean	1,094	1,027
(b) Coastal vessels	399	458
TOTAL	1,493	1,485

447 ocean vessels berthed at the Railway wharf compared with 380 in 1936 and 334 in 1935.

The *Malaya Year Book*, a well-known reference book, carried brief notes on the economy of Malaya. The 1938 edition had the following information on Port Swettenham:

PORT SWETTENHAM (SELANGOR)

This is a railway wharf administered by the Railway Department. The length of wharf frontage of No. 6 Wharf is 1,008 feet for two ocean berths, and of No. 1 and 2 Wharves 100 feet each for coaling steamers. At the former the depth at H.W.O.S.T. is 44 feet and at L.W.O.S.T. is 31 feet. The wharves are equipped with one 2-ton, five 3-ton, and one 5-ton steam cranes, and with four 2-ton and one 5-ton electric cranes. A travelling 20-ton steam crane is available for lifts above 5 tons. Lifts up to 35 tons can be dealt with by special arrangement. Seventeen godowns with a total area of 153,411 square feet are available for the storage of cargo.

Vessels up to 11,000 tons regularly berth at No. 6 Wharf for the discharge and loading of cargo. There are 72 lighters with an average carrying capacity of 75 tons for transporting cargo to and from ships berthed in the harbour. Tugs are provided. Three lines of railway are laid on to No. 6 Wharf, and cargo can be handled direct between ship and wagons. Road access is provided to the wharves.

It is interesting to contrast the Port Swettenham's facilities with those of Singapore given for 1938 in the same reference book:

The majority of ocean-going vessels are berthed at the wharves, where facilities are provided for the rapid handling of cargo, bulk latex and palm oil, and for fuel and coal bunkering. The wharves are 11,077 feet in length, including 4,412 feet at which the depth of water at low tide is 33 feet and over. Steamships of 42,000 tons register can approach the wharves at all stages of the tide. Vessels also load and discharge in the inner and outer harbour. Some 3,300 lineal feet of new deep-water wharves are at present in course of construction.

It is appropriate to quote D.F. Allen's observation that unlike Singapore, advantage was not taken of cheaper costs during the depression to expand Port Swettenham.

To grasp fully the superior, even luxurious environment of the Port of Singapore, we should also consider the equipment the Singapore Harbour Board possessed in 1938:

- (1) Eight steam tugs and launches, for the berthing and unberthing of vessels, towage and other services;*
- (2) Three quick-working electric cranes of the Portal type suitable for taking cargo out of the holds of ships and fourteen other cranes, electrically, steam or petrol driven, for lighter cargo, with lifting capacities ranging up to 15 tons, also sheer legs capable of handling lifts up to 60 tons;*
- (3) Two powerful salvage tugs, fitted with pumps, search-lights and other salvage equipment;*
- (4) A fire-brigade and fire engines, also a fire float;*
- (5) A fleet of wooden lighters mostly of 50 ton capacity for assisting in handling cargo at the wharves and for working, in the roads, and 100 ton steel lighters, used exclusively within the Board's premises for transshipment cargo and coal;*
- (6) A railway system with 17 miles of track, connecting the whole of the premises with the F.M.S. Railways;*
- (7) Palm oil and latex bulking plants, with pipe lines laid to the wharves;*
- (8) Godowns with storage space for about 260,000 tons of cargo and space for some 150,000 tons of coal;*
- (9) Facilities for the supply of diesel and fuel oils through pipelines direct to vessels alongside the Main and West Wharves and the north and west walls of Empire Dock; and*
- (10) Pipes for supply of water.*

The Dockyard Department of the Board is efficiently equipped for ship-repairing, and can also build small vessels such as tugs, launches, ferry boats and similar craft. The workshops at Keppel harbour and Tanjong Pagar are capable of repairing vessels of the largest class. Of the five docks, the King's Dock is the largest, with a length of 879 feet, breadth 100 feet, and depth on sill at H.W.O.S.T. 34 feet.

Singapore had always had a role as “the principal shipping and trans-shipment port for the Malay Peninsula, Siam, Indo-China, British Borneo and an extensive portion of the Netherlands East Indies”.

For Singapore, an established entrepôt port, it seemed to be sound economic sense to invest more money in improvement of infrastructure. Labour and other costs were lower during the depression than in normal times. Also, there had always been some commercial interests that tended to favour Singapore more than Port Swettenham. D.F. Allen asserted that the construction of Port Swettenham was not welcomed by the major shipping companies. They, it seemed, had always argued that on a tropical coastline of 500 miles, 2 main ports of call were more than sufficient. The 2 main ports of call were of course, Singapore in the south and Penang in the north.

In the late 1930s, the years immediately before the Second World War, the Government had to seriously consider how to improve facilities at Port Swettenham. The volume of traffic handled across the wharves was increasing (as a glance at the table of statistics will show). The 1940 figure surpassed that of 1929, the “record year”. Even before that (in 1937, to be exact), a special sub-committee of the Port Swettenham Advisory Board, consisting of 2 Shipping Representatives, 1 Customs Officer and 1 Railway Officer as Chairman, was appointed to make recommendations for improving the facilities at Port Swettenham. This was to be an alternative to the scheme approved in 1931.

D.F. Allen recalls what happened to the recommendations of the special sub-committee of 1937:

These recommendations, which have not been published, included some technical points on railway lay-out, increased provision of transit sheds and the junction of the three “T” headed coastal piers to form a single continuous coastal wharf of 600 feet. Work on these improvements had begun before the war but was interrupted by the Japanese invasion.

The net inclusion is that one agrees with D.F. Allen that in 1938, the facilities at Port Swettenham remained, with very small modifications, what they had been when the port was originally constructed.

As from 1st January 1939 the dues to be charged by pilots in the pilotage district of Port Swettenham will be dues at the rates originally prescribed in G.N. 3722 of 8 July 1927 without any reduction.

The notification above represents the restoration of the ‘status quo’, because on 1 January 1935, a temporary reduction on all pilot dues for the pilotage district of Port Swettenham had been introduced. This too, is an indication that the lean years were passing, and though they were not exactly succeeded by “years of plenty”, the general depression was lifting.



A formal portrait of Sir Shenton Whitelegge Thomas, British High Commissioner for the FMS and the last Governor of the Straits Settlements.

Emergency Regulations 1939

A State of Emergency was declared by the High Commissioner for the Malay States, Sir Shenton Thomas, on 2 September 1939, and the Emergency Regulations were promulgated. These Regulations empowered the civil authorities to exercise their discretion in respect of censorship of mail, interfering with telegraphic communications, restricting the movement and activities of persons, imposing lighting restrictions and so on. Part IV of the Emergency Regulations was headed ‘Control of Ports and Movements of Vessels and aircraft’. By section 41 (1), a competent authority was empowered to issue “navigation orders” to regulate the movements, navigation, pilotage, anchorage, mooring berthing and lighting of vessels within the harbours and territorial waters of the FMS. Any master of a vessel who contravened or failed to comply with a navigation order was guilty of an offence against the Emergency Regulations.

Section 44 (1) provided that except with permission granted by the High Commissioner, “no light, buoy, beacon or other apparatus used in the Federated Malay States for the purpose of aiding navigation in or on the water shall be discontinued, altered or removed”. Also, it was stipulated that no variation should be made in the mode of exhibiting or operating any such light, beacon, buoy or other apparatus. The High Commissioner could, if it appeared to him to be necessary in the interests of public safety or defence to do so, give directions for prohibiting or restricting the exhibition or operation of any navigational aid. He could also ‘require’ the removal, alteration or concealment of any of the specified navigational aids or other apparatus.

A competent authority was empowered to issue an order prohibiting a ship registered in the FMS from proceeding to sea from any port (whether inside or outside the FMS), except under the authority of a licence granted by that authority. The authority could impose any limitations or conditions with respect to (a) the trades in which may be engaged, (b) the class of cargoes or passengers which may be carried in the ship, and (c) the hiring of the ship and the terms upon which cargoes or passengers may be carried on the ship.

Second World War

The Second World War began in Europe on 3 September 1939. *Gazette Notification No. 4376* of 4 September 1939 declared certain services as being of “public utility, essential for the prosecution of the war and to the life of the community”. They

were designated “essential services”, and 16 such services were listed. Number 13 on the list was “the Federated Malay States Railways”. By implication, all the operations at all railway ports, including Port Swettenham, were essential services.

Gazette Notification No. 4433 declared that in exercise of the powers conferred upon him by Regulation 15 of the Emergency Regulations 1939 and in the circumstances therein referred to, the High Commissioner had specified as an area in respect of which the provisions of the said Regulation 15 were in force, namely the docks at Port Swettenham and all land and premises adjacent thereto and occupied or used in connection with.

Gazette Notification No. 4434 asserted that the application of Emergency Regulation 15 to the areas referred to in *Notification No. 4433* (Port Swettenham docks) made it an offence for any person, except under the authority of a written permit granted by the High Commissioner or a competent authority, to have in his possession a camera in any such area, or to make any photograph, sketch, plan or other representation of such area or any part of or object in such area. This prohibition was a measure necessitated by public security considerations.

There was delegation as well as sub-delegation of powers conferred upon the High Commissioner. In effect, therefore, the GM of the FMSR and the Harbour Master, Port Swettenham became the “competent authorities” in respect of the day-to-day decision making under Rule 51 of the Emergency Regulations. This rule was concerned with preventing or avoiding undue congestion of traffic at any port or railway premises. The GM of the FMSR (or any officer authorised by him in writing) and the Harbour Master, Port Swettenham were empowered to remove from the railway or port premises any goods at these places which had not been removed with reasonable despatch by or on behalf of the consignee.

However, *Gazette Notification 4682* amended *GN 4433*:

The wharves and any vessels moored alongside such wharves at Port Swettenham and all land and premises adjacent to such wharves and occupied or used in connexion therewith.

Yet another piece of Emergency Legislation was the *Emergency Regulations (Regulation of Travel) Order 1939*. This law was intended to check the identity of persons entering the FMS or leaving it.

Paragraph 3 was as follows:

No person coming from or intending to proceed to any place outside Malaya as a passenger by sea shall disembark or embark as the case may be in Federated Malay States except at Port Swettenham.

Paragraph 8 was equally clear:

No owner, charterer or agent of a ship shall issue any ticket entitling a person to embark in the Federated Malay States otherwise then at Port Swettenham or until such person has produced for inspection a passport endorsed or a permit issued under paragraph 4 permitting such person to leave the Federated Malay States.

And so the 1930s came to an end. The war was far away in the West but it was beginning to dominate everyone's consciousness...would the East be drawn in as well?

Japanese take Port Swettenham

On 8 December 1941, Japanese bombers raided Singapore and Manila, and their forces landed at Kota Bahru. Their troops also poured into Kedah in North Malaya through Southern Thailand. On 10 December, Japanese torpedo-carrying planes sank two 'capital' British warships, the *Prince of Wales* and *Repulse* off Kuantan. This was a devastating blow for the British. Meanwhile, a Special Operations Unit was set up using Port Swettenham as its "furthest advanced base" from which to attack the Japanese who were already in Perak. Major Angus Rose, an officer of the Argyll and Sutherland Highlanders, wrote about this short-lived but remarkable bout of guerrilla warfare in his book *Who Dies Fighting?* He was the enthusiastic planner of this strategy.

Lieutenant-General A.E. Percival, the General Officer Commanding, Malaya (up to the time of the surrender of Singapore in February 1942), mentions the deployment of the special force in his book *The War in Malaya*:

Finally, we felt that the farther and the faster the Japanese advanced south the more vulnerable would their communications become. There were two ways of attacking these communications, one from the sea and the other by land. I had already, when leaving Singapore, left instructions that a special raiding party of fifty picked Australians was to be formed to operate from the sea against the enemy's communications, and the Royal Navy was organizing a west coast flotilla of lightly armed craft which was to be based on Port Swettenham.

The hastily improvised flotilla and the raiders were code-named ROSEFORCE from the name of the Scottish liaison officer seconded to it. Its first operation behind the Japanese lines was a success. According to Percival, it showed the great possibilities of such attacks against the enemy's vulnerable communications.

But the tide was already turning against the British, Australian and Indian troops. Percival takes up the story again:

Before many days had passed the Japanese Air Force had made it impossible for our small unprotected craft to move in daylight and H.M.S. Kudat, the base depot ship for the force, was bombed and sunk in the harbour of Port Swettenham. The final blow fell on 1 January. Some time before war started in the Far East we had ordered from America five "Eureka": fast coastal vessels which we had contemplated using for this very purpose. They arrived in December and we handed them over to the Royal Navy to man and operate. They left Singapore on the last day of December destined for Port Swettenham to join the west coast flotilla, but when approaching the place early on 1 January they were spotted and attacked by Japanese aircraft. All five vessels were either sunk or driven ashore. It was not long, as will be seen, before the Japanese began to develop their own coastal operations always supported by their aircraft. The outstanding lesson from all these operations round the coasts of Malaya is that supremacy in the air is a prerequisite if they are to be conducted successfully without heavy losses.

That was the end of Port Swettenham's role as a commando base against the Japanese invading force. The threat of a sea-borne landing by the Japanese was very great. Percival's assessment was that although much of the coastline in that part of Selangor was covered by mangrove swamps, there were numerous places where landings could take place.

Among the more important of these were Kuala Selangor, forty-five miles south of the mouth of the Bernam River and, farther south still, Port Swettenham, where docks and other facilities existed. From Kuala Selangor roads radiated eastwards to the Batu Arang coal mines and thence to Rawang on our main lines of communication, south-eastwards to Kuala Lumpur, and southwards to Klang and Port Swettenham. It was a likely landing-place and here a small detachment, including some field guns, was in position. It had not long to wait, for late on the 2 January the enemy appeared and closed the shore but were driven off by artillery fire, one small steamer being sunk. The Japanese, however, were not to be denied and during the night of 3-4 January they appear to have landed a force at a point eight miles farther north, for at about midday on the fourth our patrols met this force moving south by the coast road.

Soon the great retreat southwards had to start in earnest. It could not have been an easy passage, as the roads of that era were narrow, tortuous and winding, unlike the highways and expressways of Malaysia today. The Klang/Port Swettenham area was the scene of some brief skirmishes.

On the coast road things were more lively, and fighting developed over a wide area. After an unsuccessful attempt to capture Klang in the morning the enemy moved eastwards and cut the main road between Klang and Kuala Lumpur. After dark they succeeded in ambushing two columns of our troops as they withdrew along this road. Nevertheless, most of our troops including those

from Port Swettenham got clear away and moved during the night to the Port Dickson area but the big bridge at Klang was rather ineffectively blown.

Soon the Japanese moved in - Kuala Lumpur itself fell on 12 January 1942.

Shenton of Singapore is a biography of Sir Shenton Thomas, the Governor of Singapore and High Commissioner for the FMS at the time the Japanese began their aggression in December 1941. The biographer, Brian Montgomery, described the “denial policy” that was resorted to by the British when they retreated down the Malay peninsula into Johore and Singapore.

It followed that for lack of time bulky equipment and stores which could not be moved had to be destroyed. Large petrol and oil stocks at Kuala Lumpur and Port Swettenham were run to waste or fired. Buildings and store sheds, food stocks and military installations were demolished and airfield runways cratered.

Montgomery reproduces in his book an extract from a telegram that Sir Shenton Thomas had sent to the Colonial Office on 22 January 1942. A part of that telegram was as follows:

We were never asked to provide against contingency of invasion from sea on the West coast, nor for the practically uninterrupted march of the enemy through Malaya. Port Swettenham was prepared as a suitable internment camp but we had to evacuate all internees hurriedly to Singapore and thence to India ... We have had to arrange for totally unexpected withdrawals from threatened areas, though, owing to urgent military needs, it has been very difficult often impossible, to obtain any transport at all.

The internees were Japanese civilians, some of whom had been living in Malaya for many years. When Japan began the war, they had all become enemy aliens. The “suitable internment camp” mentioned was most probably the human



Scenes depicting the Japanese invasion and subsequent occupation of British Malaya. The Japanese Army at the time were highly reliant on bicycles as their main form of infantry transport.

quarantine camp, meant originally for Indian immigrant labourers who landed at Port Swettenham, and about which there was some mention earlier in this book.

In spite of the hazards and the uncertainties of a voyage during war time from the Straits of Malacca, across the Bay of Bengal to Western India, the ships taking the internees managed to reach their destinations safely. The internees were repatriated to Malaya when the war ended in 1945. Gurchan Singh, the 'Singa' who carried out various anti-Japanese activities during the Occupation, mentions this internee evacuation episode briefly in his *Memoirs*. As an officer in the Special Branch of the FMS Police, he had personal knowledge of the internees being brought to Port Swettenham. When the Japanese arrested him, during the interrogation they had asked about Japanese civilians. They vented their anger on him after hearing that the internees had all left via Port Swettenham for a faraway destination.

Japanese Occupation

During the Japanese Occupation which lasted from mid-January 1942 to August 1945, the old FMSR was renamed 'Marai Tetudo'. The railway was regarded as an essential service. The railway ports continued to be administered like before. Railway staff were given a special ration of 35 *gantangs* of rice, which was certainly a privilege, considering that there was always a shortage of food and that the currency was rapidly losing its face value due to runaway inflation.

Malaria seems to have taken the upper hand during the Japanese Occupation. Port Swettenham once more regained its doubtful reputation as a malarial haunt. In the FMS, the health authorities had organised various methods to keep malaria in check. Oiling of places where stagnant water collected was a well-known routine. This work had all but ceased for a number of reasons. The oil supply was poor, and many make-shift methods were introduced. Also, according to the Malayan Union Annual Report for 1946, new breeding grounds had been created by indiscriminate jungle clearing for the production of food crops, while there was also migration of susceptible persons in malaria-infested areas during the evacuation period and the Occupation years generally. The same report recounts grim facts and figures about the return of malaria to Port Swettenham:

At the Port Swettenham Aerodrome where approximately 2,500 labourers were employed, there was very severe malaria. The labourers living in nearby huts, dug numerous earth wells and sanitation was primitive. No anti-malarial work was done and as work proceeded existing drainage systems were blocked. In this year (1943) reliable reports show from three to four deaths every day - malnutrition and malaria being the prime causes.

In 1944 the control of malaria in Klang and Port Swettenham was made impossible by the construction of over 2,000 air raid shelters, all holding

water. In addition the bunds broke down, with resultant severe flooding of many parts of the two towns.

Another interesting paragraph in the 1946 annual report described the total absence of Port Health:

Towards the end of 1944 information was received that cholera had broken out in Singapore and Bagan Si Api-Api so all junk crews entering Port Swettenham were examined and inoculated. This is the only record of any Port Health work done during the occupation period.

Port Welcomes Liberation Forces

Japan surrendered unconditionally on 14 August 1945, following the devastation of Hiroshima and Nagasaki by atomic bombs. A massive armada had already left bases in India and was heading towards Malaya and Singapore. Advance plans had been made for the administration of territories following their Liberation. However, the unexpected, sudden defeat of Japan did cause some problems, according to Lord Louis Mountbatten. In his *Report to the Combined Chiefs of Staff*, Mountbatten said he had a cargo shipping fleet of 130 ships at his disposal in August 1945. They had to be deployed for all essential tasks in the liberated areas of Burma, Malaya and the Borneo territories. At the same time the maintenance requirements of the Allied forces had to be catered for.

On 9 September 1945, General Sir O.L. Roberts, Commander of 34 Corps, executed Operation Zipper. His men, with vast quantities of stores, “landed at Morib beach on the stretch of coast between Port Swettenham and Port Dickson”. Next day, the Officer Commanding No. 1 Detachment, Colonel A.H. Girdler, entered Klang and announced the establishment of Military Government, or the British Military Administration (BMA) there. The Klang Club was taken for use as the Headquarters for the 25th Division.

Sanders

Some biodata on Sir J.O. Sanders is appropriate at this point. John Owen Sanders (or J.O. Sanders as he was always referred to) was born on 30 September 1892, and educated at Elston School Bedford and Owen College, Manchester University. He was professionally qualified as a civil engineer. He was appointed to the FMSR as Works Manager in 1924, and held posts such as Running Superintendent and Acting Traffic Manager. He became Transportation Manager in 1932 and acted as GM for several months in 1934.

His technical and administrative experience were invaluable to the BMA during the crucial months after the Liberation. Sanders was GM during the rehabilitation years of the railways as well as during the Emergency. For his distinguished services, he was later knighted by the Queen.

Mountbatten in Klang

The Supreme Allied Commander, South East Asia Command, and his officers were flown from Singapore to the Port Swettenham airfield in *Dakotas*. These are extracts from Mountbatten's diary:

At 1030 we landed at Kelanang near Port Swettenham airfield where we were met by Lieutenant General Ouvry Roberts, commanding 34th Indian Corps, as well as the usual crowd of other senior officers.

I began by addressing the airmen of 902 Wing at the airfield and was delighted to discover that they already had 200 Jap prisoners of war working on the airfield. We then drove along the road to Klang.

All along the road the local inhabitants were puffing up triumphal arches, of which the biggest and best was still in the course of erection in the town of Klang. After this we had lunch at the Klang Club which had been taken over as 25th Divisional Headquarters. We drove back in a monsoon downpour and arrived to find the Kelanang airfield almost under water. We were in a terrible quandary since the great Surrender Ceremony was to take place the following morning. But fortunately the rain stopped in time for our flight to take off and we reached Kellang Airport (Singapore) at 1730.

The surrender ceremony was held in the Municipal Building, Singapore, on 12 September. Another surrender ceremony took place at the Victoria Institution school hall in Kuala Lumpur on 13 September. Lord Mountbatten did not come up to Kuala Lumpur, but senior army, navy and air force officers acted on his behalf.

The principal harbours of Singapore, Penang and Port Swettenham were under the sole control of the Services until 3 November 1945. The Railway Department assumed control of Port Swettenham only on 1 April 1946.

The BMA Report had details of action taken to prepare Port Swettenham to receive vessels:

In order to berth the maximum number of ships in Port Swettenham seven third class moorings for ocean-going vessels and ten fifth-class moorings were laid to accommodate lighters and native craft and twenty launch moorings for various Government craft.

8 peninsula pilots had returned with the reoccupation forces. 3 were posted to Penang and 5 to Port Swettenham.

Rice shortage

As the war ended, critical shortage of rice was a nightmare for the authorities in the whole of Southeast Asia. Only Thailand and the French Indo-China region had surplus stocks of rice. The British even resorted to diplomacy and arm-twisting, by leveraging on rice as part of the peace terms. Thailand had officially declared war on Britain in 1941. A peace agreement was forced on the Thais, and one of the terms of that agreement was to deliver to the Allies 1.5 million tons of rice. This demand was eventually amended to 1.25 million tons, paid for, provided that this was delivered within a specified time. It was imperative that the maximum tonnage of rice should be exported from Burma and Thailand to rice-deficient areas like Malaya, Singapore and the Netherlands East Indies. It is worth reading Mountbatten's own perceptions on this matter.

... this was a shipping commitment which had not been foreseen. The turn-round time for shipping was very long: owing partly to the increasing distances at which forces now had to be maintained; partly to the long time needed for discharging ships - a factor to which the under-nourishment of labour, lack of experienced supervision, slow rate of delivery of harbour-craft and a lack of road transport all contributed.

Every one of the contributing factors listed by Lord Louis Mountbatten was true of Port Swettenham and all other ports of Malaya. The decimation of Indian labour as a result of malaria, malnutrition and the Death Railway had an impact on Port Swettenham's human resources. The physical damage and deterioration of equipment in the port also hampered the return to normal operations. Yet another serious political problem was slowly developing. This was Communist propaganda in the guise of workers' rights. Doubtless the Malayan people had greeted the return of the British with enthusiasm and relief. But at the same time, there was greater political consciousness than before the war. There was also stiff opposition to the Malayan Union proposals. Labour unrest was to become a country-wide phenomenon.

Railway Port again

The administration of Port Swettenham could have been detached from railway control when Malaya was re-occupied and the constitution itself underwent a sea-change. There is some authority for believing that the matter had been considered fully, and it was decided to let Port Swettenham remain with the railway. D.F. Allen's assessment is worth quoting:

In 1945 the Colonial Economic Advisory Committee considered the future of Malayan Ports in preparation for the liberation. Representations were made to it on behalf of the Railways for retention of Railway control and on behalf of the shipowners for severance from the Railway. The Committee accepted the Railway point of view and endorsed the status quo ante.

The shipping companies had consistently wanted the port to be a separate entity. They could never accept what they considered to be an inappropriate set-up.

The Railway, formerly known as the FMSR, was renamed the Malayan Railway. From September 1945 until 31 December 1945, the railway was under the control of the Transportation Directorate Allied Land Forces, South East Asia. It was therefore a branch of the BMA.

The Railway Construction Department had been re-established to undertake major reconstruction works, including the restoration of wharves, jetties and slipways at Port Swettenham. Among the principal rehabilitation works started during the period of military control were the restoration of the Connaught Bridge at Klang and the construction of a pontoon wharf at Port Swettenham 210 feet in length.

War damage on Port

Port Swettenham had suffered heavily as a result of the war. Not all the physical damage can be attributed to the Japanese, or “enemy action”, as the papers used to call it. The British forces had resorted to “denial action” (often carried out in great haste) in January 1942 when they retreated, or “withdrew to prepared positions”, as some preferred to call it. Lack of proper maintenance and depreciation also took their toll. Some of the damaged facilities and equipment were repaired promptly. The pontoon wharf had been partly destroyed during the war. The military engineers constructed a new pontoon wharf connected to the foreshore by 2 Bailey bridges. A part of the old wharf was reconstructed to carry conveyors used for loading rubber into lighters.

The lighterage wharf had been in continuous use during the war, but repair work had to be carried out. The Japanese had removed 7 rail tracks, which had served this wharf before the war. The military managed to replace the rail tracks.

The ocean wharf was a vital structure for Port Swettenham. This screw pile wharf, 1,000 feet in length, had a depth alongside of 31 feet. According to Sanders, at the time of the liberation of Malaya, it was found that the direct access connecting the shore with this wharf had been partially destroyed. However, this was restored by the military.

The ocean wharf was the most vulnerable of all the port structures. To quote from the 1946 Railway Report by Sanders:

The condition of this wharf before the war caused some anxiety as the south end had moved out from the land approximately four inches. During the past four years, however, there has been no further movement, and it is hoped that further remedial measures will be unnecessary.

The first signs of sagging had been visible in 1939. The layman would regard it as a miracle that the ocean wharf did not persist in sagging. Whatever the reason for the welcome change of behaviour by the ocean wharf, its static posture did help Port Swettenham to deliver the goods at a time when all sorts of goods were badly needed!

As for the Coastal Wharf, construction work had started in 1941 to connect 3 small T-head wharves (known as Nos. 1, 2 and 3 wharves respectively) to form 1 continuous wharf 600 feet in length. Less than half the work had been completed by January 1942, when the Japanese entered Kuala Lumpur and Port Swettenham. Plans were made to restart the unfinished work in 1947. However, there were problems. Wharves No. 2 and No. 3 were not available for use. Access to the wharves was blocked by vessels that had been sunk alongside, as a denial measure, in 1941 or 1942. The difficulty was compounded by a vast quantity of silt that had accumulated over and around those sunken vessels. The Royal Navy was ordered to undertake the challenging task of salvage and wreck removal. The naval teams tried, but they did not succeed. They could only report the failure of their mission. Eventually, the work was placed in the hands of a salvage contractor. The terms of the contract appear to be somewhat harsh as it was a “no cure, no pay” agreement or deal. Fortunately for all concerned, the salvage contractor succeeded where the Royal Navy had failed.

As for the godowns, Godown No. 8 (measuring 3,562 square feet) was damaged, but it was repaired rapidly. Godown No. 10, with an area of 9,750 square feet, was completely destroyed, but arrangements were made for its reconstruction in 1946. The foundations for a new godown 8,000 square feet in area had already been laid before the war, and the construction work commenced after the Liberation. This structure was almost complete by the end of 1946. In addition, 3 small godowns with a total area of 8,133 square feet were reconstructed during the year.

In respect of godowns, Port Swettenham had not fared as badly as Singapore and Penang. It was a different story in respect of wharf equipment. Port Swettenham’s cranes and craft had taken a severe beating. This was the position according to Sanders:

There were four Portal cranes and eight other cranes available for cargo handling before the war. Of these all but two were destroyed. The Railway has taken over 12 mobile diesel cranes from the Military authorities, which have been used for the loading and unloading of lighters. Availability of these cranes has been seriously affected by shortage of spare parts.

The Portal cranes had been destroyed by “denial action” measures in January 1942.

The length of wharf and jetty frontage at Port Swettenham at the end of 1946 was:

Berthing facilities at Port Swettenham, 1946

Main wharf	1,010 feet
Coastal wharves	444 feet
Lighter wharf	331 feet
Pontoon wharves	241 feet

Source: The Author

Before the war, the following steam tugs and motor tugs were in service in Port Swettenham:

S.T. Rose

M.T. Jugra

S.T. Pentower

S.T. Prince

M.L. Puchong

After the surrender of the Japanese, the *Rose* and *Jugra* were found, but they had to be handed over to ship repairers in Singapore, and they were still there at the end of 1946. No trace was found of the *Pentower* and the *Puchong*. The berthing tug *Prince* was believed to have been sunk at Port Swettenham. The British military provided a steam tug and 4 motor tugs for port work. In addition, another steam tug, *Empire Dorothy*, described as a powerful ocean-going berthing tug, was provided by the UK Ministry of War Transport.

Before the war, Port Swettenham had 68 steel lighters and 9 wooden lighters. Only 10 steel lighters and 1 wooden lighter survived the war and were traced. The wooden lighter sank in a heavy storm at Port Swettenham on 6 December 1946, and had to be written off. Only 4 of the pre-war lighters were fit for service.

As an emergency measure, the Army supplied 66 unassembled 'Unicraft' barges. The assembling and lifting works were carried out at the Railway Slipway at Port Swettenham. Physically, these barges were not robust enough for the demanding type of work that had to be done at the port. They were of light construction with a capacity of 30 tons each.

They had been built as typical 'wartime expendables' and the estimated working life of a Unicraft barge was 4 to 5 years only. Fortunately, an order was placed in the United Kingdom for twenty 100-ton steel barges, and 7 were delivered during the year and immediately pressed into service. To add to 'lighter power' at Port Swettenham, 8 Phoenix steel barges, each of 60 tons capacity, were hired from the War Department.

The condition of the 2 slipways after the war was described vividly by Allen:

There were two slipways at Port Swettenham before the War on neighbouring sites in the mouth of the Klang River, one the property of the Selangor Government and the other of the Federated Malay States Railway. The Japanese had, as usual, left them in almost derelict condition. At one time it had been contemplated to develop the area and the Japanese had started to dig a small dry dock, but this project too had been abandoned by the end of the War.

A massive job of reconstruction and repairs had to be carried out, as many public buildings and items of equipment had deteriorated, or were damaged, during the Japanese occupation. There were shortages of essential items like cement, iron girders and tools. Skilled workers were in short supply. The Occupation had left most people under-nourished.

Several months after the Liberation, Japanese prisoners-of-war were used as labour squads in many places. Even so, the pace of recovery was slow. The Tender Notices that appeared in the *Malayan Union Government Gazette* of 1946 and 1947 tell their own story. Tenders were invited for the supply of rations to lighthouse personnel; reconditioning of godowns, completion of a coastal wharf construction of an office at Wharf 6. The old “human quarantine camp” was not needed any more, as the flow of immigrant labour had stopped. Several blocks were reconverted into housing units for “lower subordinate staff”. The cattle quarantine station was refurbished, and tenders were called for repairs and painting of the entire station as well as the jetty and gangways. The tender notice for marine uniforms specified that quotations should include “the cost of labour, linings, thread and buttons”.

Connaught Bridge restored

The first major work of reconstruction that was undertaken after the Liberation was the restoration of the Connaught Bridge and Klang. It had been built in 1928, replacing an older bridge which had four 100-foot spans. When they retreated in 1942, the British forces had decided to damage the bridge as a ‘denial’ measure. Army sappers and miners damaged the southern abutment and No. 1 pier, and they also cut the first and second spans at the centre. The Japanese did not repair the bridge. Instead, they made use of the former or older bridge by replacing the 100-foot spans on the original piers. That structure was still available for “restricted use” at the time of Liberation. This meant that only light locomotives moving at “dead slow” speed could be used. Clearance of imports was therefore very slow indeed. Repairs to Connaught Bridge were commenced in 1945. The work done is described in the official report of the BMA as follows:

Nests of piles were driven into the river bed at the centre of each damaged span, from which and from the piers at each end, the steel trusses, each weighing 250 tons were lifted bodily by means of jacks to a height, in the maximum case of 15 feet. Abutments and piers were then repaired, damaged steel work was cut out new members fitted and rivetted into place and the repaired spans lowered into position.

The bridge was opened for traffic on 6 July 1946 by the Governor of the Malayan Union, Sir Edward Gent. 2 of the 100-foot spans from the temporary bridge were removed and retained for use elsewhere, while the other 2 were used as replacements on the Tapah to Teluk Anson branch line.

Passenger vessels and repatriation

The problem of finding ships and cargo space for essential imports and exports was compounded by the huge demand for passenger transportation. The “repatriation problem”, as some called it, cropped up soon after the Liberation. Several thousands of Indians wanted to go to India, some for good, and others to renew ties with their families. Similarly, there were Chinese seeking passages to Hong Kong and China. To quote the Malayan Union Annual Report for 1946:

There has not unnaturally been a great desire on the part of all nationalities who have made their homes temporarily in this country and who have been prevented from revisiting their motherlands, to seek passages thither as soon as shipping facilities permitted. During the year 10,944 passages were allotted to India, 2880 to Ceylon and 6,508 to Hong Kong and China.

Those who had been brought into Thailand and Malaya by the Japanese as forced labour had to be repatriated too. In September 1946, 3,500 Javanese imported by the Japanese military were repatriated to the Netherlands East Indies (Indonesia).

Over 20,000 labourers, mostly Tamil, were repatriated from Burma and Thailand. They of course came by rail. However, 2,500 Malayan evacuees were brought back from India by ship at Government expense. In addition, 500 Malays had been stranded in Saudi Arabia while making the pilgrimage to Mecca before and during the war. 400 of the pilgrims had returned home by the end of the year.

Permits were issued to 2,477 Chinese to enter from Hong Kong and China, of whom 1,791 were old residents. There was another group of 1,747 Chinese, former residents of Malaya, who were repatriated by UNNRA ships from China.

The repatriation operation was not smooth sailing. There were often strained relations between the military authorities and civilian administrators. Priorities had to be established and enforced. S.K. Chettier, an Indian Civil Service officer, was the

Representative of the Government of India from September 1945 to August 1947. In his book *Malayan Adventure*, he recounts the frustrations of repatriation as well as the joy experienced by civilians when passages applied for were granted:

The news that the Jalagopal with a capacity of 3,000 would make four special trips from Malaya to India, two Singapore, one from Port Swettenham and one from Penang was hailed with great delight and relief by our nationals and long before the ship arrived I had devised a detailed scheme by which 3,000 of the most urgent cases would be provided with movement orders for each of the four trips by the Jalagopal from the three different ports and the hinterland behind them.

It was not until February 1946 that the military authorities started to keep records of ships entering and clearing the ports. The figures for February 1946 in respect of Port Swettenham were as under:

Type of ships, February 1946

	ARRIVED		DEPARTED		TOTAL
	No.	Tonnage	No.	Tonnage	TONNAGE
Ocean going	48	196,181	35	140,875	337,056
Junks, small motor vessels and local craft	220	2,837	243	2,685	5,522
TOTAL	268	199,018	278	143,560	342,578

Source: Malaysian Union Annual Report, 1946

The *Annual Report on the Malayan Union for 1946* contains statistics on the work performed during the first 9 months of the civil administration. Comparisons were made with results achieved in the last pre-war year for which complete figures were available. On that basis, the monthly average in 1946 for Port Swettenham in respect of imports handled was 63% of the 1939 figures, and for exports it was 70% of the corresponding 1939 statistics.

Owing to the severe shortage of essential food supplies, the military authorities exercised controls on the import, export and internal distribution of rice, tinned milk and so on. Penang, Singapore and Port Swettenham were the main ports of entry for some months. Base Depots were established at all 3 ports. From Port Swettenham, supplies were shipped forward for sale and distribution to sub-depots in various parts of the country. Later in the year, merchants took over the functions of the Base Depot.

A new order

Civil administration was restored on 1 April 1946. A new constitutional framework came into existence called the ‘Malayan Union’, comprising all

the 9 Malay States and the Settlements of Penang and Malacca. There was provision for a Legislative Council and an Executive Council to be established in due course. As an interim measure, the Malayan Union Advisory Council was to all intents and purposes the legislature for the country. The Governor of the Malayan Union was Sir Edward Gent. The Chief Secretary, Financial Secretary, Economic Adviser and the Attorney-General were also members. There were 10 others selected from among the Malayan community to represent business and other interests.

Port Swettenham was the focus of attention in the Advisory Council of the Malayan Union, which functioned as an interim Legislature, pending the introduction of a more permanent constitution for the governance of Malaya. On 5 September 1946, Mr. W.G.C. Blunn proved to be a forceful advocate for port reforms. This non-official member drew attention to the situation in the port after the strike. He felt that that event had contributed to congestion and serious delay in port operations, but there were other factors too that had led to shortcomings at the port. He felt the time had come to look for a long-term solution. "But by far the most serious deficiency at Port Swettenham is one for which no permanent remedy can be looked for except by the adoption of a bold long-term development programme to meet the urgent need for more wharf accommodation", he asserted. He contended that even if the existing wharves were restored to their normal condition, and better berthing provided for small rice ships at the coastal wharves, there would still remain only 1 wharf capable of accommodating big oceangoing vessels. Only 2 vessels could be accommodated at a time. Often as many as 10 ships were kept waiting. "The conditions can be better imagined than described", Mr. Blunn added. He was critical of the system used at the port for loading and unloading of ships and said:

The loading and unloading of ships from and into lighters even when these are in plentiful supply, is a rather unsatisfactory expedient because of the double handling involved, and it is to the provision of more wharves at Port Swettenham that we must look if the needs of Central Malaya are to be adequately served in the future.

The speaker then unfolded his well-prepared proposals for a drastic reform of port facilities. "Everyone knows that Port Swettenham is badly located", he declared. Shallow waters, narrow channels, difficult currents and tidal conditions and a very limited stretch of river bank were mentioned as elements that contributed to the inadequacy and disadvantage of the port. As long ago as 1931, it had been estimated that the maximum capacity for development in the existing port area could not provide for more than 650,000 tons of cargo per annum. The time was already in sight when this maximum would be exceeded.

In the final part of his speech, Mr. Blunn presented a lucid case for development of new port facilities at the North Klang Straits sector. He began by reminding his audience that in the early 1930s, an expert who had been engaged by the

authorities had spent about 2 years taking sounding and borings, and had generally surveyed a proposed new port area in the North Klang Straits. The advantage of that area was that “a broad expanse of deep sheltered water and a long straight coastline offered almost unlimited opportunity for port development”. He argued:

... I feel I cannot too strongly urge again, that an immediate start should be made to build for the future, and now in the pressingly near future. Three miles of railway track and a bridge over the Klang River would serve to connect the new wharves to the old port which, in course of time, would become subsidiary to the new one. Hitherto the growing demands upon port capacity have been met by various expedients until in 1941 there were times when the cargo handled exceeded 60,000 tons a month which was considerably more than had been estimated 10 years earlier to be the maximum capacity achievable in the present port area.

The urgency of the case was obvious. Apart from the continued expansion of trade, which was a reasonable expectation, the requirements of the Services had to be catered for by Port Swettenham. In fact, stores and supplies for the Services accounted for nearly 20% of the total tonnage discharged from vessels that called at Port Swettenham. Although the BMA era was over, and civil government had been restored on 1 April 1946, there were still large numbers of British and Indian troops in the Malayan Union and Singapore.

According to Mr. Blunn, Port Swettenham was becoming more and more unpopular, as the growing demands upon its capacity had overtaken the limits of expansion in the existing port area. Vessels that would otherwise call were giving the port a miss. “Much of the cargo destined for this territory is landed at Singapore”, he alleged. Unnecessary transshipment costs were being incurred, and these were of course ultimately borne by the consumer.

Mr. Blunn pleaded for a look ahead at the future. “In the past there had been a lack of enterprise and financial considerations too prevented taking essential measures to improve facilities at Port Swettenham. Today with the war behind us and with our expectations confidently focused on the future, it behooves us to look ahead in providing adequate facilities for the country’s developments”, he emphasised. Finally, he indicated a source from which the money needed for the North Klang Straits project could probably be obtained:

As for the financial considerations there is a Colonial Development Fund established, I understand, for undertaking of just this kind and I would suggest that His Majesty’s Government be invited to allocate a sum of £6 million from this Fund to be spent over the next six years for the purpose of providing adequate facilities at Malaya’s central and only ocean port on the mainland.

Mr. Blunn's views should have given much food for thought, both within and outside the Advisory Council Chamber. The Governor had to respond to this and several other comments on a variety of topics raised by other members. Regarding development at Port Swettenham he commented:

My friend Mr. Blunn referred to the matter of port development at Port Swettenham which he agreed must necessarily be regarded as in the nature of a long-term policy. Following on his speech on this substantial question an appreciation of the subject and of its history is being prepared for consideration in the first place by the Railway Advisory Board.

2 members of the Advisory Council were from Penang. Mr. Abdool Cader and Dr. Ong Chong Keng were forceful advocates for the further development of port facilities of Penang. Both quoted facts and figures to prove that the ranking of the 3 principal ports had always been 1st Singapore, 2nd Penang and 3rd Port Swettenham. If one looked at gross import values then Singapore was 1st with 60%, Penang 2nd with 20% while Port Swettenham had only 12%!

In respect of exports, the ranking was almost identical:

Gross value from:

<i>Singapore</i>	<i>60 per cent</i>
<i>Penang</i>	<i>20 per cent</i>
<i>Port Swettenham</i>	<i>14 per cent</i>

Mr. Blunn's eloquent appeal for £6 million for the improvement of Port Swettenham was referred to. The spokesman for Penang pointed out that all the improvements requested for that port would cost only between 5% and 10% of the amount asked for by the Honourable Mr. Blunn.

The *Times* (London) on 1 August 1946 reported Mr. Blunn's proposal that an application should be made for a grant of £6 million from the Colonial Development Fund. It also noted that mercantile interests favoured the revival of the pre-war scheme to construct a new deep-water at the North Klang Straits.

Marine Department formed

The BMA had decided to establish a single Marine Department for the whole of the Malay Peninsula. Before the war, there had been no unified Marine Department and each of the Malay States had its own Harbour Master. In some cases, he was an administrative officer, while in others, he was a Customs officer who devoted a part of his time to marine work. There were full-time

Harbour Masters only in Perak, Selangor and Johore. Penang and Malacca were under the control of the former Straits Settlements Marine Department with 3 officers stationed in Penang. Malacca had no resident Harbour Master, and it was supervised from Singapore. On the formation of the Malayan Union, with effect from 1 April 1946, a Marine Superintendent was established to supervise and co-ordinate the work of the Harbour Master throughout the country.

The new Marine Department commenced operations at the ports of Penang and Port Swettenham within a short period of the Liberation. When civil government was resumed, it was functioning normally.

R.S.B. Unwin, Acting Marine Superintendent of the Malayan Union, prepared a brief report on the organisation and work of his department as on 30 June 1946. He identified as his first task the re-establishment of navigational aids, in order to facilitate the re-opening of ports. When the liberation of Malaya was being planned, it had been assumed that a number of lighthouses, buoys and beacons would have been destroyed. The liberating forces had brought with them a stock of materials to replace any missing navigational aids. According to Unwin, the majority of floating sea marks had disappeared without trace, and a number of land marks had been looted or destroyed. As for the lighthouses, the intricate and expensive mechanisms had disappeared from the major lighthouses. The laying of new floating sea marks proceeded with speed, and the majority were equipped with automatic lights. All low-powered shore beacon lights were re-established at pre-war standard. However, the high-powered lights had suffered badly. This entailed the improvisation of manually operated mechanisms, until proper equipment could be obtained.

Pilot services at Penang and Port Swettenham were functioning as part of the Marine Department's responsibility. Traditionally, pilotage services at both the ports had operated as private associations, the fees being fixed by Government. However, until such time as the pilot services were in a position to obtain their own pilot launches, the pilots were paid fixed salaries.

Port Rules for compulsory pilotage in Port Swettenham Harbour came into force on 10 October 1946. The compulsory pilotage requirement was expressed in one sentence:

No vessel shall proceed to or from any Government Wharf or jetty in Port Swettenham unless in charge of a licensed pilot provided that vessels plying on local coastal services may be exempted by the Harbour Master Selangor from compliance with the provisions of this rule.

Advisory Board

The Port Swettenham Advisory Board was reconstituted. It held its 1st meeting on 17 June 1946. Membership of the Board was:

General Manager, Malayan Railway (Chairman)

The Deputy Commissioner (Coast)

Comptroller of Customs, Malayan Union

Marine Superintendent, Malayan Union

H. A. Campbell

A. W. Youtman

G. G. E. Wiseman

The agenda items of the Board's 3 meetings in 1946 reflect the post-war environment at Port Swettenham:

- (i) Restoration of navigational aids*
- (ii) Compulsory pilotage*
- (iii) Port charges*
- (iv) Salvage of wrecks*
- (v) Living accommodation for wharf labour*
- (vi) Improvement of water supply to vessels and for use in the port*
- (vii) Restoration and improvement of port facilities.*

The Board also discussed the construction of additional wharves at North Klang Straits and decided unanimously to recommend that the advice of Consulting Engineers be obtained upon this project.

With problems like shortage of rolling stock, and the poor condition of locomotives as well as bridges and roads, it was not proving to be easy to get the economy on a stable footing. Even if rubber and tin were being produced, there was the dilemma of transporting these 2 vital raw materials to the ports for shipment to the world markets. Confronted with this problem, the Malayan Union authorities decided to form a Committee to study the matter and to find some solutions.

On 18 June 1946 the Governor of the Malayan Union, Sir Edward Gent appointed the Rubber Storage and Shipping Committee with the following terms of reference: To investigate existing facilities for the storage and transport of rubber from estate to ocean steamer and to report on how, in the opinion of the Committee, the present position may be alleviated.

Sir J.O. Sanders, GM of the Malayan Railway, was the Chairman. The other members were:

S. C. Campbell, Representing, Penang Harbour Board

H. W. Moxon, Representative, F.M.S. Chamber of Commerce

H. B. Praagh, Representative, Penang Chamber of Commerce

Kok Kong Fall, Representative, Chinese Rubber Dealers' Association

E. C. J. Edwards, Representative, United planters' Association of Malaya

W. B. Cruickshank, Harrison, Barker & Co. Ltd.

The Railway in mid-1946

Sir J.O. Sanders had also prepared a paper '*Review of Railway Position for the Malayan Union Advisory Council*', showing the condition of the Malayan Railway in June 1946. (*Advisory Council Paper No. 9 of 1946*). Of specific interest to the reader would be the facts relating to Port Swettenham, as the Railway continued to administer this port and a number of other "railway ports".

Sir John made a very brief reference to the physical condition at the port. Damage had not been as extensive as had been feared. He indicated that the principal works to be undertaken were the re-building of godowns, and the replacement of cranes and lighters. It was the shortage of lighters at Port Swettenham and Prai that was limiting the capacity of those ports, but the Railway was expecting to receive supplies of materials for the construction of pre-fabricated lighters.

The "most urgent work", as the General Manager characterised it, was the restoration of the Connaught railway bridge over the Klang River. Repair work had commenced in November 1945.

During the period April to December 1946, Port Swettenham had no quarantine station, as the buildings were occupied by the military authorities up to the end of the year. 475 inspections were carried out by Port Health Officers in Penang and Port Swettenham. 162 cases described as "minor intermittent diseases" were admitted into a make-shift quarantine station for treatment.

The Committee submitted its 3-page report on 16 August, and the document was tabled in the Advisory Council as *Council Paper No. 37 of 1946*. The report gave facts and figures on the demand for shipping, the bottlenecks at the ports, and highlighted the urgency with which the export of rubber needed to be done. The Committee found that on 1 July 1946, anything from 50,000-60,000 tons of rubber were awaiting clearance through Malayan ports. Meanwhile, the monthly output of rubber from all estates in the Malayan Union was in the region of 25,000-30,000 tons.

The Committee had communicated with the Far Eastern Freight Conference and the Straits/New York Conference. Increased shipping capacity had been requested and promised, and ships would be calling at Port Swettenham and Penang. However, it was the even spacing of the arrival of ships that could not be ensured, and the problem of congestion could not be discounted.

Exports of rubber from Malayan Union ports in July 1946 had been as follows:

Exports of rubber shipments, July 1946

Port	Tons
Penang and Prai	13,500
Port Swettenham	10,000
(Through) Johore Bahru	5,000
TOTAL	29,200

Source: Malaysian Union Annual Report, 1946

Through Johore Bahru meant that the rubber had been shipped from Singapore.

During the first 9 days of August 1946, 6,550 tons of rubber had been exported from Penang and 4,250 tons from Port Swettenham.

On 10 August, there were 2 ships at Port Swettenham loading a further 3,505 tons. There were 2 ships at Penang and with other vessels expected to arrive, the Committee was confident it was possible to ship out 45,000 tons of rubber during August.

The Committee's report provides a grim picture of the shortage of various facilities at Port Swettenham in mid-1946. The shortage of lighters was seriously hampering port capacity at Port Swettenham and Penang. The position at Penang had improved somewhat with the arrival of 25 lighters, but at Port Swettenham, the capacity of the lighterage fleet was still less than 25% of what had been available before. 15 large lighters that had been brought to Port Swettenham had to be returned to their owners in India in 4 weeks' time. The Army, however, was replacing this "lost capacity" with 8 Phoenix barges from Singapore. Twenty 100-ton capacity lighters had been ordered from the United Kingdom, with 5 of them already *en route* to Malaya, and they would be assembled as rapidly as possible. The military authorities were already delivering the first batch of prefabricated parts for 70 small lighters. The Committee pointed out that considerable work was involved in building the lighters. The realistic conclusion was "no substantial improvement in the lighterage position can be expected at Port Swettenham before the latter part of 1946". The Committee pointed out that Port Swettenham had only 2 berths that were suitable for ocean-going vessels, and it was the practice at the port to clear rubber exports mainly by lighterage. Increasing lighterage capacity was therefore of "the first importance", in the perception of the Committee.

A troublesome factor which further reduced capacity at Port Swettenham was the presence of sunken craft. 2 wharves had been put out of commission because of this blockage. "The Admiralty have in hand the clearance of these wrecks but it is unlikely that their removal and the necessary subsequent dredging can be completed until March 1947", the Committee reported.

Regarding the storage of rubber and other commodities, a brighter picture had emerged. Godown capacity had been increased during the second quarter of 1946, and contracts had been entered into for the construction of 2 additional godowns at Port Swettenham. However, there was a general shortage of godown space in the Malayan Union. In the Kuala Lumpur and Klang areas, 77,200 square feet of godown space belonging to the railways were being used by the military for their stores.

The Committee discussed related problems like the exorbitant cost of transporting rubber by road to dealers' godowns. The removal (by the Japanese) of the railway track from Mentakab to Kuala Krai, and from Tapah Road to Teluk Anson, had also hampered the transport of rubber to the ports. Allied bombing during the Occupation had destroyed some of the godowns in the Goods Yards in the Brickfields area of Kuala Lumpur. The Committee urged that reconstruction should commence as soon as possible.

The conclusion of the members of the Rubber Storage and Shipping Committee was that the difficulties arising from the insufficient capacity for the storage and shipping of rubber were of a temporary nature and the position generally was improving.

Rivalry among ports

On 10 April 1947, the case for improving port facilities at Penang was once more heard in the Malayan Union Advisory Council. The spokesman was Dr. Ong Chong Keng. He stressed that the Chambers of Commerce and the people of Penang wanted Penang to become an 'ocean port' rather than remaining as a lighterage port. Any money spent on Penang should be regarded as investment that would bring benefits for the whole country. Dr. Ong referred to an expert, Mr. H.A. Short, who had been sent out by the Colonial Office to report on the ports of Singapore, Penang and Port Swettenham. Dr. Ong pointed out in his report that Mr. Short had suggested that in the rehabilitation of those 3 ports, the priority ranking should be: Singapore 1st, Penang 2nd and Port Swettenham 3rd. Dr. Ong quoted Mr. Short's assessment of Singapore and Penang as "suitably situated and well-established" as far as entrepôt trade was concerned. Mr. Short was satisfied that "in the main, the first two ports did not compete with each other, Singapore serving the islands to the south and Penang being the collecting and distributing centre for several small ports, mostly in Sumatra, West Coast of Siam and Southern Burma." Dr. Ong simply wrote off Port Swettenham!

Port Swettenham is very near to our friends in Kuala Lumpur, and is very dear to their hearts. Penang does not regard Port Swettenham as a rival. Port Swettenham's situation is such that she can never hope to capture the entrepot trade with those small ports which are now being served by Penang. Indeed, any loss of entrepot trade sustained by Penang due to inadequate port facilities will result in no compensatory gain to Port Swettenham or any other port in the Malayan Union, hut will be just so much loss to the Union as a whole. On the other hand, increased port facilities at Penang harbour will attract more and larger ships which will bring greater prosperity to Penang and increase trade to North Malaya.

Dr. Lee Tiang Keng, who spoke next, gave full support to Dr. Ong's views. He said at the Penang Chinese Chamber of Commerce, members were unanimously in favour of deep-water wharves at Bagan Luar.

Mr. A.W. Wallich, in a brief but robust presentation, advanced the case for Port Swettenham, a "sub-main port" which was falling behind ...

Sir, may I say with what interest I have listened to the Honourable Dr. Ong's remarks on the development of Penang. There are two main ports in Malaya and there is a third competing - shall we say a sub-main port - which is Port Swettenham. While I agree myself with the opinion expressed that the order of development should be Singapore, Penang and Port Swettenham at the moment, I think we have to watch one other thing which is that at this moment Port Swettenham is falling behind: it is improving now, but it has been falling behind, as it has fallen behind before more than once in the last 20 years. We have considered the question of the development of Port Swettenham on a large scale, and I believe that that for the moment should be postponed, but I do press for the continued and energetic improvement of Port Swettenham to cope with present traffic, this is just now being done, but more can be done and I hope it will be done quickly.

Rehabilitation of the port area was still proceeding at the start of 1948. The Marine Superintendent invited tenders for the removal of a wrecked rectangular pontoon at the marine jetty of Port Swettenham. The work entailed the complete removal of a rectangular pontoon 25' x 15' x 6" loaded and submerged in soft mud with a depth of 6 feet of water over it at Mean Low Water Spring Tide. The pontoon was described as situated between the guides of the marine jetty of Port Swettenham. Other notices in the *Malayan Union Gazette* of 15 January 1948 invited tenders for repairs to the jetty at the cattle station in Port Swettenham, and for the removal of a wreck at the mouth of the Klang River.

Even as late as November 1948, when the High Commissioner Sir Henry Gurney (who had succeeded Sir Edward Gent) made his first official address to the Legislative Council, there were wrecks lying around the Port Swettenham harbour. Sir Henry referred to the dredging and salvage operations:

Further inshore, the dredging of ports is proceeding, as is also the necessary salvage work and the raising and demolition of wrecks. By next year, the clearing of all wrecks due for dispersal should be complete, and when the salvage work at Port Swettenham is finished dredging will be carried out at the Coastal Wharf to enable vessels to berth there when the present alterations to the Wharf have been completed.

Plans had been made to replace the Angsa Bank Buoy in the North Klang Straits. Also, a new and powerful installation for the Pulau Angsa lighthouse was being erected to replace the former lighting equipment that had been damaged during the Japanese Occupation.

The High Commissioner gave details of the volume of cargo handled by the port:

The tonnage of cargo handled at Port Swettenham has risen from an average of 42,000 tons a month in 1947 to 57,000 tons a month during the third quarter of this year. As a long-term project, investigations into the proposal to construct urgently needed additional deep-water wharves have been continued.

The High Commissioner also gave details of what had been – and was being – done by the Marine Department to ensure the safety of sea traffic.

The port must have presented a dismal image. Even towards the end of 1948, there were wrecks in various parts of the port. What appears to be a complete list of the remaining wrecks and their location appeared in yet another notice in the *Government Gazette* for 25 November 1948, inviting tenders for “the removal and disposal of wrecks”:

1. NO.2 WHARF –
1 Steel Lighter
2. MARINE JETTY
Malayan Railway Lighters
3. PASSENGER JETTY –
1 Jap. L.C.T.
1 Jap. Steel M. Boat.
2 Malayan Railway Lighters
4. FIREWOOD SIDING (BY A. P.C.) –
1 Jap. Tug T.T. No. 1
1 Chinese Junk
1 Chinese Tongkang
2 Jap. Tongkang
5. LABUAN GARAP –
1 Jap. barge

On 15 November 1949, Sir Henry Gurney addressed the Legislative Council. It was the customary annual review of work done and projects planned for the future. Sir Henry spoke briefly about reconstruction in the vicinity of Port Swettenham:

The new light vessel has been moored on station at Angsa Bank, North Klang Strait, by the Marine Department and the new diesel electric light mechanism for Pulau Angsa light-house has been installed. With the installation of these two important up-to-date aids, mariners now have little difficulty in making the north approach to Klang Strait. The Marine Department's dredging unit completed dredging alongside the coastal wharves at Port Swettenham in May.

The High Commissioner was also hopeful that the clearing of all wrecks due for disposal would be completed by the following year. When the salvage work at Port Swettenham was finished, dredging would be carried out at the Coastal Wharf to enable vessels to berth there, when the alterations that were being made to the wharf were completed.

The Malayan Railway did manage to secure through commercial channels twenty 100-ton swim-ended barges. These craft were the most dependable 'work horses', as it were, of the port, but there were not enough of them, as Allen pointed out:

It would have assisted in the efficient (and probably economical) running of the pod if a larger number of these craft had been acquired, since shortage of serviceable lighters has proved to be one of the worst drawbacks of Port Swettenham.

By mid-1950, as a measure of replacement of the unsatisfactory Unicraft barges, the Railway had built twenty 60-65 ton lighters. Port rehabilitation therefore was slow. Malaya and Singapore were not the only countries attempting to recover from the ravages of the war. It had been customary to order all types of railway equipment from Britain alone, but Britain was in the throes of the "austerity era".

The abnormal winter of 1947 also dealt a blow to recovery everywhere including Port Swettenham!



The unveiling of a bronze statue depicting Sir Frank Athelstane Swettenham, in front of the Bangunan Sultan Abdul Samad.



A road scene depicting the advent of automobiles in British Malaya. This picture shows Batu Road (now Jalan Tuanku Abdul Rahman) during the 1930s.



A train going across the Johor-Singapore Causeway in the 1930s.

PART FIVE

NEW DEEP DRAUGHT
PORT SITE SOUGHT

NEW DEEP DRAUGHT PORT SITE SOUGHT

Rehabilitation work had commenced to put Port Swettenham on even keel and remedy the ravages of the war on its facilities and services. Repairs, reconstruction and rehabilitation had been the order of the day all through 1947 and 1948. The need to provide Port Swettenham with new wharves and more equipment was receiving priority at the highest level – the Malayan Union Advisory Council.

As a first step, the Malayan Railway authorities decided to contact Coode and Partners, to advise them on the practicality of reviving the North Klang Straits project as soon as possible. Coores got down to work without delay and sent a preliminary report. In paragraph 30 of their preliminary report dated 21 March 1947, Coores requested investigations to be made into the soil content and tidal levels “through a complete lunation”. Coores had also expressed fears of a possible complete change of the course of the Klang River. The investigation exercise was discussed with the Chief Engineer, Construction, Malayan Railway in June 1947. The contract for the field survey (except for the hydrographic survey) was given to Ewart and Co. (Civil Engineers) of Singapore in May 1948, and it was completed by the end of October 1948. A Danish engineer, Steen Sehested, was in charge of the field survey and investigations, and his report of the investigation was submitted in March 1949.

What Sehested found surprising in his field investigation was that very soft spots were not encountered, even in the areas prone to flooded normal high tides and spring tides. Compared to the old port area, therefore, the Kapar Forest Reserve did not present insuperable difficulties.

The surface is supposed to carry a man, which in forestry parlance means that a man does not sink more than ankle deep even during set spells, but timber extraction contractors speak of soft areas with knee deep and even chin deep soft mud. One of these very soft spots were encountered in the course of the investigation. Generally speaking the ground was found to be surprisingly firm which, however, may only be taken in a relative sense, that is, in relation to the fears prevailing before the start. The crop on the land is predominantly “Lenggadai” a mangrove growth without stilt roots. This is important as it makes the forest not too difficult to traverse.

Based on what was already known about the proposed new site at North Klang Straits, and the data collected by Steen Sehested, Coores submitted their definitive report in October 1949. The consulting engineers confirmed that the proposed additional wharves in the new site (which was at that time partly within the Kapar Forest Reserve) were ‘practical’. They were also confident that a depth of 5 to 5½ fathoms could be maintained without difficulty. Initially, 2 berths could be constructed, but extension to the extent of 4 or even 6 berths was possible

“if the trade of the port ultimately required it”. Although dredging would not be necessary, it would be essential to survey the foreshore behind the wharf annually.

All however was not well with the operation at Port Swettenham. On 28 April 1948, the dock workers at Port Swettenham went on strike. The stoppage of work was meant to be a 1-day protest strike but it dragged on for 3 weeks. The Port Swettenham strike was symptomatic of general labour unrest in Malaya and Singapore at that time. It would be too simplistic to attribute the event to Communist influence, although it is true that radical elements had penetrated the membership of many unions. The Emergency, which was to drag on for 12 years, commenced in June 1948.

A.W. Wallich, a prominent member of the Legislative Council, summed up the prevailing unrest in his speech on 31 May 1948:

In the last two months there has been a wave of discontent throughout the country. It started with a strike in the Singapore Harbour Board which paralysed the port. It was followed by a strike in Port Swettenham amongst the dock labour, that, too, paralysed the port ... there have been widespread strikes throughout the country on rubber estates and mines ... there have been arson and sabotage on industrial premises.

The cost of living had gone up considerably, and the wage increases (in the perception of many employees), were not commensurate with the rise in the cost of living. A major grievance, even among monthly salaried staff, was the raw deal given to Asian staff, who were not awarded full arrears of salary in respect of the Japanese Occupation. All expatriate staff, on the other hand, had collected full arrears. Some daily-rated employees qualified only for a few cents' increase on their 1941 wage. Morale was low among the public employees.

In 1948, a report on labour and trade unions in Malaya by S.S. Awberry MP, and Mr. F.W. Dalley, a British railway union official, was published. The two experts agreed with the Joint Wages Commissions Report of June 1947, which had attributed the causes of labour unrest in Malaya to “disappointment and disillusionment, shortage of supplies, lack of houses and amenities, high prices and low wages and the ferment of new political ideas”.

The grievances of the port workers concerned wages and general conditions of work. It came as a shock to many people to learn that dock workers at Port Swettenham were not employees of the Malayan Railway, unlike the porters, shunters, cleaners and permanent way coolies. Rather, the men who worked as loading and unloading workers were engaged by contractors, who in turn had formal agreements with the railway authorities.

In July 1947, the then-contractor had defaulted in respect of payment of wages to the men. At that time, all of them were daily rated workers. Legal proceedings had commenced, in a bid to recover the unpaid wages, before the Commissioner of Labour and in the law courts.

On 1 August 1947, the new contractor (Tan Teck Bee) signed an agreement with the Harbour Trade Union. Daily wage rates, overtime rates, free rice rations, and weekly holidays were fixed. The contractor had guaranteed 26 days wages and 4 days unpaid holidays per month. The contractor had also agreed to give free medical aid with pay for labourers who met with accidents while on duty, in accordance with the medical certificates produced. Medical aid was also extended to wives and children of labourers. \$30 was to be paid as funeral expenses in the case of the death of a labourer, and a day's holiday with pay was to be granted for the gang in which a deceased labourer was working. Until a proper school was erected for the labourers' children, the contractor agreed to pay \$150 per month as wages for the 2 teachers at the Baharathi Thasan Tamil School at 77 Camp Road, Port Swettenham. The contractor had further agreed to consult with the Harbour Trade Union in all cases of disputes regarding dismissals and retrenchments of labourers.

The men were still apprehensive, as they had had to resort to court action to obtain even partial settlement of wages due to them. Negotiations were continuing for an improvement of the terms and conditions of the contract made with the contractor, Tan Teck Bee. There was no Welfare Officer who could communicate with the workers and allay their worst fears. The Railway Administration adopted a strictly legalistic attitude, as its relationship with the dock workers was not that of the familiar 'Master-Servant relationship'. The Labour Code did not apply to dock workers.

A partial settlement of the workers' claims was effected only as late as April 1948. The workers decided to go on strike to express their displeasure at the slow pace of events, and also to induce the new contractor Tan Teck Bee and Co. to respond to their request for a wage revision exercise.

A Court of Inquiry was set up under the provisions of the Industrial Courts Enactment 1940. The Court submitted a very brief interim report on 10 May 1948, and a slightly longer final report with some recommendations on 16 June 1948. W.N. Gourlay (Chairman) and 4 members of the Legislative Council comprised the Court of Inquiry.

The Court described the strike as illegal. It also found that the Railway had neither contacts with the Harbour Trade Union leaders, nor with any workers, regarding their conditions of work. The description of the conditions under which the port workers carried out their duties makes for depressing reading, and it does not reflect creditably on the railway authorities.

At the Port there are no proper provisions in the way of latrines or washing facilities and the supply of drinking water is inadequate. Only a small corrugated iron shack which is said to belong to the Railway Administration and to be leased to a Chinese contractor is available for the supply of tea.

While the labourers' agreement with the contractor states that the contractor will provide housing accommodation to the labourers, in fact this does not apply.

There was a block of houses "in an insanitary condition", rented by the Railway Administration to the contractor, in which the contractor had accommodated 34 of his total labour force of 600. The bulk of the labour force was housed "at its own expense in insanitary shacks" in the town of Port Swettenham, rented from private landlords at exorbitant rents of \$10 per month or even more. Such payments, the Court of Inquiry commented, adversely affected the cash earnings of the labourers. The average wage earned per month by a coolie was \$71. The men worked in gangs of 12 under the supervision of a *mandor*. Wages were paid by the contractor to the *mandor* who would then pay each worker what was due to him. All in all, the general conditions were appalling, and yet this was the system that had prevailed at Port Swettenham from 1901, and men had worked with no improvement in their standard of living. The Court of Inquiry firmly recommended that "unless there are serious practical difficulties of which we are unaware, in the working of the port by direct labour, the Railway Administration should employ such labour as is required for the proper and efficient working of the Port".

The Railway Administration should also provide (at its own expense) accommodation for all workers permanently employed in the Port. The minimum standard was that of the quarantine Camp housing. Apart from that, the Railway should build and maintain in a satisfactory condition, proper latrines and bathing facilities on the wharf. Adequate supply of drinking water and a canteen for the supply of meals were also stipulated as essential. The institution of negotiating machinery (on the lines of a Whitley Council) was recommended as a means of avoiding recourse to strike actions.

The most far-reaching recommendation was to scrap the contract labour system.

It appears to us to be wrong that such a vital service as that of maintaining facilities at Port Swettenham should depend upon the contract system whereby the Malayan Railway appears to be absolved from any responsibilities towards the labour force.

British Malaya, noted for its pro-Establishment or British expatriate viewpoints, interpreted the strike as a Communist-inspired action in its June 1948 issue. Nothing was mentioned of the grievances of the workers, nor the absence of a legal employer-employee relationship between the Railway and the dock workers.

On the labour front despite a strike at Port Swettenham which seriously interfered with the unloading of much needed supplies, the situation in the Federation generally has been quiet. The action of the workers at the Port led to the setting up by the High Commissioner, Sir Edward Gent, of an Industrial Court to enquire into the circumstances leading to the strike. This is said to be the first such Industrial Court set up here and its proceedings were watched with no little interest. It was found that the strike was illegal as it had not been decided upon by secret ballot or in a proper manner, and the workers later agreed to return to work. The fact that a labour force of some 400 Malays had been specially recruited in the area to deal with cargoes of sugar, which showed signs of melting in the abnormally hot weather, and had done so with success, no doubt had a salutary effect on the workers, who were mainly of alien races.

The Malayan Railway took 2 main steps, following the publication and tabling of the reports of the Court of Inquiry in the Legislative Council as *Paper No. 25 of 1948*. It decided to take over the vast 'Human Quarantine Camp' formerly used for the quarantine of large numbers of Indian immigrants who passed through Port Swettenham, and convert most of the premises into quarters for the wharf labourers and other port staff.

With regard to the employment system, a new arrangement was introduced. A separate company was established to employ and supply wharf and stevedore labour. This was the Cargo Handling Corporation. Until 1 August 1949, Tan Teck Bee remained as the loading and unloading contractor. After that, he became Managing Director of the new company. The Malayan Railway held 1,500 shares of \$100 each, while the rest were held by Tan Teck Bee. The arrangement was that Tan would retain his post for the first 3 years after the incorporation of the company. Dividends were to be limited to 10% and the balance was transferred to 'Reserve', and supposed to be used for the lowering of charges and the improvement of workers' conditions of service. In effect, the labourers continued to work for the new employer (the Cargo Handling Corporation) on the same conditions as before, with some minor changes.

The new system only meant that a single individual did not have the kind of power or control formerly enjoyed. The Railway Administration was a majority shareholder in the new firm, but the dock workers were not railway employees at all. What was tantamount to an official statement on the new arrangements for employment of dock labour at Port Swettenham was contained in the answer to a question put by Tun Tan Siew Sin in the Legislative Council on 3 August 1949.

Mr. Tan Siew Sin: *I am afraid that labour for the Port of Port Swettenham is engaged through a contractor, but Malayan Railway intends to form a company to run this - both at Penang and at Port Swettenham - in which the Railway would own 51 per cent of the shares while the contractor would own the remaining 49 per cent.*

If this is correct, does Government not consider this an unsatisfactory method of working as it gives a practical monopoly to one individual?

Would it not be better to have at least two contractors, if possible, more?

Written reply *In February this year it was decided:*

- (a) That the Railway Administration should join with the present contractor in formation of a private limited liability company to provide port labour and the equipment needed for labour services at the port;*
- (b) That the Railway Administration should have a controlling interest in the proposed company;*
- (c) That the Articles of association of the new limited liability company should limit the dividend payable to 10 per cent free of tax;*
- (d) That the labour contract with the Railway Administration now held by the present contractor should be transferred to the new company.*

The formation of this private limited liability company for providing dock labour at Port Swettenham is regarded as preferable to the present contracting system and a logical step towards the implementation of the recommendations of the Court of Inquiry appointed by the High Commissioner in May, 1948, which was of the opinion that "it is wrong that such a vital service ... should depend upon the contract system". Legislative Council Paper No. 25 of 1948, contained the final report of the Court.

The answer to the second part of the question is, therefore, in the negative.

Trade rivalry

On 3 August 1949, Tan Sri Dr. Lee Tiang Keng addressed the Federal Legislative Council. His theme was *Import of Goods through Federation Ports*. The speaker felt that the time had come to take serious note of the fact that the Federation of Malaya had become an economic and political entity in its own right, just as Singapore too had become a Colony. He described Singapore as a great international port. There were good reasons why big merchant houses had made Singapore their headquarters. However, he felt that the Federation was over-dependent on Singapore's port facilities, which he characterised as "superior to those of any other port in Malaya", and they had been developed to a far greater extent. He argued that in turn, that had attracted more and more trade to Singapore, and "where the trade goes the money follows". Dr. Lee then came to the pith and substance of his contention:



A portrait of Burma-born Tan Sri Dr. Lee Tiang Keng, one of Malaysia's earliest diplomats and ambassadors.

... today a far greater portion of the trade of Malaya passes through Singapore than is justified by her comparative geographical position vis-à-vis the rest of Malaya and by economic handling as far as people in the Federation are concerned.

The official mind, according to Dr. Lee, seemed to have been obsessed by the idea of restoring the pre-war status in all matters, particularly trade. He stressed that the political and constitutional status of post-war Malaya was totally different to that which existed pre-war. That too had militated in Singapore's favour and to the disadvantage of the Federation.

Dr. Lee alleged that when a quantity of Japanese textiles was brought into Malaya, under the principle of special availability, the proportion of yardage allocated to the 2 territories should have been worked out on the basis of the population figures. Instead, the quotas were decided upon by using the pre-war and immediate post-war trade figures. As a result, about 7.5% of the available textiles were allotted to Penang, about 2% to the Federation and the balance to Singapore importers. The Economic Secretary "by dint of hard persuasion" had managed to secure a further 5% for the Federation. He described as ridiculous the position in which the Federation, with over 80% of the population of Malaya, was being allotted less than 20% of the special availability commodity, and Singapore, with less than 20% of the total population of Malaya, was being allotted over 80% of the same commodity. Eventually, through normal trade channels, he pointed out, a great quantity of the textiles that went to Singapore came into the Federation. Some textiles that were exported to Java, Sumatra, Burma and Thailand, also returned to the Federation to be sold in local markets at enhanced prices. He contended that in this manner, the primary purpose of that special availability allotment of Japanese cloth for Malaya, namely, to reduce the cost of living, was defeated by channelling such a great proportion of the imports through Singapore.

To make his point about the disadvantage that accrued to the Federation by undue reliance on Singapore, Dr. Lee cited some relevant trade statistics, and analysed the geographical factors.

... of this total imports which came into the Federation 53 per cent came through ports of the Federation and 47 per cent came through the Port of Singapore. Now, if it were a matter of proximity and, therefore, cheaper cost, Singapore would supply the more sparsely populated areas of South Johore, Port Swettenham would serve the Central Malaya areas which are more densely populated, and Penang would supply Northern Malaya, where there is the greatest concentration of population.

It is, therefore, clear that the volume of import trade in Malaya that flows through the port of Singapore is out of proportion to the comparative geographical position. It is also obvious that the goods that come into Central and Northern Malaya through Singapore, instead of through Port Swettenham and Penang, cost more and such channeling cannot be in the best economic interests of the Federation.

Penang also enjoyed free port status, and goods could be stocked there until such time when they had to be distributed to traders on the mainland, Dr. Lee maintained. More ought to be done to improve the facilities of ports in the Federation.

There has been a scheme for the extension of Swettenham Pier at Penang under consideration for some years now, and it is time that some action is taken in that matter; while the proposals for the improvement of Port Swettenham, I feel, should by this time have proceeded beyond the stage of mere talking to implementation. The Federation of Malaya is a reality to-day and it is up to us to see that it is well served in the matter of ocean ports. In an age of planned economy, we in this Federation have to plan our economy in our best interests if we are to survive. Singapore's prosperity, I have no doubt is due to several factors. One of them is undoubtedly the role she plays as a middleman for the Federation. She sells our products and makes her commission. She buys our necessities, sells them to us, and again she rakes in her commission. Sitting pretty in the middle and making profits on both sides, Singapore is riding on the crest of prosperity while we, in the Federation, are struggling in the trough of depression.

In conclusion, Dr. Lee suggested that if his resolution was accepted by the Legislature, a Committee headed by Dr. F.C. Benham, the Economic Adviser to the Commissioner-General for South East Asia, should be appointed "to go into the whole matter thoroughly". Dr. Benham's name was a household word in Malaya and Singapore at that time. He had headed the first post-war Salaries Commission for the Federation. His book *Economics* was the prescribed text for the 1st year Economics course in the erstwhile University of Malaya in Singapore.

Dr. Lee formally moved the resolution standing in his name:

"That it should be the policy of the Government to arrange that the goods imported for consumption in the Federation of Malaya be brought into the country by traders in the Federation through the Ports of the Federation particularly through the free Port of Penang".

There was applause when Dr. Lee concluded his address. Enche Zainal Abidin rose and seconded the motion.

Mr. C. Thornton, who spoke next, began by saying that what Dr. Lee had raised was a matter of considerable importance. However, he thought that Government should not be expected to dictate to traders what they should do and how they should bring in their goods. He suggested therefore an amendment to the motion, "so that it should be the policy of Government to encourage that the goods imported for consumption in the Federation of Malaya be brought into the country by traders in the Federation through the ports of the Federation particularly the Port of Penang".

Mr. Thornton continued:

The port of Port Swettenham should be developed much more than it has been and I agree with the Honourable Mover of the motion that the time for talk has passed and we should be getting onto action.

Dato' Sir E.E.C. Thuraisingham was the next speaker. He suggested a further amendment to the motion. He too felt that the case of the Japanese textiles justified a very close study into the entire question of imports and exports into the Federation.

Mr. Khoo Teik Ee agreed with the amendment proposed by Dato' Sir Thuraisingham. He said, "we in this country have suffered to a very large extent in trade, both import and export, due to the fact that our port facilities are grossly inadequate to meet the needs of commerce".

Mr. Jules Martin asserted that Singapore was bound to import a lot because it had a much bigger entrepôt trade than any port in the Federation. He then drew attention to a point that had not been mentioned so far. Certain shipping lines did not call at Penang on the way up or down. Up to December 1948, they could hardly get any goods from Australia into Penang without transshipment from Singapore. There had been cases of hundreds of tons of goods being dumped on the wharves of Singapore, left there in the godowns for several days and then sent to Penang, with considerable loss in contents and so on. He drew attention to the need for dredging of Sungei Pinang and further improvement of the Port of Penang.

Sir William Allmond Codrington Goode, the last speaker in the debate, reminded the House that ships would normally call at the ports at which they are required to call by the pattern of trade. He was hopeful that as more merchants in the Federation placed direct orders overseas to have goods shipped direct to Federation ports, there would be an increase in the number of ships calling at Federation ports. He was certain no direction by the government would force ships of other countries to call at Penang or at Port Swettenham, in preference to Singapore, so long as the pattern of trade dictated otherwise. He analysed critically the pattern of trade, which seemed to favour Singapore. Firstly, in many cases, merchants in the Federation had not yet established direct contacts with merchants overseas, so that they would be able to place their orders directly. Secondly, in some cases, Federation traders may not have the financial resources to undertake themselves the risks inherent in overseas trade. Thirdly, frequently a Federation trader would purchase goods and import them through Singapore, because in that city, he had a merchant with the necessary financial resources, and the overseas connections too.

Sir William said that the future long-term development of the Port of Penang was then under investigation by consulting engineers. Until that technical investigation

was completed, “we are obviously handicapped in arriving at any decision as to what would be the long term policy for Port Swettenham”.

Sir William was not in favour of appointing a Committee to investigate improvements to Federation ports. However, “the question was put and agreed to”. The House resolved:

- (a) that in the opinion of this Council the Government should take immediate steps to improve the facilities of the ports of the Federation with a view to early use of these ports for the direct import and export of goods into and from the Federation;*
- (b) that a Committee be appointed to make recommendations to implement the decision of this Council*

The Draft Development Plan (1950)

In view of threats to the stability of the country, the authorities decided to embark on a comprehensive development programme for the country. Accordingly, the document *Draft Development Plan of the Federation of Malaya* was tabled in the Legislative Council in July 1950.

In the Foreword to the document, High Commissioner Sir Henry Gurney wrote:

I would again repeat that the battle against illiteracy, poverty and all those conditions of social discontent on which Communism feeds can be won ultimately only by a policy aimed at their removal and planned and carried out in co-operation with the aspiration of the people. This Plan should therefore be looked upon not as something dictated by the Federation Government but as a composition of ideas that are thrown out for thought and criticism. It is not complete, nor rigid. I commend a study of it to all those who are interested in our economic future.

Expansion of port facilities was discussed briefly in the section headed ‘Railway’. 3 major development projects were under consideration; they were the provision of additional deep water berths at Port Swettenham; measures to deal with the silting problem at Prai, so that the wharves may be used by ocean-going vessels; and the construction of an East/West railway line between Kuala Lumpur and Triang on the present East Coast line.

The situation prevailing at Port Swettenham was reviewed. There were only 2 deep water berths, which had formerly been mainly used for general import cargo. By 1950, however, they were being used increasingly for the export of latex and palm oil through pipelines connected with bulking installations in the port. It was estimated that about half the total port tonnage was passing over the 2 deepwater berths. Also, about 46% of all cargo was conveyed on lighters to and

from ships anchored in the roads and lighterage wharves. The balance of the cargo passed over the foreshore or direct from ships at the Coastal Wharf, which could accommodate vessels having a draft of about 15 feet.

Congestion, it was admitted, involved delay to ships on various occasions both before and after the war. The need for additionally deep water berths had been recognised for many years, and there were 2 options available for further consideration. As long ago as 1930, it was generally agreed that, of all the Malayan ports, expansion was most necessary in Port Swettenham, since saturation point had already been reached there. Various development options were considered. The first involved the building of a wharf with 2 berths and with godowns on the wharf at a site on the North Klang Straits, about 3¼ miles from the present site. The points in favour of this scheme were that there would be ample space for further extension, no navigational difficulties and no silting problem. The capital cost would, however, be somewhat heavier than that of the alternative scheme, which was to construct 2 additional ships' berths at the existing site. It was suggested that the latter scheme would be "a practicable proposition or that, if practicable, it would not involve excessive expenditure on annual maintenance dredging".

The draft plan, however, found 3 major advantages of the North Klang Straits. The capital cost, on the other hand, would be relatively heavy. Should the country spend a vast sum on the development of new port facilities? Sir Henry Gurney had written in the Foreword that the cost of defence, internal security and emergency services took up 45% of Federal revenues. Yet the construction of 2 more berths at the existing site could not be confidently asserted as a practicable proposition. Initial capital costs might be lower, but annual expenditure on dredging operations would entail expense and inconvenience too. The North Klang Straits, as the site for new port facilities, was doubtless already taking shape in the minds of many economic planners.

It is interesting to note that the Draft Plan revived an old (but largely forgotten) proposal for an East-West Railway. The railway would branch off eastwards from a point on the main line about 6 miles south of Kuala Lumpur, and join the East Coast line either at Mengkarak or at Triang 56 miles south of Gemas. The proposed line would be about 68 miles in length. The main advantage was that the rail mileage to Port Swettenham from Triang and all stations north of Triang in Pahang and Kelantan would be shortened by 91 miles. Port Swettenham was the point of reference, because the goods for export had either to be sent down the East Coast line and on to Singapore via Gemas, or be sent up to Port Swettenham (again via Gemas). Kuantan as a port was not much used in that era.

The economics of the proposed rail link were succinctly stated:

This reduction in the distance to an ocean port would assist development of the Eastern States and would be of particular importance for the movement of

bulky commodities, such as palm oil, timber and latex. It should be emphasized that this is a long term project which could be justified only by the growth of population in the Eastern States and by large scale agricultural, mining or other developments for which cheap transport would be essential. The proposal would, in any case, have to receive further and careful consideration.

The *Draft Development Plan*, having come before the Legislative Council in July 1950, was subsequently incorporated, with some additions, into a general plan for the development of South and South East Asian countries. This was the famous 'Colombo Plan', which was approved by a Committee of Commonwealth ministers in September 1950 and was planned initially to run from mid-1951 until mid-1957. The object was to bring about a permanent increase in productivity and improvement of living standards in the region, and a higher level of trade with the rest of the world.

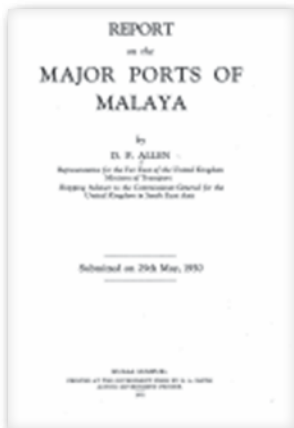
The High Commissioner spoke on Malayan ports generally in the Legislative Council in 25 April 1951.

The very large increase in imports during the past 12 months has taxed to the utmost the country's transport resources at a time when these have suffered a loss of capacity on account of terrorist attacks and curfew orders. In particular there has been some congestion at the ports. I am glad to say that Mr. Allen's report on the development of Malaya's major ports is now in the hands of the printers and will be available shortly to Honourable Members. The whole problem of long-term port development must now be considered urgently in the light of this report. Meanwhile it is the duty of the various Port authorities to take such short-term measures as are possible and these are being taken.

It is appropriate to say a little at this juncture about the report submitted by D.F. Allen, which was mentioned by the High Commissioner. D.F. Allen had been the U.K. Ministry of Transport Representative for the Far East. Later, he became the Shipping Adviser to the Commissioner-General for South East Asia. On 30 May 1949, the Commissioner-General Rt. Hon. Malcolm MacDonald invited Allen to make a study of all ports major and minor in the Federation of Malaya and Singapore, and to submit a report on the possible lines of their development. Allen submitted 2 reports on the major ports and the minor ports respectively.

The report on the major ports dealt with Singapore, Penang and Port Swettenham, and it was printed for public distribution on 1 June 1951. To this day, Allen's *Report on the Major Ports of Malaya* remains a valuable source of information, and critical comment, on Malayan port development prior to 1951.

The debate in the Federal Legislative Council in August 1949 had revealed an undercurrent of rivalry between commercial interests in Penang, and their counterparts in the Kuala Lumpur area, as far as port development was concerned. Also, decisions had to take on at least the more urgent issues and



The book cover of D.F. Allen's Report on the Major Ports of Malaya.

recommendations in the Allen Report. The serious congestion reported in Penang, Port Swettenham and Malacca could not be ignored. It was only after the Allen Report had been published that the Federal Ports Committee was appointed.

Mr. P.C. Au-Yong asked 2 questions relating to Port Swettenham in the Legislative Council on 25 April 1951. In the 1st question, he sought information on the nature and extent of the interests of the Malayan Railway in the Cargo Handling Corporation, as well as the advantages, financial or otherwise, that had accrued to the Railway administration since the commencement of the Corporation in October 1949. The written reply disclosed that the Malayan Railway held 50% of the issued capital and nominated 3 of the 5 directors of the Cargo Handling Corporation. To the 2nd part of the question, the answer was that since August 1949, when the Corporation had commenced operations, the labour supply at Port Swettenham had been "adequate and uninterrupted".

The 2nd question and the written reply given were as follows:

Will Government please state what action has been taken or contemplated for the extension of wharves for ocean-going vessels in the North Klang Straits at Port Swettenham?

Written reply: The project has been investigated since the liberation by consulting engineers, and their reports establish that the site selected in the North Klang Straits is a suitable one for wharf construction. The Shipping Adviser to the Commissioner-General, South East Asia, has prepared a report on the ocean Ports of Malaya, which deals with the necessity for developments. This report is now being printed, and as soon as it is available further consideration will be given to the matter.

At this time, war was raging in Korea, following the invasion of South Korea by North Korea and the intervention of Communist China. The international situation was grave indeed, but the Malayan economy experienced a boom, as the prices of rubber and tin escalated to record high levels. The windfall revenue was most welcome, as the country was practically on a war footing, with the Emergency continuing to take its toll. It became obvious that Emergency or no Emergency, ports were going to be the focus of attention in the Federal Legislative Council.

Klang's problems

Mr. M.V. del Tufo, the Officer Administering the Government, spoke on some problems in Klang on 21 November 1951.

The pontoon bridges over the Klang River at Klang continues to give trouble, and one bridge was lost in April. Great difficulty is being experienced in obtaining replacements but new steel pontoons are now under construction in Singapore.

Investigations were continuing at the end of 1951 for the permanent bridge. The results were forwarded to the Crown Agents for the colonies for further consideration and assistance in the building of a permanent structure to replace the floating bridges.

He also gave details of the pressure on Port Swettenham:

At Port Swettenham the volume of import traffic has remained at a high level, and in the month of August 1951 (alone) a record 84,000 deadweight tons of imports and exports were handled over the wharves. Large new areas of transit shed accommodation have been brought into use, together with other short-term improvements.

The increasing volume of cargo to be handled across the wharves at Port Swettenham also meant that the road from the port to the Federal Capital, Kuala Lumpur, became more clogged with lorries. In the Klang town area, there were bottlenecks and delays, and this matter was brought up in the Legislative Council by Dato' Hamzah bin Abdullah.

Dato' Hamzah bin Abdullah began by expressing disappointment that the draft Estimates for 1952 did not include any provision for a new permanent bridge over the Klang river at Klang, to replace the one destroyed just before the Japanese came. He referred to the importance of that bridge, and the sheer inconvenience caused to the public by the delay in building a proper bridge. It was obvious he had studied technical data and sought advice on this subject.

The importance of a bridge at this place cannot be over-emphasised, linking as it does the biggest and busiest port on the mainland and the rest of the Federation. It is of vital strategic importance in times of emergency.

Soon after the liberation the Military built two Bailey bridges across the river, one called Sydney and the other Madras, for north-bound and south-bound traffic, respectively. In April this year Madras bridge went out of commission completely, having only the other bridge to take all the traffic both ways. As the bridge is narrow and of limited carrying capacity, it can be used only for one-way traffic, carrying up to a certain maximum load at a time. The result

is that one sees streams of vehicles going over the bridge from one side to the other and numbers of others queuing up on both sides of the river waiting for their turn. This happens every day, from morning well into the night.

Dato' Hamzah conceded that Bailey bridges were all right and served a useful purpose, but they were intended only for temporary use. They were good only under certain conditions, while their replacement costs were heavy, and replacements too were not easily obtainable. He described the Klang river as being "wide and tidal". The tide current was very swift, and an engineer friend of his had pointed out that a big log, floating with a swift current either way, could do considerable damage to a Bailey bridge on pontoons (if not destroy it altogether). He felt that the absence of a proper bridge at Klang was also a factor in prolonging port congestion. (see photo on page 227)

With their limitations and drawbacks, Bailey bridges are not a really satisfactory means of crossing the Klang river at Klang. Apart from causing inconvenience and delays to travellers, the absence of a permanent bridge, which could be used in all weathers and under all conditions, cannot but hamper the transport of goods and materials, cause congestion at the port and have an adverse effect on trade and industry in the country.

Federal Ports Committee

The High Commissioner remitted the following terms of reference to the Federal Ports Committee, which was appointed on 22 May 1951:

- (i) *having regard to the recurrent serious congestion at the Federal ports of Penang/Prai, Port Swettenham and Malacca, and to estimated future requirements, to consider what increase in port capacity is needed for the economic handling of the import and export trade of the Federation of Malaya;*
- (ii) *to invite and receive representations from Port authorities, individuals, Companies and Public Bodies (including the Services) concerned with the development of Federal ports;*
- (iii) *to consider what funds would be required for the proposed development projects, and the effect of the additional interest and sinking fund payments upon the level of wharfage charges and port dues;*
- (iv) *to make recommendations regarding the long-term development of federal ports and on the times at, and the order in which, any development recommended should be undertaken.*

The members of the Committee were:

The Hon'ble the Member for Economic Affairs O. A. Spencer (Chairman)

The Hon'ble the Member for Railways and Ports, J. O. Sanders

E. J. C. Gardner, Esq.

The Hon'ble Mr. G. Johnstone

The Hon'ble Col. H. S. Lee, C.B.E., J.P.

Ng Sui Cam, Esq.

The Hon'ble Mr. H. V. van Praagh, M.C.

K. G. Sinclair, Esq.

The Hon'ble Mr. Tan Siew Sin

Apart from the Allen Report, the Committee had the benefit of technical papers prepared by Consulting Engineers on Prai, Bagan Luar and Port Swettenham.

The Committee publicised its terms of reference widely both in the press and through mailings to shipping agents, port authorities, chambers of commerce and the defence services. Representations were invited from interested organisations and individuals. In addition, the Committee held meetings in Penang, Prai and Port Swettenham to enable local commercial shipping interests, marine officials and others to provide relevant views. This was the first time that this degree of public participation had taken place in Malaya on a vital issue of transport economics. All previous reports and studies pertaining to any aspect of transport had been either departmental or legislative documents, or the submissions of experts. No Legislative Committee had been appointed in Malaya before to examine matters relating to ports or maritime trade. The time was now ripe to look into expansion of Port Swettenham.

North Klang Straits Recommended

By far the most significant recommendation of the Federal Ports Committee was that port facilities should be developed at North Klang Straits. Recommendation number 18 of the Report is as follows:

We recommend therefore that three new berths should be constructed at the North Klang Straits site, where we consider the operation of a new wharf is a practical and economic proposition and where almost indefinite expansion is possible.

The Committee adopted a figure of 750,000 DWT of import and export cargo as a normal working figure for planning purposes. It also estimated that with the addition of coastal tonnage “a capacity sufficient to cope with a ceiling rate of up to one million tons a year at peak periods should be available”.

Next, the Committee reasoned that to handle that cargo in an efficient and economic manner, more deepwater berths were required. The obvious question to be answered was: Where were the 3 wharves to be built? In a very brief paragraph, the Committee dismissed the “present port” as an appropriate location. Further congestion would arise, and there would also be extensive dislocation to port working during the construction period. In any case the

Committee pointed out that not only was there no room for 3 more deepwater berths, but there would be no room for further expansion “which must become necessary eventually”.

The Committee was mindful of the financial considerations. The backdrop against which the Federal Ports Committee was doing its work was one of spiralling price levels, high interest rates and labour shortages. Even so, the Committee felt that the “secular upward trend” in the port’s tonnage level was bound to continue. It stated categorically “action should not again, as in the years following the 1931 recommendation of the Imperial Shipping Committee, be delayed on this important project”. A tone of urgency can be detected in the recommendation that detailed plans and drawings should be commissioned “forthwith”, and that “the acquisition of the land and foreshore required should be commenced also”.

The Committee examined the financial aspects of the proposed North Klang Straits project. It was going to be a Malayan Railway venture, and therefore the recommendation was that the Railway Administration’s accounts should be debited with the capital and annual cost of a rail link from the existing port up to the entrance of the new port area. The Federal Government should meet the costs of the road connection. The Port Section of the Railway Accounts should be drawn upon for the bridge over the Klang River and the tracks within the new port area. The Committee updated the estimates prepared by the consulting engineers in 1949. The sum of \$25.8 million was cited as revised estimates of the cost of 3 berths, and ancillary works for road and rail access, sheds and a bascule span bridge over the Klang River.

The Federal Ports Committee were aware of the authoritative nature of the Allen Report. They therefore provided cogent reasons for rejecting Allen’s recommendation that instead of embarking on the North Klang Straits project, any expansion needed should be carried out at the old or existing port area. The Committee explained that Allen had not discussed and assessed the problem of the dislocation of the existing port which must follow, if any work were to begin on construction of “two new wharves in its heart”. They also mentioned that local agents unanimously favoured the North Klang Straits project.

Long-term needs and the probable demand for more berths were also discussed. The Committee weighed the pros and cons, and found the old port site greatly wanting.

As a Committee charged with the planning of long-term development, and bearing in mind the traffic trends, we consider it not unlikely that within a generation or so the increased number of berths which we now recommend may be insufficient, and for this reason we strongly favour a site which is capable of still further expansion.

We thus agree with the recommendation of the Imperial Shipping Committee made in its Report of 1931 that ‘additional facilities should be such as to

permit of future extension as and when necessary', and with its conclusion that new wharves should be located in the North Klang Straits.

In a later paragraph, the Committee highlighted the consequences of delay, and forecast the tonnage that Port Swettenham would be handling ten years later.

It was in 1931 and the Imperial Shipping Committee recommended the immediate construction of new wharves in the North Klang Straits and we consider action should not be delayed again in this important project. The delay of twenty years which has already taken place found Port Swettenham quite unable to cope with the peak tonnages brought about by the great boom of 1951 and the position will be infinitely worse in the next boom unless action is taken in the meantime. None can see how far the present recession will go but, assuming that the long-term trend of Port traffic is maintained, and taking account of the rate of increase in population, it is quite possible that our planned deep-sea tonnage of 750,000 will be regularly exceeded by 1961.

The Committee did not consider it necessary to recommend any changes in the administration of Port Swettenham. They were satisfied that the Malayan Railway Administration was administering the port efficiently. They concluded that even with the proposed new wharves at the North Klang Straits, Port Swettenham must continue to be “a railway port”.

Appreciation of the Allen Report was expressed in this paragraph:

Throughout our deliberations we have found the Allen Report invaluable, not only as a work of reference, providing this historical background and description of the Ports, but also as a comprehensive presentation governing their past, and future development.

The proposed expansion of Port Swettenham to North Klang Straits, however did not fail in its detractors. Appendix D of the *Report of the Federal Ports Committee* is the minority report by Tun Tan Siew Sin. In presenting a vigorous argument for developing Malacca as a modern port, Tun Tan Siew Sin made several negative comments about Port Swettenham. He described Port Swettenham as “not a natural port”. It had been (and was being) artificially maintained as a port for the sake of the Malayan Railway. He also contended that if Port Swettenham could justify its existence as a port, Malacca had even greater reason to do so, because of a vast hinterland.

It is universally acknowledged that Port Swettenham is an inefficient port where it is not unusual for a lighter to take two weeks to unload 1,000 tons of cargo. This being so, it is clear that Port Swettenham is being maintained as a port not because of its intrinsic value as a port but because Malayan Railway wishes it to be so.

Tun Tan Siew Sin developed the argument that Malacca could not only be a means of relieving the “unbelievable delays” at Port Swettenham, but also help “to redeem in some measure the hitherto fair name of Malayan ports”.

Notwithstanding the opposing view, on 10 September 1952 the Legislative Council discussed the *Report of the Federal Ports Committee* tabled as *Council Paper No. 49 of 1952*. Mr. O.A. Spencer, the Member for Economic Affairs, who had also been Chairman of the Committee, moved:

That this Council concurs in the recommendations set out in Part II of the Report of the Federal Ports Committee ...

Spencer presented a summary of the Report and began with the events that led to the appointment of the Committee by the High Commissioner. He dealt with Tun Tan Siew Sin’s minority report on Malacca, and emphasised the reasons for supporting the Allen Report’s views that the technical difficulties at Malacca were obvious, and were referred to in the Allen Report in great detail.

Spencer went on to survey the realities in Malacca and stated that ocean-going vessels drawing 20 or 30 feet had to anchor 2 to 3 miles out. “Even coastal vessels drawing 12 to 14 feet can only approach within 1½ miles except in favourable conditions of tide. Allen, I think said somewhere that the port of Malacca has never pretended, for something like over a hundred years to be anything but a lighterage port for ocean-going vessels,” he added.

Spencer dealt with Penang and Prai fully before he spoke on Port Swettenham. He explained clearly why his Committee disagreed with the Allen Report. The long-term planning of Port Swettenham called for at least 3 additional deepwater wharves, and they could not be located satisfactorily at the existing site. They would therefore be built at the North Klang Straits. He disclosed that some Committee members initially favoured the recommendations of the Allen Report, but others did not.

Allen had based his recommendations on the cargo handled at Port Swettenham in 1948, which had amounted to 599,000 tons. In the subsequent years the position was:

Year	Tonnage
1949	613 thousand tons
1950	762 thousand tons
1951	820 thousand tons

For the first half of 1952, the estimate was between 410,000 and 418,000 tons. Therefore, between 1948 and 1951, there was already an increase of 220,000 tons in the cargo handled by Port Swettenham. This was an increase of 37%.

Spencer stressed that he and his colleagues did not anticipate that this rate of increase was going to prevail. At the same time, they did not expect the tonnage to “fall back for any length of time to the much lower levels which Allen had in contemplation”. He noted some factors relevant to the planning of facilities at Port Swettenham, including the expansion of the Malayan economy, the population increase and the need to provide space for future expansion. He urged members to glance at the map and to note that between the Ocean Wharf and the Coastal Wharf, there was room for just 2 berths; but these 2, if built, would not be adequate for long-term needs. He referred to the recommendation made by the Imperial Shipping Committee in 1931, and asserted that nothing had been done about it and that the consequences of that failure to act at that time had been extremely serious.

Spencer embarked on an exposition of the continuous dredging required in the port area if more ships had to come and go.

The Chief Pilot's opinion was that while with dredging you could operate deep water vessels in that site there would not be too much room to spare, and that Port Swettenham was already a very difficult port from the pilotage point of view owing to the strong currents which run, and a development of that sort would add to the difficulties and not make them less.

He also described the demolition of existing structures that would be involved, if new wharves have to be constructed at the existing port site. He convinced the Council that there was no alternative but to make a start at the North Klang Straits.

The next consequence that would follow would be that of the actual construction of these additional wharves - you would have to tear the heart out of the existing Port Swettenham. The existing rubber lighterage wharves have got to be removed to a completely new site, possibly on Klang River, which is marked on this map. You have got to remove and re-site about 1,000,000 square feet of port and godowns and other buildings. You have got to demolish six blocks of houses. You have got to remove and relay about six miles of railway track, and lay 10 miles of additional track quite apart from what you have got to do for the marshalling yard. You have got approximately the equivalent of five miles of 30-foot roadways to be built, and you have got to reconstruct signaling, water supplies, drainage, light and other similar utilities, and all that will have to go on in the middle of the port area while the port is working.

Spencer next marshalled in support of his view a single sentence, with a medical metaphor from the memorandum submitted by the FMS Chamber of Commerce. “Our opinion is that such a major surgical operation on the heart of an invalid patient would undoubtedly result in a state of coma,” he said.

Spencer concluded by appealing for consideration of the needs of future generations.

... When the next boom came again there would be a worse situation at Port Swettenham than there was last time and I do not think succeeding generations then would thank us or endorse our action.

There was applause when O.A. Spencer finished his presentation. J.O. Sanders, the Member for Railways and Ports, seconded the motion.

The *Menteri Besar* of Selangor called for more detailed consideration of the Allen Report's view, and that of the Federal Ports Committee, concerning Port Swettenham. He sought an assurance that the State of Selangor would be given an opportunity to express its own views before any final decision was taken on the project. Mr. Yong Shook Lin, CBE spoke on the financial aspects of the proposed project. He proposed, in a formal amendment to the motion table, that the debate be adjourned to enable the Report of the Federal Ports Committee to be referred back for further consideration by that Committee with other additional members appointed by the High Commissioner. Mr. Khoo Teik Ee seconded the motion.

Mr. C. Thornton supported the North Klang Straits scheme, but he also appreciated the view of the *Menteri Besar* of Selangor. Tan Sri S.O.K. Ubaidullah stressed that there should be no further delay in improving Port Swettenham.

The Legislative Council resumed the debate on 11 September 1952. The *Menteri Besar* of Johore expressed full support for the plea of Tun Tan Siew Sin for the development of Malacca as a port. He said he could foresee that with the future prosperity of those areas, there would be a need for an additional port besides Port Swettenham to serve those areas and that port in his opinion, should be Malacca.

Mr. D.T. Waring, a member representing the tin mining industry, praised the railway authorities for coping with "the terrific increase in traffic that has gone through Port Swettenham". He agreed that at times there had been confusion and congestion at the port, but "it is unthinkable that we should not have a first class port developed at Port Swettenham".

Mr. C.J. Cumming pointed out that the \$26 million (which was the approximate cost of the North Klang Straits project) should be regarded as a project that would benefit not just port users, but the Malayan community at large. A public utility, in his point of view, must be looked at as a long-term asset or benefit. He also recognised that vital interest of Selangor State were involved in the port project, and thought it was a grave omission on the part of Government not to have included a person from Selangor on the Federal Ports Committee.

After a few more views had been expressed, the debate was adjourned. The President of the Legislative Council, in closing the discussion, hoped that the debate could be resumed at the very next meeting of the Council.

Need for legal reform

D.F. Allen, in his Report, had highlighted some of the weaknesses that existed in Malayan maritime law. He also dealt specifically with the oddities that existed because Port Swettenham was operated as a railway port. There was no special section in the *Railway Ordinance* dealing with ports and wharves. For all practical purposes, they were brought under the definition of 'Railway', which includes 'ports, harbours, docks'. Also, the *Railway Ordinance* did not empower or oblige the Railway to act in regard to specifically maritime or shipping matters. As Allen pointed out, there appeared to be no powers of arrest or distraint specifically laid down, and there was no section of offences dealing with maritime affairs.

When Allen was drafting his Report, there were already plans being made for enacting a comprehensive *Merchant Shipping Ordinance*, on the lines of a law bearing the same title in the Straits Settlements. There was very little prospect of the draft becoming a law, because of the Emergency and the priority that had to be accorded to other legislation. There were awkward consequences, as international conventions relating to load lines and Safety of Life at Sea (SOLAS) had to be adopted. Singapore was far ahead of the Federation in this matter.

Another shocking weakness highlighted by Allen was the absence of a legal Port of Registry.

... Port Swettenham is not a legal Port of Registry; there is, indeed no legal Port of Registry in the Federation of Malaya, except Penang, where the Merchant Shipping Ordinance of the Straits Settlements still runs.

It may ultimately be desirable for Port Swettenham to be declared a Port of Registry, but a question might well arise whether ships registered there should fly the Red Ensign. For practical purposes it is preferable they should fly the Red Ensign.

Merchant Shipping Ordinance 1952

On 11 September 1952, J.O. Sanders, the Member for Ports and Railways, moved the 2nd reading of the *Merchant Shipping Bill*. This was a major landmark in Malayan maritime jurisprudence. The need for a uniform law covering the more important aspects of shipping was self-evident. Owing to the constitutional complexity that was characteristic of Malaya before the Second World War, there

were several sets of maritime laws. The old *Merchant Shipping Ordinance* of the Straits Settlements Colony was applicable in Penang and Malacca. The Federated Malay States had the *Ports Enactment of 1923*, while each of the Unfederated Malay States had its own Enactments on ports and shipping. With the formation of the Federation of Malaya in February.

1948, there was much to be said for consolidation of the various laws. In any case, under the Federal Agreement, which was the Constitution for all intents and purposes, shipping was a subject for Federal Legislation. The licensing of boats remained under State jurisdiction.

The *Merchant Shipping Ordinance*, which was passed in November 1952, was a hefty piece of legislation containing 530 sections and 14 Schedules. To quote Sanders:

The Bill, much of which will be seen as of a highly technical nature is largely a work of consolidation designed to provide us with a comprehensive body of legislation and to deal with a need which has been recognized for some time and is an urgent one.

New shipping conventions had been accepted by the leading maritime nations. The opportunity was taken to incorporate into the law the latest provisions relating to the safety of life at sea, like the *Safety Convention 1948*. Part II of the Bill made provision for the registration of a new category of ships, namely, Malayan ships. The new law empowered the High Commissioner in Council to prescribe an ensign to be shown as the national colours of a Malayan ship. Probably the most impressive paragraph in the 2nd reading speech of Sanders was this:

The Federation should not lag behind other countries in a matter of some international prestige and mutual obligation, such as the provision of a comprehensive merchant shipping law contributing towards the maintenance of life at sea, and safeguarding the welfare of seafaring men both of this country and other countries. This Bill, therefore, opens the way for the Federation to take its place among the maritime nations of the world.

The repeal of the old *Port Enactment*, and the introduction of the *Merchant Shipping Ordinance 1952*, also helped to focus attention on all existing rules or subsidiary legislation. New port limits were demarcated and gazetted for Port Swettenham by *Legal Notification No. 73 of 1953* under sub-section (3) of Section 6 of the *Merchant Shipping Ordinance*:

"All the waters in the Klang Straits, Klang River, Sungei Aur, Selat Lumut and other waterways contained within the parallels 2o 58' 30" N. and 3o 05' 00" N. and the meridian 101o 20' 00" E. and 101o 24' 30" E. including all piers, jetties, landing places, wharves, quays, docks and other similar works whether within or without the line of high water mark, and any position on the shore

or bank within 50 yards of high water mark, subject to any rights of private property therein."

New Pilotage Rules were also introduced, cancelling the rates that had been gazetted in 1921 and 1946 respectively. The *Pilotage Rules 1954* were also published and tabled as *Council Paper No. 46 of 1954* in the Legislative Council. Verily, the early 1950s were a dynamic era for port development.

The High Commissioner's annual address in the Legislative Council had an Appendix, which included details of cargo handled by Port Swettenham:

At Port Swettenham the tonnages dealt with for the first eight months of 1952 were approximately the same as those dealt with during the corresponding period of 1951, which was a record year. With the increased transit and storage capacity now available and the use of mechanical transport between wharves and the sheds, this tonnage was handled without serious delay to ships and without congestion in sheds.

In real terms 820 thousand tons of cargo were handled by the port.

On 19 November 1952, the Legislative Council considered the Supplementary Report of the reconstituted Federal Ports committee, also known as *Council Paper No. 83 of 1952*.

On Port Swettenham, there were 4 recommendations:

1. *Three new berths should be constructed in the North Klang Straits without delay.*
2. *A new Port Swettenham Board should be set up under the Railway Ordinance.*
3. *The new Port Swettenham Board should be empowered to plan the development of port facilities up the river as far as Klang.*
4. *A Sinking Fund should be established to pay off capital expenditure incurred on the construction of the North Klang Straits project over a period of 30 years.*

The views of the Selangor Government were embodied in the Report. The State Government had requested that the possibility of extending the existing wharves at Port Swettenham be reconsidered. Also, it wanted the whole area from Klang to (and including) the North Klang Straits to be planned and administered as one unit for port purposes. It also wanted a reconsideration of the proposal to establish a separate authority to administer the port. The State Government had also sought an assurance that normal river traffic on the Klang River would not be obstructed by any bridge built near the mouth of the river to give access to the North Klang Straits.

The Committee dealt fully with the issues raised by Selangor State Government. Regarding the bridge to be built over the Klang River, it provided the technical

details to prove that the implementation of the North Klang Straits scheme would not involve the obstruction of normal traffic up and down the Klang River. The bridge plan submitted by the Consulting Engineers had included a lifting span specially designed to avoid interference with normal river traffic. The proposed span would allow a passage of 30 feet width, but this could be increased within reasonable limits without adding greatly to the expense. This was a *bascule span bridge*.

Evidently, the Selangor Government's representative had stressed that the land repaired for the North Klang Straits project would have to be a matter for negotiation. The Committee had tactfully agreed this was of course correct, but it also placed on record that "the area is at present quite undeveloped and we hope that in view of the benefits which the North Klang Straits project will confer on Selangor, the State Government will agree to do this on generous terms".

And so there was unanimous support for the North Klang Straits project.

We have come to the conclusion that the original Report was right when it recommended that Port Swettenham required more ocean wharves and should look to these rather than to lighters for the handling of deepsea cargoes, particularly those of a mixed character. This, however, is not to suggest that improvements may not be made in the performance of the port by the working of lighters to vessels while they are alongside such wharves. When doing so, however, the lighter fleet will supplement the wharf facilities and will not be a substitute for them. And this we regard as the right relationship.

We also have to take into account the virtually unanimous evidence presented to the Committee at its earlier meetings by commercial firms, representing users of the port, in support of wharf facilities as opposed to lighterage. Our final conclusion is therefore to reaffirm the recommendation made in the original Report, that three new ocean berths should be constructed at the North Klang Straits.

The Committee favoured the establishment of a new Port Swettenham Board; but this body, it recommended, should be required by law to ensure "that efficient and economical services were made available for all classes of users without discrimination, whether their traffic be borne by road or rail or water".

Regarding the composition of the Board, the Committee recommended that there should be representatives of the principal port users among others and that the unofficial members should be 2/3 of the whole membership. In short, the new Port Swettenham Board was to be thoroughly revitalised version of the former Board. The fact that the Committee wanted the new Board to "meet frequently" is significant.

The Committee did not want Port Swettenham to be “taken away from the Malayan Railway and handed over to a new authority”, but it did add “this matter might well be reconsidered at a later date”.

The Committee had discussed the question of Sinking Fund Charges, even though this item was not referred to in the original Report. It concluded that in the case of Port Swettenham, the authorities should be required to pay off the original loan capital over a period of 60 years.

In the course of its deliberations, the Committee had attempted to estimate the tonnage of cargo that should be the ‘target’ to be catered for in the long-term planning of Port Swettenham’s facilities. It confirmed 750,000 DWT of deepsea import and export cargo as the target. In reading the Report, one comes across the agonised work involved in trying to be as accurate as possible, with estimates and forecasts of aspects of an economy subject to fluctuations in export revenues.

The formal discussion in the Legislative Council was set in motion by O.A. Spencer, the Member for Economic Affairs. He mentioned the principal recommendations relating to Port Swettenham, Penang and Malacca. Regarding the bridge to be built over the Klang River, he revealed that the original Committee did have the benefit of the advice of the Defence Authorities.

The *Menteri Besar* of Selangor congratulated the Chairman and Members of the Federal Ports Committee on the speed with which they had produced the Supplementary Report. He was glad that the representations put forward by Selangor had received very reasonable and careful consideration. The *Menteri Besar* urged that “the new port authority”, meaning the new Port Swettenham Board, should be set up soon.

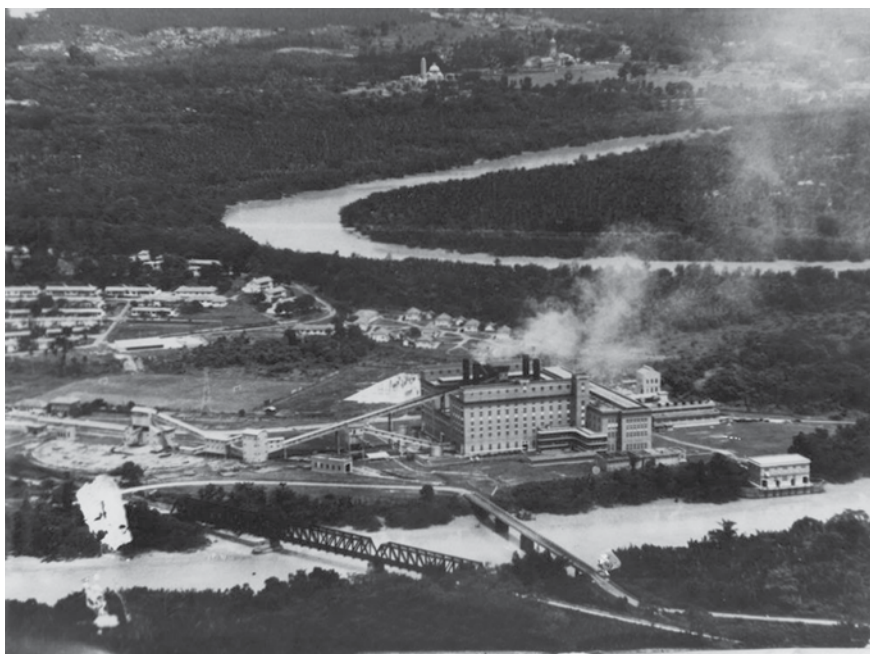
Mr. Yong Shook Lin, CBE made comments on the Sinking Fund Scheme. He had done considerable research on loans, repayments and provision for reserves in the U.K. and in the Colony of Singapore. He emphasized that sinking funds should be built up for repayment of loans or capital liabilities out of earned revenue. Repayment must not be a burden or a charge on tax payer’s money. He quoted the *Draft Development Plan of 1950*, where this principle had been recognised.

Concluding the debate, the High Commissioner, as Council President, thanked the Committee for the very considerable work they had done. A decision had been reached without further delay on an important matter.

Tun Tan Siew Sin, not unexpectedly, confined his observations to the claims of Malacca. It is doubtful if anyone took seriously his allegation that the development of Malacca as a deep-sea port could mean the eventual eclipse of Port Swettenham.

Mr. J.O. Sanders, in his speech, concentrated on rising costs brought about by increases in wages and salaries recommended by the Benham Salaries Committee. He said he had advocated the building of the North Klang Straits since the year 1934.

I have always approached the question of the extension of Port Swettenham as a commercial proposition, a proposition which has to stand on its own feet. I consider that the port itself is now run on a commercial basis. If you ask me how is it that it made a loss, I would say that when a small port, built to handle a tonnage of about one-thirds of what it is now handling, is suddenly confronted with tonnages which are far beyond its capacity, then it has to adopt all sorts of methods of working which are definitely not economical. There is also the other factor of rapidly rising costs, particularly staff and labour costs, and one has to choose the time when charges against the public should be increased. How serious these increases in cost were, I must make clear in this way. The increase in wages and salaries resulting from the decision of this Council last year, was more than the total cost before the war. No doubt, the Port Swettenham Advisory Board and the Railway Board, had I so advised them, might have imposed higher charges at an earlier date, but considering that we were working in abnormal conditions, and that we did not in fact know how the added costs were going to work out, we postponed the introduction of increased charges until May last year. Since those increased charges have been imposed, the port has been self-supporting. It has, in fact, earned a small profit after meeting all overheads, including a due proportion of overheads which should be debited as from the Railway to the port.



The Connaught Bridge Power Station in the 1950s.

British Malaya (November 1952), a periodical of the British official and private sector groups, commented on the Federal Ports Committee's decision on the North Klang Straits as follows:

When the Federal Ports Committee was set up last year to go into the question of port development in the Federation following the publication of the report by Mr. D. F. Allen, Shipping Advisor to the Commissioner-General, it was generally expected that its findings would largely follow Mr. Allen's recommendations.

It has, however, unexpectedly turned down the suggestion that any extension to Port Swettenham, the port for central Malaya, should be carried out on the present site, but has proposed the 1931 plan for the building of a completely new port further out to sea on the North Klang Strait at a cost of \$26 million. There was a good deal of criticism levelled at this proposal when the Committee's Report was debated in the Legislative Council, and the Committee is now requested to provide further information on the subject and has been enlarged to include stronger representation from Penang and Malacca. Whether the North Klang Strait plan will now be turned down remains to be seen, but the prospects do not seem very happy for the bold enterprise which was envisaged.

Meanwhile, a major public project, the Connaught Bridge Power Station was taking shape. It had an intimate link with Port Swettenham.

Pipeline to Connaught Bridge

Allen's Report mentioned that an electric power station was being erected at Klang, and it was proposed that the oil supplies should be brought by pipeline from Port Swettenham. "There is competition between the oil companies for this contract. It is possible that the 1,500 tons per month required might have to be supplied across the Ocean Wharf which would curtail the availability of the wharf for dry cargo and latex operations by a little over a day a month".

The power station being erected was in fact the Connaught Bridge Power Station, one of the major public projects of the early 50s, executed by the Central Electricity Board. After examination of a number of possible locations, it was finally decided to favour a river site near Klang. The engineers were satisfied that at the point selected, the river was tidal and that the minimum recorded flow was amply adequate for all circulating water requirements. The Kuala Lumpur-Port Swettenham railway line ran parallel to the boundary of the site, crossing the Klang River at this point over the Connaught Railway Bridge from whence the power station derived its name. A Central Electricity Board souvenir published on the occasion of the opening of the power station describes the advantages of the site:

The distance from Port Swettenham is short enough to make a pipeline economical for the conveyance of fuel oil from the port to the power station, whilst still within reasonable rail distance of the local colliery at Batu Arang.

Reading about the soft terrain and the care that had to be taken to avoid technical mishaps, one is reminded of the difficulties that had been encountered 50 years previously when the wharves were constructed at Kuala Klang. The engineers found the ground to be good generally, but piled foundations were necessary in view of the heavy stanchion loads in the main building. The scheme called for the delivery of fuel oil to Port Swettenham by “sea-going tankers”. The oil would be pumped from the vessels to the Central Electricity Board’s storage tanks. From these tanks, the oil would be pumped by pipeline for storage or daily consumption to Connaught Bridge. Some fuel oil could also be transferred from the Connaught Bridge complex into rail wagons for use at Kuala Lumpur’s main power station, the Bangsar Power Station. Eventually, the project was successfully completed. To quote from the CEB souvenir publication again:

With the consent of the Malayan Railway a 12 inch bore mild steel bus-main has been laid below the deck of No. 6 wharf at Port Swettenham, where tankers up to 12,000 tons can tie up at one of the two berths. Four ten-inch bore branches are provided on this main by connection to the tankers by flexible hose. A ten-inch bore pipeline some 4,100 feet in length connects the main wharf to a bulk storage installation erected on a reserve just clear of the Port property.

This installation comprised 2 bulk storage tanks, each of 4,300 tons water capacity, a pump house containing 2 motor-driven high pressure transfer pumps, together with a step-down transformer and switchgear. The storage tanks were meant for transfer purposes, and were normally empty or nearly empty at the time of arrival of a tanker. The tanks could be filled by the ship’s pump, at rates ranging from 150 to 500 tons per hour, depending upon the viscosity of the oil and the capacity of the ship’s pumping plant. Oil was pumped daily to Connaught Bridge, a distance of 7¼ miles, by the high pressure transfer pumps. Delivery could be effected “direct to the boiler house daily service tanks, or into rail wagons or diverted to storage”.

The notoriously soft or muddy terrain was borne in mind by the technical planners when designing the storage tanks at Port Swettenham, as this extract demonstrates:

A feature of the coastal area of Selangor is the low bearing value of the ground and for this reason the storage tanks at Port Swettenham were of large diameter and low height. In order to meet a ground loading not exceeding 800 lbs. per square foot the tanks of 118 feet in diameter were restricted to 14 feet 8 inches in height.

The tanks were all of welded construction with self-supporting roofs. Despite the moderate loading on both tanks, it appears to have settled about 30 inches after filling. Fortunately, the storage tanks at the power station location were described as being of more economical dimensions than the Port Swettenham tanks, thanks to the more favourable dimensions. These tanks were 78 feet 9 inches in diameter, and were 29 feet 3 inches in height. Another fortunate circumstance mentioned by the CEB was that due to the prevailing temperatures in the country, no heating of the oil in storage tanks or pipelines was or would be necessary (within the range of permissible fuel oil viscosities).

It must be mentioned that one of the members of the board of the CEB was Sir J.O. Sanders, GM of the Malayan Railway. He was also Member for Railways and Ports of the Government of the Federation of Malaya, until a new constitutional arrangement was introduced after the first general elections held in July 1955. Doubtless, this ex-officio arrangement was deliberately done in the interests of cordial communication and cooperation between the port and the power station.

The Connaught Bridge Power Station was one of the most important public projects of the 1950s. The station was officially opened by General Sir Gerald Templer, the High Commissioner, on 26 March 1953.

New port limits

The new port limits were fixed under Section 6(3) of the *Merchant Shipping Ordinance 1952* as follows by *Legal Notification 73 of 1953*:

"All the waters in the Klang Straits, Klang River, Sungei Aur, Selat Lumut and other waterways contained within the parallels 2o 58' 30" N. and 3o 05' 00" N. and the meridian 101o 20' 00" E. and 101o 24' 30" E. all piers, jetties, landing places, wharves, quays, docks and other similar works whether within or without the line of high water mark, any position on the shore or bank within 50 yards of high water mark, subject to any rights of private property therein."

An Advisory Board

A major reform in the governance of Port Swettenham was ushered in when the Port Swettenham Advisory Board was reconstituted. The Federal Ports Committee's recommendation on this matter was accepted and implemented. J.O. Sanders moved the Second Reading of the *Railway (Amendment) Bill 1953* in the Legislative Council on 7 May 1953. He explained why the change was being introduced:

I should like at this point to pay a tribute to the existing Port Swettenham Advisory Board, which, during the 25 years since it was established, has rendered very valuable service. The Federal Ports Committee felt, however, that with the prospect of investment of large funds in new wharves in the North Klang Straits, a new statutory, more representative and senior Board should be established.

The new Board was certainly “more representative”, as there were to be 9 unofficial members (including one appointed by the Ruler-in-Council of Selangor State).

Mr. Thornton and Tan Sri S.O.K. Ubaidullah expressed concern that the new Board seemed to lack power to assume effective responsibility for the development and control of the whole port. The Federal Ports Committee, it was asserted, had recommended that the Board should be required by law to ensure that efficient and economical services were made available, and the Board should also have the power to negotiate with the State Government in regard to foreshore rights. Thornton urged that shipping interests should be granted a place on the Board because of their “technical knowledge of operating the port, and working it day in and day out”. Ubaidullah was disappointed that the Bill did not specify the number of meetings that should be held. He wanted at least 1 Board meeting every 2 months. When it was put to the vote, this proposal was defeated. Sanders pointed out that the Board had full powers to discuss “anything affecting the management of the port and to call for a meeting if it requires one”. Also, at the written request of not less than 3 Board Members, a meeting could be called to discuss any matter concerning the working of the port.

Another unofficial member was to be appointed by the Member for Industrial and Social Relations. The composition of the new Board was deliberately done in such a way that “more than two-thirds of the seats on the Board will be held by non-officials”.

Section 44 F of the Bill stipulated that the General Manager should not act in opposition to the Board without the authority of the Member for Railways and Ports. The irony was that at that time, J.O. Sanders was wearing 2 hats, because he was General Manager of the Railways as well as the Member for Railways and Ports. In making this recommendation, the Federal Ports Committee had assumed that the 2 positions would be separated in the normal course of constitutional development. Sanders offered a simple solution:

... while the present situation lasts, I can give an assurance that the General Manager would not act in opposition to the New Board without the authority of the High Commissioner.

The Port Swettenham Board was described by the Minister for Transport as having given continuous attention to the North Klang Straits project since its

first meeting held on 4 August 1953. Coode and Partners were appointed as consulting engineers, and authorised to prepare general plans and first estimates. The consulting engineers reported in April 1954. The cost of the whole project was then estimated at \$27 million. The Port Swettenham Board prepared a memorandum dated 30 November which was circulated to shipping companies. That a firm decision had been made by the Board was very obvious from the tenor of the memorandum. The project had dragged on for too long, and the general feeling was that to delay any longer would lead to more severe problems for the port.

The Board, having discussed whether 3 berths should be located at the existing site, decided against it. There was to be no more looking back - it was to be 'full steam ahead' for the North Klang Straits ...

It must be emphasised that the need for expansion of the port arises from the growth in population, in standards of living, and in the volume of trade in the areas served by the Port. The present need is for a least three additional berths. Assuming, as we must, that the volume of trade will continue to increase with the continued growth in population and the development of the country, a need for further additional berths will arise in the future. Further additional berths at the North Klang Straits site would cost relatively less than the cost of the first three constructed there. It is therefore better to provide the three berths immediately needed at the North Klang Straits site where further berths can be constructed at relatively less cost, rather than provide them at the existing site at no financial advantage and be faced in the future with undertaking the North Klang Straits scheme as the only alternative to loss of trade. In the meantime the seaward operational difficulties attending additional berths at the existing site, which must become more intense as congestion develops, will adversely affect efficiency and economy of operation, and consequently the value of the Port to both shipping and trade interest.

The newly constituted Port Swettenham Board held its first meeting on 4 August 1953. It decided that Messrs. Coode and Partners should be appointed Consulting Engineers for the North Klang Straits Project. This well-known firm, which had done work in Port Swettenham previously, was also authorised to start preparing plans and estimates for the construction of a wharf for 3 ocean vessels and the construction of a combined road/rail bridge over the Klang River. The necessary specifications and contract document were also to be prepared.

Messrs. Coode and Partners presented their Report in April 1954. They cited \$27 million as the total cost.

The newly-constituted Port Swettenham Board also considered the section of the Railway Estimates for 1954 that dealt with the port. The Finance Committee of the Board recommended the adoption of those Estimates. J.O. Sanders, in presenting the *Malayan Railway Supply (1954) Bill*, commented on the sum allocated for Port Swettenham:

For Port Swettenham funds are again provided for the short-term development of the Port, since it is essential that the maximum capacity should be obtained from the existing port during the four or five years during which additional wharves in the North Klang Straits are under construction and before they can be used.

A sum of \$700,000 was included in the estimates for the first stage of the North Klang Straits project so that a beginning could be made with preliminary work, particularly with earthworks.

The *Railway (Amendment) Act 1954* effected a change in the membership of the Malayan Railway Board and the Port Swettenham Board. The Financial Secretary and the Member for Economic Affairs were both ex-officio members of the Port Swettenham Board. It was felt that it was inappropriate that the Financial Secretary and the Member for Economic Affairs should sit on the Board of a Department of Government which fell within the portfolio of another Member. Therefore, an amendment to the *Railway Ordinance 1948* provided for the Secretary to the Treasury and the Deputy Controller of Economic Affairs to be appointed members of the Port Swettenham Board, replacing the other two persons.

Meanwhile, on 7 October 1954, a significant civic event took place. A Bill was introduced in the Legislative Council to establish the Petaling Jaya Authority. Malaya's first New Town was the brainchild of General Sir Gerald Templer. The site had been carefully chosen by the Town Planning Department and was mainly designed to provide housing accommodation for the rapidly growing population. However, it was not meant to be a mere 'dormitory area' for Kuala Lumpur. The Attorney-General said:

... it is also going to be itself a very important industrial site. About 30 acres of land have been set aside there for industry and that will make it the largest industrial area in the Federation. It is expected that there will be work there, if all goes well, for 20,000 people. The population planned at the moment for the whole town is about 70,000 but, of course, it may go beyond that.

Petaling Jaya's steady industrialisation in the years to come had an impact on Port Swettenham. To put it simply, the hinterland had become larger and the pressure on port facilities at and on road connections with Port Swettenham would inevitably build up rapidly.

In November 1954, the Port Swettenham Board recorded in a Memorandum its reasons for supporting "the particular proposal known as the North Klang Straits Scheme". The Federal Government Treasury, which was represented on the Board by the Secretary to the Treasury, reserved its position with regard to the conclusions reached in the Memorandum. It also perceived that the population increase at 2.5% per annum pointed to a continuing further expansion in the volume of import and export trade.

The second last paragraph summed up clearly the case for the North Klang Straits project.

It is therefore better to provide the three berths immediately needed at the North Klang Straits site where further berths can be constructed at relatively less cost, rather than provide them at the existing site of no financial advantage and be faced in the future with undertaking the North Klang Straits scheme as the only alternative to loss of trade. In the meantime the seaward operational difficulties attending additional berths at the existing site, which must become more intense as congestion develops, will adversely affect efficiency and economy of operation, and consequently the value of the Port to both shipping and trade interests.

The Port Swettenham Board brought up an important trend that has not been emphasised by other Committees and groups that had examined the needs of Port Swettenham. It was not merely the quantitative increase in cargo moving out of or into the port that had to be considered. The types of cargo going out of or coming into Malayan ports generally had to be scrutinised. The Board's observations were expressed forcefully in this paragraph:

The need for additional accommodation has arisen not only from the increase in the volume of traffic but also from a marked change in the character of the import trade through the Port. Bulk commodities such as rice, flour and sugar, which formed the main items twenty years ago, now constitute only one quarter of all imports: the proportion of general merchandise cargo has increased substantially. Furthermore the development of the export trade in latex and palm oil in bulk, scrap iron and ilmenite ore, has radically altered the function of an import wharf which the Ocean Wharf originally fulfilled.

In the last paragraph of the Report, the Board noted that Colonel Tun Sir H.S. Lee, a member for the Federal Ports Committee, and under whose aegis (as Member for Transport in the Federation Government) the proposal for additional berths in the North Klang Straits was being pursued, maintained that the project was in the best interests of the country.

It was coincidence that when Messrs. Coode and Partners presented their Report in April 1954, the same month the International Bank for Reconstruction and Development arrived in Malaya. The task of the Mission was "to assess the resources available for future development, to consider how these resources might best contribute to the economic and social development of Malaya and to make recommendations for practical measures to further such development". It was termed a general survey Mission, and it acknowledged in the Preface to its Report that it addressed itself primarily to broad issues of development policy; to general lines of priority investment, rather than to details of particular development problems and issues and of individual investment projects. There were 13 members and they included specialists in appropriate fields and advisers.

The Mission was in Malaya and Singapore during the period of January to May 1954. The report was submitted in June 1955. The economic and political backdrop, against which the World Bank Mission carried out its survey and made its recommendations, certainly influenced its recommendations. The Emergency was still a reality, although it was described as “only a minor disruptive influence on day-to-day economic activity”. In the very next sentence in Chapter One, the Mission asserted that “Communist terrorism constitutes a drag on further private and public economic development and it has imposed a heavy and continuing burden on the Federation Government”, in addition to much larger expenditures, met directly by the UK, for British forces maintained in Malaya.

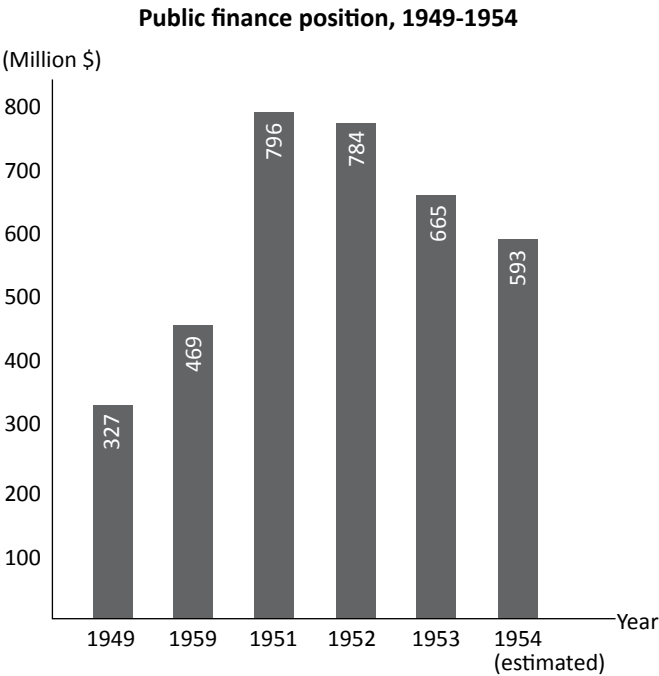
Unfortunately, however, the decision to proceed with the North Klang Straits port development project to supplement the port facilities and services at Port Swettenham did not find support from the World Bank Mission that visited Malaya.

The Mission noted that the tonnage of cargo handled (not counting oil in bulk) was already 50% above the pre-war peak of 600,000 in 1929. The Mission recognised the merits of the North Klang Straits project. They also assessed the costs entailed in road and rail connections, the bridge across the Klang River, and in purchase of more equipment. The World Bank Mission recommended the construction of 3 additional berths “at the present site”.

Why did the World Bank Mission decide that the Government of Malaya should have second thoughts on the North Klang Straits project? It was mainly because of finance. This was a general survey Mission and not one concerned with ports or transport *per se*. The Mission had an overall view of economic matters and it was particularly conscious of the financial considerations.

The Mission endorses the need for increased capacity at Port Swettenham. But having regard to the deterioration in the Federal Government's financial position since the Federal Ports Committee recommended the North Klang Straits project in April 1952, and to the inadequacy of financial resources for all essential development needs, we recommend that the possibility of providing this increased capacity at lower capital and recurrent costs as we have suggested be fully investigated before the North Klang Straits project proceeds further.

The statistics on the public finances of the Federation printed on page 140 of the Bank's Report tell their own story. Revenue collected for the years 1949 to 1953 and the estimated revenue for 1954 were given:



Source: FMS

The (Korean) boom years of 1951 and 1952 were gone. The years of plenty were followed by several 'lean' years. The Federation's public finances had deteriorated due to (a) declining revenue (b) heavy expenditure on the Emergency and (c) mounting expenditures in other fields like education and health services.

The Financial Secretary, in presenting the Draft Estimates of the Federation for 1954, had stressed that the financial position of the country was something less than happy and that no attempt had been made to disguise what were unpalatable features of the financial economic situation. He quoted the popular saying, 'Malaya is as rubber does'. The Financial Secretary pointed out that the 1953 Budget had been based on rubber at 75 cents a pound and tin at \$488 a *pikul*. The rubber price fell to an average of 69 cents per pound in the first ten months of 1953, while tin fetched only \$373 a *pikul* during the same period.

No less than a person than Sir Gerald Templer had said on one occasion, "every cent fall in the average price of rubber means a loss to the Government of the Federation of \$2 million in export duty and of some \$12 million in gross national income over the year". Revenue had been reduced by \$151.3 million in the space of 12 months. That was the amount almost equal to the total cost of all the

health and education services of the Federation, Mr. Himsworth revealed. All the Estimates for the year 1953 had to be revised therefore. The net result was that 1954 also was going to be a deficit year, and then estimated deficit was in the region of \$223 million! The main plank of the Government's financial policy had to be that of getting rid of the deficit and bringing the Budget back into balance.

It will be observed that the Mission had recommended a re-consideration or fuller investigation of expanding facilities at the old site.

The Report endorsed the 3 recommendations of the Federal Ports Committee with regard to (a) a new Board for Port Swettenham (b) the acceptance by the port of goods carried by rail, road or water without discrimination and (c) a sinking fund to amortise capital expenditure on the extensions. At the same time, the Mission recommended the fusion of the Railway Board and the proposed Port Swettenham Board into a single Railway and Harbours Board under the chairmanship of the GM.

When the Internal Bank team left Malaya, there was little indication that it would not favour the North Klang Straits project. It became known later that it was probable the Mission was going to recommend that the possibility of providing the additional wharfage at the existing site should be further studied before a final decision was made. The Port Swettenham Board thereupon decided that pending the publication of the Mission's report, no work other than what could be called 'experimental work' should be undertaken on the North Klang Straits project.

The GM, in his capacity as Chairman of the Board met a member of the Bank's team, Mr. E.R. Hondelink in Karachi (Pakistan) in February 1955. Hondelink was responsible for the Mission's outline scheme, and he proposed certain modifications to the original draft. It would involve a new alignment for the proposed wharfage. The modification proposed was that of constructing additional transit accommodation behind the existing berths at the Ocean Wharf. This, in the words of the GM, was an unsatisfactory arrangement from the point of view of port operation. It was also clear that the modifications suggested were not going to be economical at all.

As Tun Ong Yoke Lin pointed out later, "the cost of the scheme so modified was estimated at \$25.5 million".

The Port Swettenham Board gave careful consideration to the Mission's original and modified recommendations. At its 9th meeting held on 26 August 1955, it was decided to send the Minister for Transport a comprehensive memorandum dated 29 August 1955, confirming the North Klang Straits, once and for all, as the site of the construction of the additional wharfage needed. It also recommended the appropriation of the necessary funds so that work upon the project might be resumed immediately.

The Port Swettenham Board received support from shipping companies for its stand on the North Klang Straits project. This is paragraph 19 of its memorandum:

Shipping interests have been apprised of the outline plan for development in the North Klang Straits site, of the estimated capital cost involved and of the estimated effect on the port tariff, particularly as it affects charges against the ship. General support for the plan has been expressed by these interests.

The memorandum, which must surely rank among the more important documents in the country's economic history, added that the advantages of the North Klang Straits scheme outweighed the disadvantages, when compared with the Banks' proposals.

In conclusion the Board considers that the advantages of the North Klang Straits scheme compared with Mission's scheme as modified outweighs its disadvantages, whilst the disadvantages of the Mission's scheme, particularly in the long term, outweigh its relatively small advantage in lower capital cost. The North Klang Straits scheme offers much the better facilities with space for further expansion at relatively low cost. It is further more a sound productive economic proposition with a reasonably certain return on the capital invested.

Constitutional changes

In July 1955, far-reaching constitutional changes had been set in motion when, in the 1st general election held in Malaya, Tunku Abdul Rahman's Alliance Party won 51 out of 52 seats contested. The first Malayan Cabinet was formed, and the Minister for Transport was Colonel Tun Sir H.S. Lee. He had been 'Member for Transport' in the former Government. All policy and budgetary decisions became the responsibility of the political head, the Minister who held the Transport portfolio. A 'representative and responsible' system of Government had been established in Malaya.

On 1 December 1955, as Minister for Transport, Colonel Tun Sir H.S. Lee moved the Second Reading of the *Malayan Railway (1956) Supply Bill*. In the course of his review of railway developments, he stated that in the case of Port Swettenham, the annual tonnage passing through the port was approaching the million mark when the estimates were framed and this record had in fact already been reached yet another month left in the year. The estimated revenue of \$7.5 million for 1956 was a conservative estimate based on the present level of port charges, he said.

After dealing with the annually recurrent expenditure estimates for the train services, he commented on Port Swettenham's annually recurrent expenditure:

The annually recurrent expenditure in respect of Port Swettenham is to a very large degree dependent upon the volume of cargo handled at port, the major

item being the contract payments made to the Cargo Handling Corporation for the handling of traffic. Here, likewise, any rise in labour costs might necessitate the revision of contract rates and result in increased port charges.

Lastly, the Minister took the Legislative Council through some of the principal items under 'Special Services expenditure'. This section of the Annual Estimates centred on the replacement of obsolete assets and upon capital development directed particularly at modernisation. Colonel Tun Sir H.S. Lee made some observations on the permanent way and rolling stock, before focusing attention on Port Swettenham.

In regard to the Special Services expenditure at Port Swettenham, it will be seen that here, too, provision has been made for additional staff housing, and also for floating craft. Expenditure on the short-term development of the port is also essential to enable the rising tonnages to be handled during the very considerable period of time which must elapse before the North Klang Straits project can become a reality. The project as a whole will be considered in the context of the country's new development plan which is now under consideration and preparation.

Crash programme for the port

On 11 July 1956, Tun Ong Yoke Lin, the new Minister for Transport, formally requested the Legislative Council to allocate, out of public funds, various sums of money for essential works at Port Swettenham. He asked approval for:

\$930,000 for godowns
\$600,000 for tugs
\$356,000 for mechanical equipment

Those items were needed to improve the facilities at the port and to relieve as far as possible the inevitable congestion there, until the New North Klang Straits infrastructure was ready. This was the genesis of the Crash Programme for the port. He explained that it would be possible to transfer the equipment to the new port area later, if so desired. The godowns would be designed so as to permit dismantling and re-erection.

The Minister's request was not unexpected. In 1955, the total tonnage passing through Port Swettenham was well over one million. They consisted of 817,000 tons of dry cargo and 260,000 tons of liquid cargo. The indications were that there would be progressive increases in the tonnage passing through the port. The Ministry of Transport was aware that there would have to be substantial expenditure even on the so-called "short term improvement of the present facilities". It was manifest that by the time the berths planned for the North Klang Straits area were ready, the need for more berths would be felt immediately. The

Transport Ministry had issued a public statement in July 1956 that a conservative estimate for 1960 was 1,356,000 tons, or a 25% increase over 1955 figures.

The last item in the Supplementary Budget in the section for the Ministry of Transport was item 79, and the money requested for allocation was large, namely, \$25,900,000. Tun Ong Yoke Lin described it as a long term project, known as the North Klang Straits project, for the provision of additional wharfrage - initially 3 berths, in the North Klang Straits.

The Minister gave the Legislature a brief history of Port Swettenham. He recalled that the idea for a port in the North Klang Straits had been mooted as long ago as 1912, while, in more recent times, the Federal Port Committee in 2 reports had given its support for the project. He stressed the newly reconstituted Port Swettenham Board had also been giving this matter its continuous attention. The Port Swettenham Board had consistently expressed support for the North Klang Straits project.

The Minister described the proposed expenditure for the new wharves as being in the nature of an "investment repayable as to capital and interest". He urged Members to bear in mind that the existing port had, in effect, already reached the virtual limit of its capacity. He concluded with a reminder that the time factor was of paramount importance, and the need to resume work on the project was urgent.

It was an excellent presentation, and it drew the applause of the entire House. The last paragraph of Minister Tun Ong Yoke Lin's speech was a solemn pledge and an expression of faith in the future of the country.

I will give an assurance to this House that if this Item 79 for \$25,900,000 is approved as a whole I will as responsible Minister to this House endeavour to the limit of my powers to ensure that the Port Swettenham Board and the Malayan Railway Administration were given direction and every assistance and encouragement to expedite this project so that we at last achieve a Port capacity and efficiency and speed of operation adequate to the prosperous future of our country which this Government looks forward with faith and confidence.



An earlier portrait of Colonel Tun Sir Henry Lee Hau-shik, one of the pioneers of Malayan independence and first Minister of Transport in the Malayan cabinet.



An earlier portrait of Tun Ong Yoke Lin, first Minister of Posts and Telecoms in the Malayan cabinet, later Minister of Transport.



Access road to North Port (bridge not yet built. Infrastructural considerations were part of the Milbourn Inquiry.

A number of speakers congratulated Tun Ong on his speech. Enche Abdul Hamid said he was glad to listen to the Minister. Mr. G.M. Knocker referred to the great volume of expert opinion that had been expressed in favour of the speech. He stressed that it was wrong to regard port development as solely for the benefit of shippers and commerce. The benefit of the port would accrue to practically everyone in the Federation of Malaya, he asserted. He felt the Minister was right in expressing regret that the International Bank had delayed matters. It has also failed to recognise the weight and value of all the expert opinion.

Tan Sri Ubaidullah welcomed the Minister's speech and the assurance given. Tun Ong had given "a brilliant survey of masterly inactivity that had dragged on for 44 years because the powers that be had continuously ignored the importance of the port." He fervently hoped that the 'Merdeka Port', as he called the North Klang Straits project, would be ready in 1960. Colonel Tun Sir H.S. Lee, in a brief comment, said the exhaustive investigation that had preceded the final decision for the new port project had been worthwhile. He was now the Minister of Finance!

Mr. F.G. Pooley said that commercial interests in Penang thought that the prosperity of the southern part of the Federation would help the Settlement of Penang indirectly. The Representative of the Settlement of Penang hoped that the need for the development of Penang Port would also be recognised in time.

Tun Tan Siew Sin recalled being taken around the North Klang Straits site. He said it was, after all, "only a crocodile-infested and mosquito ridden swamp".

He hoped that if the experts had been proved not to be so right after all, the Government would remember that further south there was a place where port development would cost much less. Also there were fewer crocodiles and fewer mosquitoes there.

Tun Dato' Seri Dr. Lim Chong Eu said he hoped that in the future the Minister of Transport would marshal as strong and brilliant a case for the port of Penang. The Legislative Council approved the allocation of the money requested for the North Klang Straits project.

The annual Supply Bill for the Malayan Railway was always an appropriate occasion for informing the Legislative Council and the community at large about important developments affecting the railway services and the ports. On 8 November, Enche Abdul Aziz, the acting Minister of Transport, cited statistics on the cargo handled at Port Swettenham and on its estimated revenue for the year 1957.

Turning now to the Port Swettenham Estimates for 1957 it is anticipated that an additional 100,000 tons will pass through the Port, next year, estimated to raise the total revenue to \$9.98 million, an increase of \$720,000 over the Revised 1956 Estimates.

Next, he reviewed briefly the steps that were to be undertaken to alleviate the congestion at Port Swettenham. The new berths at the North Klang Straits would not be in operations before 1960/61, he said.

Provision for additional facilities has been provided for in the Estimates. One new transit shed was brought into service in June this year and two more will be brought into service in 1957.

Next year will also see the introduction of additional road tractors and trailers for internal port haulage, additional cranes, additional fork-lift trucks, and additional lighters. These lighters and also those now under construction for the Penang Port Commission will be the first aluminium lighters to see service in Malaya.

Enche Abdul Aziz frankly admitted that the delay in implementing the North Klang Straits project had led to some problems in the port, for which remedial measures had to be taken.

But the most serious effect of the delay over the years in deciding to proceed with the North Klang Straits development has been the pressing inadequacy of wharf space for the growing number of ships calling at the Port and the increasing annual tonnage handled. It has been decided that the Coastal Wharf at the existing Port must be extended by 350 feet as a measure of relief. The design of this extension has been completed and the work, which will involve 11,000 linear feet of piling, will be completed in the first half of the year 1958.

The Acting Minister provided details “on the progress being made with the North Klang Straits Port Works scheme”. The Railway Administration had already completed full-scale experiments on a pile of advanced design which, if adopted, would provide a less expensive form of construction for the new wharf. He revealed that consultations between the Malayan Railway’s Chief Engineer and Coode and Partners, the Consulting Engineers in London, had resulted in agreement on the adoption of the new design of pile. As a consequence, the Consulting Engineers were proceeding with a design of wharf in which the transit sheds were to be placed directly behind the wharf over the water.

It is expected that the design of the wharf will be completed and that drawings and contract documents will be prepared by April 1957, when it is hoped to call for tenders. Assuming the closing date for tenders to be in August, the contract for the wharf should be let by October, 1957. It would probably take some two and a half years to construct the wharf which should be in operation therefore about mid 1960.

The Acting Minister also informed the Council that the Malayan Railway was proceeding with approach works to the bridge site over the river and with bunding of the short installation area. The Consulting Engineers were already proceeding with the design of the bridge, the construction of which should commence around May 1957. The bridge should be completed by August 1958. In the meantime the Railway Administration was making a fresh appreciation of the financial position in respect of capital and operating costs. Those details, together with the completed outline diagrams of the wharf and the shore installations, the Acting Minister stressed, would be published for the information of all concerned. Enche Abdul Aziz paid a tribute to members of the Railway Board and the Port Swettenham Board, and he described their advice as having been of the greatest value.

The FMS Chamber of Commerce gave a rather cautious welcome to the start of the North Klang Straits project. The President said:

After a gestation period of 25 years, the North Klang Straits Scheme to provide more wharves at Port Swettenham had been born ... I only hope that the next berths will not again be delayed until the Port is at the point of breakdown.

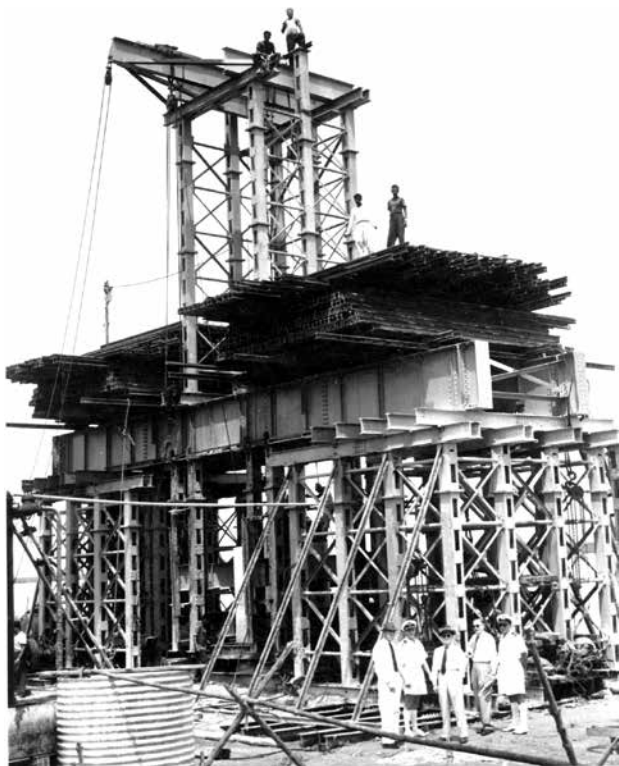
On 3 September 1957, or 3 days after Merdeka Day, the Federal Legislative Council met in a formal session. The first Head of State of independent Malaya, His Majesty the Yang di-Pertuan Agong Tuanku Abdul Rahman, addressed the Legislature. Members listened to the Agong’s review of national developments and the Government’s plans for economic progress. There were details of railway modernisation. Regarding Port Swettenham, His Majesty said:

Work has started in connection with the construction of new deepwater berths at Port Swettenham. The ever-increasing tonnages are at present being handled by improvisation of hard work, and the expansion of the port

will bring relief and provide facilities capable of serving the needs of central Malaya.

Meanwhile, a major policy decision was made. A phenomenon that was perhaps inevitable, in view of the major political change taking place in Malaya, was that many expatriate officers were leaving. The Malayan Railway, which was supposed to play a prominent role, at least in some of the work preparatory for the North Klang Straits project, was hit by the exodus of some technical personnel. This is described in the Railway's 1957 Annual Report:

It had been the intention that the Chief Civil engineer would undertake the construction of the bridge, but it became apparent as the year progressed that civil engineering capacity had become so impaired because of the loss of senior civil engineers that it was necessary to ask the Consulting Engineers in London to accept responsibility for the whole project. In these circumstances it was not likely that plans and contract documents would be completed until the first part of 1958. In the meantime the Treasury raised the doubt as to the availability of the capital funds allocated to the project, making it necessary to suspend operations soon after the close of the year.



Minister for Transport (Tun Ong Yoke Lin) inspecting full-scale piling operations at a site in the North Klang Straits where new wharves have been suggested, during a visit to Port Swettenham in 1956. Picture shows the Minister (centre), GM of Malayan Railways C.G. Harrison, (extreme left), and the port officials and engineering staff.

There were other factors that contributed to make 1957 a 'lack lustre' year for Port Swettenham. There was reduction in the volume of public and private spending, and a general recession in trade prevailed. A fall in the prices of Malaya's staple exports, rubber and tin, led to restrictions in credit facilities. The cessation of ilmenite ore and scrap iron exports to Japan adversely affected the volume of export tonnage. The worst years of the Emergency were over, but there were still some problems to be solved. Malayan Railway GM C.G. Harrison summed up the position like this:

It must again be emphasized that although the Railway has recovered from the physical effects of war and invasion and of communist terrorist action, it has emerged weakened financially and retarded technologically.

The GM pointed out that, for the railway as a whole, 1957 was an unfavourable year. However, he thought that Port Swettenham had fared somewhat better.

The effect of the recession in trade was felt more severely in the rail services than at Port Swettenham. The tonnage of goods carried by rail fell by 3-6 per cent compared with an increase of 10 per cent in the previous year, whereas the tonnage passing through Port Swettenham continued to rise although at the reduced rate of 3-5 per cent compared with 7 per cent in 1956.

A far more serious problem was emerging. The labour unrest at Port Swettenham was affecting the performance of the port. The 'Work to Rule' action, on the part of a railway trade union in June, resulted in a diversion of cargo to other ports estimated at 25,000 tons. The extension of this labour trouble to Singapore seriously affected the movements of the ships through Malayan ports in July.

In 1956, and in the first seven months of 1957, preparation for Merdeka seemed to be the order of the day in Malaya, yet, according to *Railway Board memorandum No. 30/59* (which was meant for confidential circulation only), "in the early part of 1957 there were signs of internal stresses in the National Union of Railwaymen" (or NUR). The NUR had come into existence in July 1955, following the amalgamation of a few smaller unions catering for different classes or departments of the Railway. Later, when the All Malayan Railway Workers Union also joined the NUR, it became the sole recognised negotiation body for railway workers. In the early part of 1957 there were internal stresses in the NUR. The Port Swettenham branch was alleged to be particularly strong and militant. That branch demanded that several daily rated employees, including crane drivers, be emplaced on monthly rates of pay. After some negotiations, the Railway Administration rejected all the demands, mainly on the grounds that staff costs had increased by \$8.25 million since 1955, traffic was falling, and pay for the lowest grades had been increased by 30%.

The following are extracts from a joint memorandum by the Railway Board and the Port Swettenham Board.

Port Swettenham, the first point of dissatisfaction, has so far suffered more than any other centre. The effects of the 'go-slow' and refusal to work overtime in a Port, the capacity of which is already severely strained, has meant a substantial reduction in the volume of imports and exports handled with the consequence that a considerable number of ships are being diverted. Close liaison is being maintained between the Port management and the local Shipping Agents on the situation in the Port from day to day.

Wharf and stevedoring labour of the Cargo Handling Corporation at Port Swettenham, comprising 1550 men, does not appear to be supporting the NUR in its action. On the contrary it is reported that the .C.H.C. labour is dissatisfied at loss of earning attributable to the NUR action.

Work to Rule started at Port Swettenham at 1.00 p.m. on Friday 7 June 1957. During the period 8 to 20 June, a total of 31 ships called at the port. During the same period, 18 other ships had to be diverted to other ports. 16 of the diverted vessels were carrying import cargoes, while 2 were intending to load export cargoes. A Malayan railway document estimates that during the 11 full days of work to rule, 12,096 tons of dry import cargo and 7,831 tons of dry export cargo (making a total of 19,927 tons) was handled. In addition, the port dealt with 3,819 tons of bulk liquid cargo which, as it was explained, required no 'handling' as such. The port officials estimated that the work to rule operations meant the port was working to about 73.4% of its normal capacity. The extension of the labour trouble to Singapore seriously affected the movements of ships through Malaysian ports in July.

Fortunately, the Malayan Trade Union Council decided to intervene. It persuaded the NUR to bring its militant branch at Port Swettenham to heel so that negotiations could be recommenced. Following that, the Railway Administration offered certain minor concessions in 8 August 1957, and these were finally accepted without prejudice to further claims.

The Union submitted wage increase claims or demands for port clerks, crane drivers, Scammell (lorry) drivers, and marine crews. There were internal problems, as the crane drivers attempted to negotiate on their own with the Administration. The familiar accusation of 'divide and rule' was insinuated against the Administration. The stalemate dragged on and the cranemen started a go-slow movement on their own.

Labour Unrest: Eric Millbourn Arrives

It was against that backdrop of unrest and ‘neither war nor peace’ between the Union and the Railway Administration that Sir Eric Millbourn arrived to review certain aspects of the labour situation at Port Swettenham.

The sudden outbreak of labour problems at the port must have caused concern in official circles, particularly as it had happened so close to Merdeka Day. It must surely have led to some serious thinking about separating the port from the rest of the Malayan Railway. Port Swettenham had proved to be a difficult spot. If the port and the railway were to be separated, there would be no fear in future about a strike by some or all railway staff affecting the port, nor of a port strike affecting the railway network. The decision to bring out a team, headed by Sir Eric Millbourn, would also have the advantage of a good image for the Government. It would give the impression that the authorities were seeking expert advice or guidance on a crucial matter.

Sir Eric Millbourn was Adviser on Ports to the Ministry of Transport and Civil Aviation in Britain.

In August 1957, the Minister of Transport, Enche Abdul Rahman bin Haji Talib, commissioned Sir Eric Millbourn to head a Committee of Inquiry.

The terms of reference were:

“Having regard both to the present and to the future circumstances of the port of Port Swettenham,

(a) to inquire into the method of employment of wharf; stevedore and related labour at the port of Port Swettenham, and also into the industrial relations machinery at present in existence there; and to make any necessary recommendations for the immediate improvement of the method of employment and of the industrial relations machinery.

(b) to make any necessary long term recommendations regarding such matters; and

(c) to consider whether any changes are required, and if so, when, in the status and administration of the port, and to make recommendations thereon”.

Millbourn was assisted by Mr. Francis H. Cave, ex-GM of the Mersey Docks and Harbour Board, Sir Ian Parkin, a former GM of the U.K. National Dock Labour Board, and Captain Alastair Smith, who had been Port Manager at Mombasa (Kenya). Mr. Cave and Sir Ian Parkin had been already assisting Sir Eric Millbourn as members of the Commission of Inquiry into the Port of Singapore. Sir Ian’s specialised knowledge of labour conditions and industrial relations in port

operations was of immense value. The Chairman and members of the Inquiry Committee spent almost a month in Malaya.

They made a detailed study of the installations and facilities at Port Swettenham, both from the landward and seaward sides. They also visited the site of the proposed extension of the port at North Klang Straits. A number of interested organisations submitted memoranda. They included the Associated Chinese Chambers of Commerce, FMS Chamber of Commerce, Harbour Trade Union of Port Swettenham, NUR, and the Cargo Handling Corporation, Port Swettenham. In addition, various aspects of port operations and procedures were discussed with Ministry of Transport officials, the Harbour Master of Port Swettenham and the General Manager of the Malayan Railway Administration.

The Committee's Report was submitted to the Minister of Transport in January 1958. The report throws much light on the situation prevailing at Port Swettenham at the time of Merdeka and soon after that. The Committee were convinced that Port Swettenham, which had become increasingly important as a 'gateway for traffic' into and out of the Federation, was likely to be an even more important port in the future than it had been in the past. They reported:

It is certain that there will be a considerable increase in traffic through all the ports of Malaya.

... if the trade and commerce of Malaya progress as seen most likely, it will be extremely important to make the fullest and most efficient use of all the available ports.

Shipping and the services it receives form in themselves an important economic asset, and one which, if properly developed, can contribute much to the commercial life of the country...

The Committee observed that there were a number of serious physical limitations to the port, largely arising from the fact that it was designed for working in close association with the railway system, with goods moving to and from the wharfside wholly by rail. Various developments over the years, such as the railway marshalling yard, had hemmed in the port area and had made it difficult to plan for improvements by way of expansion. Road transport had grown in importance, and it had made the deficiencies of the port only too obvious. They frankly asserted that the layout of the port left much to be desired. However, they felt that by focusing attention on problems of transport and communications, services basic to all others, within a short time of Malaya's obtaining independence, the Government had done the right thing.

In discussing the hinterland of Port Swettenham, the Committee expressed optimism that new road developments, in particular, had brought large parts of the East Coast States within easy access of Port Swettenham.

Sir Eric was critical of the layout of Port Swettenham when he inspected it in September/October 1957, calling it “extremely poor layout”. He perceived that being designed for cargo to be carried to and from the port by rail, it had not readily adapted itself for both road and rail transport. Port Swettenham also, according to him, did not have the flexibility to accept overloads of cargo beyond the capacity for which it was originally intended to cater. While admitting it was not easy to suggest ways of increasing the capacity of the port, he felt it was important that every effort ought to be made to speed up the flow of cargo through the port. It would be necessary to make the fullest and best use of the existing facilities for some time, until the North Klang extension was complete.

He commented on the changes proposed when the North Klang Straits extension was completed. The new wharves were being considered for handling of import cargo and the old port solely for exports. Sir Eric asserted confidently that the Port Administration would not be able to maintain that distinction permanently. He gave a cogent reason:

In theory it has many advantages but these may well be a temptation for ships to insist on going to the part of the port where they can secure the quickest turn-round at a particular time. Moreover the railway, especially if under pressure, may find it easier to deal with balanced import and export traffic at both sections of the port.

At that time, there were plans for the re-siting of the marshalling yards to a spot further away from the port area. The move was desired to relieve the already congested site. Along with this project, the Malayan Railway had plans for the construction of a new siding to act as an exchange siding between the railway system and the port workings. It was felt, or at least the hope was, that these changes would secure a speedier turn-round of railway wagons, and thus relieve the shortage of wagons.

The need for the Malayan Railway to discard its traditional ‘railway first and always’ attitude was evident in this comment by Sir Eric:

In spite of the railway association of the port, every facility should, of course, be given to road transport, which can make a big contribution to getting rid of congestion on the railways in the port area.

The Committee was satisfied on the need for the Port Swettenham Board:

The scheme by which a Board advises the General Manager seems to be a reasonable working arrangement for running the port.

Regarding the distribution of representation on the Board too, the Committee was satisfied.

I consider that the proportions are adequate to ensure normally that sufficient note is taken of the interests of those - the users - on whom the port depends for its existence.

However, its most critical observation concerned the chairmanship of the Board:

I think it is illogical and improper that the General Manager of a Railway should be the Chairman of a Board set up to advise him. In spite of the safeguard by which the General Manager cannot go against the wishes of the Board, without the agreement of the Minister, obviously the arrangement is open to the criticism that the Board is placed in a position where it might be influenced by the Railway.

It is strange that no one had pointed out this exceptional anomaly by which it was possible for a senior public functionary, the GM of the Malayan Railway, to head a board set up to provide him with advice. Officially, the Board had been in existence since the year 1911. In such a situation, the Board may have been a complete farce, or a mere rubber stamp to endorse each and every matter brought up by the GM. The GM of the FMSR, and his successors who were heads of the Malayan Railway Administration after the Second World War, were holders of a very prestigious position. They had an abundance of opportunity to exercise undue influence of the Board's deliberations and decisions, although it would be difficult to prove that there was any such incident involving detriment to the public interest.

Main recommendations

The Committee of Inquiry, having discussed the various issues within its terms of reference, made a number of pertinent recommendations.

Regarding the administration of the port, it was recommended that steps should be taken to render the port as independent of the Railway as possible. It would appear the Committee wanted to avoid the 2 extreme solutions either of maintaining the status quo, or of removing the port completely from the Malayan Railway Administration. The finances of the port, it was suggested, should be separate from those of the railway, and therefore the port should be required to pay a reasonable commercial rate for services such as use of wagons. In addition, the port should be asked to pay an appropriate share of overhead costs.

Pilotage

Regarding pilotage, the Committee felt that there was an unsatisfactory state of affairs. They considered it important that the Pilotage Board should have fuller powers to deal with the pilots, who ought to act under the direction of the Harbour

Master. This officer should be in charge of all movements within the port limits. Moreover, it was recommended that in consultation with the Port Management, it was the Harbour Master who should decide which ship was to be taken in or out, where it should go and at what time. One cannot help commenting that the very designation 'Harbour Master' connotes full power and authority in the port area. The recommendation of the Inquiry Committee was both logical and timely. It sought to restore authority to a public functionary who should have exercised that authority in the first place.

The Committee considered it was desirable to obtain the advice of an independent Chartered Accountant for deciding the details. The principle it asserted was "the port should pay or be debited at a reasonable commercial rate for any services rendered".

Regarding the constitution and membership of the Port Swettenham Board, the Committee pointed out that the GM of the Railway should not be Chairman of the Board. Rather, the chairman should be elected by the board members from among themselves. Further, if considered necessary, a representative of the Malayan Railway Administration might be added to the Board, but otherwise its constitution should not be altered.

It was urged that the officers and staff of the port should be specialists in port working rather than railway experts. The Committee were apparently thinking of the development of a proper professional cadre of port administrators. As it was, the railway's traffic officers could be transferred into and out of duty posts in Port Swettenham according to the overall needs or exigencies of the railway rather than the port. There was lack of continuity in – and specialised knowledge of – port administration and its problems.

Sir Eric could not, in the very nature of things, ignore development at the North Klang Straits. He commented on the proposals described to him, and mentioned some ideas that had occurred to him on how the new wharves at North Klang Straits should be designed and operated.

Apart from the inherent disadvantages (as compared with building new berths in the present port) of splitting the administration into two sections some distance apart, it seems to me that the proposed extension is very well sited. My organisational disadvantage will certainly be outweighed if the new port is well laid out and easily operated.

What was essential, at all costs, was to avoid the repetition of certain unsatisfactory features of the working arrangements and layout of the existing installations.

Sir Eric frankly asserted that having examined the relevant plans, he had come to the conclusion that the proposed layout would not provide for the efficient carriage of goods to and from the port by both road and rail transport. Also, the

proposed new extension was not as well designed (from the point of view of wharf working of cargo) as could be desired. He stressed that those points were fundamental. What the expert feared was that the same difficulties that had arisen in the old port would recur in the new port, if careful consideration were not given to increased movement of cargo by road vehicles and to the accesses needed for that traffic.

The expert suggested “small amendments” to the plan with a view to greatly improving accessibility to the port. To ensure the utmost flexibility of movement on the wharf apron in front of the sheds, Sir Eric said, it was important for the fullest use to be made of mobile equipment, such as forklift trucks and tow motors. To do that successfully, the apron had to be kept as clear as possible. He recommended that only 1 line of railway was needed to receive cargo direct into rail wagons. The railway line had to be close enough to the coping stones on the wharf apron for the ship’s derricks “to plumb the railway wagons”. With this arrangement, there would be no need for cargo handling cranes on the wharf apron, because, as he clinched his proposal, ‘virtually all ships have adequate gear for discharge and loading’.

Regarding adequate access, the recommendation was that at the back of the sheds, there must be not only space for rail wagons, but for road vehicles to park while delivering and loading. Specifically, Sir Eric suggested that behind the sheds, a wider apron than the one that was planned for should be provided. It should carry 2 lines of railway; but to provide maximum manoeuvring space for vehicles, the second line should not be alongside the first. It might be at the landward edge of the apron, provided adequate scissors crossings were available to link the two lines. Another suggestion concerned the surfacing of the apron:

The whole apron should be fully hard surfaced with the rails counter-sunk so that lorries can use the same surface as the rail wagon. The accesses from the land should be sufficient to provide a two lane road as well as the railway track to and from the mainland.

It was also pointed that economies effected by having only 1 railway line on the wharf apron, and dispensing with cargo-handling cranes, would offset the cost of providing better facilities behind the sheds.

Another fundamental suggestion Sir Eric put forward was that instead of building 3 berths, there should be 4. The planners had in mind the building of 3 berths as part of an overall long-term plan for 6 berths. The final plan did envisage 1 further berth to the north and 2 to the south of the 3 berths that were going to be built. The reason for the proposal was succinctly stated:

It seems to me that when the time comes for further expansion - and this may well be in a very few years - it would be extremely costly, and would cause great inconvenience to port working, if major construction of berths had to

be undertaken in two separate parts of the port. I think it highly desirable to consider seriously the building of an extra berth at the north end of the port at this stage, when it would be cheaper to construct a comparatively small extra cost now might well mean considerable saving in the future, and when the time came to complete the work there would be much less disruption in the port.

The final issue dealt with by Sir Eric Millbourn was that of an oil berth at Port Swettenham. The background was that negotiations had been going on for some time between the oil companies and the Port Authority about the provision of an oil jetty. The oil companies favoured a jetty close to the entrance to the existing anchorage. The Port Authority, on the other hand, preferred a site about a mile to the north of the North Klang Straits extension.

Sir Eric supported the Port Authority's viewpoint. Even though the cost of providing pipelines and other facilities for the 2nd site would probably be considerably greater, he had no hesitation in recommending the North Klang Straits area as the more suitable location.

The publication of the Millbourn Report naturally gave rise to speculation about the implementation of the recommendations it contained. On 22 October 1958, in the Legislative Council, Mr. K.V. Thaver, a well-known teacher and trade unionist, asked the Minister of Transport to state progress made with consideration of the recommendations contained in Sir Eric Millbourn's Report of the Inquiry into Port Swettenham. He also wanted to know when it was likely that decisions would be taken. The reply given was:

The comments received, from various sources, upon the recommendations contained in Sir Eric Millbourn's Report of the Inquiry into the Port of Port Swettenham, have been collated and examined by the Minister of Labour and myself, with a view to formulation by the Government of decisions upon the recommendations. The work will be continued and it is intended that an announcement shall be made as early as possible.

On 3 December 1958, Mr. P.P. Narayanan asked the Minister of Transport to state when he expected to implement the recommendations contained in the Millbourn Report, and to what extent. He was given the reply given at the immediate past meeting of the Legislative Council, along with the following:

I confirm that the examination of the recommendations is continuing and will be concluded as soon as possible; a close study of them will reveal that many are far-reaching and that decisions upon their implementation or otherwise must obviously not be taken hastily....

The Selangor Branch of the FMS Chamber of Commerce was happy that the Millbourn Report had emphasised that the port should be managed by individuals with expertise in port operations other than railwaymen. The Chairman, Mr. J.H. Stubbs, devoted a considerable part of his address at the 38th annual general meeting held on 1 April 1959, to Port Swettenham's problems:

The operation of a Port in an efficient manner requires skilled personnel. Idle time for a ship is a most serious matter as it involves not only a loss of earning capacity but also the cost of wasted fuel, payments to crew members and such like. It is not satisfactory to leave the working of the Port almost wholly in the hands of staff trained for the operation of a railway system; it is neither fair on them nor fair on the users of the port. It in no ways follows that a person versed in railway duties can also operate a Port. It is necessary to have a full appreciation not only of the difficulties of actually working the Port but also of the problems of Shipping Lines in operating their vessels to the best advantage and thus to maintain freights at reasonable levels.

However fair any person may strive to be, it is inevitable that personnel employed by the railways will always, albeit unconsciously, tend to look upon the Port facilities mainly as a means for supplying goods for carriage by rail. There has been sufficient evidence from time to time that this in fact has been the case. An efficient port must have both road and rail facilities and there should be no bias in favour of either rail or road transport

1957 is, of course, always remembered as the year of Merdeka or Independence by Malaysians.

As the year progressed, there were signs of a recession setting in. Familiar economic indicators, like a fall in the prices of rubber and tin, restrictions on credit, and a reduction in public spending, were much in evidence. The Malayan Railway report for 1957 contained the statement that the effect of the recession in trade was felt more severely in the rail services than at Port Swettenham.

Port charges had been increased on 1 April 1956, to cope with rising costs, and this factor was partially responsible for an increase of nearly 11% in the revenue earned at Port Swettenham in 1957, compared with the 1956 revenue. The upward trend in trade, characteristic of Port Swettenham, continued during the year but at a reduced rate. The total trade through the port rose from 1,287,109 tons in 1956 to 1,331,564 tons in 1957. This was an increase of only 3.5%, compared with an increase of 7.1% in 1956. The increase in bulk liquid exports of latex, palm oil and coconut oil was particularly significant. 220,000 tons of bulk liquid commodities were exported from Port Swettenham in 1957.

On 4 December 1957, Mr. K.V. Thaver asked the Minister of Transport for statistics on tonnage passing over the wharves at Port Swettenham during the years 1939, 1947 and 1953 to 1957. The Minister replied:

The amount of tonnage passing over the wharves at Port Swettenham during the years quoted by the Hon'ble Member was as follows:

Cargo tonnage handled at Port Swettenham, 1939-1957

<i>Year</i>	<i>Tonnage</i>
<i>1939</i>	<i>574,993</i>
<i>1947</i>	<i>558,344</i>
<i>1953</i>	<i>1,008,535</i>
<i>1954</i>	<i>1,021,982</i>
<i>1955</i>	<i>1,201,669</i>
<i>1956</i>	<i>1,287,109</i>
<i>1957 (to the end of September)</i>	<i>1,000,558</i>

Source: Minister of Transport Report, 1957

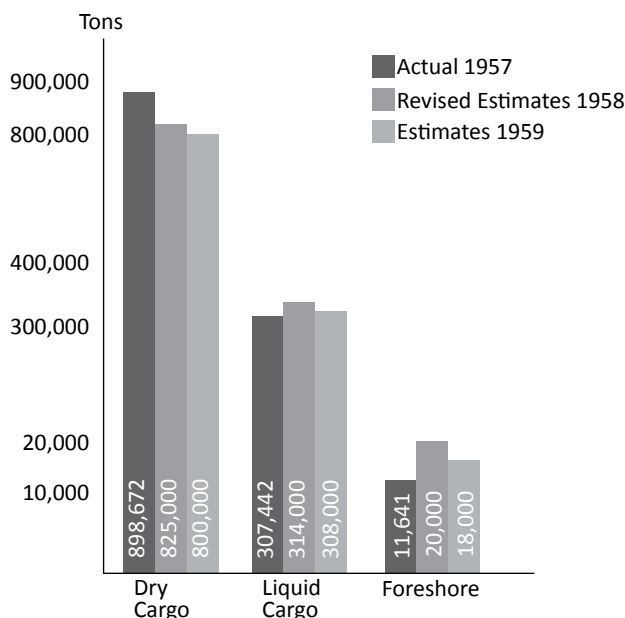
The Coastal Wharf was undergoing much reconstruction, as it had been decided to extend it to a length of 350 feet. The reconditioned wharf was expected to be ready for use in 1959. Meanwhile, a large, new transit shed (No).

28), 45,000 square feet in area, was constructed and brought into use to serve the Coastal Wharf and its extension. It replaced 2 small transit sheds, which were described as obsolete.

Certain peculiar trends in 1958 caused a drop in the tonnage of cargo. Restrictions were imposed on the output of the tin mining industry, in an attempt to stabilise the price of the commodity on the world markets. The FMS Chamber of Commerce Year Book for 1958 recorded that imports of petroleum products, machinery and general consumer goods for the mining industry and its employees were 'down', in addition to the severe fall in exports of tin ore.

A bright feature in an otherwise gloomy scenario was the completion and functioning of 4 new buildings related either to staff welfare or port operations. They were the port dispensary, the Port Swettenham Recreation Club House, the terminal for passengers embarking for India, and the training school for port clerks. The training school, the first of its kind, began to function in March 1958, and 10 courses, each of 3 weeks duration, were held for clerical staff.

Cargo tonnage handled at Port Swettenham, 1957 - 1959



Source: The Author

The effect of the economic recession on Port Swettenham was evident in the decrease in tonnage handled.

The recession took its toll. The Ports of the World (1959) contained the following paragraph headed 'Development' in its chapter on Port Swettenham:

A development scheme to cost \$30 million and involving the construction of six new deep water berths with cargo-handling and berth facilities has had to be postponed due to financial difficulties.

When the Chairman of the Selangor Branch of the FMS Chamber of Commerce addressed the members, he informed them that all work on the North Klang Straits Scheme at Port Swettenham was about to come to a standstill. He said that the Treasury had told the Port Swettenham Board that no guarantee could be given as to the availability of the necessary funds to carry out the work involved.

The Malayan Railway found it necessary to introduce 'exceptional rates' in order to obtain a share of the reduced amount of traffic available, in the face of intense competition from road and sea transport. To quote from the Malayan Railway annual report for 1958:

At the beginning of 1956 only 35 per cent of the tonnage was at exceptional rates, but by October 1958, 78.3 per cent of the tonnage was carried at exceptional rates.

The demand for more sites for the construction of private godowns increased and for 1958, \$415,000 was approved for “development of site for private godowns” and another \$94,000 was approved for development of site for godowns for Imperial Chemical Industries (ICI).

1958 and 1959 were years of great constraints, reflecting the vulnerability of the old Malayan economy to the forces of world supply and demand. Port Swettenham felt the ripple effects of the downturn of the economy in 1958, as well as its slight improvement in 1959. Total trade through the port had decreased from 1,331,564 tons in 1957 to 1,287,075 tons in 1958, a decline of 44,489 tons. There were decreases in dry cargo imports, dry cargo exports and bulk petroleum imports. Bulk liquid exports like latex and palm oil, however, registered an increase of 13.6%.

New traffic handled at Port Swettenham included live sheep and gypsum sand from Australia. Both these imports needed wharf berths, and the increased pressure at the port for the limited wharf accommodation available led to more delays to ships, according to the GM of the Malayan Railway.

The 1959 picture was somewhat brighter, as far as the flow of cargo to and from the port was concerned. A general improvement in the country’s economy resulted in the tonnage of cargo handled by Port Swettenham showing an increase of 43,784 tons, a 3.4% increase. Imports such as fertilisers, tiles, cement and iron and steel products registered steady increases. The greater demand for tiles and cement was due to the improvement in the country’s building industry, as a result of the economic recovery.

Labour relations worsens

As the 1950s drew to a close, the Malayan Railway Administration seemed to have had more than its fair share of problems. The nightmare of further delay in the implementation of the North Klang Straits project was compounded by the absence of harmonious employer-employee relations. Malayan Railway confidential memorandum No. 30 of 1959 described the frequent threats to adopt ‘work to rule’ practices at Port Swettenham. In 1958, the leader of the Port Swettenham branch had become President of the NUR. The memorandum described this event as the ‘militant Port Swettenham branch having captured the Union’. However, Port Swettenham branch was not without its troubles. There were also sensational headlines in the newspapers. ‘*Ultimatum to Railway*’, ‘*Work to Rule threatened by Union*’ were not headlines apparently summing up news, but were attributed to some unscrupulous reporters engaged in creating news. In May 1959, a serious ‘work to rule’ movement started on the whole line. At Port Swettenham, crane drivers who deliberately worked slowly were alleged to have refused to obey legitimate instructions. In all, there were 35 days of work to rule by some sections of the labour force. The effect on port operations was very severe. The memorandum dated 21 May 1959 ended on a pessimistic note:

Even when the present trouble is over the Union outlook on the railway is not altogether bright. Unless responsible loaders emerge from the Union ranks who can set a reasonable policy and carry their members with them it appears that we may be in for a further period of internal indiscipline in the National Union of Railwaymen, accompanied by the creation of splinter groups, and the brief emergency of trouble makers in authority buoyed up on a programme of uncorrelated demands that bear no resemblance to reality.

Dissatisfaction

The President of the FMS Chamber of Commerce expressed frank dissatisfaction with the situation prevailing in Port Swettenham. He criticised the lack of adequate facilities for loading and unloading. This was the old familiar lighterage problem. The need for a greater degree of liaison between the Railways and the Customs staff was also stressed. The most severe criticism, however, related to the absence of a proper service-oriented attitude in the port administration.

What does not always seem to be appreciated is that the Port is there to provide a service to Importers and Exporters and to the ships serving the Port. The present attitude of the Port Authority appears to be that ships and Importers and Exporters alike must be prepared to work within a defined official policy. This is completely wrong and the continuation of such a policy can only earn for the Port a poor reputation and once this happens it will be found to be a really uphill fight to regain the confidence of ship owners. What is required is to provide a good service to users of the Port and thus encourage as many ships as possible to call at Port Swettenham.

Why the delay?

Many, of course, had expected the North Klang Straits Scheme to be implemented without undue delay. As time went on, there was concern as to what was happening. On 30 April 1958, Mr. P.P. Narayanan, a trade union personality, asked a question in the Legislative Council. He wanted to know whether the Government was proceeding with the \$30,000,000 North Klang Straits Scheme, in view of the reported shortage of funds, and also whether the Government would consider raising a loan locally through the various Chambers of Commerce to complete the scheme. The reply given was:

It is the intention of the Federation Government to proceed with the North Klang Straits Scheme when funds to carry the scheme to completion are assured.

The Government is considering means whereby the scheme may be financed, and the Hon'ble Member's suggestion will be borne in mind.

The recession had an inevitable impact on the financial dimension of the North Klang Straits project. The following paragraph from the 1958 Annual Report of the Malayan Railway is relevant to this problem:

The methods of financing the construction of three deep water wharves in the North Klang Straits continued to receive urgent study and it was decided to make application to the United States of America for a loan from the Development Loan Fund.

It would have been surprising if the U.S. government did not respond positively to the request for a loan.

Malaya had been fighting the internal Communist challenge for more than 10 years. An elected government had come into existence. The project itself for which the loan was requested was a good one, which would, when completed successfully, bring more trade and economic benefits to the country. By American standards, the loan was a modest one.

US Development Loan Fund

On 18 March 1959, the Government of the Federation of Malaya and the Development Loan Fund (DLF), an agency of the Government of the United States of America, entered into a loan agreement. The Preamble to the text of the Agreement mentioned that “the Borrower has undertaken to provide additional wharfage accommodations at North Klang Straits, Port Swettenham” and also that the Borrower had applied for a loan from the DLF to be used in financing the project and that “the loan will assist, on the basis of self-help and mutual cooperation, the development of the economic resources and productive capabilities of the Federation of Malaya”.

The amount of the loan was USD10,000,000. The purpose was stipulated as that of assisting the Borrower in carrying out a project to provide additional wharfage accommodation and related facilities at North Klang Straits, Port Swettenham. The major civil engineering works were to be undertaken by a contractor under a single contract to be approved by the DLF. The annual rate of interest payable by the Borrower was 3½% on the principal balance of the loan outstanding. Interest was payable on the 1st of January and the 1st of July each year until the loan was repaid.

Under ‘covenants and warranties’, it was stipulated that “the Borrower shall cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical and engineering practices”. The Borrower was also to ensure that all equipment and machinery financed under the Agreement was adequately maintained and repaired in accordance with sound engineering practices.

It was typical of loans in that era to be described as loans with strings attached. The loan in respect of the North Klang Straits project was no exception, as Section 5.07 of Article V stipulated:

The Borrower shall ensure that at least fifty per cent (50%) of the gross tonnage of all Eligible Items (computed separately for thy bulk carriers, thy cargo liners and tankers) financed under this Loan Agreement which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, to the extent such vessels are available at fair and reasonable rates. The DLF shall determine, for purposes of the foregoing sentence, whether United States-flag commercial vessels are available at fair and reasonable rates; the Borrower may at any time apply to the DLF for such an administrative determination.

Dato' Nik Kamil, Malayan Ambassador to the U.S.A., signed on behalf of Malaya, while D. McIntosh, Managing Director, signed on behalf of the Development Loan Fund.

Tenders invited

A question was asked in the Legislative Council on 24 June 1959 about the notice inviting tenders for the Klang Straits Project. Dato' Sir E.E.C. Thuraisingham wanted to know why it was necessary that a tenderer for that project *must* have previous experience of the construction of 'major HARBOUR works' as required by the Tender Board, for the purpose of:

- (a) reclaiming by soil fill an area of swamp of 265 acres in extent,*
- (b) constructing a certain amount of roadways and laying rails,*
- (c) erecting some transit sheds comprising simple structural steelwork and cladding,*
- (d) constructing a R.C. piled bridge only 720' long, and*
- (e) constructing 3 piers and 2 approaches consisting of R.C. piles at only 20 ft. centres supporting a decking of R.C. beams and slabs.*

The Minister of Transport, Enche Abdul Rahman Talib, provided the following answer:

Tenders will be invited, and the successful tenderer will be responsible, for the project as a whole. The project is clearly a major harbour work, and the Port Swettenham Board on the advice of the consulting engineers, took the view, with which I concur, that tenderers should have experience of such work. Whilst many items of the work, treated in isolation, might be carried out by a general contractor, it is not considered that it would be justifiable, having regard to the public funds involved, to seek tenders from firms without previous experience of all the works of the project.

Dato' Sir Thuraisingham then asked the Minister of Transport to detail the reasons why many local contractors of high standing were not permitted to tender, although those firms had carried out works of a precisely similar character in Malaya and Brunei, as stipulated in the loan conditions

The Minister of Transport answered, and this was certainly among the lengthiest of answers and explanations given in the Legislative Council of the Federation of Malaya.

The Port Swettenham Board examined in detail all applications to tender including those from local contractors. The Loan Agreement (Council Paper No. 32 of 1959), section 4.06 (b), requires the borrower to employ a constructor to carry out the contract from a list of contractors previously submitted to and approved by the Development Loan Fund. The list has duly been submitted, and it is not considered that any firm which has itself and in its own name carried out works of a precisely similar character has been rejected.

I have taken particular care to ensure that local applications, in particular, were thoroughly examined locally. The Port Swettenham Board appointed a special Committee to examine all applications and also to interview such local applicants as it considered might be suitable. The Board enlisted the services of the Director of Public Works, who has some 18 years' specialist knowledge of local contractors and conditions.

In connection with this and the preceding question, it should perhaps be mentioned that local firms will of course be free to tender for any sub-contracts which may be put out by the main constructor.

Dato' Sir Thuraisingham pressed on with another question. He asked the Minister if he would order the Tender Board to accept the tenders of reputed local firms for that Project. The reply given was:

A Tenders Board will only be set up at a later stage and it will consider any tenders submitted by firms who have been invited to tender and to whom tender documents have been sent. I would not contemplate ordering it to accept any particular tender.

'A wretched bottleneck'

The commercial sector, while welcoming the American loan, which had at least solved the immediate financial stalemate, was very disappointed that there was further delay. On 1 April 1959, the Chairman of the Selangor Branch of the FMS Chamber of Commerce, Mr. H.B. Hussey of Harper, Giffillan and Co. spoke as follows:

In July last year we were told that, thanks to a timely and welcome loan of M\$30,000,000 from the American Development Loan Fund, it would be possible to go ahead with the work. That was nearly nine months ago and yet a couple of weeks ago we learnt that a delegation, which included the General Manager of the Railways, had gone to the U.S.A. to finalise details in respect of the loan. I am glad, however, to say that it has since been announced by Government that the terms and conditions for the loan have been finally approved. It would be interesting to know the reason for this very long delay in getting the loan funds. In the meantime, of course, no constructional work has taken place.

The General Manager of the Railways has been reported to have said that providing details of the loan were agreed during his visit to the U.S.A., it should be possible for work to commence either in December of this year or in January next year.

This would seem to be an inordinately long time to elapse as with the great delay that has already taken place, one would expect the authorities to be able to issue tender documents as soon as the outcome of the recent discussions in the U.S.A. were known.

The speaker commented on the somewhat elusive nature of the North Klang Straits project. In a tone of dejection and resignation, he concluded that the work would not be completed before the end of 1964.

This harbour project is always just about to be put in hand but seems to be fated never to rise from the swampy land on which it is to be constructed. For years now this Chamber has continued to hammer this subject of North Klang Straits for it is so fully realised that there is a vital need for the additional berthing facilities the project will provide. The need is there right now and it has been so for some time past. It now seems, however, that there is little chance of the work being completed before about the end of 1964.

He was highly critical of the conditions that prevailed at Port Swettenham, and warned of severe problems ahead.

The present port is quite inadequate to meet existing requirements in anything approaching an efficient manner, and when considering the growing needs of Central Malaya one is alarmed at the acute situation that will have to be faced up to in the coming years until such time as the three new wharves at North Klang Straits are completed. As I have said on many occasions before, the first essential for development of a country such as Malaya is adequate port facilities and not a wretched bottle neck such as we have at Port Swettenham at present

The prospects ahead of us are a subject of great concern to Exporters, Importers and Shipping interests alike.



Aerial view of Port Swettenham town and port late 1950s.

Port Swettenham at Merdeka

What was the port of Port Swettenham like in August 1957?

Administratively, it was a railway port, owned by the Malayan Railway. The executive head was the GM. He was advised by a statutory board, the Port Swettenham Advisory Board. The membership of the Board in 1957 was as follows:

THE GENERAL MANAGER, Chairman.

THE SECRETARY TO THE FEDERAL TREASURY

(MR. A. H. P. HUMPHREY, O.B.E.)

Official Member

THE DEPUTY CONTROLLER, MINISTRY OF COMMERCE

AND INDUSTRY (Mr. A. D. DAWSON)

Official Member

TUAN SYED HASHIM bin ABDULLAH – DISTRICT

OFFICER, KLANG

*Appointed by the
Ruler in Council, State
of Selangor*

ALTERNATE

Mr. J. M. L. Boyd

of Commerce.

Mr. W. R. Dobbs

F.M.S. Chamber

The Hon. Mr. Cheah Ewe Keat

Mr. Chan Chee Hong

*Chinese Chamber
of Commerce.*

The Hon. Mr. S.O.K. Ubaidulla

Mr. G. S. Sambhi

*Indian Chamber
of Commerce.*

Mr. J. H. Giles

Mr. H. C. Clarke

*F.M.S. Chamber
of Mines.*

The Hon. Mr. H. A. Campbell

Mr. G. H. Lang

*Rubber Producers
Council*

C.B.E.

Mr. G. L. Gilmour

Mr. W. P. Davson

*Shipping
Representative.*

The Hon. Mr. H. B. Hussey

Mr. H. I. Thornton Jones

*Shipping
Representative.*

Mr. G. C. Randall

*Mr. P. J. Gibbs Pancheri
Representative.*

Shipping

The Hon. Raja Mohamed bin

Enche Mahmood bin

*Appointed by the
Ruler in*

Raja Alang J.P.

Haji Abdul Rahman

*Council, State of
Selangor.*

The Hon. Mr. P. P. Narayanan

The GM could consult the Board on any matters concerning the administration and working of the port. He had a mandatory obligation to consult the Board on important matters such as alterations in tariffs, capital expenditure, substantial changes in the organisation of the port, as well as questions of expansion and development.

The management functions of the port were carried out by a Port Department, whose head had the designation 'Chief Port Manager'. This official was directly responsible to the GM of the Railway. Under the Chief Port Manager, there was a Port Manager, answerable and accountable to him for the day-to-day working of the port.

The Harbour Master of Port Swettenham was independent of the Port Department. He was an officer of the Federal Government. He was responsible for the lighting, buoying and general conservancy of the port and its approaches. The Harbour Master was also the Chairman of the Pilotage Board.

Pilotage

At the time of *Merdeka*, pilotage was not compulsory in the 2 entrances to the port through the North and South Klang Straits. However, it was compulsory for ships berthing or unberthing at the wharves at Port Swettenham to have a licensed pilot on board. Coasting masters were exempted from this requirement.

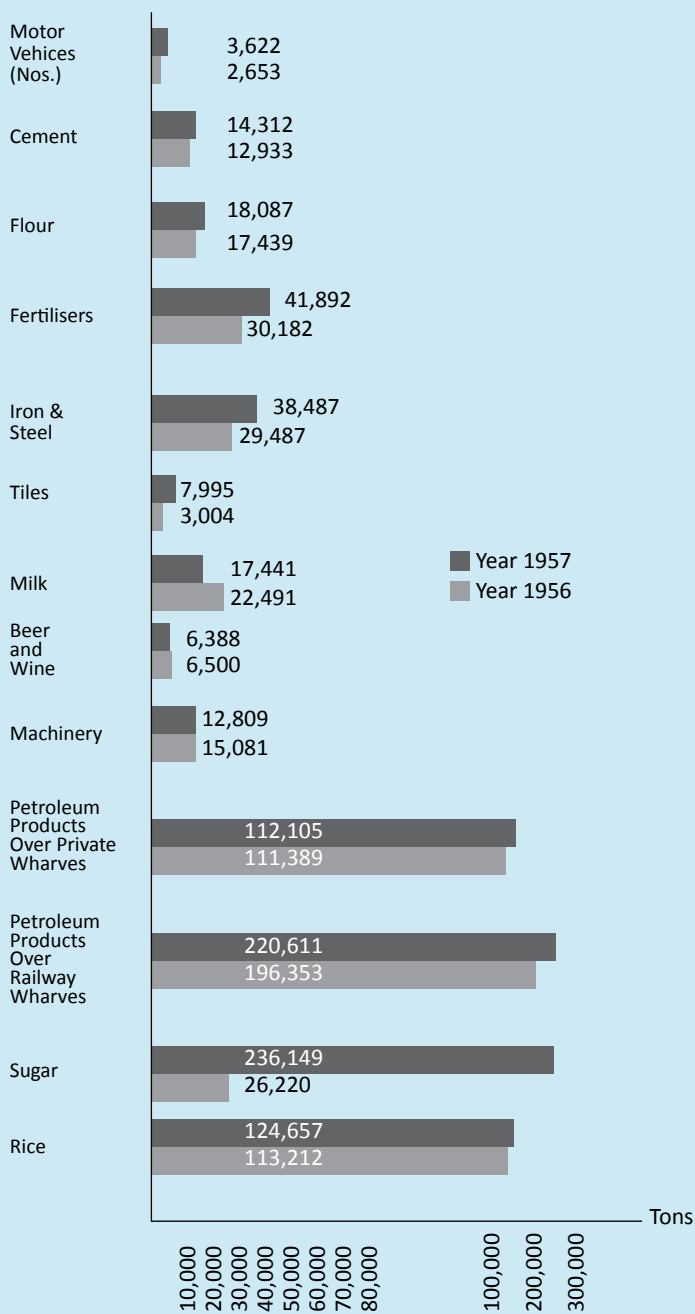
The regulatory regime for pilots was managed by the Pilotage Board, whose origins and functions were described in an earlier chapter. The pilots had formed themselves into an Association and the Senior Pilot arranged the movement of ships in the harbour by agreement with the shipping agents. It might seem odd, but neither the port authority nor the Harbour Master had any jurisdiction over the movements of ships either to buoys in the Klang Straits, or to and from wharves.

Exports and Imports

A study of the export and import statistics shows that in 1957, Malaya was a typical under-developed economy, producing raw materials and importing industrial products and foodstuffs.

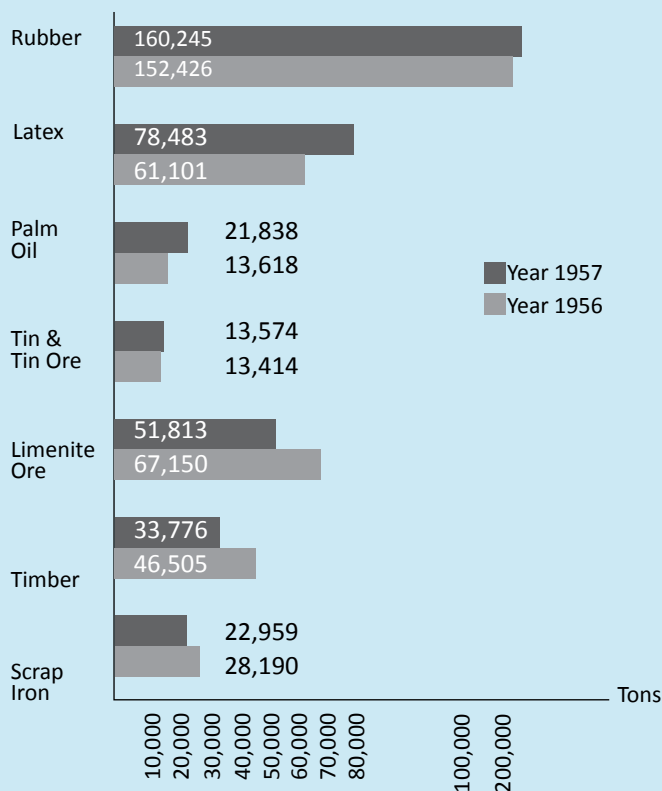
The tonnages (DWT) of the principal commodities dealt with at Port Swettenham in 1957, compared with the year 1956, were as follows:

Imports of various industrial products by Malaya, 1956-1957



Source: Trade Statistics, 1957

Exports of various raw materials by Malaya, 1956-1957



Source: Trade Statistics, 1957

Cargo handling

Cargo arrived in bales, bags, drums, kegs, cartons, boxes, crates and sacks. Some, like asbestos sheets, had to be loose, and classified as unprotected cargo. The protection afforded to the cargo was dependent on the nature of the article in which the cargo was packed. Cargo such as potatoes, onions and sanitary ware was frequently packed in crates of frail construction. Inadequate or no protection was therefore afforded, and damage or loss could be easily caused. Drums or kegs could be leaking, stained, dented or rusty. Cartons containing liquids in bottles or tins, if broken or damaged, could stain or damage other cartons. The instruction to tally clerks on these matters was clearly stated in Paragraph No. 28 of their *Instructions Book*.



Labourers hard at work loading and unloading goods at Port Swettenham.

Normally, only cargo in perfect condition is accepted by the Malayan Railway.

Goods which were “in other than perfect condition”, e.g. were damaged, stained or wet, had to be refused, unless the ship’s tally clerk agreed to the fact being noted or ‘clause’d on the tally sheet. A ‘clause’ on a tally sheet was a statement of fact describing the condition of the cargo, the condition of the package, or other circumstances relative to the cargo, at the time of handling. Clauses had to be definite, factual and state concisely the actual condition of the cargo, or other circumstances applicable when the cargo was handed to the Malayan Railway. “A true statement or clause is of great assistance in determining liability for loss or damage”, to quote the *Instructions Book*.

Tallying

The old or traditional system of handling both incoming and outgoing cargo was labour-intensive. Tally clerks had to stand by and tally the items of cargo as they were transferred by crane or derricks from ship to wharf, or from ship to lighters, and vice versa. It must have been the most boring kind of work. The remuneration was comparatively very low, and therefore only those who could not become ordinary clerks by entering the General Clerical Service took up employment as tally clerks. In 1957, there were about 140 casual tally clerks, who were taken on as required by the Malayan Railway Authority. Complaints regarding the accuracy of tallying were rife, although the well-known manual of Instructions issued by the Port Manager contained elaborate guidelines for tally clerks.

The *Instructions Book* explained that ‘tally’ meant the keeping of accounts, and therefore tally clerks were account keepers. It was their primary duty to (a) count accurately all goods which were being handled at the point at which they were detailed to work, and (b) to examine each package for damage. In his daily work, every tally clerk had to enter various particulars into tally sheets. A ‘tally sheet’ was defined as “a document on which Tally Clerks record the numbers, marks, description and condition of cargo”. Among the particulars to be entered on tally sheets were the tally clerk’s name, the Station, or actual site where the work was being performed, the name of the Scammell (lorry) driver and his staff number together with the number of the Scammell. Where relevant, the steamer’s name, and the work commencing and completion times had to be entered. Tally clerks had to make themselves familiar with shipping marks, as all cargo was identified by shipping marks.

The FMSR and its successor, the Malayan Railway, had ‘General Rules and Regulations’ for railway employees. In Port Swettenham, however, The *Port Work Instructions Book* was a versatile Bible for tally clerks, siding clerks and other port employees. All of them were expected to make themselves acquainted with the instructions. Supervisory staff had to ensure that the appropriate instructions were brought to the notice of staff not supplied with a copy of the book. In his Preface to the 1958 edition of the *Instructions Book*, the GM, Mr. C.G. Harrison, reminded the staff that ignorance was no excuse.

The plea that instructions contained in this book were not known or understood will not be admitted as an excuse for their non observance.

Amendments that supplemented or modified the instructions were issued from time to time. They had to be inserted in the book in the appropriate place.

5 “best positions” described in the *Instructions Book for Port Swettenham* are reproduced here:

(i) *Goods discharged from ships or lighters at wharves*

The Tally Clerk must stand near the wagon, scammel trailer or lorry into which the goods are being loaded and TALLY THE GOODS AS THEY ARE LOADED.

(ii) *Goods loaded into ships or lighters at wharves*

The Tally Clerk must stand on the wharf and TALLY THE GOODS AS THEY ARE PLACED INTO THE SLING

(iii) *Goods discharged from ship to lighter*

Tally Clerks must stand in the lighter and TALLY THE GOODS AS THEY ARE REMOVED FROM THE SHIPS SLING

(iv) *Goods loaded from lighter to ship*

Tally clerks must stand in the lighter and TALLY THE GOODS AS THEY ARE PLACED IN SHIPS SLING

(v) *Goods unloaded from or loaded to wagon, scammel trailer or lorry into or out of sheds*

The Tally Clerk must stand at the shed door and TALLY THE GOODS AS THEY ARE GOING INTO OR OUT OF THE SHED

Special precautions had to be observed when petroleum in bulk was discharged from No. 6 Wharf. According to the *Port Work Instructions Book* (1958), the clerk-in-charge of the section of the wharf at which the discharging vessel was berthed was responsible for barricading off the section of the wharf concerned. ‘No Smoking’ notices had to be placed in suitable positions, where they could be seen. A portable foam fire extinguisher had to be placed at a convenient position on the wharf. The final instruction was:

No mechanical or civil engineering necessitating the use of fires or electrical or petrol/diesel operated machinery or welding or chipping of piles may be carried on at the section of the wharf at which a ship carrying petroleum in bulk is berthed.

Workers

Labour for operating the wharves, sheds and yards was provided by the Cargo Handling Corporation Limited, a subsidiary of the Malayan Railway Administration, which held 98% of the shares. The Chief Port Manager was the Chairman of the Corporation. Labour for stevedoring was supplied partly by the Corporation and partly by 2 private companies licensed by the Railway. Originally, as mentioned before, private contractors appointed by shipowners and the railway provided all the dock labour required.

Mr. van Tooren was a well-known contractor in the 1930s and later. He was a JP and a road was named after him. There was even a van Tooren Bridge in Port Swettenham. After the war, Chellapah and Mr. Eu Eng Hock were the contractors. The Railway took steps to ensure a degree of security for port labourers:

Labour contracts entered into by the Railway Administration required Contractors to make adequate provision to meet financial liability for compensation payable to workmen injured in the course of their employment under the terms of the Workmen's Compensation Ordinance. This provision was usually met by Contractors taking out a Workmen's Compensation policy with an insurance company. In the case of the Cargo Handling Corporation, however, the Railway Administration agreed to create a Reserve Fund from money deposited with the Railway Administration by the Cargo Handling Corporation. The balance in the Fund brought forward from the year 1956 was \$113,004, interest on investments yielded \$3,641 during 1957 and the balance as at 31st December 1957 was \$116,645.

It was obvious that there would be a veritable sea-change in the governance of Port Swettenham in the new decade of the 1960s.



An example of a Bailey bridge. Created by Sir Donald Coleman Bailey OBE during the Second World War, these bridges were meant to be quickly assembled, and were strictly temporary in nature late 1940s.



A 1958 aerial view of 3 bridges crossing the Klang River, from left to right: suspension bridge for pedestrians, the Bailey bridge 'Sydney', and Belfield Bridge.

PART SIX

NORTH KLANG
STRAITS, AT LAST!

NORTH KLANG STRAITS, AT LAST!

1 960 marked yet another important chapter in the history of Port Swettenham. The more than 4 decades of wait, which severely tested the patience of the port and shipping communities, was finally over. In January 1960, a contract was signed to set in motion the engineering works that would become eventually the North Klang Straits berths, or later better known as North Port.

The contract was a joint venture project of Gammon (Malaya) Ltd. and Christiani and Nielsen A.S. The work comprised the development of 4 deep water berths, approximately 2,500 feet long and 200 feet wide, constructed in reinforced concrete and founded on hollow circular pre-stressed concrete piles up to 120 feet long. The piles were designed by Christiani and Nielsen, and were similar to those that had been used by the same firm in reconstructing the King's Wharf at Suva, Fiji. The new wharf at Port Swettenham was to be connected by 3 approach bridges to a large reclaimed shore installation area, which, together with a number of transit sheds and buildings, were included in the contract.

Also included in the development of the NKS project was the



Reconstruction of wharves, 4&5, Port Swettenham. Wharf 5, looking north from pipe gantry 6-668.



Reconstruction of wharves 4&5, Port Swettenham casting yard for 24" dia piles and 14" x 14" piles 1-12-67.



Reconstruction of wharves, 4&5, Port Swettenham Wharf 5-View north from pipe gantry 3-7-68.



Aerial photograph of Port Swettenham and North Klang Straits looking out to sea in 1963.

approach embankment, several kilometres long, which had to be built across the mangrove swamps. The bridge across the Klang River, 800 feet long and 70 feet wide, was founded on pre-stressed piles similar to those used for the wharf. The 11-ft span super-structure consisted of a reinforced concrete deck, supported on high tensile structural steel girders. The design for the bridge had been submitted by Christiani and Nielsen, in cooperation with Messrs. Dorman Long (Bridge and Construction) Ltd., London. The duration of the contract was to be from January 1960 to October 1963. Work began in March 1960.

Most comments and reactions to the news that a formal contract had been signed for the commencement of the North Klang Straits wharves contained the phrase either “at last” or “at long last”. The chairman of the FMS Chamber of Commerce, Mr. H.I. Thornton-Jones, had this to say on the project at the Chamber’s 39th annual general meeting:

At long last we have reached the stage when it may be said that the North Klang Straits Scheme has become fact. This will make available an extra three berths in about 1964 and it looks very much as if the Government will have to decide shortly to construct additional berthing facilities, as otherwise Malaya will still suffer from the damaging delays in importing the essential needs of a growing population and sending overseas her valuable exports.

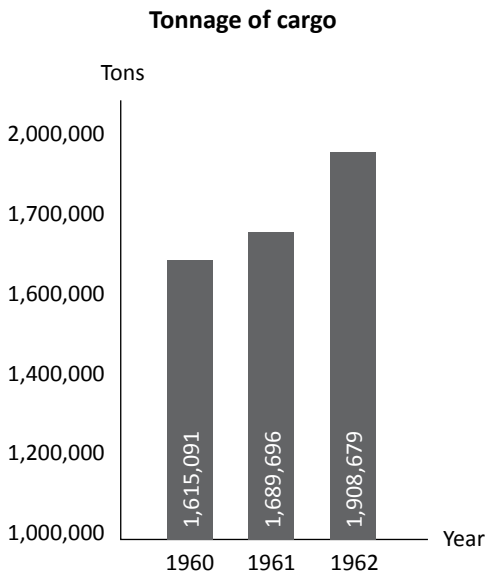
Mr. Thornton said that the scheme had taken 29 years to arrive at that stage and during that period, the total dry cargo handled by the port had increased from around 300,000 tons to an estimated 870,000 tons in 1960. He also emphasised that it was evident that consideration had to be given right then to the construction of further berths.

When the North Klang Straits is finished and the extension to the coastal wharf in Port Swettenham is completed there will be available five dry cargo ocean berths and quite obviously there will still be congestion. In this contract for

the construction of the three berths at North Klang Straits, there is allowance for an additional berth at a reasonable cost. Now I think we may assume that with a population growing at the rate of at least 2 ½ % per annum, and with output of rubber increasing as more high yielding areas come into production, the tonnages to be handled will continue to increase and it is not improbable that in five years' time some 800,000 tons of deep-sea cargo will be passing through the Port. It will therefore be necessary to have seven berths by then and not start to think about building more in ten years' time.

It is idle to comment that delays at Port Swettenham are not abnormal. We have proof of ships held up, for days, awaiting berths and the position will deteriorate over the next three years until the North Klang Straits is completed. Meanwhile everything must be done to alleviate the situation. It is difficult to believe that there is no solution.

Construction work on the NKS was gathering pace. It was also a period of construction boom all over the country, with the roll-out of various projects under the First Malaysian Plan (1966-1970). As the General Manager observed, ‘rapid and progressive development taking place in the rural and urban areas accounted for the greater importation of cement, fertilisers, iron and steel, petroleum, petroleum products and general merchandise’. It is hardly surprising that throughout the year 1961, Port Swettenham was working under heavy pressure. The tonnage of cargo handled was as follows:



Source: The Author

As far as port operations were concerned, more vessels were berthing at the Ocean Wharf, but there was also a substantial number that anchored in the roads and depended on lighters for loading or unloading of cargo. In 1961, 544 foreign-going ships drew up alongside the Ocean Wharf, while 539 anchored in the roads. More oil tankers were also calling at Port Swettenham. In 1961, 49 tankers came alongside the Ocean Wharf, while 71 used the 'private wharf', as the Shell facility was called.

The port continued to work under heavy pressure right into 1962, until the railway strike, which started on 22 December. The record tonnage handled in 1962 was attributed by the railway authorities to the "tremendous rural development now in full swing". Another factor was the new industrial policy announced by the Federal Government, which saw the introduction of a range of fiscal and financial incentives and measures, including protective tariffs and pioneer status for the development of "infant" industries. It marks the start of what was to become a successful 'take off' of the Malayan economy from the primary producing stage to industrial development.

Shipping traffic at the port continued to increase. A total of 1,741 ships called at Port Swettenham in 1962 against 1,539 in 1961, an increase of 201.

Fortunately, the various 'Crash Programme' projects that had been started in 1961, pending the completion and commissioning of the North Klang Straits wharves, enabled the Port Authority "to overcome the worst of the congestion". Wharf No. 4 was opened during the month of May 1962.

Severe flooding in Port Swettenham on 14 October 1962 affected about 850 railway and port staff and their families. The quarters involved were in Dock Road and the Slipway areas. The flood victims and their families were supplied with a week's rations.

The early 1960s were the era of dieselisation in the Malayan Railway. This reform in rail transport was also provided for in the Second Malayan Five-Year Plan. For Port Swettenham, the new, larger marshalling yard was the special project, and it was fully described in the Appendix to the Agong's Address to Parliament on 26 April 1962.

The new marshalling yard for Port Swettenham, combined with port exchange sidings, will handle all rail traffic for the existing port and for the new wharves in the North Klang Straits. It will also serve as an exchange point for traffic between the North Klang Straits wharves and the existing port. The location of the yard further inland will also make much-needed space available in the congested area of the port.

The bridge itself was completed and opened for use on 30 August 1962, and it provided access to the wharves at the North Klang Straits. Throughout 1962, and until the railway strike on 22 December, the port was described as working under heavy pressure. Cargo tonnage for 1962 had reached 1,902,879 tons, and 1,740 ships called at the port.

The completion and commissioning of Wharf No. 4 on 3 May 1962 was a great relief for a port working under stress. This was among the crash programme projects started in 1961 to overcome the worst of the congestion at Port Swettenham.

Port Congestion

The congestion in the port led many to believe that there was a need for some structural changes in the management and administration of Port Swettenham. Many viewed that Port Swettenham should cease to be a railway port and become an autonomous entity. The perception was that an independent port authority was the only solution to the port's problems or difficulties. Early in 1961, Tun Sardon bin Haji Jubir, the Minister for Transport, had set up a 5-man committee to study the basic legislation governing the administration, and day-to-day operations, of port and harbour authorities/boards in Nigeria, Singapore and also in Penang.

The congestion at Port Swettenham was no doubt severe in proportion in 1962. An article 'A Busy Harbour', written by Martin Dale in the *Far Eastern Economic Review* of 19 November 1962, gives an excellent overview of the situation. According to Dale, there were different causes cited for the massive congestion. Shipping agents claimed that the pile-up was due to delay by the Customs in clearing goods. The Port Authority attributed the delay to the Christmas and New Year shipping rush, with more vessels arriving from British, Continental and Australian ports. The heavy monsoon rain, which was described earlier in this chapter, had also led to delays in both loading and discharging of cargoes.

In November, the Port Authority, shipping agents and stevedoring firms met to try and find a solution. The feeling was that the congestion had caused the biggest pile-up of shipping since the port had completed its million-dollar crash programme early in 1961. Of course, everyone was aware that when the North Klang Straits wharves were completed, they would be capable of handling 800,000 tons of additional cargo a year. But in the meantime, the realities at the Old Port had to be faced. Dale examined the problem (or problems) in minute detail:

Port users are agreed that there was shortage of Customs stalls at the port to handle the volume of cargo at peak periods such as Christmas, New Year, Chinese New Year and other festivals. A member of the Port Users Committee, Mr. A A Abdullah, is reported to have said that he has raised this problem on many occasions.

In addition, there is general agreement here that this Christmas-New Year season, Port Swettenham will handle about 20 percent more goods than over the corresponding period of last year. Last November the port handled 146,307 tons and in December 153,131 tons. Both figures were records.

During the whole of 1962, the port is expected to handle record of 1.85 million tons, an increase of about 240,000 tons over the previous year.

The population of the Klang-Port Swettenham region was estimated to be nearly 100,000.

On 19 December 1962, provision was sought in Parliament for additional posts of Helmsmen, Deck Hands, Greasers and Firemen. It was explained that they were required for essential services; for securing vessels to the new wharves at North Klang Straits and the existing harbour, and also for services in the launches. Again, on 22 December 1962, the *Development Estimates 1963* included provision for \$12,808,000 for expenditure on the North Klang Straits Project, and also for the 4th berth “which has now been found necessary in view of the need to provide more facilities at Port Swettenham”.

In the light of the growth in demand for the port facilities and services, and also to ensure adequate port capacity to meet the needs of the development of the economy, the Government felt there was need for a study to take a comprehensive look at the port facilities and services at Port Swettenham. In August 1961, the Permanent Secretary to the Minister of Transport addressed a letter to Ungku Aziz, Professor of Economics at the University of Malaya, setting out certain terms of reference for the study, year by year, up to 1975, of the forecast tonnages of import and export commodities likely to pass through the port of Port Swettenham. Based on those forecasts and findings, Ungku Aziz was also requested to make recommendations on the number of berths (over and above the 3 due for completion in 1963/1964) which should be constructed there, and the years by which they should be in operation.

Professor Ungku Aziz was assisted by 4 members of the academic staff of the Faculty of Economics and Public Administration. A post-graduate student, Dr. Leong Siew Mun, was the research assistant. The committee embarked on a detailed study of statistics of the important primary goods that figured prominently in the cargo handled by the port.

The Introduction focuses on the role of Port Swettenham in the economy of independent Malaya.

In the broad perspective, looking outwards from the heart of Malaya, Port Swettenham is the nation's most important port. While Penang and Singapore may clear greater volumes of traffic, their importance stems from external relationships which are rooted in the historical struggle for the commercial and naval domination of the Straits of Malacca.

Port Swettenham, whose hinterland is the “heartland” of the Malay Peninsula, continuously reflects, in quite minute detail, changes in the pattern of the Malayan economy. It is difficult to imagine an event of economic significance in the Federation which would not have some direct repercussion on Port Swettenham.

Therefore, to study the future of Port Swettenham is to study the future of the Federation of Malaya.

The Report asserted that the location and expansion of Port Swettenham had been the subjects of heated controversy in Legislative Councils and in Parliament. “For nearly half a century”, Ungku Aziz pointed out, the major issues have been in a state of static confrontation.

Tribute was paid to the vibrant energy of the Minister of Transport, Tun Haji Sardon bin Haji Jubir, “that had led to so many additional improvements at Port Swettenham.”

Ungku Aziz and his team decided that it would be misleading to speak of a port’s hinterland as though it were a given geographical area. There were different hinterlands, and it was accurate to think of a rubber hinterland, tin hinterland and so on. Port Swettenham could be comprehensively described as a port for rubber, timber, palm oil and ilmenite ore. These 4 commodities accounted for 89.6% of total Port Swettenham exports in 1961. The forecast was that even by the year 1975, rubber and timber would be important, but palm oil would have moved up to occupy the record position. The following table is taken from the Ungku Aziz Report.

The forecasts about palm oil proved to be accurate. The golden crop was destined to make steady headway, and to occupy a leading position in the

**Relative importance of major export in 1961
and projection in 1975**

Export Item	Ranking		Percentage Distribution	
	1961	1975	1961	1975
Rubber	1	1	52.9	62.8
Timber	2	3	21.1	12.7
Palm Oil	3	2	9.8	14.2
Ilmenite Ore	4	4	5.8	5.8
Scrap Iron	5	-	2.0	-
Coconut oil	6	-	1.8	-
Copra	7	-	0.2	-
TOTAL			93.6	95.5

Source: Ungku Aziz Report, 1965

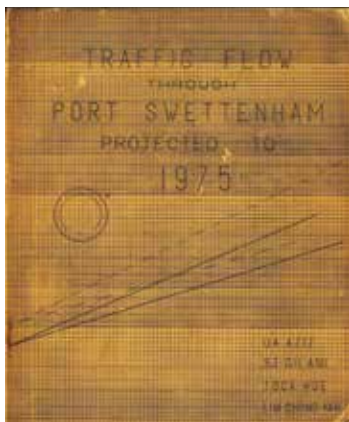
Malaysian plantation economy. And yet in 1961, only 50,000 long tons of palm oil were exported through Port Swettenham, comprising 54% of the nation's total production. 2 bulking installations, owned by 2 prominent firms, (Harrisons & Crossfield, and Socony) were already operational in the port area in 1961.

In May 1962, when the team were still at work on data collation and related matters, a letter arrived from the Permanent Secretary to the Ministry of Transport. The request was for "an interim report" on traffic flow through Port Swettenham. It was explained to Ungku Aziz that the information was needed urgently, to enable a decision to be reached regarding the necessity or otherwise for constructing a 4th wharf at the North Klang Straits.

In his reply, Ungku Aziz gave a forecast for dry cargoes alone. The team's considered opinion was that a total of 1.55 million tons of dry cargo in 1975 was a minimum or conservative estimate. They also felt that the final figure would probably be larger than that.

The team were quite certain that there were likely to be double the number of oceangoing ships arriving at Port Swettenham in 1975. Providing facilities for them was going to be considerably more complex than in the past. Ships would have to berth at wharves 6 and 7 for bulk liquid imports and exports. That would mean a longer queue. Like previous investigators, Ungku Aziz and his colleagues could not avoid discussing the role of lighterage services to cover the gap between future tonnages and future capacity. This, they thought, was essentially a policy matter, and they urged that a serious study be made of the "lighterage services" vs. "two new wharves at North Klang Straits" issue from the point of view of comparative financial advantages.

The terms of reference required the Committee to make due allowance for calls by passenger liners. Port Swettenham was no longer an important port for passenger traffic. The era of immigration, which had brought thousands of people from South India, was long over. The only regular passenger service still in operation was the Port Swettenham-Madras-Port Swettenham route.



Book cover of the Ungku Aziz Report 1963 (Traffic Flow Through Port Swettenham Projected to 1975).

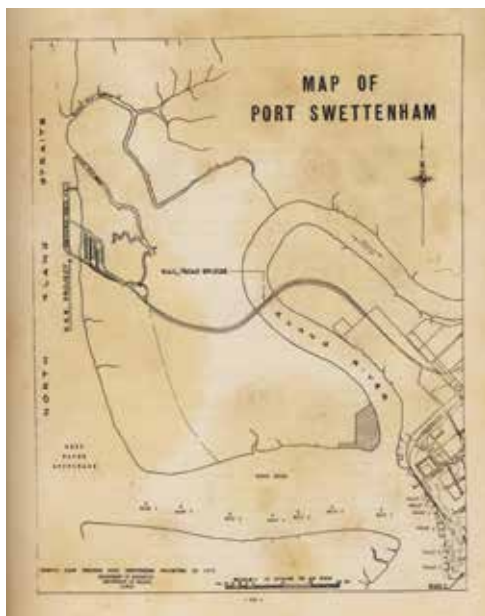
During the period 1958-1963, departures from and arrivals at Port Swettenham averaged 11,261 and 614 respectively, per annum. These passengers were mainly Tamil workers leaving for India in groups of 300 and 400 persons per ship. There are two special ships that call at the port for these passengers every month.

Incidentally, since 1956/57 there has been a perceptible decline in the total number of passengers arriving and departing from all three major ports in Malaya, Singapore, Penang and Port Swettenham.

The team was satisfied that capacity at the port “should be greater than the present”. They had looked at the port and noted the main difficulty.

At present, during more than half of the month in a year more than 50 percent of the ships arriving in the Port have to wait for longer than 24 hours at the deepwater point before they can either obtain a berth or be served by lighters. Any projection of current working capacity without reference to this delay would imply a continuation of the delay of more than one day per ship. Therefore, in order to reduce this delay, capacity should be greater than the present, in terms of working capacity per unit of facility.

The Malayan Railway’s report for the year 1961 contains the usual facts and figures on port operations, as well as statistics of imports and exports handled by the Port Swettenham Authority. However, there are also brief notes that remind the reader of major political events of those times. The conflict in Vietnam was already brewing, and the annual report notes that “4 ships were loaded at the port with special cargo for Vietnam”. Mention is also made of the ships leaving Port Swettenham with troops for the Congo. That is a reference to the first Malayan peacekeeping force sent to the Congo (now Zaire) for service under



The map of Port Swettenham as of 1963. Pictured here is the Old Port (now Southpoint) as well as the soon-to-be-developed North Klang Straits (now Northport).



Early construction of northport 1960s.

the UN flag. 1961 was a record year, as far as goodwill visits by the navies of friendly countries were concerned. Port Swettenham was visited by 13 ships of the American, Australian, British, Indian and New Zealand navies.

The major work undertaken in connection with the North Klang Straits project was the construction of the road and footpath leading to the Klang River bridge. The work was described as having been satisfactorily completed within the scheduled programme.

It is significant that the Agong's Address in Parliament on 18 April 1961 contained a reference to Port Swettenham and its problems.

My Government is giving its closest attention to the improvement of port facilities, particularly at Port Swettenham in order to relieve the pressure caused by the increasing volume of traffic there.

The Royal Address also mentioned that the construction of the new deepwater berths in the North Klang Straits was proceeding according to schedule.

There had been improvement in the overseas trade of the Federation in 1960, thanks to the favourable prices of rubber and tin. The value of exports and imports was higher in 1960 than in 1959. Industrial development also grew steadily. The high growth and the mismatch with capacity continued to be a source of concern to the industry.

Occasional comments and criticisms of Port Swettenham were voiced in Parliament. On 5 January 1961, Tan Sri T.H. Tan spoke as follows in the Senate:

... I would like to urge that alternatives be found to deal with the present congestion at Port Swettenham. The Railways appear to be very jealous over their control at Port Swettenham, and they are not keen on letting others to come in and help in unloading ships. If it continues to take a ship eight to ten days to unload cargo at Port Swettenham, then obviously the port will cease to be visited by ships serving the international trade routes.

Senator Tan Sri S.O.K. Ubaidullah also commented on the problems encountered at Port Swettenham. He adopted an anti-colonial tone when he addressed the Senate on 14 February 1961:

Sir, the long delay caused in the building of additional deep water wharves in Port Swettenham was due to complacency and lack of appreciation of the future industrialization, increase of population and better standard of living.

The former colonial government, who were equally interested in the welfare of Singapore, should be blamed for this state of affairs. Now there is no use brooding over the past. We are building three more deep water berths in the new site, which is called the North Klang Straits Project.

Sir, before long we will need more berths. Far-sighted planning would be to start work on two more berths no sooner than the three berths have been completed.

Ubaidullah expressed the hope that with the personal and keen interest of the Minister of Transport, thoughtful planning would be done so that in the near future, they would not be faced with difficulties in Port Swettenham.

The Malayan Railway annual report for 1961 also contained a brief paragraph on the work going on at the North Klang Straits:

Work on the construction of the three deep water berths at North Klang Straits progressed steadily. By the end of the year the project was about 35 per cent complete. Work on the bridge was about 40 per cent complete. The actual expenditure incurred up to the end of 1961 was \$12.6 million. The project is expected to be completed by the end of 1963.

In 1962, Port Swettenham handled an all-time record tonnage of 1,900,000 tons, although it was not originally designed to handle such a large volume of cargo.

The port had been responding well to the challenge posed by the rising demand for import and export facilities, due to the timely implementation of the “crash programme”, the opening of Wharf No. 4, and the provision of improved lighter and transit shed facilities. The fervent hope in many hearts was that the completion of the North Klang Straits berths by the end of 1963 would put an end to the nightmare of congestion.

In 1963, the volume of cargo escalated to the extent that in the first 6 months of the year, the port handled 1,028,000 tons. This was an overall increase of 10.7% over cargo for the same period in 1962. This was a considerable achievement, considering that 15 days were lost due to the railway strike in January 1963.

On 1 February 1963, a godown with an area of 13,360 square feet at Wharf No. 8 was brought into use. The handling of cargo in this area was completely mechanised. As a result, an average of 11 tons per gang (as compared with 5 tons per gang in the rest of the port) was achieved. 2 labour or duty shifts of 8 hours each were introduced with incentive bonus. This scheme not only reduced the costs per ton, but also led to increased earnings for the workers. The scheme was extended to the transit sheds for receiving and delivering goods, and this enabled a rapid clearance of cargo and avoidance of congestion.

The annual review of developments in the nation was presented in the Parliament on 23 May 1963. Port Swettenham featured prominently in the Ministry of Transport report. Its impending separation from the Malayan Railway “by January 1964” was mentioned. At the same time, the Railway

Administration was to become a “Corporation Aggregate”. The expectation was that both authorities would be able to operate on a purely commercial basis. Port Swettenham’s performance in 1962 was nothing short of spectacular, as the following paragraph from the Report indicates:

Port Swettenham, although not originally designed for its present volume of cargo, handled in 1962 an all-time record tonnage of 1,900,000 tons. This was made possible by the implementation of a “crash programme”, the construction of a new wharf and the provision of improved lighter and transit shed facilities.

The North Klang Straits project which had started in March 1960 was to be completed by the end of the year and it was confidently asserted “the 4 new wharves will increase considerably the handling activities, and it is also anticipated will eliminate the present congestion in Port Swettenham”.

To add to Port Swettenham’s good fortune, the Marine Department was moving over from Penang to Port Swettenham, and a new Marine Office was under construction. Parliament was informed that the project was well under way, and when completed by the end of the following year (1964), it would improve considerably the handling facilities at Port Swettenham, and would eliminate completely the congestion that existed.

The Ministry of Transport sought financial provision for the development of a new marshalling yard, new offices for the new Port Authority that was expected to function towards the end of 1964, and a berthing tug to be used in the wharves at North Klang Straits.

In paragraph 319 of the Special Appendix of the Ministry’s report, the grant of autonomy to Port Swettenham was mentioned, with pertinent statistics of the cargo handled. An optimistic forecast of the role of the North Klang Straits project was included.

In keeping with its growing importance and for greater efficiency, Port Swettenham was separated from the Railway Administration on 1st July, 1963, and placed under a separate Authority called the Port Swettenham Authority. Port Swettenham, with its improved facilities for cargo handling, handled 1,028,000 tons of trade during the first six months of last year, which is an overall increase of 10.7 per cent over the same period in 1962. This was achieved in spite of the fact that 15 days were unfortunately lost due to the railway strike in January, 1963. With the completion of the four new wharves in the North Klang Straits this year, and after overcoming teething troubles, it is expected that handling facilities will be considerably increased and the usual congestion would be minimised, if not eliminated

The Port Authorities Act 1963

On 29 May 1963, Tun Haji Sardon bin Haji Jubir moved the Second Reading of the *Port Authorities Bill* in the Legislative Council. The Minister referred to the recommendations of the Railway Economics Commission, published as *Command Paper No. 15 of 1962*, that Port Swettenham should be administered by a Port Authority completely divorced from the Railway Administration. A working party was set up “to make recommendations regarding the future status and working of Port Swettenham as a separate Authority”. The working party had recommended that there should be a separate autonomous authority established for Port Swettenham on the same lines as the Penang Port Commission, and governed by similar legislation.

The Bill being introduced “follows the Penang Port Commission Ordinance 1955 but the provisions are flexible so as to meet the varying requirements of different ports”.

The Minister explained that the date 1 July 1963 had been chosen for the establishment of the Port Swettenham Authority (PSA), not only to enable it to function as a separate entity from the Railway Authority from that date, but also to enable it to make necessary separate preparations for the proper operation of the 4 new berths in the North Klang Straits, which were due to be completed before the end of 1963. He did not anticipate financial problems.

Financially, the mechanics of separation do not present undue difficulties, since for many years now, in anticipation of the eventual separation of the port from the Railway Administration, the port accounts have been detached from those of the Railway; separate statements of accounts and separate reserves and provisions are maintained, annual estimates for the port are shown separately in the “consolidated” estimates of the Railway Administration.

Tun Sardon characterised the separation of Port Swettenham from the Railway Administration as mainly a financial and administrative task, and it did not involve operating difficulties.

With the passage of the Bill so much of the provisions of the Railway Ordinance, 1948, as relate to Port Swettenham will cease to have effect.

There has been a suggestion from certain quarters that the Port Swettenham Authority should be given another name. We have considered this proposal and have decided that the name Port Swettenham Authority should remain for the reason that it is not only a continuance of its present name but it a name already known throughout the world and that it will be convenient to apply the name to both the existing port and the port in the North Klang Straits.

I believe there will be general agreement that the establishment of the new Port Swettenham Authority, with duties laid upon it, will go far towards promoting the efficient operation and the development of the port in the best interests of Port Swettenham and of the Federation.

As this was a non-controversial Bill, there was very little debate. 3 MPs sought clarification on some aspects of the Bill, and they were satisfied with the answers. The Bill passed through all stages speedily. It was therefore granted a smooth passage, and after the constitutional formalities were completed, the *Port Authorities Act 1963* was enacted.

On 1 July 1963, Port Swettenham ceased to be a port under the Malayan Railway Administration. It began its new career as a distinct entity, by virtue of the *Port Authorities Act 1963*. It was, of course, a significant event, and one that many individuals and organisations had wanted for a long time.

The PSA was organised on the lines of a typical public corporation. The Authority was a body corporate, with perpetual succession, a common seal, the power to enter into contracts and to sue and be sued. The Authority consisted of a Chairman, appointed by the Yang di-Pertuan Agong, the General Manager, and “not less than 5 or more than 7 members appointed by the Minister”.

The Act stipulated that the function of PSA was “to operate and otherwise maintain the port in respect of which it is established”. It was also conferred with power “to do all things reasonably necessary for or incidental to the discharge of its functions”, among which were the following:

- *to undertake all or any work of every description of or in connection with the loading, unloading, and storing of goods or cargo in the port ...*
- *to construct, maintain, repair and use wharves, docks, piers and bridges within the limits of the land vested in it ...*
- *to control the berthing and movement of all vessels whether in the road or alongside any quay, wharf; pier or landing place ...*
- *to supply water to shipping in the port ...*
- *to construct, lay and maintain moorings ...*

The Authority, with the approval of the Minister of Finance and subject to any terms and conditions specified in such approval, was empowered to borrow money from any person.

It was the duty of the Authority to maintain, and provide for the maintenance of, adequate and efficient port services and facilities at reasonable charges for all port users, ‘consistent with the best public interest’.

The all-important provision in any public corporation legislation, whereby the relevant Minister could give certain directions, was worded as follows:

The Minister may give to the authority directions of a general nature, not inconsistent with the provisions of this Act, as to the exercise of the functions of the Authority.



The logo of Port Swettenham Authority at its inception in 1963.

The Act provided for the establishment of a Port Consultative Committee consisting of the Chairman of PSA, the GM of the port, and “such other persons as the Minister may appoint from time to time”.

The PSA could consult the Port Consultative Committee on any matter concerning the port. With regard to the following matters, however, it was mandatory for the Authority to consult the Committee:

- (a) any substantial alteration in the charges or scales of charges prescribed by the Authority.*
- (b) any major scheme relating to the expansion or development of the port.*
- (c) any other matter upon which they are required by the Minister to consult the Committee.*

The Act contained provisions relating to finances, accounts audit, annual statement of account and estimates of revenue and expenditure. The Authority was required to submit an annual report “dealing generally with its activities” to the Minister.

The Act provided for the appointment of a GM, a Deputy GM, and “other officers and servants”.

No Act of Parliament dealing with a port can possibly include the numerous legal provisions relevant to port operations, safety, licences, collection of charges and so on. The Act has the usual section empowering the Authority, with the approval of the relevant Minister, to make by-laws on a variety of matters.

An important (and probably essential) provision was that for a period of at least 3 years from the date of the establishment of the PSA, the Malayan Railway Administration was to continue to render to the Authority “such assistance as that Authority may require”.

All land, movable property and immovable property held in connection with the port was to be transferred to the new port authority by the Malayan Railway Administration. All employees were given the option either to remain on the Malayan Railway's salary scale and terms and conditions of service, or to accept the terms and conditions of service of the PSA.

In short, everything that could possibly be provided to ensure a smooth transition to the new order in Port Swettenham was provided for in the *Port Authorities Act 1963*.

Agong Officially Open North Klang Straits

On 27 December 1963, the Head of State of Malaysia, His Majesty the Yang di-Pertuan Agong, officially opened the North Klang Straits wharves. To quote David Crane's article in the *Far Eastern Economic Review* of 23 January 1964, it climaxed 3½ years of work, which turned an inaccessible swamp into a modern seaport with 4 deepwater berths. Within 2 hours of the official opening ceremony, 2 of the new wharves were occupied, and ships were approaching the other two wharves

The U.S. Ambassador to Malaysia, Mr. C.F. Baldwin, speaking at the opening ceremony, said he was proud that America was able to assist the North Klang Straits project. The loan, he added, testified to American confidence in the Malaysian nation and people.

In concrete terms, the North Klang Straits project brought into existence "a modern four berth port complete with transit sheds, storage godowns, a Customs checking station, a port gate office, a canteen, a mechanical equipment garage, open storage, and a timber stocking stand". Yet, less than 4 years previously, the whole area had been a huge swamp, inaccessible even on foot. For 6 months, the engineers had bored along the Klang River and Port Swettenham sea fronts.

The feeling was that congestion arising from the considerable increase of traffic caused by the country's rapid development was bound to remain, or at least to recur. Yet, PSA now had under its management 8 wharves, with an annual handling capacity of 2 million tons.

All in all, the commissioning of the new berths at North Klang Straits was a great relief. It had been an exceptionally long gestation. With the new facility ready to receive ocean-going vessels, Port Swettenham had the capacity to deal with 17 ships at a time. Yet the question already in many people's minds was: for how long will the additional capacity be adequate?

The planning and construction of the North Klang Straits project had been carried out by the Port Swettenham Board, but the system of operation and management had been left to the new entity, the PSA. On 2 January 1964, the Authority formally took over the wharves from Messrs. Gammon and Christiani Nielsen, the contractors.

During the year 1964, the North Klang Straits berths handled 500,739 DWT, of which 456,558 tons were imports and 44,181 tons were exports.

The membership of the first PSA Board was as follows:

CHAIRMAN

Dato Abdul Hamid bin Mustapha

DEPUTY CHAIRMAN

Dato Ahmad bin Hj. Husin

MEMBERS

Senator S. O. K. Ubaidulla

Enche P. P. Narayanan

Dato Senator J. E. S. Crawford

Enche A. J. M. Ramsay

Senator Chan Kwong Hon

Senator Gan Teck Yeow

It is interesting to note that 4 of the 6 members were members of the Senate, the upper house of the Malaysian Parliament. Enche P.P. Narayanan was a trade union leader. The Authority had a very busy year, and it held 19 meetings during the year to transact what was termed "normal business".

27 December 1963: The Yang di-Pertuan Agong and the Raja Permaisuri Agong arriving at Transit Shed No.4 for the inauguration ceremony. In the background, some ships in the North Klang Straits can be seen. The Yang di-Pertuan Agong officially opens the RM40 million North Klang Straits Project in Port Swettenham before a gathering of over a thousand guests.



On 19 May 1964, the Malaysian Head of State, H.M. the Yang di-Pertuan Agong delivered the Royal Address at the opening of Parliament. A Special Appendix to the Address contained much information on the state of the national economy, and the plans for further development. Although the word ‘hinterland’ was not used in the following paragraph extracted from the Royal Address, it is in fact, the hinterland of Port Swettenham that was described. The geographical term “Klang Valley” stands for Port Swettenham’s immediate hinterland.

To co-ordinate development policies in the area between Kuala Lumpur and Port Swettenham - the Klang Valley is one of the most important regions in the whole country – the Government constituted the Kuala Lumpur and Klang Valley Regional Committee comprised of Federal and State Government officials. Large scale proposals are under consideration by this Committee to cater for the tremendous development potential in the Klang Valley.

The Klang Valley was steadily undergoing a transformation from an agricultural region into one of industrialisation. The close proximity to Port Swettenham was an obvious advantage, both for the import of essential goods, and the export of a great variety of manufactured products. Over the next 3 decades, this region was destined to witness rapid expansion of industrialisation, while land under plantation crops shrunk.

Once more, the notion that completion of the North Klang Straits project was a remedy for most of the woes of Port Swettenham was expressed in an official document.

With the completion of the four new wharves in the North Klang Straits this year, and after overcoming teething troubles, it is expected that handling facilities will be considerably increased and the usual congestion will be minimised, if not eliminated.

1964 was the first full year for the new PSA. Its logo was a simple one. It depicted a lighthouse standing on a rock or promontory and emitting rays of light. The words ‘*Lembaga Pelabuhan Swettenham*’ were printed boldly around the circumference and enclosed in the space bordered by 2 concentric circles. ‘Port Swettenham Authority’ (in a smaller font size) was printed at the base of the inner circle.

The annual report for 1964 described the year as “an epoch making year in the history of Port Swettenham in more than one aspect”. The optimistic statement was elaborated upon in the following paragraph:

A decade long state of the shipping and cargo congestion was practically eliminated; the handling of cargo in the port was mechanised; the labour was employed in two shifts of 8 hours each; a bonus scheme of payments to the labour force was introduced. The Authority’s own by-laws, Schemes of Service and Staff Regulations were drafted.

It was a clear message that the old order had been replaced by a new order, and this final sentence summed up the situation:

In short, it was the ending of the old and the beginning of a new era in the annals of Port Swettenham and will always be remembered as the year of transition, toil and success.

There were 2 specialist Committees; namely, the Service Committee and the Finance Committee, consisting of the Chairman, Deputy Chairman, the GM of the Port Authority and 3 other PSA members.

There was also a Port Consultative Committee of 14 substantive members and 14 alternate members. They represented interests such as the Malayan Manufacturers' Association, FMS Chamber of Mines, and the Shipowners' Association of the Federation of Malaya. 5 different Chambers of Commerce which were in existence in that era were also represented, and so were the oil industry, the Rubber Producers Council and the Malayan Railway Administration.

The Port Consultative Committee met 3 times in 1964 to review the rates and scale of charges of the Authority, and it submitted its recommendations for some alterations to the Authority. These were accepted by the Authority, and were gazetted as *Legal Notification No. 269* of 3 September 1964.

HQ for PSA & Other Developments

Towards the end of May 1964, the new Marine Headquarters Building in Port Swettenham was completed. The Harbour Master and his staff moved into the new building a few weeks later. The Marine Department was now manned independently by its own staff. Before 1964, the Department had been assisted by Customs Officers in some States. An interesting vessel that had been ordered for use in Port Swettenham was a 96-foot single crew, steel-propelled Water Boat. This vessel was capable of carrying 200 tons of water and was intended for use as a water supplier for ships in Port Swettenham and the North Klang Straits.

A number of interesting developments in respect of passenger traffic took place during the year. The P&O line's passenger vessels *Cathay* and *Chitral* put Port Swettenham on their 'itinerary of call'. The *Centaur* also inaugurated the passenger and livestock traffic from West Australian ports. The passenger vessels plying between South Indian ports and Malaya used to be worked in midstream. Great inconvenience used to be caused to passengers. However, in 1964, the vessels concerned were allowed berths on the wharf. Pilgrim vessels that used to work at Wharf No. 4 and Wharf No. 5 at the Old Port were allowed to berth at No. 9 Wharf at the North Klang Straits. Customs examination and other formalities were conducted in the transit shed opposite the wharf. The vast open space available at the rear of the shed provided a convenient place for well-wishers to

see off their relatives and friends. The port handled 11,734 passengers in 1964, as compared to 9,673 in 1963.

Although the port was physically separated into the Old Port and North Klang Straits, there was a single administration. The numbering of the wharves at the North Klang Straits reflects this principle. The NKS Wharves were numbered Wharf No. 6, 7, 8 and 9, as a continuation of the serially numbered wharves at the Old Port. The common term 'Modern' could be used to describe the North Klang Straits facilities. Here, there were no lighters, while in the Old Port in 1964, there were 5 lighterage wharves and a total of 83 lighters of varying capacity and age.

10 units of Class 'C' senior officers' quarters were constructed during the year at Taman Dato Abdul Hamid, and this became the residential 'colony' of the Authority's officers.

By late 1964, it had become evident that the cargo handled at Port Swettenham was past the 2 million ton mark. In 1965, the port handled 2,272,714 tons of cargo compared to 2,039,390 tons in 1964, an overall rise of 11.44%. Although the country was the height of the "confrontation crisis" (precipitated by the opposition by Indonesia to the formation of Malaysia, a federation comprising Peninsular Malaya, Sabah and Sarawak on the island of Borneo), all was calm and stable at the port.

The PSA's new headquarters building, costing \$1.5 million, was completed, and was officially opened by the Minister of Transport on 24 April 1965. The annual report for 1965, which carried a photograph of the building, described it as a "blend of architecture and utility".



The old mill belonging to Federal Flour Mills (FFM) in the Old Port. FFM has since shifted operations to Pulau Indah.

PSA was paying more attention to the professional training of its officers. Selected members of the staff attended courses at the Government Staff Training Centre (at Petaling Jaya), the forerunner of the National Institute of Public Administration (INTAN).

An important administrative reform was introduced, with a view to expediting the processing of claims by port users. The office of Traffic Manager was reorganised. The claims section was centralised and redesignated 'Commercial Section' under an Assistant Traffic Manager (ATM). The Old Port and the North Klang Straits port had each an Assistant Traffic Superintendent (Commercial) to deal with on-the-spot investigation of claims in their respective areas of jurisdiction. This reorganisation helped "to cut down the delay in attending to claims and improved relations with customers", according to the Authority's annual report for 1965.

Another significant event of 1965 was the appointment of the first Malaysian as the chief executive of PSA. Enche Mohamed Zain bin Ahmad took over from Enche S.M. Maroof as GM with effect from 1 October 1965. Enche Maroof, a national of Pakistan, remained as Adviser to the GM. Enche Mohamed Zain had been Deputy GM before his promotion. In 1965, he visited the ports of London, Liverpool, Bristol, Hamburg, Karachi and Calcutta, to study port management and operations.

Resolving Operational Issues

An effort was made to reduce 'double handling of cargo', which is what the use of lighters really amounted to. This aspect of Port Swettenham had been repeatedly criticised by various experts over the years. The tonnage of dry cargo handled by lighters fell from 214,468 tons in 1964 to 192,010 tons in 1965. At this time also, an area of 2.66 acres in the former marshalling yard area of the Old Port was leased out to Messrs. Federal Flour Mills Ltd. Work commenced on the construction of a flour mill.

The plan was to produce about 60,000 tons of flour a year. Facilities were also planned for the direct transfer of wheat in bulk from steamers at No. 3 Wharf to the mill. There were ample storage facilities at the port, and more land was also leased to well-known firms. Iron ore was shipped by conveyor belt from the open storage areas onto vessels. The United Iron Mining Company had opened its own iron ore dump, and used the Authority's jetty located at the pile casting yard. Apart from this jetty for handling iron ore shipments, there was also a private jetty available. The increase in iron ore shipments was phenomenal, as the tonnage exported went up from 143,865 in 1964 to 303,855 in 1965. The port officials knew that this traffic was going to increase considerably.

Mechanisation was the order of the day, however, at both the North Klang Straits and the Old Port. 3 wharves at the Old Port were furnished with an ample number of cranes, ranging in capacity from 5 to 20 tons. A fleet of Scammells served to transport goods from the wharves to the sheds and vice versa. At the North Klang Straits, there were run-about trucks, forklifts trucks, mobile cranes, tractors and palitons available for use at the wharves and transit sheds. Ship-to-shore telephones were available at all the wharves at North Klang Straits, and VHF sets were available for ships in the moorings.

The GM conceded that there were some teething troubles in the port, because of the new system of operation. However, he asserted that the problems were faced with “tact, firmness and foresight”, and they were surmounted within the shortest possible time. In order to achieve the maximum output, a new scheme called the ‘shift and bonus’ scheme was introduced. The old system of working on an overtime basis after 5 p.m. was abolished. Under the new scheme, the workers worked only 8 hours per shift. With the implementing of the bonus scheme, the port workers began to earn a better pay packet, compared with what they used to earn when working for longer hours under the old system. The average output and general efficiency was reported to have gone up from 4.8 tons to 10.2 tons per gang hour.

With the privilege of autonomy, PSA had to grapple with a financial problem. It had to cope with the extra burden of the interest on loan capital, including provision for depreciation of the new facilities provided at North Klang Straits. The GM noted that by effecting rigid economy and judicious alteration of its tariff rates, the Authority managed to achieve financial stability by the end of 1964.

Work on improvement of facilities went ahead steadily, and a gantry to carry pipelines to convey palm oil at Wharf No. 3 was planned and constructed. With this extension, the Authority had 3 ocean wharves with bulk palm oil shipment facilities. This was a timely project, in view of the rising volume of palm oil exports from Malaysia. Federal Flour Mills Ltd. were able to start production of wheat flour in November 1966 at their new mill. 14,465 tons of wheat grain were imported. The mill had been equipped with a conveyor connected to Wharf No. 3, and this facilitated the bulk discharge of wheat grain from the carrying vessel direct to the mill.

With so many rapid changes and the demand for speedy handling of exports and imports, the Port Authority decided to engage management consultants to study all aspects of port operations, and to recommend more effective work methods. Messrs. W.D. Scott and Company were commissioned to carry out this work. At the same time, a new department called the Management Services Department was set up, staffed entirely with officers of the Authority, to understudy and train with the Consultants. This team would, it was hoped, monitor the Authority’s operations continuously, and propose further improvements and economies.

New limits of the port



With the expansion of the port into the North Klang Straits, and the increase in the number of vessels entering and leaving Port Swettenham, it was necessary to alter the territorial limits of the port. The existing delimitation had been done in 1952. At that time, there was also an entry in the Legal Notification defining 'the port of Klang' apart from the entry for Port Swettenham's limits. By 1966, the old 'port of Klang' had of course, ceased to exist. On 9 March 1966, the Minister of Transport exercised his statutory powers and issued *Legal Notification No. 114*, whereby the port of Klang and its limits were deleted. The same notification, published in the Federal Gazette, contained the following demarcation of the port of Port Swettenham:

"All the waters in the Klang Straits Klang River, Sungei Aur, Selat Lumut, Sungei Langat and other waterways contained within the parallels 2° 58' 00" N. and 3° 05' 00" N. and the meridians of 101° 20' 00" E., and that passing through Connaught Bridge, i.e., 101° 28' 30" E. approximately; including all piers, jetties, landing places, wharves, quays, docks and other similar works whether within or without the line of high-water mark and any position on the shore or bank within 50 yards of the high-water mark, subject to any rights of private property therein".

The 1966 edition of *Ports of the World* carried the following details on facilities at the North Klang Straits:

The new wharf at North Klang Straits has four berths for ocean vessels with a total length of wharf; 2,490 ft., 30 ft. draught at L.W.S. Four Transit Sheds sited on the wharf; four other Storage Sheds with rail and road connections inland via bridge. At present no shore cranes, and vessels work with their own

derricks, 100 fork lifts, tractors, etc. at these berths. Five mooring buoys and two anchorage berths for ocean vessels in the stream; buoys have 25, 28, 29 and 31 ft. depths at LW., anchorages 28 ft., and 29 ft. L.W. L. V. - 16,000 g.r.t; since 1945, 14,285 g.r.t.

Further Expansion of NKS

In the 'Appendix' to the Agong's Address in the Parliament on 15 June 1966, some information was provided on works planned for Port Swettenham. Tonnage through the port was continuing to grow as expected. The Government recognised that it was essential for port facilities to keep pace with the increase in traffic and "the rapidly expanding industrial area at Petaling Jaya and Klang".

An extension to the wharves at North Klang Straits by another 1,500 feet was planned, and the Authority applied to the Federal Government for a loan. The additional wharf footage would provide 2 berths for conventional ocean going vessels and a coaster. It could also provide 2 container vessel berths, each 710 feet long. This project was scheduled for completion by early 1973.

The advice of consultants was being obtained on the technical problems involved. The old port was also receiving its share of attention. Far from being written off, it was being improved so that it could continue to contribute to the enhancement of Malaysian trade. Paragraph 404 of the Appendix to the Agong's Address gave the pertinent details:

The Port Swettenham Authority also proposes, on the advice of its consulting engineers, to rebuild wharves Nos. 4 and 5 in the old port which were constructed over 50 years ago and which have now reached the end of their useful lives. A sum of \$4 million is provided in the first Five-Year Malaysia Plan as a loan, of which it is planned that \$2 million will be spent in 1966.

It was by now becoming a practice to call the original port as 'the old port', while the North Klang Straits area was 'the new port'.

Enhancing Utilisation of Malaysian Ports

In 1966, there was a move to encourage the greater use of Malaysian port facilities for exports and imports. This was aimed at primarily to reduce the country's dependence on the Port of Singapore. Singapore, which was admitted into the Federation of Malaysia (comprising Peninsular Malaya, Sabah and Sarawak) in 1963, was asked to leave the Federation in 1965, after irreconcilable political differences with the Federation made it impossible for leaders from the peninsula and Singapore to get along. The departure of Singapore from the Federation raised important questions over the continued dependence of Malaysia on Singapore as

an primary sea outlet. The need for Malaysia to become self-reliant in port and shipping services became all too evident once Singapore was no longer part of Malaysia.

Finance Minister Tun Tan Siew Sin highlighted the scenario on 26 October 1966 in the Federal Legislative Council:

The situation which has risen now whereby 40 per cent of our trade is handled by a port in a foreign country is clearly a relic of the colonial past when the ruling power treated the whole area as one economic unit and ruled it as one unit, in spite of the legal fiction of separate political administrations. As a result the financial and commercial centre of the former Federation of Malaya is situated outside our shores.

The Malaysian Cabinet had decided that Malaysian ports should be used to the maximum possible extent for Malaysian cargo. Accordingly, the Minister of Transport appointed a Committee to consider how the greater use of Malaysian ports for Malaysian exports could be expedited. The members were all senior officials:

*Secretary, Ministry of Transport
General Manager, Malayan Railway
General Manger, Port Swettenham Authority
Commissioner for Road Transport*

The Chairman was Raja Dato' Seri Haji Azam bin Raja Kamaralzaman. The committee met on several occasions and prepared a report for the Minister of Transport.

The members reported that the port most likely to be affected by the diversion of Malaysian exports originating on the mainland through Malaysian ports was Port Swettenham. Penang was not likely to be concerned until the East-West Highway stretching from Kelantan to Penang was constructed. When completed, that highway would bring Kelantan within 200 miles by road from Butterworth, as compared with 440 miles by road or 455 miles by rail from Kota Bharu to Port Swettenham.

The only commodity which could be diverted through Port Swettenham in the near future was rubber. The prevailing port charge on dry rubber exported via Port Swettenham was about \$3.00 per ton higher than in Singapore.

The general tenor of the Committee's findings was that it was possible for more exports to be channelled through Port Swettenham, but more investment in essential infrastructure or capital equipment was a pre-requisite.

Additional exports of latex and palm oil in bulk were possible, provided more tanks were constructed at the existing tank farms in Port Swettenham. Failing that, new tank farms should be established by leading firms that were not already sending their exports through Port Swettenham. Similarly, increased exports of sawn timber through the port depended on factors unrelated to transport costs, of which increased sawmilling capacity was the most important. There were formalities to be cleared even if the firms wanted to erect the storage tanks. The Committee summed up the matter:

The Port Swettenham Authority has not yet obtained land titles from the Selangor State Government and cannot therefore issue unqualified leases to exporting companies who wish either to enlarge existing palm oil and latex storage capacity in the port area or set up new installations. The Committee recommended the Selangor State Government be asked to issue land titles to the Port Authority forthwith.

The firm of Dunlop and Co. were interested in erecting some latex tanks, but there was a godown in the area concerned being used by the Ministry of Commerce for the storage of a strategic rice reserve. The Committee found that the Malayan Railway was able to provide an alternative site for the rice stocks in Batu Tiga. If more bulk liquid storage facilities were provided at Port Swettenham, more latex and palm oil would be exported. Diversion of larger quantities of exports to Port Swettenham would inevitably involve the grant of additional permits to haulage companies to convey cargo to the port. At the same time, the port would have to gear itself to handle the larger volumes of cargo. The Committee of officials therefore recommended that “immediate and effective action be taken to appoint consulting engineers for the Port Swettenham extensions included in the current Five Year Plan”.

Trade between East and West Malaysia was examined, and the following observation was made:

There is a gradual build up in Malaysian exports through Port Swettenham for cargoes destined for Sabah and Sarawak and there are at present three direct sailings per month to ports in the Eastern Malaysian States, thus eliminating transshipment costs in Singapore. Exports are currently running at the rate of 40,000 tons per annum. However, the greater proportion of goods of Malaysian origin for Sarawak and Sabah still moves via Singapore.

PSA indicated that it was prepared to encourage trade with East Malaysia by providing an incentive. It was willing to reduce its charges on cargo for East Malaysian ports by \$1.50 per ton. The Authority wanted a *quid pro quo*. It asked to be relieved of the capital and recurrent costs involved in the provision of the road and rail link to the new port, including the bridge over the Klang River. The costs were all being borne by the Authority, and it was asserted that they were not properly the responsibility of the Authority. To strengthen its case, the Authority

cited the precedent of the railway extension into Butterworth, and the sharing of costs between the Railway and the Federal Government.

It should be noted that the cost of the railway extension (including the bridge over the Prai River) into Butterworth, which will also serve the new port, is being borne entirely by the Malayan Railway and that the cost of the new road bridge over the Prai River and improved road connections to the port area and ferry terminal is being borne entirely by the Federal Government. The Port Swettenham Authority argues that it should be placed on a par with the Penang Port Commission in this respect.

Apparently, PSA had asked to be allowed to send a delegation to discuss the proposal with the Minister of Finance, but it had not been given the opportunity of presenting its case. It did seem a reasonable proposition. It is significant that the members of the Committee did recommend that steps be taken to relieve the Authority of the various costs mentioned, and thereby enable it to reduce the port charges on coastal cargoes, particularly to the East Malaysian states.

First Malaysia Plan

In the very nature of things, the 3 wharves constructed at North Klang Straits could not be (and were never meant to be) the final solution to Port Swettenham's problem of coping with the 'cargo explosion'. Expansion of facilities was going to be necessary sooner or later. The economic planners had noted that traffic through Malayan ports had doubled over the 5-year period 1961-1965. According to the *First Malaysia Plan 1966/1970*, at Penang and Port Swettenham, the annual growth rate was around 5% in the early 1960s. For the period 1966 to 1970, the economists had forecast an annual growth rate of 7% - 8%. The higher growth rate would be due to increased exports of rubber, timber and palm oil, and the import of raw and semi-finished materials and capital goods needed for Malaysia's expanding industries.

The *First Malaysia Plan* document recognised the vital role of ports in a rapidly expanding economy:

Adequate port capacity and the development related services are essential prerequisites to export expansion and economic growth. With the object of promoting orderly development and utilisation of domestic port capacity and related services, public development expenditure for port and marine services over the next five years in Malaya will amount to \$81 million ...

At Port Swettenham a sum of \$4 million will be spent for the reconstruction of two berths at the old section of the port and \$23 million will be spent on land reclamation and the construction of two additional berths in the North Klang Straits.

It was evident that Port Swettenham was not being regarded purely as a port for handling vast quantities of cargo. There were individuals who were concerned with the rather unaesthetic environment of the port and the town areas. On 25 October 1966, Dr. Tan Chee Khoon, the well-known Opposition MP, asked a question on this matter:

Is the Minister of Commerce and Industry aware that Port Swettenham, the gateway to Malaysia Barat has the dirtiest jetty and the filthiest scenery that can be arranged? If so, what has the Tourist Bureau done to improve matters to create a better image of Malaysia for tourists who land at Port Swettenham?

The jetty mentioned was none other than the old passenger jetty, a wooden structure located next to the railway station. It was, in its own right, a historical building of sorts!

The Minister, Tan Sri Dr. Lim Swee Aun gave a lengthy reply to Dr. Tan Chee Khoon's question:

As the Honourable Member is aware, the sea ports of the world are generally never clean and, except for San Francisco and Sydney Harbours which happen to have natural scenic beauty, the scenery of ports depend upon the development of the hinterland which is beyond the control of the Tourism Division. The Tourism Division of the Ministry concentrates on the development of areas that have potential interest to overseas tourists and the dissemination of information.

A sum of \$100,000 has been earmarked in the First Malaysia Plan to build a Display and Information Centre at the North Klang Straits Wharves where Private Enterprise will be invited to take sites around the Centre to develop other tourist facilities and amenities.

By the late 1960s Port Swettenham was becoming a popular eating place for Malaysians wanting good sea-food in particular. The steady improvement of the Kuala Lumpur to Klang road made it easy for entire families and groups of young people to drive down to Port Swettenham from Kuala Lumpur and Petaling Jaya to eat steamed crabs in the Pandamaran village area and in Port Swettenham. Restaurants that provided this delicacy started to advertise the fact by displaying fairly large, well-lit plastic signboards depicting a bright red crab. James Kirkup, an expatriate lecturer in English literature at the University of Malaya, wrote about this in his book *Tropic Temper* (1963):

Afterwards, to Port Swettenham, for a meal of baked crabs, the justly celebrated local specialty. A number of liners and cargo-boats call at Port Swettenham on the way from Penang to Singapore, and it is one of the ports from which Muslim pilgrims leave, in jam-packed ships, for the long, steamy voyage to Mecca.

Kirkup's mention of pilgrims leaving by steamers is a reminder of how rapidly things have changed in Malaysia. Pilgrim ships have vanished. We now have special Haj flights to Saudi Arabia organised by Tabung Haji.

Dr. Tan Chee Khoo also asked another question on Port Swettenham, but this one was about the capacity of the port. He was seeking clarification on a statement the Minister of Transport had made on 3 October. The Minister had expressed 'full confidence' that Port Swettenham and Penang could be expanded and improved to handle all the products of West Malaysia.

Dr. Tan Chee Khoo further asked:

Can the Minister please give the House a time-table as to when and how this can be brought about? Is the Minister aware of the chaotic conditions that often prevail in Port Swettenham and Penang?

The Minister, Tun Sardon bin Haji Jubir, prefaced his lengthy answer with the assertion that he was not aware of "the chaotic conditions that often prevail in Port Swettenham and Penang". He pointed out that Penang had always been a fast working port, while Port Swettenham (since the opening of the new wharves in the North Klang Straits) was rapidly gaining the reputation as one of the fastest working ports in South-East Asia. He maintained that delays to ships had been virtually eliminated and cargo flowed smoothly and swiftly through the port. There was then a margin of capacity in both ports. He continued:

However, to cope with the normal increase in traffic and increasing use of West Malaysian ports for Malaysian imports and exports, substantial schemes are in hand for enlarging both ports.

20 February 1964: The Minister of Transport, Tun Hj Sardon Hj Jubir, visited Port Swettenham today to inspect the old and the new port and also the partially completed Marine Headquarters building. He later boarded the pilgrim ship Kuala Lumpur to see for himself the conditions on the ship and addressed the second batch of pilgrims before their departure. Picture shows the Minister addressing the pilgrims at Wharf No.1 in the new port where the Kuala Lumpur was berthed. The ship sailed at about 2:00pm.





Haj pilgrim ships.

In regard to Port Swettenham, there is provision in the current Five-Year Plan for the expenditure of \$20M. for the reclamation of additional areas adjacent to the new port in the North Klang Straits and for the construction of two berths. It is hoped to obtain financial assistance from an overseas country for the engineering consultancy work and for the foreign exchange element involved in the construction proper. These details are now being processed and I anticipate a start will be made in this additional development at Port Swettenham in 1968 with a view to completion early in 1970 or early 1971.

Port Swettenham was taking on a special responsibility, in furtherance of the national policy, to provide incentives for greater utilisation of local facilities. In the Second Reading speech for the *Supply Bill 1967*, Finance Minister Tun Tan Siew Sin stated:

It has been noted that rubber from Kelantan, Trengganu and Pahang does not flow to Port Swettenham to be exported. Since that port has the necessary capacity and should be the natural outlet for rubber originating from those States, the Government has decided to effect changes as from 1 April 1967.

Specifically, the Malayan Railway was to introduce special new rates for carriage of dry rubber from the 3 East Coast States to Port Swettenham, which would be about \$2 a ton less than the rates prevailing then. The Port Swettenham Authority was also to reduce its port charges on dry rubber, the principal reduction being one amounting to \$1.30 per ton.

Port charges at Port Swettenham on cargo to and from all Malaysian ports will be reduced by \$1.30 a ton with effect from 20 January 1967 i.e. tomorrow.

The Malayan Railway was also ready to grant special rates for the carriage of timber logs to Kuala Lumpur, Klang and the Port Swettenham area, and to other areas, whenever and wherever saw milling capacity was established along any of its routes. The Finance Minister frankly conceded that all this was aimed at 'processing more of our own raw materials and handling and shipping more of our own exports'.

In 1968, PSA embarked on successful measures to promote more rubber exports through the port. Port charges for rubber shipments were reduced. The Authority also undertook to accept all rubber for storage prior to shipment. These incentives were well received, and the statistics provide the proof. In 1968, a total of 367,490 tons of rubber or about 33% of Malaysia's rubber exports was sent abroad via Port Swettenham. In 1967, the port had handled 300,451 tons of rubber exports. Rubber exports handled by Port Swettenham had increased by 22.3% in 1968.

Rail-port Relations

On 15 March 1967, the Malaysian Cabinet had considered *Paper No. 84/529/57*, submitted by the Minister of Transport, and appointed a Select Committee on the Malayan Railway. The Select Committee, composed of government officers only, was to "review the management of the Railway Administration and to recommend to the Government whether it should be turned into a Corporation Aggregate or a Government Department". The Chairman of the Select Committee was Tan Sri G.K. Rama Iyer, a senior officer at the Prime Minister's Department. The other members were officers from the Ministry of Transport, the Ministry of Commerce and Industry, Ministry of Labour, Attorney-General's office, Economic Planning Unit, and so on. In interpreting its terms of reference, the Select Committee decided it could take into consideration staff-management matters, effectiveness of railway administration and the economic viability of the Malayan Railway.

The Select Committee's report was inevitably concerned with railway traffic, railway economies and personnel management. No in-depth consideration appears to have been given to railway-port relations. Paragraph 60 in Chapter 21 commented on ports:

The railway network is linked to the principal ports of West Malaysia. As such it lends itself admirably to serving the hinterland of these ports. It is therefore logical to expect that the Railway Administration will work with the closest cooperation with the port authorities. However, the Select Committee has found certain areas where coordination is lacking. An instance of this is of Railway wagons being left unattended at the railway yard at Port Swettenham thereby tying up Railway equipment causing undue delays and shortages of wagons and thereby necessitating Railway customers to meet unavoidable demurrage charges. As against this transport by lorry is more speedy, convenient and does not normally attract demurrage charges.

The Committee, having stated the problem, recommended that the Railway Administration should work in close cooperation with the port authorities to ensure the speedy clearance of goods transported by rail.

More Wharves Needed

A *Memorandum on Extension of the North Klang Straits Wharves* was prepared by PSA on 23 August 1967. The object as stated in the Introduction was:

... to give in brief the operation, economic and financial justifications for the provision by the end of 1971 or early 1972 of two additional berths at North Klang Straits provided with facilities to work conventional 'combo' and container ships of the near future or whenever required.

The preparation of designs and contract documents for the next phase would have been commissioned in 1967, if it had not been for the 'container revolution' which, by then, had begun to change the pattern of world shipping.

An official change of name for the Old Port and the New Port took place sometime in 1967 with the approval of the Minister of Transport. The Old port was re-christened South Port, in keeping with its geographical location. North Klang Straits was renamed the North Port.

The port authorities pressed ahead with the development of greater professionalism among the senior staff, through formal training courses and participation in workshops and seminars. In the late 1960s, institutions like the National Productivity Centre and the Malaysian Institute of Management were becoming prominent as centres for in-service courses.

On 16 January 1969, Opposition MP, Dr. Tan Chee Khoon, asked a question about Port Swettenham in Parliament. It was worded as a query but it also contained an allegation. The Minister of Transport was asked to state:

- (a) in view of criticisms of gross inefficiency at the Port Swettenham Port, if he would cause an investigation to be conducted by experts and publish their findings;*
- (b) if Messrs. D. W. Scott & Co., port efficiency consultants, specially retained to make recommendations for improving efficiency at Port Swettenham have submitted their report and if he will publish the report.*

The Minister begun by stating that he did not know in what context the term “gross inefficiency” had reference. There were many aspects of port services, but basically they could be separated to those rendered to ships and those rendered to cargo. In the context of ship working, inefficiency would be measured by delays suffered by ships in port, and the amount of time taken to work a given volume of cargo. In the context of receipt, handling and delivery of cargo, inefficiency would be measured by delays suffered by shippers in obtaining or exporting cargo, loss or shortage occasioned by cargo, and generally the inability or otherwise of delivering cargo quickly and efficiently in the same condition as has been received.

With regard to ship working, Tun Sardon said, there had been some delays during recent months due to the demand for port facilities exceeding supply, but such delays could not be considered as alarming, compared with delays experienced by other ports. He stated that the port’s capacity had not been increased, in terms of additional facilities in the form of wharves, since the opening of 4 wharves costing \$44 million at the North Port in early 1964. He listed the arrangements being made to expand port capacity:

- (a) increase of lighterage wharf by 260 feet to be completed in 1969;*
- (b) the construction of a jetty to accommodate coastal vessels now occupying another to be completed in 1969;*
- (c) reconstruction of two wharves to be completed in early 1970;*
- (d) increase of ocean wharf by 900’ by late 1970 and another 900’ by late 1971 and possibly another 1,000 feet by early 1973 which is estimated to cost \$58 million.*

Next, the Minister cited pertinent statistics showing that traffic had increased very rapidly. That was true both of ships calling at the port and the tonnage of cargo handled. The tonnage passing through Port Swettenham in 1967 had increased by 16.5% compared with 1966. For the period January to September 1968, there had been an increase of 17% over the corresponding period of 1967. The average import and export of dry cargo handled per ship at wharf per day had increased from 350 tons for the same period for 1967 to 402 tons for the corresponding period in 1968.

Tun Sardon's view was that the existing facilities were being utilised to the full and there was therefore no inefficiency (in the sense that the port was not utilising its resources to the hilt in the face of increased demand). That was why immediate expansion had been strongly recommended by a study team of experts. He then provided some technical details on working of cargo. He asserted that with the guidance of management consultants, procedures had been established, which had resulted in improvements such as reduction in manpower requirement, thus lowering the cost to vessels and also reduction in documentation. On the subject of "landing disputes", the Minister spoke as follows:

An audit undertaken recently to determine the number of units of cargo short landed at North Port on 58 ships calling from 27 September, 1968, to 22 October, 1968 reveals that an average of 31 units are subject to landing disputes per ship, with each ship carrying an average of 10,410 units, i.e. only less than 0.5 % of the cargo were subject to landing disputes with the vessel.

It is thus not unreasonable to assume that the 31 units of cargo in dispute per ship carrying on the average of 10,410 units may be due to other factors outside the scope of the Authority's control. In any case if it can be proved that the cargo was discharged and that it was pilfered while in the custody of the Authority, the Authority has been paying and will pay compensation to the consignees.

I do not consider that the above performance constitutes "gross inefficiency" requiring an investigation to be conducted by experts.

With regard to the efficiency consultants, Messrs. W.D. Scott and Co., Tun Sardon responded with some background information:

Messrs W. D. Scotts & Co. Pty. Ltd. of Australia were retained by the Authority to:

- (a) reorganise the clerical procedures;*
- (b) reorganise the financial accounting system;*
- (c) reorganise the engineering services and stores;*
- (d) set up a costing system; and*
- (e) reorganise cargo operation.*

The consultants were working on technical matters referring to Port Swettenham, and the Minister did not consider that publication of the working reports would be likely to serve any useful purpose.

13 May 1969 and after

The outbreak of racial riots on 13 May 1969, although having severe political consequences, did not have an adverse impact on the operation of Port Swettenham. The port was closed for security reasons only on 14 May. The 'business-as-usual' attitude of the Port Authority was much appreciated by the port users as the following paragraph from the Malaysian International Chamber of Commerce *Year Book for 1969/70* indicates:

In closing, as far as the Port is concerned, it would be very remiss of me not to express appreciation of the authority's achievements during the disturbances in May. Although, and understandably so, closed on the 14th, there were signs of operations taking place on the 15th, whilst from the 16th, Officials had developed a Port Operations Room and then on operated the Port on a round the clock basis with very considerable assistance from the Services.

The PSA annual report for 1969 highlighted the effects of 13 May:

The 'May 13' incident which occurred during the year under review shook the country and caught the Authority unprepared. However, with the cooperation of the army, navy, shipping community and staff of the Authority the adverse effect was minimised.

Army and Navy personnel assisted by the staff of the Authority worked a limited number of ships discharging essential commodities such as foodstuffs and fuels. Special arrangements were made to deliver these commodities to Kuala Lumpur.

In the aftermath of the 13 May incident, a curfew was imposed. This affected the work of the port to some extent, but the port did not stop work entirely. On 14 May, a passenger vessel was berthed to enable passengers who could obtain curfew passes to embark. The vessel was able to sail from Port Swettenham on 15 May.

The State of Emergency that was declared did not disrupt normal economic activities. Total exports handled at the port in 1969 reached 1.8 million tons. In 1968, exports were in the region of 1.4 million tons. The increase of 22.88% in exports was attributed to "greater shipments of rubber to Russia, timber to Australia, tin ingots, iron ore, scrap iron, woodchips and ilmemite ore to Japan, latex, palm oil to the United Kingdom and general cargo to East Malaysia", to quote the annual report for 1969.

More New Cargoes

'Woodchips' were a new item of export for the port. Approximately 30 acres of land in the North Port area had been leased to Daishowa Wood Products Malaysia Sdn. Bhd., for a term of 21 years, for the purpose of erecting a wood chipping mill. The plant was completed at the beginning of 1969 and it began production. The first shipment of 9,756 tons of wood chips was carried by the *Astra Maru* from Port Swettenham on 9 February 1969. By the end of 1969, 148,802 tons of bulk wood chips were exported through the port.

Some leading members of the commercial world were urging the Government and the private sector to meet more regularly to resolve problems at Port Swettenham. The President of Malaysian International Chamber of Commerce highlighted some of the more serious problems in his review of the year 1969.

With the recognition that Port Swettenham is the main port for the country, one must examine very carefully what is taking place there.

There has been in December 1969 a slowing up of consignees taking out their delivery papers from shipping agents. It would not be fair to single out members of this Chamber as being the only parties at which a finger might well be pointed, but I would take this opportunity of reminding members of the contents of a recent circular on this subject.

As indicated above, there has been during the year much criticism of the port. such have, from time to time led to meetings with Ministers and much good resulted. However, it would seem that more benefit to all could be achieved if there was better understanding between the Port, Government and the Private Sector, and to this end, there would appear to be justification for the Port Consultative Committee, which was established by Government some years ago - to act if you like as watch dog - on the Port's activities and forward planning, to meet regularly.

This Chamber continues to watch the situation of Port Swettenham very closely.

The concerns of the trading community were not without any basis. Not only was shipping traffic and volume of cargo handled was increasing, but the composition of cargo was beginning to change as well. This was only to be expected as the country's economy was undergoing a transformation as well. In an attempt to diversify away from the country's dependence on the exports of primary commodities that were exposed to unfavourable terms of trade, the Government stressed (in the First Malaysia Plan document) the need to promote the accelerated development of the manufacturing sector as a new engine of growth. An insight into this industrial development policy was provided in the same document.

The aftermath of the May 13 incident, the adoption of the New Development Strategy, and the roll-out of the New Economic Policy under the Second Malaysia Plan (1971-1975) further underscored the need to adopt a more pragmatic development strategy, with the manufacturing sector fuelling the growth of economy and promoting faster income dispersal across various races and regions in the country.

Growth of the manufacturing sector would reflect on the composition of the cargo handled at the port.

During the period 1966-70, Port Swettenham had handled a total tonnage of 14,743,000 DWT. With the steady economic development going on in Malaysia, and the public policy initiatives for the channelling of more imports and exports directly through Malaysian ports, the volume of cargo in future years was bound to escalate even higher.

In 1970, the port handled a record tonnage of 3,805,617 DWT of cargo – an increase of 12.82% over the cargo handled during 1969. Exports, made up of largely commodities, accounted for 55.3% of the total tonnage handled. The increased capacity at the port was also brought about by the introduction of the 3rd shift at South Port from 15th September 1970, which placed the port's operating facilities on a 24-hour working basis. This system had been introduced in North Port in September 1969.

For the period 1971-75, the Port Swettenham Authority estimated it would be called upon to handle 22,450,000 DWT of cargo.

With the increase in tonnage handled, there was, of course, a corresponding increase in the number of ships calling at the port. In 1966, 2,184 ships had called, but in 1970 there were 2,202 vessels. A clear trend was that more ships were berthing and working alongside the Port Authority's wharves. The number that came alongside had arisen from 1,658 in 1966 to 1,978 in 1970.

The FMS Chamber of Commerce Year Book for 1970 (at page 106) noted:

At Port Swettenham, there was a marked improvement in port working and the new Port Security Force commenced operation.

It was nice to receive a compliment for a change! Improvement in tonnage handled per ship working day showed an upward trend, and in 1970, the average tonnage handled was 650.1 tons for foreign ships and 759.7 tons for home-trade ships. The period 1966-70 also saw an improvement in the turnaround of vessels, and in 1970, the Port Swettenham Authority recorded the following turnaround data:

<i>Foreign-going ships</i>	<i>1.70 days</i>
<i>Home-trade ships</i>	<i>1.80 days</i>
<i>Local trade ships</i>	<i>1.68 days.</i>

3 factors were said to be responsible for this achievement, considering that there had been no increase in facilities during the 5 years from 1966-70. The improvement could be attributed to the introduction of the 3rd shift working in late 1969; the additional mechanisation of port operations; and increased efficiency of working, resulting from better training of staff.

It was abundantly clear by now that not only was more capacity needed to handle the growing volume of cargo, but also there was a need to respond to the need to handle a new variety of cargo, namely containerised cargo. And that was why the next project, the North Port Wharves extension project, was the focus of attention.

The need to extend the wharves at the North Port was acknowledged by government planners, transport economists and port officials alike. The decision was to extend the wharves southwards. Nobody wanted a recurrent nightmare of congestion, and so recommendations for the planning of further berth extensions were put forward to the Government. As early as 1967, the preparation of designs and contract documents would have been commissioned. What caused the matter to be put on hold was the recognition that the container revolution had begun to change the pattern of world shipping. Rather than construct conventional berths and ancillary facilities that would become obsolete because of new and larger ships, it was better to look at the long-term and incorporate the state-of-the-art port infrastructure.

A study *Kelang - the first 80 years* by Coode and Partners, the consulting engineers, contained this observation:

... possibly the most important item in the terms of reference for the team of specialists led by the Consulting Engineers was to make recommendations on alternative projects in the Port Kelang area to meet the requirements of traffic growth with special reference to developments in technology including containerisation, bulk and other cargo handling methods and the draft requirements of vessels.

The PSA members and senior officials were mindful of the possibility of containerisation extending to their port. However, the prospects of that occurring depended not only on the characteristics of the traffic and the economics of alternative handling methods, but also on relevant developments taking place in neighbouring ports.

The team of experts therefore extended their study to neighbouring ports, and to European ports, to establish clearly the scope, type and mechanics of container development that was taking place. A clearer picture was also needed on the characteristics of container traffic, and the composition of current and future sea traffic through the neighbouring ports originating in or destined for the hinterland of Port Swettenham. The more frustrating portion of the research study appeared to be that of determining, through personal interviews, the views of a number of shipping companies on the establishment of a container terminal at Port Swettenham. One shipping executive gave a totally negative reaction by saying:

"Port Kelang should do absolutely nothing, We ourselves have not yet decided how we can best serve Port Kelang with container vessels, and until we do, there is always the danger that the facilities they provide might not quite suit our overall operations and this might seriously affect the economics of our using containers'.

It was clear that there were some shipping company executives who had yet to accept the reality that the separation between Malaysia and Singapore was a permanent factor. There were other reasons as well. The nature of shipping agency networks, in which the agents in Malaysia were generally sub-agents to the agency in Singapore, did not encourage independent thinking. In most cases, the sub-agents in Malaysia of several large shipping lines (which maintained direct calls at Singapore) reported to the general agents in Singapore, who also determined the slot allocations for the Malaysian market, which inevitably discouraged direct calls by the shipping lines, because of the low threshold volume allocated for Port Swettenham.

It was only later that the realisation dawned on them that Port Swettenham was, under the Second Malaysia Plan, setting out to achieve the legitimate goal of becoming a major national and regional port.

What then had actually been planned originally in the late 1960s? The plan was to provide facilities for 2 container berths, each 900 feet long, capable of accepting container ships with a displacement of 40,000 tons, and which could also be used for conventional cargo vessels. The consultants recommended a compromise solution. The berths would be constructed with crane beams, and with a strengthened deck suitable for eventual conversion to containerisation. Transit sheds would be provided for use as conventional general cargo berths, unless and until the demand for container facilities should appear. A prudent decision was made not to interfere with the structural integrity of the deck by providing cable trenches, in the knowledge that "in the unlikely event" of containerisation affecting Port Swettenham, diesel-electric container cranes could be specified.

All the recommendations were approved, and the design and contract papers were put in hand, with the result that a Contract was signed in January 1969 with Messrs. Ed Zublin A.G. in the sum of \$34 million.

The construction work started with the reclamation of some 50 acres of mangrove in mid-1969. By sheer chance, opposite the site of the new wharves, there was a sand bank which was exploited as a source for the fill material. Over 1,250,000 cubic yards were placed hydraulically in the area to be reclaimed, in depths of up to 10 feet, and some 4 feet of this material was absorbed by the settlement of the ground.

Coode and Partners, the consulting engineers, described the technical work and the special precautions that had to be taken:

Work on the wharf structure started with the driving of piles in June 1970. The piles are pre-stressed concrete, centrifugally spun, being made in one piece, in lengths up to 138 feet (42 metres). The toe levels vary in the wharf from a level of -90 feet (111 feet below the wharf deck) to -132 feet (153 feet below the wharf). The piles were driven using a single acting steam driven hammer with a falling weight of 15 tons, an arrangement designed to eliminate cracking stresses when driving in soft ground.

In the meantime, there were some delays in importing and placing on site the more sophisticated pile-spinning plant. Actual work had not progressed to the point of deck construction when, in February 1970, the TRIO Consortium in the Asia-Europe service gave the consulting engineers some new information that “threatened to make the new wharves obsolete even before they were completed”.

What was this sensational item of news? It was simply that the Trio Consortium had commissioned the building of a 3rd generation of containerships of 60,000 GRT, 290 metres long and requiring a minimum depth of 12.8 metres at the berth and 13.1 metres in the access channel. What was equally exciting was that these new types of ships were going to be used for the important Europe-Far East service. It was too early to say whether they would call at Port Swettenham. However, it was certain and only too obvious that if the sophisticated facilities to accommodate such 3rd-generation ships were not available at Port Swettenham, then the good old port would be bypassed. It would be relegated to the inferior status of a subsidiary feeder port at best. It would have to be content accepting containers trans-shipped from Singapore. The scenario would be reminiscent of the pre-World War Two era, when more coastal vessels rather than ocean-going vessels came alongside the wharves at Port Swettenham.

The case for upgrading the wharves under construction, to fit them to receive 3rd-generation container ships, was becoming more urgent. The consulting engineers, Coode and Partners, drew the attention of the PSA to the fact that a dramatic increase in the size of ships envisaged had occurred in the space of only 1 year. It did not mean necessarily that the trend would continue.

The latest specification represented a distinct plateau in the tonnage graph, being the maximum size that could pass through the Panama Canal.

It was also comforting to know that a relatively small amount of re-design” would be required to accommodate these ships at the berths. There would be no breach of contract provisions because, as stated by the consulting engineers:

... the form of contract with the construction contractors was flexible enough to permit the changes to be made virtually pro-rate on the measured quantities.

Furthermore, the changes could be made without halting work on site if a decision was forthcoming quickly.

This came in the form of a visit by the Prime Minister Tun Abdul Razak Hussein who sought a comprehensive briefing on the development of Port Swettenham. Satisfied with the views presented by the port authority, and keen to enhance the role Port Swettenham had to play in the economic transformation of the country, the Prime Minister granted the permission to the port authority to proceed with the development of the container terminal.

This was clearly one of those situations that do crop up sometimes in organisations that had to fast-track decisions. A decision had to be made, and time was of the essence. To quote from the Coodes document once more:

Though still unable to obtain a firm commitment from the shipping companies the Authority took a bold decision in the latter part of 1970 to undertake the necessary modifications to accommodate Third Generation Container Vessels. The length of the container wharf was increased from 550m to 640m (with a corresponding reduction in the adjacent general cargo wharf) and the design for the strengthening of fendering and crane beams was put in hand.

A loan was sought from the Government to cover the cost of the modifications, and their approval was motivated not only by economics and commercial judgment but also by the political importance of providing a Malaysian main line Container Terminal to handle direct calls.

There was yet another technical problem that compelled attention. It was the question of access to the port of vessels requiring 13.1 metres of water, and it was a vital issue. To dredge a channel providing that depth of water at the lowest low tide was economically unacceptable. At the North Channel, such a depth would have entailed dredging virtually the full 20 kilometre length of the approach and removing about 12 million cubic metres of material. At the South Channel, though, the controlling bar depth was about 6 metres, compared with that of about 9.7 metres at the North Bar. Most of the approach channel was much deeper. It would have been possible to provide the required 13.1 metres depth with the dredging of only 4.25 million cubic metres over a length of some 3 kilometres. There was, however, no guarantee that

such a channel could be economically maintained. Coode and Partners came up with a sort of compromise solution. With the removal of a mere 300,000 cubic feet of material at the North Bar, it would be possible to guarantee the depth required by the ship operators, provided they were prepared to accept a “tidal limitation” on their service. What did this mean in practical terms, the reader may ask? The masters of vessels had to be prepared to wait outside the port, or at the berth, until the tide was above +2.1 metres. A normal tide variation calculation was carried out. This showed that the channel would be closed to shipping movement about 30% of the time. The shipping companies could not be expected to accept this, because, as they pointed out, they might be shut out for many days at a time.

The consulting engineers next prepared a computer analysis of the tides for a whole year. From this analysis it quickly became clear that a very convenient pattern existed in the tides in the relevant area. A predicted tide of 2.1 metres or higher would occur at some time in the morning, and again in the evening, every day of the year. This finding was incorporated into a study on Approach Channel Improvement, done by the well-known Hydraulics Research Station of Wallingford in collaboration with Coode and Partners. The report was submitted in March 1971. Based on this technical investigation, it was decided to proceed with the plan for container berths in the North Port.

Dynamic transport trends

The early 1970s witnessed rapid changes in the Malaysian transportation sector generally. In civil aviation, the formation of the Malaysian Airline System (MAS) was officially announced on 3 April 1971, and this event was hailed as marking “the turning point in the air communications network of the region”. 3 major airlines announced their plans to introduce new services through Kuala Lumpur in 1972 using wide-bodied jets.

In respect of roads and road transport, there were already schemes for new projects under the Second Malaysia Plan. The severe floods of 1971 caused the Government to press ahead urgently with improving the roads and bridges in the vital Kuala Lumpur-Kuantan link.

As early as 1968, NUR had submitted a fairly lengthy memorandum to the railway management with the equally lengthy title *Memorandum for the efficient and economic operation of the Malayan Railway as a Department of the Government and without amending or altering the existing provisions of the Railway Ordinance 1948*. The union offered numerous ideas for economic operation of the railway that might possibly increase revenue. On page 18, the NUR suggested the adoption of the American rail road practice of using containers, although this term was not employed in the memorandum.

From the operational review, it is known that wagon stock is being intensively used and it is essential to have adequate reserve to avoid delays to cope with the increasing traffic. We would also urge that more use of trailers (piggy-backs) which can be loaded at the ports, put on flats, rolled off at the termination and taken by tractor to the godown of the consumer. This type of transport is becoming popular in the U.S.A. and conditions in Malaya certainly justify its adoption.

This was an important response to the changing cargo-handling technology from workers in the transportation industry, when elsewhere, resistance to change (especially from port workers) was evident on account of fears that the new technology would lead to job losses.

Advent of containerisation

At the time, cargoes were generally moved in packages and pallets, piece by piece with multiple handling, resulting in damage, pilferage and time loss. A revolution of sorts in shipping and cargo handling was now taking place, aimed at bringing about greater efficiency in cargo handling and shipping with the use of standard containers. Shipping containers were a relatively simple idea that revolutionised the transportation industry. Malcolm McLean was the man behind it.

In the mid-1950s, he thought of taking the body from a tractor-trailer and placing it – fully loaded – on a ship, railroad car and even an airplane. This transportation method using standard shipping containers (carrying up to 20 tons) had many advantages, including reducing the costs and time of unloading the cargo from a truck or a railroad car, loading it into the hull of a ship and reversing the process at the ship's destination, and was able to protect shipments from damage and pilferages.

Containerisation was nothing short of a world-wide revolution. By the late 1960s and early 1970s, numerous articles were appearing in economic journals, bank reviews, and even in the newspapers, on the advantage of using containers for carriage of goods by sea. The *Far Eastern Economic Review* carried a special feature on 'Shipping in Asia' in its issue dated 27 February 1971. Most of the articles dealt with the advent (or the preparation for the advent) of containers in the leading ports of the Asia-Pacific region. Even the advertisements of the various shipping lines seemed to project salient facts and figures on containerisation, and how they were coping with the changes introduced by this new phenomenon.

Although not everyone welcomed the idea, especially some ports which needed to invest in expensive equipment and specialised container berths, no port which was part of the international port system could afford to ignore this important trend, and Port Klang was not to be left alone.

The Malaysian perspective on the container issue was reported by James Morgan in the same periodical:

Containerisation is a hot subject in both countries now and Singapore is probably the most advanced port in South-east Asia in this respect The scene in Malaysia is a bit cloudy as the government is making up its mind as to what it wants, but MISC has its liners partially adapted to container carnage. The Bunga Raya, for example, can take 187 containers. But the crunch is going to come when the decision has to be taken to order fully cellular ships; the reckoning is, however, that another four years can elapse before minds have to be made up.

The reference to MISC, the Malaysia International Shipping Corporation, was timely. The big news in the Malaysian shipping scene in 1970 was the inauguration of MISC.



The original logo of the Malaysia International Shipping Corporation (MISC) at its inception in 1968.

Malaysia was becoming better known in the maritime world, with the expansion of services of the Malaysia International Shipping Corporation (MISC), which had been incorporated in 1968 with a nominal capital of US\$6.7 million. MISC inaugurated its Far East to Europe run in November 1970 using 2 modern cargo liners, the *Bunga Raya* and the *Bunga Melor*. MISC also became a member of the Far Eastern Freight Conference in July 1970. The U.N. Conference on Trade and Development (UNCTAD) was promoting the interests of the Third World member states who were aspiring to develop their own merchant fleets. In the early 1970s, Malaysia was spending US\$230 million a year in freight and shipping charges. During 1971 and 1972, the Government pressed forward with plans to launch a National Shippers Council.

James Morgan ended his report on a cheerful note:

In both Malaysia and Singapore some shipping men speak happily of the improvements that have taken place in the ports ... Port Swettenham is no longer the nightmare it was two or three years ago. But these are tiny considerations in the context of the general gloom that reigns.

A policy statement

James Morgan had perceived that “the Malaysian government is making up its mind as to what they want about containerisation”. In the month of May 1971, it was evident that the government *had* made up its mind. An official statement was issued by the Ministry of Transport on 24 May 1971 with the heading *Container Facilities and Government Policy on Containerisation*.

The policy statement began with an explanation of what containerisation was all about. It described the physical features of a typical container, and asserted that the objective of containerisation was “to achieve optimum advantages of the through movement of goods without re-handling from the shipper’s godowns to the consignee’s godowns”. The prime advantage claimed for successful containerisation was the reduction in total or overall costs of a product at its point of consumption, due to less handling, faster turnaround, less damage and pilferage, simplification and reduction of documentation and lower insurance costs.

The statement gave details of the new impetus that the development of containerisation received from early 1966 onwards. Containerisation freight in international trade had grown rapidly, and “this new concept of freight conveyance has come to the forefront”.

Some implications of the new system were characterised as “far-reaching”.

The system is capital intensive and involves huge investments in ships, ports, roads and railways. New handling methods have evolved requiring relatively little labour ... in short, containerisation has revolutionised freight transportation and handling.

The approximate date for the advent of containerisation was given as 1973. The FEFC had already set a 9-month period, commencing from September 1970, as a trial period for containerisation by its members along the Far East route. With regard to Malaysian ports and their role in containerisation, the statement explained that planning of the major Malaysian ports (Port Swettenham, Penang, Kota Kinabalu, Sandakan and Kuching) provided for container capability at all of them. Out of 2,800 feet of new wharves under construction at North Klang Straits in Port Swettenham, 1,100 feet would be strengthened to serve the needs of container cargo. The task ahead for the Port Swettenham Authority was also spelled out:

The Port Swettenham Authority will make timely purchase of suitable container cranes for use on the berths. A rail track of 50 feet wide will be provided on the wharf to receive these cranes which will have a capacity of 35 tons with twin lift. Movement of containers from wharf apron to container yard may be handled by tractor control unit, side loaders on straddle carriers. The Authority will select the most appropriate handling equipment after taking into consideration factors such as volume of traffic, physical layout of the stacking area, best means of stacking and transportation within this area, etc. The container committee recommends the port authority to operate this container terminal.



Container lorry on the road leaving Port Swettenham to KL.

Inland Haulage

It was one thing to prepare Port Swettenham to receive containers. However, containers had to be transported to and from inland destinations or points of origin. This meant that the roads had to be technically fit for the passage of the heavy 'boxes'. Not any and every road could be considered suitable for trucks carrying containers, which must have the prescribed axle-load to avoid damage to the roads. The container committee had discussed the readiness of the roads in relation to haulage of containers. The policy statement

disclosed that there was a consensus of views that the Port Swettenham-Kuala Lumpur road was of sufficient strength and capacity to take container loads. The recommendation was that blanket approval be given for vehicles 8 feet wide with container loads weighing approximately 20 tons to more along this road. There was no need to obtain individual approvals. The Road Traffic Ordinance had to be amended because of this decision.

The Government had also decided that in the early period (between 1971 and 1975) of container transportation in the country, movement of containers by road should be limited to between Port Swettenham and Kuala Lumpur, "until it reached sufficient volume to justify investment on other roads". Where the railways could provide the service, no investment ought to be made to prepare roads for container traffic. That would be a saving of scarce funds and it would also mean the full utilisation of railway facilities, unless it was proved that there was a considerable advantage in spending money on further road development.

On 26 August 1971, Kontena Nasional Sdn. Bhd. was incorporated and provided the monopoly by the government to haul containers in the country. Shareholders of the government-initiated company included Permodalan Nasional Bhd. (Pernas), MARA and the national shipping line, MISC.

From the concluding paragraph of policy statement, it was manifestly clear that Port Swettenham had been accorded a serious and challenging role in handling container traffic.

It is the declared policy of the Government, as far as possible, to channel container traffic through its own ports. Port Swettenham will be the major container port of Malaysia and others such as Penang, Kota Kinabalu, Sandakan and Kuching will be feeder container ports.

As for the railways, although various measures were announced in 1971 for the "improvement and speed up of services", it was felt by some commercial firms that there was a need for a double line between Kuala Lumpur and Port Swettenham. The President's Address to members of the Malaysian International Chamber of Commerce included this viewpoint:

It does seem that in time to come with the development of the Klang Valley and possible need to use railways for carriage of containers to points beyond Kuala Lumpur that consideration will have to be given to duplicating the line between Kuala Lumpur and Port Klang (Port Swettenham).

"The flags of Malaysia's young merchant navy now flutter on international trade routes, marking the beginning of a new maritime era for the nation", began a Chamber of Commerce report on Malaysian Ports and Shipping published in 1972.

Industry Perspectives on Containerisation

What was the perception of the Malaysian commercial firms (the principal port users) about Port Swettenham at this time? The annual reports of the Malaysian International Chamber of Commerce are full of frank comments on aspects of port operations. Also, a report on Port Swettenham was prepared by the Chamber and distributed to its members as *Circular No. G 35/70* dated 12 June 1970. The annual report for 1970 noted that the report was well received by Government, and was "instrumental in placing the Port Swettenham problems in perspective".

Members of the Chamber of Commerce were already aware of the need to prepare for the containerisation era. Representatives of commercial firms participated in several meetings held in the Ministry of Transport. However, the Chamber also commented that "firm information" both from the public sector and the private sector on future plans was sketchy. The Chamber's annual report for 1970 carried this complaint:

Port Swettenham is being prepared to receive container cargo but there has been little news of positive action regarding internal transportation of containers and the establishment of Inland Container Depots. It is also understood that Government is considering whether internal container business might be channelled into a particular segment of the private sector with possible Government participation.

Therefore, even before containers had made their appearance in Malaysian transport, the idea of letting private firms to handle them was being mooted or mentioned.

The President of the Malaysian International Chamber of Commerce had made appreciative reference to Port Swettenham in his annual review of developments in 1970:

The major ports of Penang and Port Swettenham produced improved performances in 1970. For the first time for many years there was practically no congestion at Port Swettenham to shipping or cargo clearance. Cargo handled at Port Swettenham showed an overall increase of 12.8 per cent over 1969.

The President also noted that there was an appreciable increase in the number and tonnage of vessels calling at Port Swettenham. He attributed this, at least in part, to some rationalisation of shipping services. He described as unfortunate the shortage of shipping space for timber and exporters and he strongly supported the timber trade in its efforts to obtain a better deal.

The President made a substantial comment on the advent of containerisation, and the challenge it posed for all ports and all those involved in port administration.

The new container ships are likely to take about 17 days in transit from UK/Continent and it is essential that costs are kept as low as possible by the efficient handling of these ships when in port and efficient clearance of containers since demurrage charges on loaded containers will be very heavy. This brings up a point regarding clearance of inward cargo which has at times been hindered by late arrival of shipping documents. Although Customs clearance may be effected by using letters of guarantee, this involves much additional work. I would urge consignees to prevail upon their consignors to expedite despatch of shipping documents so as to arrive before the ship. It is known that consignors concentrate on early despatch of documents to comparatively near destinations and documents for further destinations are left until later. Many documentary procedures have been computerised but the nett result coupled with quicker transit times seems to be worse than before.

The President also spoke on the importance of security at both Port Swettenham and Penang ports. He welcomed the decision to initiate a separate port security force. He expressed the hope that this course of action would lead to much needed improvement. Consignees and insurance companies had suffered heavy losses. While the position was further aggravated by consignees having to pay duty on cargo said to be landed, but never delivered to them, he said:

The failure of the port to accept liability for cargo delivered to it and the inequity of consignees having to pay duty on cargo not delivered have occupied a good deal of the Chamber's attention but, I regret to say, no satisfactory solution has yet been achieved. Our main hope is that improved security will provide the answer.

Despite the various problems it is fair to say that our ports and shipping services do operate with a higher degree of efficiency than found in many other places. The Customs Department has also improved its services. However, continued attention is necessary to overcome remaining problems and keep abreast of the ever quickening tempo of international trade.

A new department – the Marine Department – was established in 1971, under a Chief Marine Officer. The PSA's annual report for 1971 asserted that “the growth and expansion of Port Swettenham necessitated the setting up of this department”. The new department's portfolio included the berthing and unberthing of ships, administration and supervision of the tug fleet, pilotage, dredging, fresh water supply to ships, dredging and surveying. These duties had hitherto been carried out by the Traffic Department and the Engineering Department respectively. Some difficulty was experienced in recruiting individuals with the appropriate qualifications and experience in Marine work.

With the creation of the Marine Department, the Klang Port Authority had 10 departments, namely, Traffic, Secretariat, Accounts, Personnel, Engineering (Planning), Engineering (Maintenance), Security, Management Services and Planning.

New Name For The Port

On the morning of Hari Raya Puasa in 1971, marking the end of the month of Ramadhan, His Royal Highness the Sultan of Selangor, announced a change of name for the port. Port Swettenham was to be re-named Port Kelang. The editorial of the PSA magazine *Pelabuhan* (Vol. 1 No. 3) commented on this event:

06 December 1972: Minister of Transport, Tun Hj. Sardon Hj. Jubir (left) listening intently to Mohamad (the winner of the Port Klang Authority logo drawing contest) explaining his logo. Also present was Tan Sri S.O.K. Ubaidullah, a member from Port Klang Authority.



Since the announcement was made on the auspicious day it is anticipated that the change will augur well for the future of the port. The contributing factor that may have influenced His Royal Highness to this proposal was the rapid development of the Royal Town of Kelang as well as the port. It is His Royal Highness' considered opinion that the time has come for the port to revert to its original name i.e. Port Kelang, which was the name of the port of Selangor, and all early references referred to the port as Port of Kelang.

The editorial cast a retrospective glance at the rapid transformation of the port. The theme was that the port had made tremendous progress.

... it is now the premier port in Malaysia and serves a prosperous hinterland. Originally planned to handle 400,000 tons per annum, Port Kelang now handles around 4 million tons of cargo each year.

During the current year the port handles 12.82 per cent more cargo than in 1969. The tonnage handled is expected to increase each year.

Arrangements were made to amend the *Port Authorities Act 1963* to enable the name of “Kelang Port Authority” to be the legal name of the Authority. A competition was also announced for a new design for the Authority’s crest.

On 12 January 1972, Port Swettenham was officially renamed Port Klang or Port Kelang. In Bahasa Malaysia it began to be called Pelabuhan Kelang. The Port Swettenham Authority was renamed *Kelang Port Authority* in July 1972, after the legal formalities had been complied with.

Trade Welcomes Containerisation

The business community had welcomed the clear policy statement that container facilities would exist at both Penang and Port Klang. Yet, it sought more information, as “the private sector is thus hampered in its own forward planning”. Specifically, the Malaysian International Chamber of Commerce and the other Chambers of Commerce requested advice with regard to distribution and break points.

As a Chamber of Commerce, we are primarily concerned that facilities for carriage and delivery of cargo are efficient in terms of costs, security and time. It is not our direct concern as to who handles container traffic as long as these criteria are met.

On 4 April 1973 in his annual address, the Chamber’s President reiterated the need for detailed guidance.



1971 Construction of Berth 10 in progress.

Finally, it is fair to say that the Ministry of Communications has done and is doing a first class job and if anyone thinks otherwise I would suggest they take a look at a number of overseas countries where services are anything but comparable. However I cannot leave the subject of communications without a reference to containerisation. This is upon us, indeed the first container vessel is due at Port Kelang in August, 1973 and there is a lamentable lack of detailed information on the inland services to be supplied, customs procedures and so on. The early compilation and issue of an explanatory brochure on containerisation would be of value to the private sector.

Planning on Container Handling

Encik Mohamed Zain bin Ahmad, Director General of PKA, presented a paper ‘*Containersiation at Port Klang*’ on 30 June 1973 at the Seminar on Container Traffic, at the MARA Institute of Technology. Mohamed Zain described the initial planning activities on containerisation at Port Klang. As early as 1967, a team of port officials embarked on a study tour of several containerised ports in Europe and America. In the same year, an economic and technical feasibility study for the extension of facilities at Port Swettenham was undertaken. The terms of reference included the following:

To make recommendations on alternative project to meet traffic requirements as estimated and with special reference to development in technology including containerisation bulk and other cargo handling methods and the draught requirement of vessels.

It was becoming apparent that a ‘great leap forward’ was being planned for the expansion of port facilities. The Second Malaysia Plan contained both factual and statistical details, for example, of plans for “ports at Johore and Kuantan and other minor ports”. The shape of things to come was highlighted vividly by Encik Mohamed Zain bin Ahmad.



1971 Wharf construction-general view of deck looking north.

There is no doubt therefore that this is an era of development for the ports of Malaysia. I think we in the port industry deserve it because our ports' development is years behind. The frustration has perhaps ended and gone and with such an end comes the challenge and the excitement of seeing things created and producing result. After all, you cannot have export expansion and economic growth without adequate port capacity and related services. In fact, we in the port have only one straight forward aim to achieve i.e. to give speed with which ships are turned round in our ports at the lowest cost possible. A speedy turn-round of ships means our imports and exports move faster along at least our side of the international cargo belt of flow. Soon, with containerisation, the transport system is such that any breakdown at any part of the system which, being expensive to establish, will equally have expensive undesirable consequence which we can ill afford.

Meanwhile, essential infrastructure had to be planned to enable Port Klang to receive container vessels. It was decided to strengthen 2,000 feet of the available 2,800 feet length at the wharf to accommodate container ships. A new berth for container vessels was to be completed by 1973. A total of 45 acres was also allocated for the container terminal, a very important ancillary for any container wharf. A Port of Singapore Authority publication had the following comment on the need for space for container yards:

... as for containerised cargo, a container berth requires back-up space for the efficient handling and storage of containers of as much as 20 acres.

The initial plan included 18 acres (paved with Stelcon™ slabs) for the storage of containers. It was estimated that 2,000 twenty-foot containers, including refrigerated containers, could be stacked at the site. It was decided that straddle carriers, not transtainers, would be deployed to transfer containers between shipside and landside operations. The use of straddle carriers had its limitations, especially its high cost of maintenance and lower productivity; however, the issue of flexibility of the operational needs, especially to accommodate for the purposes of Customs examinations, was considered before the decision was made.



1973 Front face of partially completed wharf joining Wharves 3 and 4.

The Malaysian Government's decision to make Port Klang the main national container terminal, equipped to handle containers on the Europe-Far East route, was a dramatic step. It must have convinced the shipping lines that the port should be considered seriously in their operational planning. In May 1972, a letter of intent to the Authority was given by a representative of the TRIO Group, stating that their 3rd-generation container vessels would operate a service through Port Klang when the terminal became operational. This was indeed a matter of great satisfaction to those who had made the earlier decisions to press ahead with welcoming the advent of containerisation.

Director-General Zain in his paper had stressed the importance of developing new skills to cope with the challenges of the new phenomenon of containerisation. He frankly pointed out that the advent of containerisation called for new types of workers with new skills". This was indeed a timely word of warning. A new labour saving device did not imply that the human element can be discounted or eliminated altogether. To quote Zain:

Services must be made available by men for the maintenance and repair of specialised equipment. Drivers must be trained to handle sophisticated equipment. The productivity of these operators will increase so that a given volume of cargo will be handled far quicker than the present methods prevailing in the port.

1973, an eventful year

A PKA annual report for 1973 described the year as "the most important and significant year for the Port Authority since its establishment ten years ago".

In 1973, the Board consisted of a Chairman, a Deputy Chairman and 7 members. The Port Authorities Act specified that there should be not less than 7 or more than 9 members:

<i>Chairman</i>	<i>YAM. Raja Datuk Paduka Haji Azam bin Raja Haji Kamaralzaman, D.P.M.B., J.M.N., S.M.S., P.P.T., P.J.K.</i>
<i>Deputy Chairman</i>	<i>Y.B. Datuk Kurnia Indera (Senator J. E. S. Crawford), S.P.M.P., J.M.N., J.P.</i>
<i>Members</i>	<i>YM. Senator Tan Sri S. O. .K.. Ubaidulla, D.P.M.S., J.M.N. Encik P. P. Narayanan. Encik Jalaluddin bin Rahim. Dr. Lee Boon Chim, J.S.M., Hon LLD. Encik Leslie Eu. Encik Mohamad Zain bin Ahmad, J.M.N., B.S.C.(Econ), F.C.I.T. - Director General. Secretary-General, Ministry of Communications.</i>

The Authority was assisted by the following committees consisting of members of the Authority:

- (a) The Finance Committee*
- (b) The Planning Committee*
- (c) The Service Committee*
- (d) The Housing Loan Committee.*

The Minister had the power to appoint a Port Consultative Committee, to advise the Authority. That Consultative Committee consisted of the Chairman of the Authority, the Director-General, and such other persons as the Minister appointed.

Port Klang was called upon to deal with bigger ships, in line with the growing trend towards the deployment of bigger ships. A total of 2,979 ships called at the port in 1973, compared with 3,198 in 1972. Of the total, 32 were container vessels. Although fewer ships may have called, the gross registered tonnage (GRT) had actually increased, because bigger ships kept coming.

The port handled 5.34 million tons of cargo in 1973, of which 5.2 million tons were by conventional means. A total of 9,519 containers (of which 1,864 were 40 feet containers), accounting for 138,842 tons, had passed through the port from August 1973, when the container terminal started operations to the end of the year.

Reform In Labour Relations

Another major event of the year 1973 was the taking over of the cargo handling and stevedoring services from 3 private companies; namely, Eu Lee Shipping, Seng Lee Company, Syarikat Hussein Stevedoring, and PKA's own subsidiary, the Cargo Handling Corporation, on 1 May. In all, 3,710 persons from these

companies were absorbed into the Authority's permanent services. In addition, 1,430 individuals were registered as casual workers. Arising out of the take-over of cargo handling and stevedoring services, two new positions were created in the top management; namely, Director (Planning and General Affairs) and Director (Finance). A new department was also established to take charge of cargo handling and stevedoring.

From PKA's point of view, the absorption of the stevedores and wharf workers meant direct control over the labour force, and the definite initiation of an employer-employee relationship. It may be recalled here that for many years, all dock labour was employed by private contractors. The labour unrest in 1949, 1957 and 1959 has been described in an earlier chapter. Port Klang could not afford to risk instability. The growth of the Malaysian economy demanded a more appropriate arrangement for all port workers. There were numerous examples, in ports of other countries, of unsatisfactory relations between port management and the dock workers. A big weakness in the old system at Port Klang was the deployment of casual workers, and this added uncertainty of a worker's livelihood. The nature of port work was such that a worker was not sure of having regular working days. This not only resulted in underemployment and unemployment, but also provided space for labour unrest, which led to the government taking on a social responsible stand by taking over the casual workers under direct employment.

The number of days on which he would be needed for work was dependent on the number of cargo ships that would call at the port. More ships involved greater demand for workers, while the exact opposite was true during slack periods. A large percentage of the dock workers were literally laid off temporarily.

Under the private contract system, a stevedore *mandor* earned \$7.80 a day, a winchman \$7.10, a hatchman \$6.50 and a deckman \$7.10. There was a minimum of 24 working days a month. A wharf *mandor* received \$5.70 a day and a wharf worker \$4.70 a day for a minimum of 26 or 27 working days a month. Slightly higher rates and allowances were paid for working at night.

Under the port authority, the new system emplaced all workers on monthly salary scales. The old 'daily paid' status was gone. The earnings were no longer dependent on the number of cargo ships coming by. The new monthly salaries were:

<i>Stevedore mandore</i>	\$205
<i>Winchmen</i>	\$190
<i>Hatchman</i>	\$175
<i>Wharf mandore</i>	\$170
<i>Wharf worker</i>	\$145

An annual increment of \$5 was fixed for all categories. Apart from the salaries, all workers received overtime allowances, insurance benefits, housing and higher contributions by PKA to the Employees Provident Fund (EPF). Other 'perks' included an incentive bonus and 12 days of annual leave. The take-over of the workers as regular employees, therefore, ensured continuity of employment for them all. With the coming of containerisation, the demand for workers was definitely going to decrease. If the men had continued to work under the old arrangement, there would have been no alternative but to retrench them. PKA on the other hand, could deploy the workers in a way the stevedoring companies would not be able to do. PKA Director-General Mohamed Zain Ahmad explained:

More casual workers are being recruited to boost the permanent labour force. By 1 July we will have a complement of 147 gangs with 13 men in a gang, as against 92 gangs when we took over. Thus over 700 casual workers will be able to perform most of the workload of stevedoring in the properly organised port, backed up by casual gangs.

All in all, it was a better deal for 2,000 workers. PKA became the largest single employer in the Klang area.

The first container vessel

On what date exactly did containerisation start at Port Klang? The port had been handling containers even in 1972 from conventional ships. However, the port was not fully geared to handle containers as part of a cargo handling system until 1973. The first full container vessel that berthed at Port Klang was the *Tokyo Bay*, belonging to the P&O Steam Navigation Company. Its arrival on 5 August 1973 is generally accepted as the date marking the advent of containerisation in Malaysian ports. A full-page advertisement in the Journal of the Chartered Institute of Transport for 1973 described Port Klang as "Asia's newest container terminal", which was "now fully operational". The equipment already in place included two 35 ton container cranes, 8 straddle carriers, and 12 prime movers. A 30-acre container stacking yard was also ready for use.

For PKA, the outstanding achievement was the completion, in July, of the 2,800 feet North Port Extension wharves, which were intended for conventional and container vessels. Apart from that, the improvements that were given much publicity comprised:

- (i) A container stacking yard that would cover 28 acres eventually.
- (ii) Equipment for handling containers.
- (iii) Container-terminal offices, for documentation of container cargo to be carried out.
- (iv) A container freight station capable of working 38 containers at a time.
- (iv) 3 new godowns for stuffing and unstuffing containers.

- (v) A weighbridge for weighing export containers.
- (vi) 20 reefer points for refrigerated cargo.
- (vii) A control tower for supervising container operations on the wharf.

The second item, “equipment for handling” containers requires some elaboration. It consisted of 2 transporter cranes for servicing the container ships. Each crane weighed about 560 tons, and carried its own diesel generators, so that it did not have to rely on an external power supply. The cranes were capable of lifting both 20-foot and 40-foot containers and the maximum lifting capacity was 40 tons.

Many years of planning, and hard work on the part of all concerned, made containerisation a reality in Port Klang.

Prime Minister Tun Abdul Razak officially declared open the \$86 million project on 28 November 1973. Over 600 guests were present at the ceremony, which was held at Shed No. 14. The dignitaries present included the Deputy Prime Minister, Tun Hussein Onn, Tun Sardon, the communications minister, other cabinet ministers, foreign diplomats and senior government officers. In his address at the ceremony, Tun Abdul Razak described the opening of the extension wharves as an important milestone in the history of Port Klang. He congratulated the



The worlds first third-generation container ship, M.V. Tokyo Bay.

Minister of Transport Tun Hj. Sardon Hj. Jubir welcoming the arrival of the MV Tokyo Bay. Behind the Minister is PKA D-G Hj. Mohd. Zain bin Ahmad.



Authority for the completion of the project on schedule. He regarded this as an example of the success of Malaysia's Second Five Year Plan. He perceived that Port Klang would be expected to meet the growing shipping needs of the West Coast, especially the rapidly developing industrial areas of the Klang Valley and Kuala Lumpur.

Tun Abdul Razak continued with a reference to the container terminal. Although not a very big one, it had placed Malaysia among the advanced countries of the world, in terms of modern transportation technology. He called on the port authorities to take bold steps where the port's development programme was concerned, to revise future projections if necessary, and to extend the scope of services so that there would be no congestion. He made some observations on containerisation:

Containerisation is synonymous with modern shipping and it has come to stay ... The age- old method of moving cargoes in small quantities must give way to the new requirements of container operations ... we must change with the times, unafraid to adopt and use the latest in technological advancement. We must recognise that containerisation will be successful in the long run only if those connected with the service to develop proper coordination with one another. There must be cooperation all along the line and all agencies concerned must make it their joint responsibility in seeing that their respective roles are properly performed.

Containerisation represents a break from the traditional mode of cargo movement and its success requires a change in the attitude of our exporters and importers.

Tun Sardon, in his speech, noted that within a 10-year period, the port progressed rapidly. The tonnage of cargo had increased three-fold and the number of ships calling at the port had doubled - from 1,600 a year to 3,200. He felt that congestion occurred because more ships were calling at the port. The situation could be eased if all port uses cooperated fully with the Authority.

Tun Sardon also announced officially that a National Ports Advisory Council was being set up to coordinate all port matters and to look after staff matters.

Second North Port Expansion

Even before the container terminal was fully complete, it became obvious to the Klang Port Authority that the facility would not be a permanent solution for all their problems. More bulk and general cargo berths would be urgently needed within a very few years.

Coopers and Lybrand (now PriceWaterhouseCoopers) had already been commissioned to carry out a general economic and engineering study. However, while awaiting the submission of that report, (details of which are given later in this chapter) the Authority asked Coode and Partners, who were still working on the supervision of the current project, to advise them on the foundations, dredging and other aspects.

Coode felt that the fundamental decision as to where to construct the next phase of berth development could be taken without any further study. The proposed new berths had to be constructed in a northerly direction, starting from Berth 6 of the North Klang Straits wharves. Further, extension south of the wharves just completed by Zublin was undesirable, because the natural contours were becoming less favourable in this direction. In addition, it had been predicted that siltation rates here would be greater than to the North. Interestingly, the Coode report, *Proposed Extension towards Sungei Puloh*, mentioned Pulau Lumut (now Pulau Indah, where the present West Port is located) as the only other option available.

Clearly, however, this option is open only for the long term, when the potentialities of the present North Port area have been fully exploited.

The Authority wanted 1 berth to be in operation by mid-1976, a second similar one by the end of that year and a 3rd in 1977. As a result of this report, which was submitted in July 1973, the Authority obtained Governmental approval, in October 1973, for an emergency construction programme. Coode's report summed it up in this line:

The quickest and best way of providing additional berths is to negotiate an extension of Ed. Zublin's present contract, adopting the same basic design as has been used for the new container berths.

The "established contractors", as they were called, were Messrs. Ed. Zublin A.G. in a joint venture with Mubibbah Engineering Sdn. Bhd. The award of the contract was made on 18 May 1974, and the signing took place on 28 August 1974 at a ceremony in the PKA headquarters.

Much time was saved because Messrs. Ed. Zublin were still in the area, and they had not yet completed 'demobilisation' after their container terminal contract. Zublin were already familiar with the site, with local conditions and details of the type of construction. On the balance of probabilities, it was appropriate to give them the contract for the Second North Port Expansion.

The project was to be completed in 2 phases. Phase One involved the construction of 2,100 feet of container-cum-conventional wharves together with 1,400 feet of bulk wharves, six bridges, roads and other facilities. 300 acres of swamp had also

to be reclaimed. This land was earmarked for the construction of storage tanks for palm oil and latex. The cost was fixed at \$60.6 million. The 1st phase was to be completed by the middle of 1977.

There was much to be done, apart from the usual designing and planning. Negotiations were held with the Selangor State Government to obtain about 300 acres of land at the Kapar Forest Reserve for alienation to PKA for the project. The negotiations were successful, and the alienation was approved by the State government. By 1974, preparation works such as soil tests, hydrographic surveys, and reclamation of 25 acres for the work site were completed. There was a human problem to be settled too. 5 families of squatters were living at the mouth of Sungei Dua Kechil. The Authority spent \$120,000 to build new houses for these families in an area further north at the mouth of Sungei Puloh.

Phase Two of the 2nd extension works was the part of the infrastructure to be implemented under the 3rd Malaysia Plan period 1976 -1980. The main works were the construction of 2,100 feet of wharves for container and conventional cargo. 200 acres of land had to be reclaimed from mangrove swamps. Another major project was termed "Rationalisation of godowns in South Port". Many of the godowns in the South Port had been built to suit rail operations. In order to accommodate new cargo handling methods, 5 old godowns were demolished to make way for new, larger godowns. The largest of the new godowns had a floor area of 60,000 square feet.

The steady increase in production and export of palm oil was having an impact on Port Klang. The former Quarantine Station area (which has been mentioned in earlier chapters of this book) was earmarked for the construction of giant palm oil installations spread over 13 acres. It was to become known as a 'tank farm'.

Additional facilities for coping with the increasing volume of palm oil passing through the port were being provided, as pointed out by the Director-General of PKA, Hj. Mohamed Zain bin Ahmad, at a Transport seminar on 4 September 1971:

A 550-feet wharf will also be soon constructed at the South Port designed to provide increased facilities for the export of palm oil. A palm oil barge with 500 ton capacity is also under design so as to cope with palm oil exports in the future particularly during peak periods. Palm oil would be loaded on to the barge in time for the arrival of the ship in the anchorage so that palm oil would then be loaded at sea and thus wharf occupation is avoided for ship with palm oil loading tonnage of 500 tons and under.

The project, as described by the Director-General, involved the connection of Wharf No. 3 and Wharf No. 4 to provide an additional 500 feet of wharf space. The greater length was to provide more space for handling 'liquid cargo', which was predominantly, of course, palm oil. Yet another project was the construction

of a new slipway, with the capacity to accommodate vessels up to 160 feet in length and a draft of 14 feet. The intention was to use the slipway not only for PKA's marine craft, but also those operated by the Customs, Police, Marine and other government departments.

Also under construction in 1973 were 10 blocks of flats to accommodate and centralise personnel in the Security and Fire Brigade Departments.

A feasibility study

The *Port Development Feasibility Study* by Coopers and Lybrand contained a thorough analysis of the facilities that would be required at the port to handle the increasing volume of palm oil exports.

The interim report, released in May 1973, described the growth in exports of palm oil through Port Klang since 1967 as spectacular. It cited the following statistics of palm oil exports:

1967	91,100 (tons)
1968	138,900
1969	175,300
1970	183,400
1971	283,700
1972	350,300

The report asserted that methods of shipping palm oil from Malaysia had changed rapidly in the last few years, and there was no reason to assume they had reached the ultimate. Even if the larger vessels could enter and turn in the South Port, draught limitations would prevent them from being fully laden.

This paragraph contains a forceful argument:

A port needs to plan further ahead than the time taken to order and construct a new vessel. Economies of scale in vessel size have been amply demonstrated in other fields such as petroleum. In cargo vessels too, the conventional vessels of around 500-550 feet have given way on some routes to second generation container vessels of 750 feet l.o.a. and now to third generation types of some 960 feet l.o.a.

The consultants conceded that although they could not make any firm prediction on the future size of palm oil carriers, yet there was a strong probability that they would become too large to enter the South Port. Should that happen, they suggested, Malaysian producers would be denied the lower shipping costs resulting from the economies of scale. The consultants also felt that if the South Port were developed as the sole exporting port for bulk liquids, there would be a

tendency for the wharves to be monopolised by tankers. That would drastically reduce the capacity of the port to load smaller parcels of liquids, and dry cargoes simultaneously with liquids, onto general cargo liners.

After more discussion, the conclusion reached was as follows:

It also seems highly probable that the liquid handling facilities at the South Port will have reached full capacity by 1975-76.

We believe therefore that there are strong prima facie arguments for developing liquid handling facilities at the North Port.

One of the advantages of switching a major part of liquid handling facilities outside the South Port, the consultants felt, would be the freeing of South Port wharves to handle more general cargo, particularly for the growing East-West Malaysia and regional trades. In those trades, there was less likelihood of a significant increase in ship sizes beyond the existing conventional cargo liners. The consultants referred to the *1968 Pro-Investment Feasibility Study*, carried out by Messrs. Coode and Partners and the Economic Intelligence Unit, that bulk liquid facilities should be developed at the North Port, with 2 general cargo berths to be equipped by 1972, and 2 more by 1975. It had been further recommended that the feasibility of loading palm oil at the 'wood chips' dolphin berth should be examined. However, in 1969, the *Nathan Report on Transport Development in Malaysia* had suggested that the development of the South Port should be continued for handling of liquid cargoes, and the provision of liquid facilities at the North Port should be the subject of further study.

In a later section of their report, the consultants made the following observation:

In the longer term we see the South Port serving the needs of East-West Malaysia trade. This trade has been growing steadily and will be accelerated by the policy that in principle, inter-Malaysian and coastal trade should be carried by Malaysian-registered vessels and pass through Malaysian ports.

They also expected that more of the transshipment and entrepôt trade for East Malaysia (which was then being handled at Singapore) would be directed to Port Klang, as the principal West Malaysian port for container and general cargoes. The consultants made that bold assertion, because they were confident that it was unlikely that the increased inter-Malaysian and coastal traffic would use vessels any larger than those already coming to the South Port at that time.

The Summary of the Draft Final Report of Coopers and Lybrand's *Port Development Feasibility Study* is easy to read and understand. The consultants put down their findings and recommendations with brevity and clarity. With regard to sites for future development, they started bluntly, "the South Port is not suitable for major extension". They identified 2 major alternative sites as suitable for new

port development; namely, the northward expansion of the North port and the development of a completely new port in the South Klang Straits at Pulau Lumut. Another recommendation was, “it is better to extend the North Port before beginning to develop the South Channel Port”. They based this finding on the central traffic forecasts that there was sufficient space at the North Port to cater for the expansion needs of the port up to 1990.

The need for traffic projections is too self-evident, as far as ports are concerned. “Any port development scheme must be based on estimates of the future throughput of cargo which the port will be required to handle”, to quote the feasibility study. There were no previous forecasts of cargo throughput, except for the very short term. The consultants decided to prepare forecasts of traffic volume for the period 1980 to 1990. The conventional approach would have been to identify and project the main sources of export commodities and the import requirements in the port’s hinterland. It was decided that the conventional approach was not appropriate. Firstly, Port Klang had always served a much wider area for exports than would be represented by the hinterland. Secondly, although it was true that the bulk of imports into Port Klang were for destinations in the port’s normal hinterland, this was not particularly helpful in estimating future import requirements. Also, the role of Port Klang – as the main container port for Malaysia – was going to affect the proportion of imports handled.

In analysing the effects of containerisation on transport modes, the consultants perceived that road transport would have to bear predominantly the burden of container distribution or delivery. 80% of import containers were Full Container Loads (FCLs) that would be in direct transit to the consignee. Also, 90% of import containers would only require short haul trips of 30 miles or less. It was the Kuala Lumpur/Petaling Jaya/Shah Alam region that took 92% of the FCL import containers. This finding was not surprising, in view of the concentration of industrial estates in the Klang Valley region. Even though there would be a fall in the *percentage* of FCL containers destined for the Klang Valley from 92 in 1970 to 87 in 1976, yet the total *number* was expected to escalate from 24,211 in 1970 to 35,145 in 1976. After a lengthy examination of the issue, the consultants concluded that some 100,000 containers would be moving in and out of the port annually by the year 1976. The urgent need for improving access by road to the port area was highlighted.

Other developments

With the advent of container traffic, and owing to the rising volume of cargo, the need to reorganise the engineering sector of PKA became evident. The post of Assistant to Director (Operations) was created in order to co-ordinate the functions of the Authority’s engineering departments. At the same time, the maintenance divisions of the Authority were reorganised, and each section was raised to the status of a Department headed by a Senior Engineer. The new departments created in March 1974 were as follows:

Civil Engineering Maintenance
Electrical Engineering Maintenance
Mechanical Engineering Maintenance (Conventional)
Mechanical Engineering (Container)
Slipway

Although the larger ships were more visible and prominent, Port Klang continued to be open for smaller vessels, and what used to be called “native craft”, too. The tonnage handled in 1973 through “private wharves, private junks and the foreshore” amounted to 1,582,745 tons.

LASH operations started in Port Klang at the end of 1974, and 6,028 tons of rubber and plywood were handled. In 1975, LASH vessels handled 52,203 tons of rubber and plywood. The new technology involved in the handling of containerisation of cargo called for the proper training of the staff concerned. Training for crane-drivers, winchmen, forklift drivers, *mandors* and foremen was provided by the Authority. Even so, the late 1970s were a severe testing time for the port and its facilities. The port was being flooded with containers.

More improvements

Other measures were also adopted in 1974, with the objective of providing the most efficient facilities possible for port operations. Pilotage services were enhanced with the ordering of 6 new launches capable of a speed of more than 20 knots, and equipped with the latest electronic aids. ‘*Sri Selangor*’ and ‘*Sri Kedah*’ were already in service in 1974. Similarly, for hydrographic surveys (an essential function of the Marine Department), a specially designed survey launch, the *Jurukur*, arrived in May 1974. This new vessel carried out various soundings and surveys in and around port waters.

The *Jurukur* was ‘slightly over’ 39 feet long and about 11 feet wide. It was fitted with a ‘Schottel’ rudder propeller, said to be one of the most modern of its kind. The top speed of the survey launch was 15 knots. Before the arrival of *Jurukur*, the Port Authority had only the *Sepang* available for survey operations. An article in *Berita Pelabuhan* (Vol. 3 No.2) mentioned that predecessor of *Jurukur* had not really been designed for survey work, and could only carry out inshore and wharf soundings. *Jurukur*, by contrast, was built to meet survey requirements, and it would enable the Hydrographic Survey Unit to extend its operations to the North and South Channel approaches. This Unit had been formed in 1973. Its main function was to carry out surveys of the waters within the port limits, to ensure the safety of navigation and berthing of ships. Other responsibilities were the fixing of positions of navigational buoys periodically and locating the positions of wrecks.

Why this sudden decision to have a full-scale Hydrographic Unit? The answer will be found in the Coopers and Lybrand's feasibility report, in which the importance of regular soundings is stressed, particularly after dredging has been carried out:

It is vital that the soundings at the North Port are checked at regular intervals immediately after completion of the present dredging contract. This is essential not only to ensure the safety of vessels wishing to cross on a minimum tidal rise, but also to assess the accretion rate which will beat its highest immediately after completion of dredging.

In order to carry out this work the port should, ideally, have the services of their own fully qualified and experienced hydrographer. If the port's own Hydrographic Unit is set up, this would be the basic support group needed when hydraulic field research - current meter readings and float tracks, silt contents, salinity measurements - has to be carried out for specific investigations of channel deepening, siting of berths etc.

The tonnage of conventional cargo handled at the North Port fell from 1,805,626 in 1974 to 1,326,960 in 1975. This decrease in tonnage was the first experienced by the North Port since its opening in 1964.

The export composition, of course, reflected trends in the national economy. There was a decline in the export of rubber, plywood, woodchips, iron ore and timber. Yet there was an increase in the tonnage of exports of palm oil and palm kernel waste. This was another indication of the leading position that palm oil was already occupying in the Malaysian economy.

Changing Trading Pattern

1975 was a bad year for the port in some respects. The world economic recession, and the resultant weak international demand for Malaysia's primary products, had an adverse impact on Port Klang. This can be seen in the statistics of cargo handled:

1974	5,633,926 tons
1975	4,859,282 tons

The cargo handled through the port had declined by 13.7%. Imports through the port declined by 21% over those for the year 1974. Yet, in spite of the overall decline, there was an increase of 24% in containerised cargo. Another happy event was the introduction of new container lines and feeder services, as well as the start of a new container trade route between Malaysian and Australian ports.

Happily for Malaysia and Port Klang, the recession of 1975 did not continue into 1976. The annual report of PKA for 1976 starts off with this sentence:

The recovery of the country's economy in 1976 was reflected in the increase in trade passing through Port Klang.

The annual report also highlighted the important role of Port Klang in the country's economy by citing the 5,280,161 DWT of cargo handled as being 34% of the total value of Peninsular Malaysia's trade.

The number of TEUs handled increased from 49,927 in 1975 to 59,288 in 1976. The new record was achieved, in spite of restricted use of the container berths, owing to repair works on some damaged piles late in the year. Also, there had been an industrial dispute, which led to a slow-down of work at the container terminal in the early part of 1976. The Europe-Far East service remained the major container trade route for Port Klang, but there was an increase in the number of calls paid by feeder vessels bringing containers from Sabah, Sarawak, Indonesia and Singapore. A faster turnaround of ships was also reported, as the average turnaround time of 1.7 days in 1975 was reduced to 1.5 days in 1976. By the end of 1976, the North Port Second Extension project was virtually completed.

A publication by Coode and Partners gives interesting details on the advent of more specialised facilities at all modern ports in the 1970s. The crisis of 1973 had led to a quadrupling of oil prices, and shipping companies were fanatical on the need to cut operational costs which, of course, included fuel consumption and waiting time at ports.

In the mid seventies, largely due to the steep rises in fuel costs, shipowners began to move towards the use of more and more specialised vessels and to demand that ports should provide more of the specialised handling facilities that they required. Port Management has always been well aware that if they are to retain their traffic in competition with the neighbouring ports they must react to such demands, and it was with this in mind that the specialised bulk wharves were commissioned in Port Klang.

Another 'first' was achieved in Port Klang's services, with the inauguration of a ro-ro service between the port and Australia in November 1977. Operated by the ANRO Consortium, the service marked the beginning of 'packaged' timber for export markets. Traditionally, timber was shipped in bundles of about 1.5 tons each. But with the ro-ro facility, a new handling procedure was introduced. Timber was consolidated into jumbo packs of 14 tons each. The time saved by this method was an obvious advantage. PKA decided to allocate a sum of nearly \$11 million for ancillary facilities, including the construction of a ramp at the southern end of Wharf 14, as well as a stacking yard 2 hectares in area. The existing pilot office and Godown 14 were also marked for demolition to make way for ro-ro operations.

A Privy Council case

The Port Authority was the plaintiff in a leading case that was heard and determined by the Privy Council in London. The case is cited as *Port Swettenham Authority v. T. W. Yu and Co. (M) Sdn. Bhd (1978) 2 M.L.J. 137*. The facts were that 93 cases of pharmaceutical goods had been unloaded at Port Klang. The cases were kept in the custody of the Port Authority. Only 23 cases remained when the company went to collect the goods. Some of the missing cases were later recovered from shops in Kuala Lumpur. T.W. Wu and Co. brought a civil action against the Port Authority for breach of contract, and for conversion of the remaining 64 cases. The trial Judge held that there was an obligation on the part of a bailee (in this case the Port Authority) to prove that the loss of any goods bailed to him was not caused by any fault of his or of any of his servants or agents to whom he has entrusted the goods for safe keeping. The Port Authority had failed to discharge the onus that lay upon them.

The Privy Council also held that By-law 91(1) of the *Port Swettenham Authority Bylaws, 1965* was invalid. It was *ultra vires* Section 29(1)(g) of the *Port Authorities Act 1963*, insofar as it purported to limit the Authority's liability in respect of a loss occurring with the actual fault or privity of the Authority. Also, the by-law cited did not only limit but *wholly excluded* the liability of the Port Authority for the loss of any goods caused by their own misconduct for negligence. The burden lay on the Port Authority to show that the goods had not been lost because of their misconduct or on that of their employees, and that the Authority had failed to discharge that onus or burden of proof. Accordingly, he found in favour of the company that filed the action.

When the Port Authority's appeal to the Federal Court was dismissed, it decided to appeal to the then-highest judicial tribunal, the Privy Council in London.

Rt. Hon. Lord Cyril Barnet Salmon, who delivered judgement, dismissed the appeal. He held that the Authority had to prove that they had taken as much care of the goods as an Authority of ordinary prudence would have taken, given similar circumstances, of its own goods of the same bulk, quality and value as the 64 lost cases.

At common law, the onus is always upon the bailee to prove that the loss of any goods bailed to him was not caused by any fault of his or of any of his servants or agents to whom he has entrusted the goods for safe-keeping.

The following extracts from Lord Salmon's decision shed some light on the circumstances that caused the Port Authority to lose its appeal:

Both the trial Judge and the Federal Court took the view that the system of control and the security measures left much to be desired and should have been tightened up. Their Lordships consider that there was every justification

for that view. In particular it seems unfortunate that no record was kept of the goods which were stored in Shed No. 8 for safe custody. This of course must have been known to the defendant's servants (Port employees) whose role it was to look after these goods whilst in the shed.

Even if the system and security precautions had been perfect, the best of systems sometimes break down through the human factor, viz, through negligence or misconduct on the part of those who are employed to work it.

What was most damaging to the Port Authority's case was that it did not call as witnesses any of the men working in the shed whose duty it was to safeguard the goods. Even the man in charge of the shed was not called as a witness. There was accordingly no evidence that these men had taken due care of the goods, or that the 64 cases had not been lost as a result of their negligence or misconduct.

The Privy Council reiterated a well-known principle of the law of contract:

When a bailee puts goods which have been bailed to him in the care of his servants for safe custody, there can be no doubt that the bailee is responsible if the goods are lost through any failure of those servants to take proper care of the goods.

The Port Authority was therefore vicariously liable for the negligence, misconduct or other fault of its employees.

This case is significant, as it was one among many in the common law jurisdictions highlighting the passing away of the exclusion clauses tradition, whereby transport organisations had enjoyed almost total immunity from claims for loss, damage, etc. From now on, the law was tilting clearly on the side of the user or consumer.

Towards the end of 1976, Parliament passed the *Port Authorities (Amendment) Bill* which limited PKA's liability for loss and damage to cargo to \$1,000 while the goods are in its custody. The Malaysian International Chamber of Commerce and Industry (MICCI) expressed regret that no consultation had taken place with the private sector before the Bill was introduced.

Container Woes

A German specialist carried out a study of port operations towards the end of 1976. In his report submitted in 1977, he cited labour problems, and poor use and maintenance of container handling equipment, as the major causes of delay. The PKA embarked on an intensive training programme for the port staff.

Looking back, the inevitable conclusion is that a combination of technical weakness, human errors and some factors beyond the control of the Port Authority led to “the port not being able to give satisfactory service in the three year period 1978 to 1980”. The fire in the South Port had compounded the problems, and there was some loss of morale.

“Empty containers” were pinned down as the cause of the congestion at Port Klang. Apparently, shipping lines did not hesitate to dump these empties at the port; after all, the storage fees were low. Such charges were reported to be much higher elsewhere in the region, compared to the \$4 per TEU per day levied by the PKA. The Malaysian trade pattern was such that exports were mainly primary products, while imports were mostly finished goods. At that period, there were more import loads than export loads, because very little was shipped out in containers (although exports were rising), resulting in an imbalance of empty containers.

The Malayan Railway came to the rescue of the port by offering to transport empty containers from Port Klang to Singapore and Butterworth at reduced rates. The new rates (according to the Malayan Railway’s Director of Commerce) would put the railway on par with some shipping lines which were charging \$225 for transporting the empties by sea to Singapore and Butterworth. The Malayan Railway also offered to stock the empties in the yard space of the Klang railway station at only \$2 per container per day.

There seemed to be no end to suggestions, proposals, constructive criticisms and destructive criticisms all purporting to be relevant to the relief of congestion in the port. One voice thought more space would solve the problem. Another said, “what is needed is better quality equipment”. Yet another asserted that it was not the equipment, but ensuring that equipment was properly handled, and that spare parts were readily available, that mattered. The port worked 3 shifts, but the Customs Department observed government office hours very scrupulously. The press seemed to wait hungrily for sensational news that could become banner headlines. One such headline on 21 November 1979 was *TERMINAL TO CLOSE*, but the body of the report was quite different, as it only said that the port might have to close. Witty, idiomatic phrases were used to describe the woes of Port Klang, like “Port Klang in Deep Water”.

By the end of 1978, the decision makers were already looking at “new frontiers” for the port. Tan Sri V. Manickavasagam, Minister for Transport, was reported in the STAR of 17 October 1979 as saying that beyond 1980, Port Klang could be looking towards Pulau Lumut to expand its facilities to meet cargo traffic increases. The minister also mentioned plans to set up a training centre in Port Klang for workers. There was an increasing need for more trained people, due to the specialised services provided by the port in containerisation, and also to improve conventional cargo handling. In addition, the Port Authority was going to employ consultants to study the choice of suitable sites for future port developments.

Preparing for the Eighties

The volume of cargo handled at Port Klang in 1970 reached an all-time high of 6.59 million DWT. This represented a 12.5% increase over the 5.86 million DWT handled in 1978. The increase in cargo provided the impetus to explore new methods of data processing for port operations. A feasibility study was carried out by a group of local consultants to determine the data processing needs of the port for the period 1980-1984. The 4 most important areas identified were: container system, conventional cargo system, personnel and finance system, and the stores and engineering system.

In 1974, the first full year after the container terminal became operational, the throughput was 41,887 TEUs, and by the year 1979 this figure had risen to 117,281. The forecast was 130,000 TEUs for 1980. That figure again was expected to escalate to 216,000 by 1985. The number of container ships calling at the port had increased from 8 per month in 1974 to an average of 45 in 1979.

The achievement of Port Klang in the 1970s (or the containerisation era) was summed up in these paragraphs in the *4th Malaysia Plan 1981-1985* document, printed in 1981:

A major expansion programme for Port Kelang was undertaken during the decade to enable it to cope with the increased traffic generated by the country's rapid economic growth. The programme included the expansion and extension to the North Kelang Straits by about 2,680 metres of wharves, provision of container facilities, construction of a Roll on-Roll off (RoRo) ramp and specialised facilities for dry bulk terminal as well as on-shore infrastructural facilities. As a result of this programme, Port Kelang increased its capacity to handle traffic from 4,400,000 tons in 1970 to 8,000,000 tons in 1980 and its container throughput increased from 41,900 Twenty Foot-Equivalent Units (TEUs) in 1974 to 134,500 TEUs in 1980.

And so the decade of the 1970s closed with immense confidence in Port Klang that the challenges to be posed by the rapidly increasing volume of cargo expected in the 1980s could be met and dealt with.

The opening sentence in the Authority's annual report for 1980 summed up the problems that plagued the port administration:

1980 was a difficult year for the port with a high incidence of equipment breakdown at the container terminal and shortage of space at the conventional wharves.

However, the report also recorded the deadweight tonnage handled as 6.9 million. This represented a 6% increase over the 1979 throughput. The situation at the container terminal was such that the term "beleaguered terminal" was used in the annual report.

It was estimated that Port Klang had handled 30.2% of the total Peninsular Malaysia trade in 1980. The recession, which lingered on in most developed countries, had an adverse impact on Malaysia's commodity exports. There was an overall decrease of 11% in the production and export of palm oil, rubber and timber. More imports than exports were handled through Port Klang, and this was attributed to the active building and manufacturing sector.

The annual report had a very brief – but highly significant – paragraph about lighterage cargo. The volume of cargo handled by lighters had been falling steadily, as more vessels were berthing alongside the wharves. Only 786,000 tons of cargo were classified as lighterage cargo. This, of course, was a small percentage of the total volume of cargo handled by the port. Port Klang had certainly come a long way from the days when it used to be called a 'lighterage' port.

In early 1980, the Government introduced the Cabotage Policy, which was to be implemented in stages. The aim of this policy was to ensure that eventually, only Malaysian-registered vessels, owned and operated by Malaysians, were allowed to operate in domestic shipping. The Fifth Malaysia Plan 1986-1990 document gave the details pertaining to the growth of Malaysian Shipping.

The number of licences issued to Malaysian-registered vessels by the Domestic Shipping Licensing Board (DSLBS), since the inception of the policy, increased from 164 in 1980 to 440 in 1985. The coastal trade between Peninsular Malaysia and Sabah and Sarawak increased from 2.4 million tons in 1980 to 3.6 million tons in 1985 which, respectively, formed about 29 per cent and 33 per cent of the total seaborne trade of Sabah and Sarawak, during the same period.

The Cabotage Policy helped to foster trade at Port Klang, notably at South Port, which provided the arterial link to all major ports in Sabah and Sarawak. This policy helped in the development of the local shipping industry, particularly in fostering the coastal trade between Peninsular Malaysia and Sabah/Sarawak, which helped in making Port Klang the national load centre.



12 September 1960: Contract documents for the multi-million dollar North Klang Straits Project, consisting of three deep water berths and ancillary works, were signed in Kuala Lumpur. The project was financed by the American Development Loan Fund.

Picture shows the General Manager of Malayan Railways, Mr E. T. Williams signing on behalf of the railway administration.

Seated on the left is Mr K. G. Sorensen who signed on behalf of the contractors.



6 May 1960: Tun Hj. Sardon Hj. Jubir, the Minister of Transport, officiating the opening of the new 350ft extension to the coastal wharf at Port Swettenham. On his left are PSA General Manager, S. M. Ma'rof and C. K. Tang, the contractor.



3 July 1963: Transport Minister, Tun Hj. Sardon Hj. Jubir, addressed a special meeting of the new Port Swettenham Authority held at the Ministry. Also present was the General Manager of Malayan Railways, Tan Sri Ahmad bin Perang, who was Chairman of the now-defunct Port Swettenham Board.



24 April 1965: Tun Hj Sardon Hj Jubir inaugurating the Port Swettenham Authority Building.



Transport Minister and VIPs led around the NKS construction site by PKA senior officials.



7 December 1965: Tun Hj Sardon Hj Jubir inspecting the coastalland reclamation project plan, Klang. Present (from left to right) are PSA D-G Hj. Mohd. Zain bin Ahmad, the Minister, a PSA Board member, Deputy GM Hussein, an unidentified engineer and the PSA Traffic Manager.

Scenes from the Port Klang of Yesteryears



27 April 1968: M.T. Morib under construction at the Sg Ngor Dockyard inaugurated by YB Puan Sri Saadiah Sardon. M.T. Morib is one of the very first few locally-manufactured tugs in Malaysia.



20 October 1966: Over 100 officers and staff of the Port Klang Authority with the spirit of gotong royong working to clear up the slipway area at Port Swettenham.



Labourers hard at work loading and unloading goods at Port Swettenham.



South port in the 60's.

PART SEVEN

GROWTH PAINS & WINDS OF CHANGE

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Not only was Port Klang handling an increasing volume of cargo generated by the rapidly expanding economy, but there were also several new types of cargo that needed to be handled, as the economy moved up the commodity value chain. The economic base of the country that was solely dependent on agricultural commodities was now becoming diversified, and this generated demand for dedicated port facilities, the foremost of which was for the handling of containerised cargo.

Without the benefit of experience and exposure to suitable training and planning, the problems that cropped up with regards to the handling of containers at Port Klang were not totally unexpected. Looking back, the inevitable conclusion is that a combination of technical weakness, human errors and some factors beyond the control of the port authority led to “the port not being able to give satisfactory service in the 3-year period 1978 to 1980”. Of course, some of the problems were not within the influence of the port authority, such as the licensing of forwarding agents, and licensing of only a single container haulier, which were the products of the national industrial policy.



More than 100 firemen in 15 fire engines from Selangor, Kuala Lumpur and Seremban were at the scene to fight the fire.



Several jets of water were trained on the affected area to stem the spread of the raging flames.





An aerial view of the 1980 great fire of Port Klang. From the picture, the devastation of South Port is obvious.

But the woes that presented itself in the early years of the handling of containers at Port Klang were not isolated. Several other ports in the international ports system also experienced similar ‘teething’ problems. Not just in Asia, but several ports in Europe and the US also experienced problems over use of equipment, deployment of labour, and adopting standard operating procedures and rules to deal with the both shipside and landside handling of containers.

The storage of empty containers at the port that strained the landside capacity, for instance, was totally unexpected. Re-positioning of empty containers is an important part of container shipping, as shipping lines balanced the storage of their containers between a container deficit and surplus port. Port Klang, by virtue of its location and its low rates for the storage of empty containers, was particularly attractive to shipping lines, which led to the problem of extreme space constraints.

All in all, Port Klang continued to face testing times through 1980 in its expanding role as the principal sea outlet in the national economy, and had to grapple with several issues. As if coping with the growth pangs was not enough for the port, on a fateful day in June, just before the break of dawn, a calamity with severe consequences laid bare the port’s weakness; its inability to continually enforce its rules and regulations with the changing composition of cargo.

A Major Port Disaster

The rapid growth of Port Klang, and the changing composition of cargo in line with the nation’s rapid industrialisation, added pressure on the port to enhance safety and security measures relating to the storage and handling of the ever-growing variety of industrial cargoes. The inability to keep up, and the strain of enforcement of these procedures, culminated on 5 June 1980 to produce what was probably one of the worst port disasters in the world.

Three loud pre-dawn explosions rocked Port Klang on 5 June before fire swept through the South Port killing three, injuring more than 200 and badly damaging 20 warehouses and millions of dollars’ worth of cargo.

Entourage comprising high-level government officials visiting victims of the fire.





Tun Hussein Onn examining a piece of wreckage from the fire, while CPO Tan Sri P. Alagendra explains its significance to the investigation.



Tun Dr Mahathir Mohamad surveying the affected area accompanied by Y.B. Dato S. Govinda Raj (left), CPO Tan Sri P. Alagendra (right), and port officials.

That does sound sensational. This report appeared in the of 4 January 1981, exactly 6 months after the event, bringing attention to the fact that the report of the investigation into the fire was still awaited.

At about 4 a.m. that day, a fire broke out in the South Port. Several explosions were heard in quick succession, according to persons who were interviewed by the police and the press. The rapid spread of flames engulfed 7 godowns, 6 high portal cranes and 5 trailers. The blast also shattered windows in some houses in Port Klang town. 3 people were killed and at least 200 were injured in what was described as one of the worst industrial disasters that hit the country. Some regard this fire as the worst experienced in the country. The South Port had to be closed until the engineers could study the extent of the damage and decide that it was safe for ships to resume their calls. Fortunately, the fire did not spread to the liquid bulk terminal. Being situated in the extreme south of the port, the liquid bulk terminal sustained very little damage except for some shattered windows.

Losses were heavy, as the temporary closure of the South Port disrupted the normal flow of exports. The South Port was called “the lifeline of the country’s liquid trade”. Ships had to be diverted to the North Port, but even so, it was not an ideal remedy.

There were no liquid bulking facilities at the North Port in that period. Containerised traffic was not affected, as that was handled entirely by the North Port.

Among those who sustained injuries in the mishap was Datuk M. Rajasingam, Director of Operations (later GM). He had rushed to the port area on being informed of the fire. As he was moving around and giving orders for some vessels to move away from the berths, he and some others were thrown in the air as another explosion occurred. Rajasingam was hurt, but he managed to limp away in search of assistance. He and other casualties were warded in the Klang General Hospital for some weeks.

It was one of the worst fires the country had witnessed. The port's fire brigade was unable to cope with the huge conflagration. Fire engines from as far as Seremban, 150 km away, rushed to the South Port. The fire was brought under control by about 7 a.m.

Exhaustive tests had to be carried out to determine if the foundations of the 2 coastal berths were affected by the blast. A team of engineers, headed by the Chief Port Engineer, surveyed the extent of the damage to the wharf structures. They were able to confirm 5 days later that Wharves 2, 3 and 4 were in good condition and safe for the berthing of vessels.

Coastal vessels always docked at the South Port. They too, had to be diverted to the North Port for discharge of their cargoes. Coastal traffic operations were disrupted for a period of 2 weeks following the fire.

Rubber shipments were not affected, as only a few months before the tragedy, it had been decided that all dry rubber exports should be handled by the North Port. The closure of the port led to severe pressure for some time on Penang, as shipping lines decided to use that northern port.

The Prime Minister, Tun Hussein Onn Jaffar, visited the scene of the fire. He also visited the victims of the fire who had been admitted to the Klang General Hospital. The prime minister was reported to have said:

It is hoped that the Port Klang Authority, the various ministries and others directly involved will from now on give strong consideration to safety not only at Port Klang but to other ports as well.

There was much speculation over the possible cause of the fire. An official investigation was instituted, but the report was not available until a year or more later, as the Cabinet decided not to make the report public. The fire brought about some re-thinking and re-consideration of plans for the future development of Port Klang facilities. Meeting the press on 24 June, the Minister for Transport, Tan Sri Lee San Choon, announced that more facilities would be developed to meet the needs of the coastal trade with East Malaysian ports. He was optimistic that

all the necessary repairs to the 5 godowns that catered exclusively for cargo for East Malaysia would be completed by 18 July. Power supplies had been restored. The railway line to the South Port had been restored, and palm oil and latex were being conveyed by railway wagons to the port for shipment.

Wharf 16 was designated to service coastal ships. The wharf, about 700 feet long, was capable of berthing 2 medium-sized coastal vessels at a time. It also had a 'supporting' transit shed, 60,000 square feet in area.

The Port Authority was concerned, lest damage had been caused to the pipelines used to discharge liquid bulk commodities like latex and palm oil. The extent to which there was reliance on South Port for export of liquid items can be gauged from the quantities shipped out by private firms in 1979:

<i>Latex</i>	<i>106,000 tonnes</i>
<i>Palm oil</i>	<i>619,510 tonnes</i>
<i>Palm kernel oil</i>	<i>117,942 tonnes</i>
<i>Coconut oil</i>	<i>11,822 tonnes</i>

What went wrong at South Port? That was the question on everyone's minds for a long time. It would have been unusual if rumours, theories and comments had not been exchanged. Stories circulated freely, attributing the fire to the storage of unauthorised explosives in one of the godowns. On 19 November 1980, the Deputy Transport Minister publicly stated that a police report had pinpointed oxyacetylene cylinders as the cause of the powerful explosion that had ripped the godowns at Port Klang on 5 June.

Meanwhile, there was no let-up in the volume of containers handled at the port. The increasing volume of containers handled at Port Klang, and the incessant congestion on account of constraint in the landside capacity to handle the containers that needed to be moved to and from inland points, required a re-think on the Government policy that conferred the monopoly of movement of containers to a single haulier, namely Kontena Nasional Sdn Bhd.

The Deputy Transport Minister, Dato' Dr. Goh Cheng Teik, spoke on '*Port Klang: Past, Present and Future*' at a weekly luncheon of the Klang Rotary Club. Dr. Goh touched on essential features of Port Klang and how it was coping with contemporary challenges.

It takes two to tango. All agencies concerned, the Port Authority, the supporting departments or port users will have to play their part. We need to work as a team to achieve the desired goal, namely an efficient transport service at the nation's premier port.

Dato' Dr. Goh pointed out that the number of containers handled at Port Klang had jumped three-fold to 127,055 TEUs in 1980 from 41,881 in 1974. He said in 1981, Port Klang expected to handle 150,000 TEUs. The number would definitely rise, as container transport was cheaper than conventional transport. It also offered a faster turnaround of ships.

PKA was getting to grips with the problem of delays, he asserted. The port would have more straddle carriers by September. Workers would also be trained in the proper upkeep of the machines. PKA had set a target to handle 18 containers an hour between 'ship and wharf' by March. It had been possible to raise the container handling per gantry crane to 15 containers per hour in the new year (1981), from only 8 containers per hour in 1980. Dr. Goh appealed to port users to do their part to cut down delay. They could, for example, obtain the required banking facilities and factory premises promptly, to ensure smooth and swift clearances of containers.

Winds of Change

Systemic changes were needed to address the problems arising from the handling of containers. Among the measures adopted to relieve congestion in the port was the decision to license a second haulier to transport containers between Port Klang and the rest of the country, following a visit to the port by the Deputy Prime Minister. Along with the announcement of the additional haulier, the green-light was also given to expedite the construction of the North Klang by-pass highway that will enable container hauliers to by-pass Port Klang town.

It was welcome news when the Deputy Prime Minister Tun Musa Hitam announced that the long postponed North Klang Straits by-pass construction works would commence after all. Actually, work had started off, but there were delays due to one reason or another. The by-pass was intended to relieve the congestion on the old roads leading to the port areas. The only access to the North Port had been through Jalan Pelabuhan, a single line carriageway built in 1963. Cargo handled through Port Klang had increased by leaps and bounds, reaching 3 million tonnes in 1969. Port Klang and Klang became synonymous with traffic jams. With the advent of container traffic, the road access problem worsened.

The daily traffic jams were often blamed as a contributory factor in the late delivery of containers in the Klang Valley region. A survey carried out in the early 1980s revealed that on the average, 2,500 trucks entered and left the North and South Ports daily. 1,400 trucks headed for or left the North Port, while the South Port had to deal with at least 1,000 trucks a day. The North Klang Bypass was planned as a single-lane carriageway, with the understanding that sometime in the not-too-distant future, it would be widened into a dual-carriageway.

Perhaps a more important development in the process flow in the container handling at the port came with the decision to implement the 3rd shift for Customs to provide around-the-clock service, consistent with the requirement of the new handling technology that required speedier documentation processing.

For every problem, there is a solution. This axiom could not be further from the truth for Port Klang, as it stepped into the new year, 1981, with more than just hopes; ready to put its past behind it, and look ahead with confidence to serving the expanding economy. 1981 marked a new beginning... change was coming.

In the first week of January 1981, Encik Hashir Abdullah was appointed GM of PKA. It was the first time, since the port authority was constituted, that someone from the ranks of Port Klang Authority had been chosen as its chief executive. The former Deputy GM took over from Dato' Hj Harun Din, who was transferred to the Public Services Department (PSD). The new GM had joined the port service in 1964 as the chief accountant. He had also served as the managing director of Cargo Handling Corporation, and chairman of the Port Transport Council. Before being appointed Deputy GM, he had been Director of Operations.

On 20 January 1981, Shapadu Kontena Sdn. Bhd. joined Kontena Nasional Sdn. Bhd. in the inland haulage of containers, breaking the monopoly held by Kontena Nasional Sdn. Bhd. Kontena Nasional (KN) had been operating the container service alone during the 10 previous years. KN had commenced operations in December 1973 as a joint venture between Pernas, MARA and the national shipping line MISC. Its main function was to provide transport for containers between Port Klang, Petaling Jaya, and Kuala Lumpur to Ipoh, as well as from Johore Bahru to Singapore. Kontena Nasional also owned an inland container depot in Sungei Way, close to Petaling Jaya.

Shapadu had spent about \$9 million in constructing its container yard and depot near the North Port. Its service was initially confined to the Klang Valley. The licensing of Shapadu Kontena marked an important shift in government policy, meaning it was now ready to look into efficiencies in the delivery system that was critical to a trade-dependent economy. At the height of the congestion nightmare at the end of 1980, a special task force had been formed to review all aspects of the problem, and to find appropriate solutions. The decision to license an additional container haulier was among the solutions. The Transport Minister's Secretary-General, Dato' Mohd Noor Hassan, was the chairman. At the end of January 1981, the task force met again. The *Business Times* of 31 January 1981 reported that the major findings of the task force would be embodied in the Fourth Malaysia Plan, which was due to take off in mid-1981.

Developments at Port Klang attracted the attention of more than just the shipping community. The Sultan of Selangor was accorded a red carpet welcome, when he paid a visit to the North Port and the South Port on 23 January 1981. The royal personage was met by the *Menteri Besar* of Selangor, Transport Minister

Dato' Lee San Choon, Deputy Transport Minister Dato' Dr. Goh Cheng Teik, senior Ministry officials and senior port officers. This royal visit, and the keen interest the Sultan took in various aspects of port operations, was a morale booster for PKA. The *New Straits Times* reported that the Sultan was given a briefing on development plans.

The Sultan was pleased to note the rapid progress made in the port area. He was particularly interested in plans for port development at Pulau Lumut (now Pulau Indah) facing the North Port. The development of the new port facilities at Pulau Lumut was announced in the *Fourth Malaysia Plan (1981-1985)*. His Royal Highness suggested that PKA build a first-class restaurant at the mouth of the Klang River and an esplanade, if possible. He also suggested a warship to be stationed at the deep water point area, to serve as a tourist attraction and a security measure

Meanwhile, Port Klang was striving hard to regain its good image that had been adversely affected by the June 1980 fire and the complaints of congestion.

Improvements were beginning to be noted by the media. The container clearance capacity at different ports was published in the *Star* on 9 June 1981. The Deputy Transport Minister announced that Port Klang's container handling of 16 boxes per hour was better than Southampton's 13, "but Singapore can handle 19 boxes for the same time".

The *New Straits Times* editorial on 17 July 1981 was titled "*Not Bad At All*". It praised PKA for the improvements in the port.

No container congestion since January this year! A marvellous change indeed from the persistent pile-ups so characteristic of Port Klang over the years. A swift rise in the rate of container handling ... this trend should be sustained to renew national and international faith in the port

This good news could not have come more timely, as a day earlier, on 16 July 1981, Tun Dr. Mahathir Mohammed was sworn in as the 4th Prime Minister of Malaysia. It was Dr. Mahathir who later became the architect of change, by rolling out a new national development policy that included a reform of the port industry and, as we will see in later sections of this publication, transformed Port Klang from a port operator to a regulator.

The *Star* published an article by Vong Nyam Ming on 21 August, complimenting the new GM. "The port is now operating more smoothly than it has ever in the past", the article declared. R. Nadeswaran, in the *Malay Mail* of 26 August 1981, headed his article "*Cargo Jam's Now History*".

If the pains caused by the congestion at the container terminal gave birth to Shapadu Kontena, there were also positive developments arising from other misfortunes faced by the port. In June 1981, exactly 1 year after the big fire, a port fire department spokesman was reported to have said that more firemen were going to be recruited. New fire engines were also being ordered. Stricter regulations had been drafted on the storing of highly inflammable material in the godowns. More spot checks were also going to be carried out.

More importantly, it underscored the need for the port authority to tighten its rules and regulations with regards to the handling of hazardous materials, in line with the International Maritime Organisation's (IMO) rules on handling of dangerous goods.

On 5 August 1983, PKA commemorated the 10th anniversary of its container terminal services. The first container was handled on 5 August 1973, and the millionth container on 8 July 1983. The PKA GM commented that container traffic was growing steadily, and it had risen by 17% per annum since 1973. Everyone looked forward to computerisation of the operations.

The facilities at the terminal as of 1983 were impressive. The 24 hectare stacking yard had a storage capacity for 10,806 containers. The terminal had 3 container berths, of which 2 could accommodate the largest 3rd generation container ship of 60,000 displacement tonnes. There were 4 container cranes at the terminal. By the end of the year, a 5th crane had been commissioned for service.

The GM's message on the 10th anniversary was a commitment to the successful achievement of the twin goals of better corporate image and increased tonnage. PKA held a reception for the staff and port users to celebrate the occasion.

August 1983 also marked the conclusion of the expansion programme of the North Port, with the construction of Berths 19, 20 and 21. North Port now had a wharf frontage nearly 4 kilometres in length, stretching from Berth 8 to 25 in an almost straight line. The 3 new berths allowed an additional 4 ships to work alongside at any given time. Waiting time for ships was thus reduced.

When it was opened for traffic on 27 December 1969, North Port had 4 berths, 4 transit sheds and 4 warehouses. 14 years later in August 1983, it had 18 berths, 7 transit sheds, 18 warehouses, all equipped with the most modern facilities to attend to various cargo handling operations; ranging from conventional cargo to containers, LASH and ro-ro, to dry and liquid bulk.

Port employees were introduced to a new dimension connected with their working environment, when an art exhibition was mounted for them in PKA's main office building in Jalan Pelabuhan. The theme of this rare art exhibition was 'The Golden Age of Sail', and it consisted of paintings by Joseph R. Comish, a renowned American painter who concentrated on maritime themes. The American Ambassador, His Excellency Ronald D. Palmer, officiated at the opening ceremony. Among the sponsors of the exhibition were the Port of Tacoma, Washington State U.S.A., EAC Lines and the United States Information Service. The exhibition, which was open to the public from 19 July to 30 August 1983, was well attended.

Bulk cargo

A publication of the UN Conference on Trade and Development (UNCTAD), in describing the role of bulk terminals, asserted that the majority of bulk terminals serving the energy and mining sectors were simply links in the raw commodity transport chains, moving crude oil, iron ore, coal, bauxite and so on. Most of the importing terminals were located in industrial ports that were hubs of industrialisation, and this trend to establish industrial ports was already being followed by some developing countries. In the 1980s, Port Klang was paying serious attention to the facilities for handling dry bulk cargo and liquid bulk cargo. "The main trend in the future will be towards specialised ships handling uniform cargoes at specialised berths", to quote an expert forecast.

The genesis of the idea that bulk dry cargo and bulk liquid berths should be located in the North Port area can be traced to the early 1970s. The *Port Development Feasibility Study* of September 1973 had presented a convincing case for the location of bulk liquid facilities at the northern extremity of the port extension. It was argued that the land available behind those wharves was severely restricted by Sungei Puloh. The site was not so suitable for wharves that had to handle dry cargo. Most parcel tankers that called at Port Klang could not load to their full capacity, because of the draught limitations at the inner bar to the South Port. Some even proceeded to another port like Singapore to complete loading. This would no longer be necessary if new deep water wharves were developed for handling bulk liquid cargo in the North Port.

Although methods of shipping palm oil from Malaysia had changed rapidly over the years, there was no reason to assume that they had reached the ultimate. There was a time when most liquid bulk exports were made in the bottom and wing tanks of conventional cargo liners. But by the mid-1970s, virtually all palm oil was being shipped in bulk parcel tankers of up to 25,000 to 30,000 DWT. Many of those vessels were 560 feet by 35 feet, maximum laden draught, but some were up to 602 feet and 614 feet in length. Even

if these vessels could enter and turn in the South Port, draught limitations would prevent them from being fully laden. In dealing with this topic, the experts concluded with a sentence giving some food for thought:

...a port needs to plan further ahead than the time taken to order and construct a vessel.

Whilst we cannot make any prediction on the future size of palm oil carriers, there is a strong probability that they will become too large to enter the South Port. Should this happen, Malaysian producers would be denied the lower shipping costs resulting from the economies of scale ... the same general considerations apply to the shipment of all bulk liquid cargoes.

Regarding bulk cargo also, there were advantages in the North Port area. It was estimated that by the year 1990, a total of 40 acres would be needed for storage and distribution facilities for fertiliser and sugar imports alone. The principal benefits of providing facilities for bulk fertiliser imports at the North Port would be:

- (a) transferring the bulk fertiliser imports to the new wharves would save berth space at the general cargo wharves;*
- (b) the handling costs of bagged fertiliser from ship to storage would be saved;*
- (c) substantial savings would result from the use of bulk carriers instead of carrying fertiliser in bags;*
- (d) freight rates would be lower as a result of the ability to accommodate large specialised vessels.*



The M.V. Frankfurt Express, which saw the handling of Port Klang's 1,000,000th TEU.

The year 1982 ended on a happy note. Before 1982 came to an end, on 22 December to be exact, the one millionth TEU had been landed. A ceremony witnessed by 300 people was held in the North Port to commemorate the event.

The Star report described how 12 *kompang* drums and hundreds of balloons and streamers heralded the unloading of a cargo of 10 tonnes of onions from the good ship M.V. *Frankfurt Express*. With that cargo, the million TEU mark was reached. The PKA GM presented a plaque to the master of the vessel, Captain Werner Boels.

The GM of PKA, Hashir Abdullah, attended the Marintec China '83 Conference in Shanghai, in August. He presented a paper on the operating experience and practical implementation of cargo handling systems in a developing port. The GM gave a historical overview of the port, and its operating styles as a railway port. He then commented on contemporary challenges that were confronting Port Klang as a result of the rapid industrialisation of the Malaysian economy. The old manual handling of cargo had given way to the new mechanised handling. The port, having adopted the mechanised handling system, also encouraged the unitisation and palletisation of cargoes. Specially reduced tariff rates were offered to all cargo units that were amenable to forklift operations. The GM's presentation would have vividly conveyed to his audience that Port Klang was no longer the port where a labour-intensive and leisurely mode of cargo-handling was taking place. Time was everything for the new types of ships. They wanted to come only to load or to unload and then move away. Waiting time at any port was going to be reduced even more in the future. The implications for port efficiency were pretty obvious.

The rationale for the construction of sophisticated handling facilities for dry bulk cargo at Port Klang can be briefly stated. A feasibility and preliminary survey, carried out in 1979, confirmed that the bulk transloading facilities at Port Klang were inadequate, resulting in low annual throughput per berth, as well as high costs and uneconomic utilisation of the existing pier and infrastructure. At the same time, the annual transloading rate for Port Klang projected to 1985 was approximately 600,000 tonnes for imports and 120,000 tonnes for exports. The imported materials were mainly fertilisers of various kinds, chemicals, and animal feeds.

A bulk wharf 1,400 feet in length had been constructed as part of the North Port Second Extension Project, with provision for installing dry bulk handling equipment in the future. The project, started in 1980, was completed in 1983. PKA felt the time had come to provide even better facilities for the bulk handling of the following import commodities: sugar, salt, phosphate, potash, urea, wheat, maize, sorghum and soyabean meal. The principal dry bulk cargo item for export at that time was palm kernel waste. About 80,000 tonnes of palletised palm kernel and palm kernel waste per annum were exported from Port Klang. There was a strong likelihood of greater volumes of dry bulk cargo items being landed at Port Klang in the future. A local agent had intimated to the Port Authority that his principals would be importing 160,000-240,000 tonnes of animal feed per annum through the port in the near future.

Most of the bulk carrying vessels were 5,000 to 15,000 DWT in size, but there were indications that vessels would be much larger in the future, and some ports were preparing to handle 30,000 DWT vessels already. The single bulk wharf was able to accommodate only 2 vessels. The degree of mechanisation in the method of handling dry bulk material in 1979 was described as 'low'. Ships' gears were used to unload dry bulk cargo imports from ships into a funnel-shaped hopper, under which tipper lorries queued up to carry the commodity away to nearby godowns. Here, the bulk material was bagged manually and distributed by lorries to different parts of the country.

Central Sugars Bhd. was the only firm using the facilities of North Port from 1978 for importing raw sugar for their refinery in Shah Alam. Their imports of raw sugar exceeded 100,000 tonnes a year. The firm used the chain conveyor system in another wharf, leading to a 400 feet by 200 feet godown, which they had leased from PKA for storage and distribution purposes.

The feasibility study had described the realities of bulk cargo handling, and pointed out it was wrong to assume the unloading "a full load with only one commodity which is free flowing". Ultimately, in practice, different bulk materials were handled with a wide range of characteristics.

As for exports, the palm kernel waste was bagged at the factory and transported by lorry to the wharf, to be unloaded manually into net slings. The bags were lifted by the ship's gears into the hatches, where workers would cut open the bags. As can be seen from the description, this was a very low rate of transloading. Raw wheat and sugar were transloaded at private wharves, where the importers/owners had installed mechanised handling facilities. Experience in other ports had shown that no port congestion occurred if the handling rates of ship-loading and unloading equipment were based on at least 120 days of operation per year.

The completion of the liquid bulk terminal costing \$8 million was a tremendous relief to the Authority and port users alike. It was therefore a landmark event that took place on 29 March 1982, with the opening of the new berth for large vessels of 60,000 DWT to load and unload liquid cargo at the North Port. This was a great boon to exporters of palm oil, latex, coconut oil and petroleum products. Before this, vessels had to use the liquid bulk terminal berth in South Port. The June 1980 fire had shown the vulnerability of the old arrangement. The South Port terminal would continue to be used, but only for ships of limited size, according to the GM of PKA. The demand for facilities at the port for the import and export of liquid cargo had increased greatly over the years. The first ship to use the new facility was the M.V. *Jong Woon*, which loaded 3,600 tonnes of palm oil at the rate of 2,000 tonnes per hour.

The dry bulk terminal, situated on 13.2 hectares of land, had 2 giant bulk handling cranes, a conveyor belt system and 2 warehouses. The terminal was already operating on a trial basis since February 1982, and was scheduled to be officially opened some time in 1983. The dry bulk cargoes for which the terminal was specially constructed to handle were fertilisers, animal feed and salt.

On 25 May 1983, the largest vessel ever to call at the port berthed at Wharf No. 19. The dry bulk carrier M.V. *Maersk Sentosa*, 224.5 metres long and 32.2 metres wide, called to collect 7,000 tonnes of palm kernel before leaving for Sri Lanka.

The Ro-Ro Facility

Not long after containerisation marked a revolutionary change in cargo handling at Port Klang, another major development in cargo handling was taking place to cater for conventional cargoes that could not be lowered or dropped into the cargo holds. Cargoes on wheels, including vehicles and machineries, could be handled with greater efficiency if the cargoes could be 'driven' into the cargo holds of the ships. The shipping line that pioneered the handling of such cargoes in this region was the Australian National Line, which was already calling at Port Klang. It was making a major technological

leap in cargo handling of the day, and Port Klang had to respond to the demands of the trade. Since ro-ro ships loaded (and unloaded) cargo on wheels, this required special ramps to drive the cargo into the ship. Building these ramps were expensive, but Port Klang had little choice, since the trade served by ANL between Port Klang and the Australian ports was important.

PKA decide that it was also appropriate to provide roll on-roll off facilities at the North Port. Tender notices were published in March 1978. The project involved breaking out certain portions of the reinforced concrete deck of the wharf at Berth 14, manufacturing and driving additional piles and reconstructing the deck in reinforced concrete. It was decided that a fixed shore ramp (bridge and wharf) and an articulated steel bridge section will be built with the necessary lifting mechanism, together with berthing dolphins, pivot anchor block and footbridges.

On 25 March 1983, the Chairman of PKA, Datuk Hashim, addressed the gathering. It was PKA's get-together for 1983 at Hotel Merlin. Datuk Hashim 'talked shop' for some time. He cited facts and figures on the performance of Port Klang in 1982. It had been a good year in spite of the worldwide recession. The port, for the first time in its history, had handled more than 10 million tonnes of cargo. This was 660,000 tonnes more than in 1981. The giant public projects like Dayabumi and Port Klang power station had

A QUEEN COMES CALLING...

Queen Elizabeth II, the world's most famous luxury liner, docked at Port Klang on 23 February 1982. The ship was welcomed by the beats of a thousand *kompang* and *gendang ubi* drums. This was the liner's maiden visit to Port Klang on its round-the-world-in 80-days cruise. The Sultan of Selangor, the Tunku Ampuan and the



Cunard Line's former flagship (1969-2004), R.M.S. Queen Elizabeth II. This grand old lady was the longest serving ship in Cunard's service, before being decommissioned from its service on 26 November 2008. Following the visit to Port Klang in 1982, she took part as a troop transport ship during the Falkland Wars.

Sultan of Kelantan and Tunku Ampuan of Kelantan were also passengers on board the ocean liner. The Deputy Minister of Trade and Industry, Dato' Liew Sip Hon, delivered a welcoming address. He hoped the visit would mark the beginning of a new era, and that Port Klang would be included as a regular port of call for the famous liner on its annual round-the-world cruises. One local paper published statistics of all the food carried on board the vessel: "16,200 kg. of lamb, 5,400 kg. of veal, etc".

their impact on Port Klang. Vast imports of iron, steel and other materials were pouring into the port. 435,000 tonnes of rubber and 833,000 tonnes of timber left through Port Klang in the past year.

The star performer was palm oil. 934,000 tonnes of this commodity were exported from Port Klang. Chief import items were petroleum products, vehicle parts, wheat, maize, rice and sugar. In the category of general cargo, there had been an 11% increase.

The Chairman was happy to report that the port was able to cope with the increasing number of containers. 157,231 TEUs had been dealt with, compared to 148,305 boxes in 1981. "Containerised cargo now accounts for 24% of total throughput through Port Klang", he said. The ships' turnaround time had also improved. Whereas in 1980 a container ship averaged 1.07 days in port, in 1981 this was reduced to 0.79 of a day, while in 1982, it was further reduced to 0.55 of a day.

He was able to report similar improvements with the conventional foreign ships. In 1970, their average port stay was 3.2 days, but in 1981 it was down to 2.2 days, and in 1982, it was reduced further to 1.9 days.

The Chairman also gave a brief survey of projects and plans for expansion in Port Klang "in the rest of the year 1983":

- (a) *new dolphin wharves in the North Port for tankers up to 60,000 displacement tonnes.*
- (b) *3 new berths with a total length of 639 metres.*
- (c) *Fully computerized operations at the container terminal.*
- (d) *A fifth container gantry crane.*
- (e) *Updated regulations for handling and storage of dangerous goods.*

Datuk Hashim revealed that "preparations for port expansion project in Pulau Lumut are under way already". PKA was confident it could handle the expected 11,000,000 tonnes of cargo from 4,550 ships during the year 1983.

The *New Straits Times* editorial "Difficult Passage" of 14 April 1983 began with an appreciation of Port Klang's record in 1982. This is an extract:

The Port Kelang Authority is understandably pleased with its performance last year and has a wealth of figures to illustrate its achievement. The world-wide slowdown did not stop Port Klang from becoming the first Malaysian port to handle more than 10 million tonnes a year (10.54 million to be exact). The average turnaround time of container ships was brought down from 1.07 day in 1980 to 0.55 day in 1982. Large shippers have been calling at Singapore and will have to continue using the port facilities at Singapore until the North Channel to Port Klang is dredged to a depth passable to vessels drawing a draught of more than 10 metres.

The last paragraph was somewhat critical that appropriate action was not taken earlier:

It is going to cost shippers quite a bit to have their cargo transshipped ... It was known as long ago as a couple of years that the problem of siltation was threatening free passage. Why wasn't the portent heeded and action taken sooner?

Port of Registry

It was certainly a surprise that Port Klang did not acquire the status of a “port of registry” until 6 June 1983. It became the 4th port in Malaysia to be accorded that important role. The 3 other ports that were already functioning as ports of registry were Penang, Labuan and Kuching. As early as 1950, D.F. Allen had written about this matter in his Report on the Major Ports of Malaya:

It may ultimately be desirable for Port Swettenham to be declared a Port of Registry, but a question may well arise whether ships registered there should fly the Federation flag instead of the red Ensign. For practical purposes it is preferable that they should fly the Red Ensign.

The Red Ensign is really a special form of the British flag, Union Jack, flown by ships registered in Britain or its territories. The flag in question was, of course, no longer relevant when Malaya became an independent nation in 1957.

Penang had been part of the Straits Settlements Colony, while Kuching and Labuan had been accorded port of registry status when they, too, were under colonial rule. By the 1980s, Port Klang had certainly earned that status by virtue of the volume of cargo it handled, the modern facilities it boasted and its location in a growing industrial region.



Tun Hussein Onn at the fire scene.

PART EIGHT

PRIVATISATION AND THE PORT

PRIVATISATION AND THE PORT

Privatisation was perhaps the most important national policy that impacted on the development of Port Klang since it was set up as Port Swettenham in 1901. It was the most important port reform, which affected the structural form, function and role of Port Klang Authority, and the manner in which port facilities and services at Port Klang were operated. Given the challenging times Port Klang faced, with rapid changes in cargo handling, and shipping technology and patterns, privatisation could not have come sooner as an instrument of port reform.

Generally, privatisation was pursued by the government to improve the level of economic efficiency, to fulfill the objectives of the New Economic Policy, as well as to reduce the financial and administrative burden of the government (especially in public sector utilities).

On fundamental aspects of privatisation, the Economic Planning Unit's (EPU) *Guidelines on Privatisation* was the prime document for economists and other planners. It defined the concept of privatisation, the objectives, and the possible forms that privatisation could take.

The EPU defined "privatisation" as the transfer of ownership and control of an existing enterprise, activity or service, from the public to the private sector. It also described the process of privatisation as being in essence, "the divestment of the existing interests of the Government in favour of the private sector".

Among the forms of privatisation, the "contracting out" model was described as follows in the *Guidelines* document:

Privatisation can also take the form of private sector involvement in the provision of certain services or activities, but without any change in the organisational set-up of the Government agency responsible for the services. This form of privatisation essentially hives-off the responsibility for providing the existing service to a private firm, or company, or a private firm or company can be invited to provide new services or facilities to the Government.

The form of privatisation adopted for Port Klang was the 'hiving-off' model, leaving a substratum of services that PKA would carry on with.

The report recommended that the remaining sectors for privatisation be given to a single operator. The rationale was:

This is because only if one company has the entire services under its control, can it control, manage and operate the services in a manner to see profits coming. If any one sector is not under the operator's control, it becomes very difficult for a private operator to set operational targets, negotiate terms with shippers and ship owners. This will also be beneficial to all LPK staff who shall be absorbed by the single operator.

The familiar competition versus monopoly topic was not discussed. In countries where strict pro- competition policies are enforced, this aspect may have assumed some importance, but there was as yet no firm general public policy with regard to promoting competition (and curbing monopoly) in the private sector. Yet, in paragraph 3 of the report is this explicit statement:

Privatisation is expected to promote competition...

The *Fifth Malaysian Plan 1986-1990* had a brief item on privatisation schemes that had already been mooted.

With regard to private sector participation in the operation and management of port facilities, a study was undertaken with a view to determining different approaches to the privatisation of the container terminal at Port Klang. Following the study, the Government decided on the most feasible approach of privatizing the container terminal at Port Klang. In addition, a number of other areas were identified for privatization. These included the dry bulk cargo and tug boat operations in Port Klang ...

On 31 July 1983, the Associated Chinese Chambers of Commerce (ACCCIM) in Malaysia issued a public statement whole-heartedly supporting the concept of privatising a section of Port Klang's operations. Reference was made to Prime Minister Tun Dr. Mahathir Mohamed's address at the Sino-Malay Joint Chamber Council dinner on 8 June. The Prime Minister had mentioned the possibility of privatising some of the public utilities in Malaysia.

ACCCIM frankly pointed out that there had been occasions in the past when Port Klang had been plagued by labour problems, cargo pilferage and delays. The ACCCIM felt that healthy competition, through private sector involvement in port related operations, "will surely bring about high efficiency for Port Klang as a whole".

Privatisation was in the air in late 1983. The term itself was new, and there was bound to be "misunderstanding by some and misrepresentation by others", as had happened in Malaysia before on some public issues. Transport Minister, Tan Sri Dato' Sri Dr. Chong Hon Nyan, attended a function of the

Senior Officers Association of Port Klang Authority on 4 November 1983. He took the opportunity to assure Port Klang employees that “privatisation did not necessarily mean their redundancy or retrenchment”.

The *New Straits Times* of 5 November 1983 quoted the Minister:

Privatisation does not mean a sharing of public facilities with the private sector. The public sector facilities will continue to be used and expanded. Officers must approach the concept of privatisation constructively and objectively.

At the seminar on containerisation held in Mid-April 1985, the Minister for Transport, Tan Sri Dato’ Sri Dr. Chong Hon Nyan, called on exporters to use Malaysian ports to a greater extent. The Assistant General Manager (Operations),



30 November 1992: Signing the Privatisation Agreement of Port Klang operations between the Ministry of Transport, Port Klang Authority, Klang Port Management Sdn. Bhd. and Kontena National Sdn. Bhd.

Datuk M. Rajasingam, commented on the advent of super-container vessels. PKA was studying alternate handling systems to accommodate the increasing volume of containers. The *Business Times* of 17 April 1985 quoted Rajasingam as saying:

With the government's move to privatise Port Klang terminal, its management will be more flexible, and more able to adopt a commercial approach.

The *Business Times* of 30 April 1985 quoted Tan Sri Dato' Sri Dr. Chong Hon Nyan as saying that the amendments to the *Port Authorities Act* were the first step to turning a public seaport into a private one.

Well-known firm of merchant bankers, ASEAM Bankers Malaysia Berhad, in association with Kleinwort Benson Ltd., were commissioned to examine the approaches to privatisation of port operations and services. In the interim report, the consultants highlighted three models:

(1) outright sales of all facilities of containerisation to the private sector.

(2) the formation of a joint-venture with KPA as a shareholder.

(3) lease of the container terminal to a private operator.

Privatisation of Container Terminal

The government decided on an international tender, which attracted several international companies making joint bids with their local partners to take over the privatisation of the container terminal at Port Klang. This was the first (and the last) time that an international tender was held for a privatisation project in Malaysia. The successful tender was decided. Everything except the actual date of handover was sealed through a memorandum of understanding signed on 30 January 1986, by representatives of Transport Ministry, Konnas Terminal (KTK) and KCT. Permodalan Nasional Berhad (PNB) Chairman, Tun Ismail bin Haji Mohamed Ali, was among those present at the signing ceremony.

The Deputy Minister for Transport, Datin Paduka Hajjah Rahmah, said the agreement involved the sale of the container business for \$111 million to KTK. The major partner in KTK, Kontena Nasional, was described as a giant in the transportation field, with considerable experience in international freight forwarding, container leasing and shipping agency operations. The minor partner, Pacific and Oriental Australia Limited, had over 50 years' experience in stevedoring and materials handling, and was involved in the operations of 5 container terminals in Australia.

The ‘flagship’ of Privatisation

The privatisation of the container terminal was described as the flagship of the Government’s pioneer privatisation programme. It was undertaken even before the Government’s overall privatisation strategy was fully streamlined.

The first step in the privatisation process was the corporatisation of the container terminal in 1986. A new company, Kelang Container Terminal (KCT) was set up under the provisions of the *Companies Act 1965*. Before this, the *Port Authorities Act* had been amended. Shares were issued to PKA in return for movable assets, which were acquired by KCT. As for the fixtures, land, and fixed capital assets like wharves and berths, they were leased by PKA to KCT for 21 years under a formal agreement. PKA then issued an operating licence to KCT for the provision of container terminal services and facilities for the same period, namely, 21 years.

The equity ownership and distribution may sound slightly complicated. 51% of PKA’s shares in KCT were sold by private tender to Konnas Terminal Kelang Sdn. Bhd. (KTK). KTK was an 80:20 joint venture concern between the Malaysian trucking company, Kontena Nasional, and P&O Australia Ltd. The intention was to obtain a listing, eventually, on the Kuala Lumpur Stock Exchange for KCT. The equity distribution would then become like this:

<i>KPA</i>	<i>20 per cent</i>
<i>KTK</i>	<i>40 per cent</i>
<i>KCT employees</i>	<i>5 per cent</i>
<i>The public</i>	<i>35 per cent</i>

It marked a major shift in the country’s policy development as part of a public corporation, which was a monopoly, had been replaced by a regulated private monopoly.

The Preamble or Recitals in the Memorandum of Understanding (MoU) stated the goals of the privatisation policy of the Malaysian Government as well as the intentions of the various parties:

... to relieve itself of certain financial and administrative burdens, improve efficiency, increase productivity, stimulate entrepreneurship and investment and contribute towards the enhancing of economic activities in Malaysia ...

The salient features of the MoU were:

(a) KCT would have an exclusive licence to operate, manage and control container activities at the container terminal for the period of the lease for a fixed annual fee.

(b) KPA would sell to KCT the goodwill, plant and machinery of the container business and KCT would pay for these assets by issuing a specific number of hilly paid shares to KPA.

(c) KPA would lease the immovable infrastructure to KCT for 21 years.

(d) KCT would employ all existing employees of KPA at the terminal on overall terms and conditions no less favourable than those enjoyed at KPA.

(e) KPA would provide specific ancillary services like security, protection from fire and computer services on the basis of a formal agreement with KCT.

Under the conditions attached to the licence granted to it, KCT was obliged to comply fully with all Acts of Parliament, International Conventions and Government policy decisions relating to ports. It was also required to honour all operating standards set by PKA, in accordance with appropriate by-laws and regulations. KCT also had a duty to promote and enhance the reputation of the Container Terminal, and to make every reasonable effort to ensure that mainline vessels called at the port. All facilities must be maintained in a good state of repair, and alterations or additions to facilities could be carried out only with the express permission of PKA.

PKA was to levy charges for its services in accordance with existing by-laws. Charges could be changed only after submitting a memorandum with the relevant details to PKA and obtaining a positive approval. If no reply was forthcoming from PKA after 6 months of sending the letter, KCT could levy the proposed new charges.

Disputes arising between KCT and PKA would be settled through arbitration in Kuala Lumpur in accordance with the United Nations Commission on International Trade Law Arbitration Rules 1976 (UNCITRAL).

Mixed reaction from shipowners and port users was reported by G. Durairaj in the *Business Times* of 31 January 1986, in its article on the privatisation of the container terminal. It did not expect immediate gains from the handing over of the container terminal. While the majority of port users supported the move, some felt that privatisation alone was not the answer to the problems that Port Klang faced. Where privatisation may be able to inject greater commercialism into the management of the terminal, it remained to be seen whether that would filter down to the more than 700 workers. The article pointed out that those workers had spent most of their working life in a secure environment by working for the Government, and to expect any sudden change in their work attitude was going to be difficult. Using a nautical metaphor, it was suggested that the port's container terminal operators would have to move against the tide to induce shipping lines to berth there. Also, more efforts should be made to market the services of the port.

The privatisation exercises also made it necessary to explain the basic principles that guided the Government in this exercise. This was done by the Director-General of the Economic Planning Unit, Tan Sri Radin Soenarno in the RTM current affairs programme, *Ehwal Semasa*.

3 basic principles considered were:

- (i) An assurance that the new company will prosper.
- (ii) The welfare of the affected employees.
- (iii) The public will not lose out in terms of services.

“Future privatisation exercise will depend on the success of the first privatisation project”. That was the view of Klang Port Authority’s GM, Mohamed Hashir Abdullah. 7 sectors of port services might ‘go private’. They included cargo handling, godowns and ship towing.

By mid-February, it was common knowledge that D-Day for the takeover of the container terminal was 17 March 1986. Option letters for the employees affected were issued on 17 February. The managing director of KCT Sendirian Berhad was Captain R. Setchell. The Sabah Ports Authority general manager, Encik Abdul Samad Mohammed, became the first general manager of KCT.

There was a great deal of optimism.

A report in Lloyd’s List of 4 March 1985 revealed that 240,000 TEUs were handled in Port Klang in the year 1984, representing an increase of 24% over the previous year. Therefore, the statistics demonstrated that throughput of containers had practically doubled between 1980 and 1984, with an annual average increase of 19%, compared with the 6% assumed in the 1981 Report. In fact, the throughput achieved in 1984 was forecast in the 1981 Report to occur only in 1988. It was clear that Malaysian economic growth was at such a high rate that all cautious and conservative forecasts had been overtaken. Those trends and developments led to this conclusion:

If the annual rate of growth grows at its present level the theoretical maximum throughput of 600,000 TEUs per year will be achieved in 1989.

The *Economic Report 1986/87*, prepared by the Treasury, and tabled in Parliament on Budget Day, towards the end of 1986, contained this forecast on ships calling at Port Klang:

Shipping related services are expected to contract in 1986 particularly with lower imports. During the first six months of 1986, only 2,551 ships called at Port Klang when compared with the number of ships that called at the port in the corresponding period in 1985.

By September 1986, the newspapers were devoting attention to a world recession. At Port Klang, there was a drop in import cargoes, particularly in the quantities of iron and steel and motor vehicles. At the end of 1986, the statistics showed that almost the same volume of cargo had been handled as in 1985.

In 1987, the Malaysian economy picked up, mainly because of the surge in demand for basic raw materials such as rubber, timber, plywood and latex. The total tonnage handled in 1987 was 13.2 million tons as against 12.3 million tons in 1986.

A new procedure, aimed at making cargo clearance and shipping of goods through Port Klang easier for consignees and consignors, was introduced. This procedure reduced the number of documents or forms required for exports and imports from a total of 29 to 15.

The Authority embarked on a more aggressive and commercial outlook in managing the port. This was seen in the rebates and volume discounts introduced to make Port Klang more attractive to shippers. Warehouse rental in South Port was reduced up to 50% to make 'this gateway' more attractive as a consolidation and transshipment point, especially for the East Malaysian traffic.

Kelang Container Terminal, for its part, organised a hard selling campaign, led by Captain Setchell and Encik Abdul Samad Mohmmmed. The KCT office was moved into closer proximity to the port itself. The free storage period for containers was reduced drastically. A 24-hour canteen and more restroom facilities were provided for workers at the container terminal.

A happy event was the observance of the 150th anniversary of the P&O Navigation Company, whose ships were no strangers to the port. A luxury liner, the *Royal Princess*, called at the port, and there were festivities on board the ship.

The privatisation of the container terminal at Port Klang was the pioneer exercise in this field. The Government decided to carry out specific studies to determine the most feasible approach to the privatisation of the Johor, Pulau Pinang, Bintulu and Kuantan ports. These studies were all planned for execution during the Fifth Malaysia Plan period, 1986-1990.

Legislative Framework

Privatisation of some port operations had been talked about and discussed a great deal in the 1980s. However, the enabling legislation for the introduction of privatisation, namely, the Act of Parliament and regulations, did not make an appearance until 1990.

The *Ports (Privatisation) Act 1990* was passed by Parliament and received the Royal Assent on 8 February 1990. The Act was brought into effect on 2 April 1990. The main purpose of this law was “to facilitate privatisation of the undertakings of any port authority”. The 6 ports to which the provisions may be applied were listed in the Schedule at the end of the Act. They were: Penang, Port Klang, Kuantan, Johore, Bintulu and Malacca.

PKA was empowered “to undertake or grant licence on such conditions as the Authority may think fit to any company, firm, person or persons to undertake any activities in the Port as may appear to the Authority to be necessary”. It will be observed that the term “any activities in the Port” had been used. PKA was given wide discretion in this matter.

Section 2A stated that the Authority may, with the approval of the Minister (of Transport), and the concurrence of the Minister of Finance, enter into any arrangement for sharing profits, union of interests, cooperation or joint adventure with any person or body of persons or establish or promote the establishment and expansion of companies under the Companies Act 1965.

The Act conferred power on a port authority to “transfer and dispose” of all or any part of its port undertakings to any operator licensed under the Act. The port authority was required to prepare and submit to the Minister a port privatisation plan for his approval before it exercised the power to transfer or dispose any of the port’s undertakings. The plan for submission to the Minister must (a) identify the port undertakings of the port, (b) state the estimated value of those port undertakings, (c) state the nature and extent of the liabilities, if any, to be transferred, (d) the manner in which the port undertakings and liabilities are to be transferred or disposed of, (e) state the arrangement relating to the transfer of the relevant officers and servants from the port authority to a prospective operator and (f) other matters considered appropriate. The Minister may direct the port authority to include in the port privatisation plan any matter that has not been included, but which the Minister considers should be included.

No port privatisation plan could be put into effect without the approval of the Minister. The plan must be put into effect in the form approved by the Minister. After consultation with the port authority, or on the application of the port authority, the Minister may amend any approved privatisation plan.

The port authority was empowered to exercise regulatory functions in respect of the conduct of the port activities, and the running of port facilities and services in the port by licensed operators. The regulatory functions included the determination of performance standards, and standards of facilities and services performed by the licensed operators.

Part III of the Act set out the procedure for licensing of port operators. No port undertaking may be transferred to or managed by any person other than a person licensed by the port authority. A licence must be applied for in writing, and be accompanied by such information and documents as may be specified by the port authority.

The port authority may issue the licence to the applicant or refuse to issue the licence. Where a licence was issued, its duration must be specified. Also, the following details must be prescribed:

- (a) the type of services or facilities to be provided;*
- (b) the annual licence fee payable by the licensee;*
- (c) the particular duties of the licensee in respect of the services or facilities provided by it;*
- (d) such other matters or conditions as the authority thinks fit.*

The usual power of a licence grantor to suspend or revoke any licence issued by him was available to the port authority too. Suspension or revocation may occur if any condition of the licence was breached or there had been a failure to comply with any provisions of the *Port Authorities Act 1963 (Act 488)* or any relevant regulations and by-laws.

A licensed operator may appeal to the Minister against the suspension or revocation of its licence by the port authority. That appeal must be made in writing within 30 days from the date on which the decision of the port authority was sewed on the licensed operator. The decision of the Minister was “final and conclusive”.

Where a licence was suspended or revoked, the port authority may, if it considered that such suspension or revocation will materially affect the movement of cargoes or passengers at the port, take certain courses of action. In that kind of situation, the port authority, with the consent of the Minister, may take temporary possession of any port undertaking. It may also operate any port undertaking and engage any servant or employee of the operator.

The port authority was empowered to require the licensed operator to carry out its duties within a prescribed period, if it appeared that the duties were not carried out. If the licensed operator failed to carry out the duties in spite of being called upon to do so, the port authority may engage any other person to perform those duties. All the costs and expenses incurred by the port authority should, on demand, be immediately reimbursed by the licensed operator.

A licensed operator was to have due regard to the efficiency, economy and safety of the operation in respect of the services and facilities provided by it.



Scenes of KCT post-privatisation.

The licensed operator was duty-bound to inform the port authority of some matters, namely:

- (a) any change in the control of the licensed operator.
- (b) any industrial dispute with employees.
- (c) any industrial accident or mishap involving the licensed operator's servant, employee or agent.
- (d) any occurrence of fire in its premises.
- (e) any theft or pilferage within its premises.
- (f) any proceeding or claim instituted against the licensed operator.

The Act set out certain special powers that the Prime Minister may exercise in an emergency situation, such as a strike, lock-out or in the interest of public safety. The Prime Minister may, in an emergency situation, authorise the port authority to suspend the licence of the licensed operator, take possession of any undertaking, and operate it in such manner as it deems fit. The partial or total withdrawal of the port service or facility from any person, or class of persons, or from the public at large, may also be carried out in an emergency.

Blazing the Privatisation Trail

By now, it was apparent that privatisation of the facilities and services under phase 1 in 1986 to KCT was viewed as a major success from all angles and to all stakeholders. The yardstick for the success of privatisation of KCT was measurable, and could be easily gauged from its strong financial performance and its listing on the local bourse, improved ship turnaround time, higher shipping connectivity, including more mainline services or direct shipping services, higher customer satisfaction, a high degree of workers' satisfaction and their welfare benefits, and also contented shareholders, including the wider spread of public shares. Container throughput, of course, continued to increase. From 273,335 TEUs handled in 1987, a year after the privatisation, the container traffic soared to 672,642 TEUs in 1992.

There was much to emulate from the success of KCT, not just in rolling out the privatisation of the remaining facilities at Port Klang, but also in privatising other Federal ports and utilities in the country. The Government gave the green-light for the second phase of privatisation of the remaining operating facilities and services at Port Klang to Klang Port Management Sdn. Bhd. in 1992.

The changed competitive port landscape at Port Klang was reflected in the improved efficiencies at the port. The success gave the Government the confidence to strengthen Port Klang further, by declaring the port as the National Load Centre. The NLC became an important instrument to foster the growth and expansion of Port Klang in the post-privatisation era, with the Ministry of Transport taking a strong initiative to market and promote Port Klang in an unprecedented manner, making ministerial visits to nearly all shipping capitals in the world.

Corporate strategy on privatisation

On 14 January 1987, PKA issued a paper explaining the corporate strategy on privatisation of port facilities and services in the period 1986-1990. It began with the statement that the Authority had accepted the Government's privatisation policy, and that it was common knowledge that the Container terminal had been privatised, and the policy would be applied progressively to other facilities and services. Privatisation inevitably involved a change in the role, function, and the management structure of the Authority.

The Authority set for itself a number of objectives that would serve as guidelines for the future plans of the port:

- 1. Through privatisation to inject a more commercial approach in port business thus overcoming the limitations of public agency.*
- 2. Ensure that the drive towards greater efficiency and productivity is maintained through privatisation of port facilities.*
- 3. Also ensure that cargo traffic and volume of port business is expanded in keeping with its status as a leading international Port in Malaysia.*
- 4. To ensure that sufficient revenue is collected to meet the Authority's current and future debt servicing requirements and its future capital development fund needs necessary for basic infrastructure development*
- 5. To divest all feasible facilities and services currently provided by the Authority to the private sector, whereby the Authority will ultimately take on the role of a landlord having -*
 - (a) Regulatory powers and jurisdiction over the private sector in relation to policies and practices which must conform with the overall interests of the Authority and the Nation; and*
 - (b) Participate either directly or indirectly with the private sector as partners or in other capacity in the newly established private companies to further the interest of the Authority and the Nation.*

The implementation plan of the Authority was to be carried out in 3 stages. In the 1st stage, a merchant bank or a consulting firm would undertake a detailed examination and evaluation of the possible approaches for the privatisation of the remaining facilities and services that were still being managed by the Authority.

The 2nd stage involved the preparation of terms of reference and offer terms to the private sector relating to the Authority's privatisation plans. This would entail the analysis of proposals and negotiations, leading to the award of port services to the appropriate firm or entity in the private sector.

The 3rd stage would cover the actual transfer of relevant services and facilities to the private sector. This stage would be completed when the Authority relinquishes control over the privatised entities.

The following services were regarded as being eminently suitable for privatisation.

Conventional and Stevedoring Services.

Pilotage.

Towage.

Dry Bulk Terminal.

Mechanical Engineering Services.

Not all facilities and services could be privatised. The following were identified as the services for which PKA would continue to be responsible:

1. *Fire Fighting Services (Bomba)*
2. *Security Services (Keselamatan)*
3. *Property Management*
4. *Port Planning and Development (Information)*
5. *Port Marketing and Promotion*
6. *Pilotage Committee*
7. *Hydrography and Dredging*
8. *Training Centre.*

In addition, the Authority would have the responsible 'watchdog' or regulatory role. It had to ensure that the private port operators and port users abided by the relevant rules, regulations and conditions laid down by the Authority and the Government.

Deputy Transport Minister, Datin Paduka Hajjah Rahmah Osman, specially requested port workers not to listen to any and every rumour and story floating around about the details of privatisation, but to be guided by official statements and communications from leaders of their unions. She adopted the policy of 'frequent dialogue'. Many were expecting privatisation to commence

by December 1985. However, that did not transpire. Full discussions were held on individual topics like rate of pay, EPF benefits, pension and medical benefits. The leading unionist who negotiated on behalf of the Port Authority Staff Union (PASU) was Ruslan Zainal. It was agreed that workers in the Kelang Container Terminal would have a 5% stake in the company. The collective agreement was signed between PNB and PASU on 15 January 1986.

Workers and their welfare

The privatisation scheme, to be successful, would require the full understanding and cooperation of all the port workers involved. The Port Authority was mindful of the importance of communication with union leaders and the media. Even the slightest breakdown in communication, or a misreported issue, could cause severe loss of morale in the work force, an eventuality that must be avoided at all costs. Much time was devoted to explaining the entire privatisation scheme to union personnel. They were assured that they were not going to lose out in any way. Also, the general conditions and terms of service might even turn out to be better what they were already enjoying.

The 1980s saw the effects of the quiet technological revolution that had overtaken port operations. The logical outcome of the advent of computerisation and containerisation was that Malaysian port operations were no longer labour-intensive. It was estimated that there were about 1,200 workers in excess in the workforce. On 12 December 1985, the *New Straits Times* had commented on the surplus labour situation, “since sheer attrition will trim the fat, the new company was willing to carry the deadwood”. GM Hashir Abdullah described this as an universal problem. Cargo handling had become more mechanised. Ship technology too, was becoming more advanced, while packing also had undergone rapid change. As time went by, even ports in China was sending out less ‘loose cargo’.

The Port Authority did not want to retrench anyone as, in any case, the Government did not have a retrenchment policy. Instead, a ‘golden handshake’ of early retirement benefits was worked out, and a little more than 1,000 workers took advantage of this scheme. It was a humane policy, and since clear details had been worked out and made known, there was no resort to litigation by disgruntled workers (as had often happened in many countries with identical problems).

Malaysia was among the few countries in the world that had not only embarked on port reform through privatisation, but which made a success of the new development strategy, rolled out by Tun Dr. Mahathir as the path to progress.

More Privatisation to Come

Privatisation proceeded as planned, and there was much evidence of innovative technology and the management of port infrastructure as a business. As far as ports were concerned, a status report on privatisation of government-owned projects, issued in August 1990, indicated that the Malaysian Cabinet had approved the second phase of privatisation of Port Klang. A steering committee at the Economic Planning Unit was finalising the privatisation plan for Port Klang. Paragraph 28 of the status report reflected the thinking about ports and the privatisation dimension:

Ports, and the supporting services of the nation's ports, are promising areas for privatisation. The transfer to the private sector may involve only certain specialised activities of the whole port operations. Dockyards owned by the Government are also open for privatisation.

Growth at Port Klang was on a steady course. The port entered the 1990s with impressive growth in all areas of port activities, said PKA Chairman Tan Sri Dato' Michael Chen, in the port authority's Annual Report for 1990. There were good reasons for making that claim. Total cargo handled by the port was 22.1 million tons. It was not a mere increase, but a great leap forward, when compared with the performance in 1989. The biggest leap was made by dry bulk cargo with a 29.4% growth. Containerised cargo continued with its steep upward trend, with a 25.2% increase to 9.13 million tons. 496,526 TEUs were handled. Port Klang officials were happy that with this track record, no one could argue against the Government's decision of according Port Klang the status of 'national load centre'.

What did this 'load centre' status mean in concrete terms? The answer can be found in a paragraph of the *Privatisation Feasibility Report* of June 1988:

In keeping with the primary policy objectives of promoting direct shipping service to Malaysian ports and increasing port productivity, Port Klang is to become the principal container port and Malaysian load centre for most trade routes. As the principal concentration port for containers in Malaysia, Port Klang is expected to handle most of the international container traffic from the northern and central parts of Peninsular Malaysia, as well as from Sabah and Sarawak.

As the container terminal had been privatised in March 1986, the primary benefit of the load centre policy would be felt by KCT.

The Government's policy of encouraging down-stream, value-added activities, by imposing an export levy on certain species of timber, was reflected in the export statistics. Exports of timber and plywood in 1990 were down by 9.8% and 20% respectively. Palm oil and palm kernel oil exports increased by 19%

and 55% respectively, indicating that the 'Golden Crop' was still maintaining its commanding lead in the Malaysian economy. The import of machinery and capital goods, generally, kept increasing, due to the large inflow of foreign investments.

The milieu of the Klang Valley in 1990 reflected the increasing momentum of industrialisation. Foreign investments were flowing into the country. Selangor continued to lead the other States in terms of the total value of approved projects. In 1990 alone, the Malaysian Industrial Development Authority (MIDA) approved 250 projects, with a total investment of almost RM 10 billion, for the Greater Klang Valley region. The investments were in food processing, paper and printing, chemicals, metals, electrical and electronic products, furniture and garment manufacturing. A PKA publication estimated that export traffic generation would be about 1,000,000 tons (or 60,000 TEUs) annually. That was quite apart from the cargo generated from imports of raw materials by these industrial establishments.

New directions for port management were being suggested. Of particular interest is the assertion in the National Ports Plan (NPP) that port authorities should broaden their perspective:

The NPP further suggests that port management should expand its view beyond the port gate and consider its role as a packager of transport services. Given its intended role as a load centre for containers, its defined multi-purpose functions and its position as the leading port for the country, it would appear that there is a role for KPA in the development of intermodalism in Malaysia

The promotion of direct shipping services between Malaysia and its major trading partners is the first of the policy objectives enunciated in the NPP. As the leading port in Malaysia, servicing the industrialised Klang Valley, there will be an even greater responsibility for Port Klang into the 1990s... and beyond.

It was evident that the 1990s were going to witness many new developments. Plans were already underway to set up a 2nd container terminal in the North Port, which would have the capacity to deal with a throughput of 511,000 TEUs a year.

The *Sixth Malaysia Plan (1991-1995)* highlighted the goals that would be pursued to ensure greater efficiency in port operations and port-related sectors.

The container haulage system will be continuously improved. New procedures and innovations will be adopted to relieve congestion along the highway routes. In view of the growing importance and complexity of international trade and greater intensity of global competition which requires timely and accurate information, the EDI system will be developed, the first phase of which

will be confined to the Klang Valley. A national approach towards increasing port efficiency and productivity will be adopted with the establishment of a mechanism to plan, implement, monitor and evaluate port performance, particularly after the privatization of the various ports.

Kelang Port Management (KPM) Emerges

The most important development in Port Klang in the year 1992 was the privatisation of the rest of the port's operational services from PKA. It was therefore the 2nd privatisation exercise. The Managing Director of KPM, Datuk Dr. Elias Kadir, described it as a challenge. They had taken over the largest port facility in the country with a price tag of RM36 million. Also, they had to win the hearts and minds of over 4,000 employees, in order to re-orient them towards a private sector culture.

The new corporate personality, KPM, made its debut at Port Klang on 1 December 1992. In the inaugural issue of *Klang Port News Line*, KPM Sdn. Bhd. proudly announced it was taking over the operations of Port Klang from the Kelang Port Authority. "The date marks the dawn of a new beginning", claimed the *News Line*.

A statement of self-introduction, in the form of an answer to the obvious question, "What is Kelang Port Management", was printed prominently on page 5:

Kelang Port Management Sdn. Bhd. was incorporated as the vehicle to take over the facilities and services operated by the Klang Port Authority under the second phase of the port's privatisation exercise.

In the privatisation agreement with the government, KPM has a 21-year lease to operate 22 berths in North Port and South Port, making it Malaysia's biggest port operator in terms of facilities and services. It also absorbed more than 4,000 port authority employees into its payroll.

KPM is wholly owned by Kontena Nasional, the country's pioneer in container haulage. Kontena Nasional, a subsidiary of Permodalan Nasional Berhad (Malaysia's biggest fund manager), will divest 60 per cent of its equity to other partners in the near future.

The 21-year lease agreement allowed KPM to operate at 2 gateways; namely, the North Port and the South Port. In terms of territory, this covered an area of 78 hectares and 14 berths and 13 warehouses at the North Port, and also 20 hectares and 8 berths and 8 transit sheds at the South Port.

The number of PKA employees absorbed by KPM on 1 December 1992 was:

<i>Executives</i>	<i>171</i>
<i>Non-executives</i>	<i>3,855</i>
<i>Total</i>	<i>4,026</i>

A mission statement was published:

Our mission is to participate and contribute to the nation's growth by providing port users value-for-money services through dedicated and empowered people who constantly innovate and employ systems which are simple and measurable, and in the process earn a reasonable return for our shareholders.

On 16 December 1992, KPM hosted a dinner to introduce itself to port users. Soon, a dialogue was held with shipowners and ship agents, with a view to improving rapport with customers. Dialogues were also arranged with freight forwarders and transport operators. A major reform took place on 1 February 1993, when the old work 'shift' time was changed and brought into line with practices at major ports. From the same date, it became possible for shipping agencies to cancel or amend gang bookings giving only 4 hours' advance notice, instead of the 12 hours' notice previously required. In February 1993, KPM also hosted a luncheon talk for chambers of commerce and a dinner for the spouses of department heads. The latter was to afford an opportunity to the spouses to familiarise themselves with the "demands of a privatised port". VIP visitors who were welcomed and introduced to the new order at the port were the Deputy Transport Minister, Tan Sri Datin Paduka Zaleha Ismail (on 25 February), and Transport Minister, Tun Dr. Ling Liong Sik (on 3 May).

KPCT Opens for Business

A new acronym (KPCT) came into circulation on 26 August 1993 at Port Klang. Kelang Port Container Terminal began operations officially on that date at the North Port. KPCT can be characterised as KPM's major revenue earner.

Under the 1st phase of KPCT's development, more than RM150 million had been invested in the infrastructure consisting of 3 berths, 3 quay cranes and other support facilities. The container-handling equipment comprised 3 post-Panamax quay cranes, 9 straddle carriers, 5 rubber-tyred gantry cranes, 1 five-high stacker, 21 prime movers and 27 trailers. A 24 hectare container yard was available for handling an annual capacity of 400,000 TEUs and 90 reefer points.

On 1 September, KPCT received its first ship, the *Bunga Butang*. The months September-December were a period when several records were established by KPCT in respect of productivity. 11,000 tons of steel billets were unloaded by stevedores on 2 September, setting a new record for discharging of steel cargo at

Port Klang. Yet, two days later, on 4 September, 15,000 tons of steel billets were discharged. On 9 September, a new shift record was established when, at the dry bulk terminal, 2,025 tons of cargo were discharged in one shift with a single crane.

On 10 October, another record was established, with the discharge of 2,700 tons in 1 shift at the dry bulk terminal. All in all, KPCT had good reason to celebrate its 1st anniversary. 14 regional and international shipping lines had started calling at KPCT. A big boost was received with the news that Malaysia's biggest coastal container service consortium, the Perdana Container Service, had decided to commence services at KPCT from 16 December 1993.

A management revamp was carried out to enhance efficiency. Under the reorganisation, 2 new divisions were set up. The Corporate Services Division, headed by Encik Idris Muda, was responsible for all KPM container operations. The Marketing Division under Mr. Kwek Chee Wah had 4 departments for marketing, public relations, corporate information and international projects. This was probably motivated by the *Privatisation Feasibility Report* (1988) that had pointed out:

There is no senior general manager responsible for marketing and for the development of new products or services ... Substantial changes in the organisation structure and practices of KPA will be necessary if the business units are to be managed in privatised form.

Kelang Port Management also took over all container-handling activities in South Port with effect from 1 August 1993. The service had up to that date been contracted to Marine Barge Services. KPM also took over the service of internal haulage of containers to and from vessels. Charges for the handling of containers were those already existing in PKA's Scale of Rates, Dues and Charges By-Laws. South Port, it was advertised, had a 7,800 square metre container yard with a capacity of 400 TEUs at any one time.

Pilotage and towage

With the privatisation exercise, KPM became the sole provider of pilotage and towage in Port Klang waters. In 1995, nearly RM30 million was invested in 3 tug boats, and money was also spent on the refurbishment of pilot launches. A special KPM supplement to the *Shippers Weekly*, dated December 1995, was published on the 3rd anniversary of KPM. The following is a relevant extract about pilotage after privatisation:

Systems improvement was not neglected either, as attention was directed at improving pilotage service. Red tape was removed and the booking of pilots made more convenient for ship agents. The pilot welfare was also looked into and a more efficient rostering for pilots was introduced. Marine services operations went on-line with direct links through fibre-optic cables from the Marine Base to Shipping Control - where pilot bookings were made.



Pulau Lumut (now Pulau Indah) during the early 1990s, undergoing construction and development.

A dockyard, not repair shop

KPM decided that the old dockyard, situated on a 3.3 hectare site on the banks of the Klang River, should be turned into a proper dockyard. It had been used mostly to service the port's own vessels.

It was felt that there was potential for repair and maintenance services in Port Klang, as such services were not available in the central part of West Malaysia's coast. Apart from normal maintenance and repair work, the dockyard could embark on civil and marine engineering services as soon as possible. When KPM took over the port facilities, the dockyard had 4 slipways capable of handling vessels of 150 to 250 tons displacement.

With the privatisation of the remaining port operational services on 1 December 1992, only a core staff of 73 remained with PKA. 4,026 joined the new company, KPM, while 248 opted to retire from the service. Those who joined the private company received a 15% increase in salary plus an increment.

As the chapter on the 2nd phase of privatisation of operating facilities and services at Port Klang came to a successful conclusion, the 3rd phase of privatisation, the green-field development of facilities and services at what was being called West Port, in Pulau Lumut (renamed Pulau Indah), was now on the drawing board.

Pulau Lumut And Third Phase Privatisation

It was evident that although the growth pains were adequately addressed, there was a need to take a longer term view of port investments, in view of the longer gestation period, and if any lessons are to be learnt from the past experiences of the port. Port planning was therefore foremost in the minds of the planners at the port authority.

It will be recalled that the North Port Extension wharves were officially declared open on 28 November 1973 by Prime Minister Tun Abdul Razak Hussein. An exhibition was held in conjunction with the opening ceremony, showing the past, present and the future of the port. Among the many photographs, charts and maps exhibited, there was one of Pulau Lumut and its vicinity. Some would say that the island looked like a bird perching or standing, with its beak pointed at the South Port. Others would be reminded of a dolphin (which was later to be adopted as the corporate logo of the operator of the port terminal at Pulau Lumut).

The North Port Second Expansion project was already planned. However, it was felt by all concerned that it was time to look for more space for greater expansion of port facilities, especially in view of changing shipping trends and patterns, with an eye on transshipment, and also the changing ship technology that favoured the deployment of bigger ships and ships that needed faster turnaround.

The Pulau Lumut project was taking shape rapidly in the minds of the planners of port expansion. Previous developments at Port Klang had taken place on mainland territory. This time, a substantial port infrastructure had to be built on an island that would be linked by a bridge with the mainland. In a brief yet informative memorandum, PKA's Chief Engineer analysed the cost effectiveness of a bridge and that of a proposed ferry service. His finding was that to ensure an efficient ferry service, at least 3 small ferries, each capable of carrying 15 lorries, would be required. 2 ferries would have to be in operation at any time, while the 3rd ferry would be on stand-by. The capital cost alone would be in the region of \$10 million. A reinforced concrete bridge, on the other hand, could be constructed across Selat Lumut at Pulau Tonggok to connect Pulau Lumut with the mainland. A bridge of 24 feet width could cater for 2 lanes of traffic. In addition, 2 cycle tracks of 7 feet width each could cater for bicycles and pedestrians. The length of the bridge would be 4,500 feet. The estimated cost of the bridge was \$15 million. The Chief Engineer's conclusion was that it would be more economical to build a bridge rather than to organise a ferry service. The initial cost, though about 50% higher, would involve "very little maintenance cost".

Another brief but sufficiently informative report was submitted by Captain R. Moore, the Chief Marine Officer. He noted his observations of “the subject area from a marine and nautical point of view”. His perception was that “the South Klang Straits has definite possibilities and it is feasible to operate a port terminal in these waters”. He also reported:

For minimum capital and maintenance dredging and deep water berths, the favoured geographical section would be that between Sungei Perigi Nanas and Beacon 27.

For piling purposes and the question of the material formation of the land and sea bed, investigation had to be undertaken by persona experienced and equipped in this field of work.

The South Klang Straits has ample depth with the exception of the south bar which means that deep draft vessels would have to enter and leave through the north entrance, unless the south bar was dredged, which would be a very expensive project. The entrance used would depend on the vessel's draft.

What special advantage, if any, can be claimed for Pulau Lumut? The pioneer surveyors, tide watchers and other technical experts were unanimous on one ‘great merit’ the island possesses. To quote one expert, “it is the great merit, among many others, of being in a tideway outside the influence of the Klang River silt”. From the start of site investigations, it was being said that the island had the capacity to provide for an ultimate development of over 12,000 metres of deep water wharves, together with all the commercial and industrial ancillaries associated with a modem port. One estimate even suggested that the eventual size could easily be over twice that of North Port.

Serious work began on the extension of Port Klang into Pulau Lumut with the publication of the ‘*Inception Report*’ in May 1981. The consulting engineers undertook to provide monthly reports “to keep KPA informed of progress to record decisions made and to point to any bottlenecks that may occur or be unforeseen”. A Project Office was set up in Port Klang, where all existing data connected with the port and site relevant to the proposed development were being collected for study. Aerial photographs of the island and its immediate vicinity were requested by the consulting engineers. The engineers confidently forecast that the general ground structure in the island area would not differ greatly from that which had been encountered in the whole North Port development. Of course, they were going to carry out soil borings to ascertain if here too, there was going to be “a pattern of marine clay and lenses of sand down to bedrock, at about 80 metres below datum”.

Arrangements were made, by the experts at the Hydraulic Research Station at Wallingford, to carry out studies evaluating the viability of wharf construction in Anchorage Reach.

The fact that this major project was going to materialise on an island had some implications for the time dimension inevitably. The Inception Report drafters put it briefly:

A total lead time for four to five years from the decision to go ahead to final completion of the works should be envisaged.

Regarding the environmental impact, this sentence from the Monthly Report for the period 15 October to 15 November 1981 is interesting:

The removal of large areas of mangrove forest will be a factor to be reconciled with the Forest Department but is clearly not a major obstacle to a development as important to the community as the extension of Port Klang.

In the meantime, tenders had been invited for site investigations and more specifically, for “the sinking of exploratory boreholes in locations at Pulau Lumut to the south east of Port Klang”. The taking of samples, laboratory testing of the samples and reporting on the results “were the essence of the contract”.

The Hydraulics Research Station at Wallingford (England) carried out a study of the Selat Lumut/Anchorage Reach regime. Their advice was that the removal from the Pulau Tongkok area for reclamation purposes would not cause any problems. They also recommended against the removal of sand from the North Klang Straits area, opposite the North Port wharves near Tiram Buoy, for reclamation purposes. The construction of bridge piers in the Selat Lumut (about 5 metres wide at 40 metre centres) would not have a deleterious effect, according to the HRS.

The rapid progress of ship technology could not be ignored. The trend was clearly towards building of larger ships. Such vessels would need larger berths. The balance of economic advantage lay in the construction of deeper draught berths. This point was argued convincingly in the interim report:

If the forecast of the need for new deeper draught berths proves inaccurate, or if the number of smaller ships increases, no serious problem arises at the South Klang Straits site, which can accommodate all comers. On the other hand, if the need to accommodate larger ships occurs earlier than forecast, it might well be accompanied by a reduction in the number of smaller ships, resulting in the underuse of those berths and a greater requirement at the South Klang Straits side. In other words, the site recommended is the ‘fail-safe’ option.

Pulau Lumut, as it was known in 1981, was described as an island about 15 kilometres long in the Klang River delta, bounded on the west side by the relatively deep, straight South Kelang Straits, and on the north side by the Anchorage Reach, where the water depth is of the order of 8 metres.

The island was at that time separated from the mainland by the Selat Lumut and the Sungei Langat, which are generally about 600 metres wide. The north east corner of the island is about 2 kilometres from No. 1 Berth at the South Port. The island was largely a forest reserve, but there was some agricultural development in the centre, behind bunds built to keep out the highest tides, where the agricultural workers lived. Small ferries plying from the South Port provided the only transport link to and from the island.

Pulau Lumut differed from the other islands in the group (except for Pulau Carey) in being the only one to which a bridge connection to the mainland could be constructed without passing over a navigation channel used by deep sea vessels. That factor, it was asserted by the consultants, must be taken into account when considering the ecology and natural conservation on Pulau Lumut.

As for the population on the island, there were 1,774 persons according to the 1980 census. The numbers had actually decreased because of migration away from the island. Young people went to the mainland in search of more attractive employment opportunities. Whole families, too, had been leaving. There were only Malays living on Pulau Lumut, as the whole island had been gazetted as Malay Reserve Land.

The South Port and North Port came into existence in eras when there was no need to take environmental factors into consideration in the planning of massive public projects. It was quite different in the case of the Pulau Lumut port development proposal. Would anything unique or irreplaceable be lost to the nation by the proposed port development? That was the question posed to the experts. Their answer was simple. The development of Pulau Lumut represented only a minor encroachment on the ecology of the broader Kelang Straits area. Moreover Pulau Kelang, Pulau Che Mat Zin, and the numerous smaller islands, were likely to remain for the foreseeable future as unspoilt habitats for the flora and fauna indigenous to the region. Pulau Ketam had long been populated by a large fishing community.

When the port development project was being seriously considered in 1981, two Asian Development Bank (ADB) loans were being used to improve and develop the standard of agriculture on Pulau Lumut. The economists had recorded their opinion that any benefits from the agricultural extension projects would only be felt in the distant future. The soils had a high sodium content because of the heavy dissection of the island by networks of saline creeks. Conditioning of the land to obtain higher agricultural productivity

would require at least 5-6 years. The area could barely be used for vegetable cultivation, and even though oil palm could be cultivated after 3 years or so, the product would be of inferior quality.

The obvious bright side of this seemingly melancholic picture was the prospect of employment opportunities arising out of the new port development. PKA would not need to provide additional training facilities for converting a labour force used to handling agricultural commodities and bulk cargoes into one capable of handling other industrial cargo.

Training in the KPA essentially takes the form of on-the-job training and orientation. This has proved extremely successful ... the KPA also as a practical measure and by agreement with the labour unions, gives employment preference to members of the same family, as this is another way in which the transfer of skills is maintained. In the case of Pulau Lumut the latter point will also have the benefit of safeguarding the family unit which has become increasingly fragmented with the search for employment.

There is no doubt that the wages that could be earned by working for the Port Authority would be considerably higher than the income from subsistence farming. The provision of a bridge to the mainland would also provide a ready access to markets and a new range of facilities.

The drafters of the feasibility study made an analysis of the dredging needs for the new port facility. The opinion of the Hydraulics Research Station was that it would prove to be economically feasible to dredge and maintain a satisfactory channel. Occasional re-dredging contracts would be needed.

... the wave climate in the area is not considered severe enough to cause rapid washing in the soft material of the bar area through which the channel is dredged.

However, this opinion of the experts did not imply that any and every vessel could come and go. The feasibility study pointed out the need for more investigations.

Before any decision is taken on the question of providing facilities for the very large bulk carriers it will be necessary to evaluate the channel dredging problem more accurately ...

Another field study for the collection of relevant data was required, and that exercise would be followed by a detailed computer analysis of the information obtained. All this would take about 6 months. But inevitably time dragged on and on.

On 2 April 1985, Taylor Woodrow International Limited, the well-known firm of engineering contractors, submitted to the Ministry of Finance their report for the financing, design, construction and operation of the port expansion at Pulau Lumut, Port Klang. This report was based on information abstracted from the feasibility study prepared in 1982 by Yusof Ibrahim Sehu Sdn. Bhd. in association with Coode and Partners.

The proposed West Port location was “on the western shore of Pulau Lumut with wharf frontage along the eastern side of South Klang Straits on an alignment which provides adequate water depth at all states of the tide for all classes of vessels to be accommodated”.

The port was to consist of 2 basic areas. The larger and more southerly one was earmarked for general cargo, while the other area was for the import of liquids in bulk, mainly petroleum products. The second area was to be located between Sungei Perigi Nanas and the Sungei Chandong Besar. The depth of water at the general cargo and the bulk liquids berth was found to be adequate for vessels of 45,000 DWT and 25,000 DWT respectively at all states of the tide.

On 24 May 1985, Coode and Partners submitted to the General Manager of PKA their update of the 1981 feasibility study for the proposed port expansion on Pulau Lumut. The conclusions and recommendations in the 1985 document were unchanged from those given in the draft report. The most important recommendation was that PKA should proceed immediately with the first stage of development. The updating of the consultant’s report did not change the Master Plan for the long term development of the port in any way. The case for proceeding with the plans without further delay was stated in clear and forceful language.

The Economic Rate of Return for the short-term development remains substantially as in the 1981 study and justifies the proposed investment. Notwithstanding the great improvements in productivity in the port we forecast congestion and delays to shipping within 5 years, unless more facilities are provided and, as the earliest they could be brought into use is 1990, an early decision to go ahead is recommended.

The compelling circumstance was the increase in the volume of cargo traffic. From 1981 to 1985, the volume had increased rather more than was expected in the 1981 study. Even greater increases could be expected over the next 20 years as the following table from the revised study document shows:

Year	Million tons
1984	11.8
1990	17.1
2000	25.7
2005	30.2

The forecast increases in the volume of cargo traffic were not uniform across all the categories, being negligible in some groups and large in others.

Estimation of type of cargo in 1984 (estimates) and in 2000 (forecast)

Year	1984 (estimated)	2000 (forecast)
<i>Bulk Dry</i>		
<i>Fertilisers</i>	0.6	1.2
<i>Wheat, animal feeds</i>	0.3	0.4
<i>Sugar</i>	0.1	0.2
<i>Timber</i>	0.4	0.4
<i>Bulk Liquid</i>	2.3	6.0
<i>General Cargo (non-coastal)</i>	4.2	5.3
<i>Dry Goods</i>	3.5	6.2
<i>Container Traffic</i>	4.2	11.5
<i>Coastal Traffic</i>	1.3	2.0

Source: Port Klang Authority

The report noted that port facilities had been increased since 1981 by the completion of 3 more general cargo/container berths and 2 more bulk liquid berths at the North Port, the provision of improved mechanical equipment at the bulk berths at the North Port, and the rehabilitation of Berths 6 and 7 and the infrastructure at the South Port. With those improvements, the development potential at the North and South Ports was “substantially completed”. The implication was clear that the time had come to look for new areas for port development.

For any further port expansion Pulau Lumut is recommended as the most suitable location.

The World Bank sent a team of consultants and 6 experts from the Asian Development Bank to Malaysia in July 1985. Their mission was to study all aspects of the proposed West Port in the context of trends in the Malaysian economy, the probable demand for additional port facilities and related matters. On 11 August 1985, the result of the World Bank mission’s study was publicised.

In the words of a report in the *Star*: ‘*The World Bank says NO to Port Klang on the West Port Project*’. The World Bank felt that a new port was not needed at that time, as the existing facilities were not used to the maximum. There was no need to process the application for a \$500 million loan from the World Bank. Those acquainted with the history of Port Klang would have been reminded of the World Bank mission in 1955, which had recommended that the North Klang Straits project should be postponed.

A clear decision was made by the Government and Tan Sri Dato' Michael Chen announced that there would be a 5-year delay in implementing the West Port project. It was not being called off therefore, but was only being deferred. Tan Sri Dato' Chen mentioned that about RM50 million had already been spent on the hydrographical surveys and on land reclamation work.

'The money spent will not go to waste because the postponement in port construction will help in the soil settlement of the reclaimed land'.

So there was some waiting to be done, while it was business as usual in Port Klang ... a long gestation period before a project took shape was by no means a new experience for Port Klang!

An editorial in the *Business Times* commented:

From the Ministry's viewpoint there is no doubt it is fully aware that port development is a long-term process with long gestation periods hence decisions which have to be made well in advance are based on future expectations rather than present conditions ... The country can ill afford to commit funds now on new facilities which may not be necessary. At the same time it cannot afford to be caught without them when world trade revives, because this will further impede the efforts to expand the services sector.

The postponement of the West Port scheme meant that other solutions had to be devised to cope with the increasing volume of cargo. It was decided to turn to Wharf No. 15 at the North Port. This wharf was being used as a base for pilot vessels and tug boats. Wharf 15 was to undergo a thorough physical transformation, as it was to take on a more vital role. This is what the Fifth Malaysia Plan (1986-1990) had to say:

For Port Klang, the detailed engineering design and the construction of Berth 15, additional breasting dolphins, container stacking yard, and the marine base will be undertaken. The construction of Berth 15 is to provide additional general cargo and container capacity, while the breasting dolphins will provide additional liquid bulk cargo capacity.

The Port Authority was confident that with more mechanised facilities, the 25 berths could handle cargo and ship traffic until 1990 at least.

Making of West Port

PKA GM Mohamad Hashir Abdullah was reported in the Star of 11 February 1989 as saying that work on West Port on Pulau Indah would start in 1990. This project had already been identified as one of the principal infrastructure elements

under the Fifth Malaysia Plan. The value of this new port was undeniable. The general manager pointed out that when it was ready, the port would be able to accommodate fourth generation cargo ships up to 100,000 tons. At the North Port, only 3rd-generation vessels up to 60,000 tons could be accommodated. Various facilities that would be available for ocean-going vessels were listed out in the news report.

West Port, or the Pulau Indah/Pulau Lumut project, as it was variously called, did excite interest in the media and in commercial circles. The *Business Times* editorial of 24 June 1989 pinpointed the rationale for proceeding with the Pulau Lumut exercise.

The Pulau Lumut project is being activated because capacity at Port Klang is not adequate to meet the soaring demand. Also, further expansion on the mainland is not possible.

The response of the Selangor State government was encouraging. An article in the *Star* on 19 July 1989 carried the headline: *Selangor Menteri Besar wants West Port project to start early*. Tan Sri Muhammad bin Haji Muhammad Taib was confident that this major project would attract more investors to Pulau Lumut and Selangor State generally. It was public knowledge that the proposed bridge to link the island with Port Klang would be the longest bridge in the Klang Valley.

A port to be developed on an island does involve a great deal of ‘mobilisation’, as the consulting engineers called it. In the case of the Pulau Lumut project, an area adjacent to the site had to be cleared of mangrove and reclaimed, to enable the construction of a labour camp for 500 men and for other temporary facilities. The tubular steel pipes in standard lengths had to be imported to Port Klang, transported by barge to the island and welded into required lengths on the site.

The decade of the 1980s drew to a close with much hope and expectancy that the 1990s would be a time for greatness”. The *Business Times* editorial of 13 May 1989 struck a realistic note:

Port Kelang is booming. There is no doubt that KCT should strive to persuade more lines to call but it cannot do so overnight.

Additional berthing capacity must be planned now, as otherwise the boom may turn to gloom.

The singular event which led directly to the creation of West Port was a change from a demand-driven policy to a supply-driven policy for Port Klang, a result of the need to turn Port Klang into the national load centre. On the advice of PKA GM Datuk M. Rajasingam, at a high-level cabinet meeting, PM Tun Dr. Mahathir made a decision to immediately develop Phase 1 of West Port at the cost of

approximately RM500 million. PKA subsequently took the necessary steps to start Phase 1 development with no further delay, leading to the first ship calls at West Port in 1994, as detailed later in this book.

In June 1989, it was known that preliminary work would begin on the West Port project. Tan Sri Dato' Michael Chen, in the Chairman's Review in the PKA annual report for 1989, confirmed this important decision:

The government has also given the go-ahead for the West Port project.

The construction of port facilities on the 49 square kilometre of land will provide additional capacity for the port until the next century as well as open up 6,000 to 8,000 hectares of land for industries.

Tan Sri Dato' Chen then went on to describe the "shape of things to come" at Port Klang in the 1990s, and he asserted that he saw exciting developments ahead for Port Klang.

The 1990s will see a completely different scenario in port operations. Port services will be fully privatised and the Ministry of Transport together with the various port sectors are actively working towards paperless trading via electronic data interchange.

On 18 January 1991, Tan Sri Dato' Michael Chen's announcement that the deferred West Port project would be resumed was reported in all Malaysian newspapers. The *Star* report carried some interesting facts and figures. Pulau Lumut was an ideal choice for the site of what was intended to become an ultra-modern port. The sea off Pulau Lumut has a depth of 14 metres, and it could be deepened by another 3 metres or so, to allow 80,000 DWT vessels to berth at any time without tide restrictions.

PKA GM Datuk M. Rajasingam, in an interview with the *Star* (16 July 1991), asserted that the 3rd port (or West Port) would be the focus of port development into the 21st century.

In the Chairman's Report for 1992, Tan Sri Dato' Michael Chen wrote:

Having successfully privatized the rest of the port's operational services on 1 December 1992, the Port Authority can now focus attention on the development of a new gateway known as West Port, which will meet the needs of Port Klang up to the 21st century.

He described the various facilities that would be provided at West Port. There would be specialised terminals for petro-chemicals, liquid bulk, dry bulk, dangerous goods, break bulk, LPG and containers. All in all, he continued, 27 berths totalling five kilometres in length would be built in an area of 482 hectares,

on the island of Pulau Indah, which had formerly been known as Pulau Lumut. PKA had the financial viability to carry out the massive project, which would cost approximately RM1.2 billion

482 hectares of land had been earmarked for the project, and the cost would be in the region of RM2 billion. For starters, the port would have 6 general cargo-container berths, 2 liquid bulk and 2 dry berths, and a petroleum jetty.

Datuk Rajasingam cited relevant statistics showing the steady increase in the number of vessels calling at Port Klang. In 1991, 5,716 ships had called. By the year 2010, the number would go up to 13,506 (the actual number of ship calls in 2010 was 12,332 – 9% less than projected, due to the impact of the global financial crisis). By that year, the West Port's facilities could be just about able to cope with the anticipated astronomical increase in cargo.

It was decided to carry out the important West Port development project in 2 phases. Tender for Phase One was awarded in June 1992. Phase One included the construction of 3 general cargo/container wharves 600 metres in length, 2 petrochemical berths, and support facilities. The target date for completion of Phase One was 1993. The berths were designed to handle ships up to 80,000 displacement tons.

The Minister of Transport, Tun Dr. Ling Liong Sik, officially launched the West Port Project on 8 August 1992. Under Phase Two, there were to be 3 more general cargo/container berths 600 metres in length, 1 LPG berth and 2 dry bulk berths. All these wharves also were designed for ships of up to 80,000 displacement tons.

Progress reports on the West Port project showed that everything was going ahead smoothly. Tenders had been invited for the construction of the 1.2 kilometre bridge linking the island to the mainland. The award was made in May, and work began as scheduled. The scheduled completion date was November 1992. The island of Pulau Lumut was a hive of activity, as work was also in progress for the construction of access roads and 3 bridges.

The attention paid to the Pulau Lumut project reminded many port experts and port workers of the North Klang Straits project, and the manner in which different events and considerations led to delay. The *Fifth Malaysia Plan* document contained a single sentence about Pulau Lumut:

The construction of the road and bridge access to enable the provision of port facilities at Pulau Lumut, which include facilities for conventional cargo, petrochemicals, and hazardous goods, will also be initiated in the latter part of the Fifth Plan period.

The preliminary works for Phase Two also took off during the year. They included subsurface investigations, the testing of a site, and a hydrographical survey of the area.

Construction of the first 5 berths in West Port began in June 1992. 60% of the works were completed by the end of 1993. 3 of the berths were designed for containers and general cargo, while the other 2 were planned for petrochemicals. All the berths were for the reception of ships of up to 80,000 displacement tons.

Reclamation works for 65 hectares of land for additional berths, to be constructed under Phase Two of the West Port project, was in progress all through 1992.

Privatisation Agreement (1994)

Before looking into some of the details of the West port privatisation agreement, it is appropriate to note that this 'deal' was somewhat different from the earlier privatisation agreements; namely, those for Kelang Container Terminal (KCT) and the Kelang Port Management (KPM). Unlike privatisation of facilities and services to KCT and KPM, in the case of the privatisation of West Port, it was operating facilities that had just been built. There were no goodwill assets or employees to take over from Kelang Port Authority.

There were 3 parties to this agreement, namely the government of Malaysia, PKA and the Kelang Multi-Terminal Sdn. Bhd. (KMT).

The Government of Malaysia was represented by the Secretary-General and Deputy Secretary-General of the Ministry of Transport, while for PKA, the GM and the Chairman of the Board were the signatories. The Chairman and a Director signed on behalf of KMT.

KMT was described thus by *World Cargo News* June 1995:

KMT is a consortium of well connected private and public sector interests and the actual ownership of the company has changed several times without causing any apparent 'agitation' to the Government. The majority shareholders are now Econstates Holdings Sdn. Bhd. and Advanced Synergy Berhad.

When the agreement was signed, the shareholding structure, as listed in Article VIII, was:

*Syarikat Pembinaan Redzai Sdn. Bhd.,
Advanced Synergy Berhad
Perbadanan Kemajuan Negeri Selangor Bhd.
Lembaga Urusan Tabung Haji
Semakin Ajaib Sdn. Bhd.*

Essentially, KMT was taking over Phase One and Phase Two of the West Port Project, from PKA, “for a consideration determined by the Government”. The takeover date was 1 September 1994, but PKA was to complete both phases of the project.

PKA granted a licence to KMT to operate, manage, maintain and control ‘the Business’, consisting, of course, of port operations. They were listed:

Break bulk cargo

Dry bulk cargo

Liquid bulk cargo

Container terminal operations

Marine facilities

Other services including security and fire fighting.

All additional services directly related to port operations had to be provided, “to ensure an efficient, effective and safe service”.

KMT had also to comply with the West Port Development Plan, government policies, operating standards, laws, bye-laws, regulations and international conventions.

KMT was granted a lease of the relevant property for a period of 30 years, on the terms and conditions set out in a separate lease agreement.

KMT had to engage and employ its own employees. In respect of charges for services and facilities, KMT was to comply with charges prescribed under the existing port legislation, but it could apply to PKA to amend or to introduce new charges.

By Article XV, it is mandatory for KMT to prevent pollution and to adhere to all environmental requirements.

Promotion of national objectives related to the policy on ports was incorporated in the agreement. Article XVI stipulated that KMT should ensure that “the port will remain and continue to be the leading Malaysian port equipped to handle the full range of cargo classifications, provide a competitive range of services to all users, adequate facilities and services, facilitate the promotion of Malaysian trade and the achievement of Malaysian National Port Policy”.

KMT had to adopt a number of objectives, including the promotion and marketing of Port Klang as a load centre. Other objectives were: a continuous endeavour to increase port productivity and the volume of cargo; promotion of the port as a direct service port and load centre for the distribution of containers; work with other links in the transportation chain to reduce transportation costs.

Arising out of the obligation to promote national objectives, KMT had to pursue, among others, the following objectives:

... promote the port as a direct service port and load centre for the distribution of containers;

... work jointly with other links in the transportation chain to reduce transportation costs;

... facilitate the flow of trade through the development of electronic data interchange;

... promote and market Port Klang as a load centre.

By a separate clause, it is mandatory for KMT to actively participate in the introduction of multimodalism and other measures to develop the port as a hub port for the region, as an attractive option in South and East Asia.

In all the publicity leaflets and handouts, the image of West Port projected was that of an emergent trans-shipment megahub. The following sentence is a good example of that self-concept:

With the support of our clients, Lembaga Pelabuhan Klang, the Ministry of Transport and the government, West Port is well on its way to becoming the Trans-shipment Megahub of the 21 century.

A number of conditions were attached to the licence. KMT, as licensee, was to carry out its activities in an efficient and business-like manner, in the best interests of port users. KMT had also to conform to a management performance standard, to be established by PKA, “taking into account the standards of world ports”. Performance standards were to be reviewed periodically, in consultation with KMT, to ensure that the facilities provided and services rendered were of a high standard, so as to ensure the attractiveness of West Port as an efficient and cost-effective hub for main line direct calls. KMT could be called upon to supply relevant data and statistical information relating to port operations. In this way, the Authority would be able to assess “the degree of public benefit and attainment of Government objectives and management efficiency”. From these details, one can readily gather that privatisation did not mean that the licensee could do whatever it wanted. There was an element of accountability. PKA was assigned the role of watch-dog, to make sure that all public policy objectives were honoured.

West Port Opens for Business

On 4 November 1994, West Port received its first ship. The Greek vessel *Zeno* arrived with a consignment of steel plates and coils from Brazil. For several months, in fact, the main cargoes were steel coils, plates and billets. Captain Traklis Glinos and his crew received a grand welcome. They were greeted

by Captain Mohamed Yusof Ahmad, the Operations and Marine Manager of West Port, and the senior officers of the port administration. Tan Sri Dato' Ahmad Sabki Jahidin, chairman of Zetavest Sdn. Bhd. (the company licensed by Kelang Port Authority to handle Port Klang's stevedoring operations), was also present.

West Port began operations in November 1994 with 3 general cargo berths completed. The other 2 pairs of berths; namely, 2 liquid bulk berths and 2 dry bulk berths, were completed in June 1995 and November 1995 respectively.

In 1995, its 1st full year of operations, West Port handled 1,000,000 tons of cargo. This included 600,000 tons of general cargo, 150,000 tons of steel, 50,000 tons of petroleum and 150,000 tons of cement.

West Port continued to receive much publicity. The *Straits Shipper* issue dated 29 May – 4 June 1995 had some interesting details:

West Port, the newest port facility at Port Klang, operated by Kelang Multi Terminal is understood to have made significant moves recently to strengthen its aspirations to become a major container port in Malaysia.



10 September 1996: Tun Dr. Mahathir Mohamad planting the time capsule after launching Westports Malaysia. The time capsule contains a copy of his poem Perjuangan Yang Belum Selesai and the Vision 2020 and Westports Vision statements. On his right is Tan Sri G. Gnanalingam.

West Port has made known its aspirations for the container traffic at Port Klang which last year expanded by a sizeable 22.3 per cent totaling 934,720 TEUs. It has set aside a liner berth totalling 3,800 metres which will be dedicated to handling containers.

West Port was, of course, competing with the older privatised firms, Kelang Container Terminal (KCT) and Kelang Port Management (KPM). A breakthrough for West Port was the decision made by the American President Lines (APL) to use its facilities. APL was reported to be moving aggressively into the Far East-Europe trade.

Facilities at West Port completed between 1994 and the end of 1995 were 3 break-bulk-cum-container berths (total length 600 metres), 2 dry bulk berths (total length 400 metres) and 3 liquid bulk berths (total length 756 metres). The support facilities that had already been completed included a 23,000 square metre open store, 2 warehouses and 3 transit sheds with a total area of 23,562 square metres.

What are the special features that the West Port can claim to have? It is a natural deepwater port, with a minimum depth of 14 metres alongside the berths. It can easily accommodate the largest ocean-going vessels with fast turnaround times.

West Port was on the way to becoming a major hub port for trans-shipment for the South-East Asian region. It had an abundance of facilities for receiving cargo from major shipping lines and relaying them to third countries. In the reverse direction, West Port accepted cargo from a variety of ships and moved them on to inland destinations. There was no longer any need to depend on Singapore for these services.

The development of West Port was not meant to bring into existence only a modern port. The West Port project was to be part of a bigger and more ambitious project. The entire 49 square metre island of Pulau Indah was to be turned into a free trade zone area made up of a free commercial zone (FCZ) within the operating limits of West Port, and a free industrial zone (FIZ).

PKA annual report recorded that, in 1994, Port Klang had handled a total of 34 million tons of cargo. Looking 15 years into the future, the forecast was that by 2010, Port Klang would be handling around 88 million tons of cargo. There was little to doubt that Port Klang was a fast-growing port. As it turned out, in 2010, Port Klang actually handled more than 100 million tons of cargo.

On the occasion of the official opening of Westports at Pulau Indah on 10 September 1996, the Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad, was quoted in the *Straits Shipper* (September 16-22, 1996):

The government has accorded national priority to turn Port Klang into a load centre.....It is important for us to have one international port at Port Klang to handle or inbound and outbound shipments directly...Other ports in the national port system should feed traffic to Port Klang.

Tun Dr. Mahathir urged Port Klang terminal operators to collectively undertake pro-active marketing approach to promote the existing and the upcoming facilities at Port Klang.

The megahub theme was also prominent in Tun Dr. Mahathir's speech at the official opening of West Port in September 1996. He pledged government assistance to the port operators, insurance companies and freight forwarders to increase cargo at Port Klang. He also touched on the topic of competition:

Port operators must market their facilities to lure more people to use our free trade zone and to use Port Klang as a trans-shipment hub.

They must also co-operate and not sacrifice the interest of the nation through competition.

We are not asking you to sacrifice your company in the national interest. We are asking you not to be too fanatically loyal to your company to the point of sacrificing profit in order to beat the competition.

If you give in once in a while to your friendly competitor, in the long run it will benefit you and the nation.

The Managing Director of West Port, Tan Sri Datuk G. Gnanalingam said that the 3 ports would pursue co-operative competition.

When Westport entered the scene three years ago, many were delighted because they expected the three terminal operators to engage in a price war competing for the same clients.

Soon they realized we are together in co-operative competition. This is done through specialising in clientele and the co-ordinated use of facilities.

While there may be many agendas in Port Klang, the three terminal operators only have one agenda – the national agenda.

The newspapers published photographs of the Prime Minister driving a Malaysian manufactured motor vehicle onto a vessel for shipment to Britain. This was the first time that most Malaysians became aware that there was a vehicle terminal at the new port specially equipped for the easy shipment of vehicles. The media also publicised the fact that selected workers had been

sent to Japan to master the art of driving vehicles into vessels berthed at the vehicle terminal.

The progress made in promoting Port Klang drew wide attention internationally, and an article published in the *Straits Shipper* (19-25 August, 1996) quoted Robert N. Schwartz, a visiting associate at the Institute of Southeast Asian Studies, Singapore:

Malaysia's efforts to divert export and transshipment cargo away from Singapore to its own premier facility at Port Klang in particular are showing signs of succeeding, bringing its share of concern to Singapore.

Schwartz noted that apart from canvassing direct liner shipping calls, the relevant transport and port authorities, and the port terminal operators, had combined forces to promote and market their transshipment services to ports and shipping lines throughout the region. Schwartz said:

The results of all these efforts have been impressive. At the beginning of the year there were no direct mainline calls to the west coast of the US, or Europe. Now, 30 shipping companies including most of the major liner provide these services.

Taking note of the increase in direct or mainline shipping services at Port Klang, another article in the *Straits Shipper* (30 September-6 October, 1996) highlighted “*Direct trade drive pays off*”:

Although it may be too early to a conclusion, there are ominous sign that portend that the share of Malaysia's total trade handled via Singapore is declining. The trend could be seen as a positive result of the recent increase in mainline services to Port Klang and also due to the efforts by the Malaysian government to re-direct trade via local ports.

Basing his findings on the country's external trade statistics, the writer, G. Durairaj, noted that as a percentage of total trade of Malaysia, the share of trade via Singapore had declined. In 1995, the writer noted, the share of the trade dipped to 40.63% – the lowest share in the 6-year period from 1990-1995.

The downward trend in the declining importance of Singapore should be a major boost to the government which has been active in seeking to reduce the nation's dependence on the Republic for its exports and imports. In particular, the last 15 months the government stepped up efforts to make Port Klang a national load centre.

The increase in direct calls to Port Klang is seen as an important factor in winning over the trade which otherwise would have been shipped via Singapore.

That Singapore was losing its grip over Malaysia's trade was highlighted in the *Straits Shipper* (14-20 October, 1996), which drew attention to the increasing role played by Port Klang in the trade with Sabah and Sarawak.

The external trade of Sabah and Sarawak via Singapore declined substantially by 23.73 per cent to RM2.86 billion in the first six months of this year (1996) compared with the same period last year (1995). The downward trend in the declining trade via Singapore seems to be consistent with the government plans to promote direct trade via Port Klang as the National Load Centre and transshipment centre rather than using Singapore.

The growing trend towards developing global supply chains in the manufacturing sector, as well as changes in shipping trends and ever-growing vessel sizes, had a significant impact on the global liner industry, helping contribute to Port Klang's success in emerging as the National Load Centre. From single-line operators to consortia/slot sharing partnerships, including shipping conferences – reminiscent of the old Imperial Shipping Conference – in the 1980s, the structure of international shipping has changed to what eventually came to be called “global alliances”.

The *Straits Shipper* (30 September-6 October, 1996) noted that 4 major global alliances were created, following realignment by the major container operators.

The increasing globalised manufacturing networks have no doubt impacted and dictated the changes in the supply of shipping services. The greater demand for a more comprehensive services brought about by the global manufacturing network was one factor which demanded a single line or consortia offering services with wider port coverage and improved transit times. No line was however in a position to meet this expectation.

The 1990s marked a strong shift in the liner industry, introducing overlapping service strings with the emergence of 4 major global alliances; namely, Global Alliance (Nedlloyd, MISC, MOL, OOCL and APL), Grand Alliance (NYK, P&O, NOL, Hapag-Lloyd), Maersk-Sealand, and Norasia/Mediterranean Shipping Company and Hyundai. This drove intense competition among the shipping lines, and even led to mergers and acquisitions as well (e.g. the merger of Nedlloyd and P&O), a development which no doubt benefitted Port Klang, with increased number of calls from the changes to the service strings.

The changes in the shipping patterns also influenced the growing size of container vessels. Fully cellular containerships of 6,000 TEU-capacity made their debut, as shipping lines built more ships and bigger ships to draw on the economies of scale in operating their global services, which required no less than 25 ships of sizes between 3,000 TEU and 4,000 TEU. The ever-increasing vessel sizes inevitably impacted Port Klang's capacity.

Major expansion of facilities and services were therefore underway at Port Klang, especially at Westports, to accommodate the bigger ships with deeper draft, a requirement that Westports was better suited to fulfill. Westports, which handled more than 7,000 TEUs in 1996, was getting its 1,200 metre long Container Terminal 1 and Container Terminal 2 ready with 9 shoreside gantry cranes to receive up to 3 post-Panamax vessels of 5,000 TEUs.

KPM, meanwhile, handled 443, 653 TEUs in 1996 at its Klang Port Container Terminal berths, with a total quay length of almost 1100 metres and 10 quay cranes, with an annual capacity to handle 1.2 million TEUs. KPM announced a RM500 million investment in 1996 that involved upgrading berths 16, 17 and 18 in addition to its 5 berths; namely Berths 19, 20 and 21, to meet the rising demand.

KCT, which was handled 946,788 TEUs in 1996, was also expanding its capacity, including acquiring additional shoreside cranes to cope with the increasing demand for transshipment traffic, and was already moving towards an operational collaboration with KPM.

Competition or coordination?

It was evident that the privatisation of West Port to KMT, a company unconnected to Permodalan Nasional Bhd (PNB) (the ultimate shareholders of KCT and KPM), created a fluid situation for competition.

There were therefore 3 operating companies in Port Klang now. The *Straits Shipper*, in its issue for the week 27 March – 2 April 1995, had a critical yet well-argued editorial titled '*When one is better than two, or three*'. The thrust of the argument was that the "fragmented privatisation" by which 3 companies were competing for cargo handling was unusual, and did not exist in any other port in the world. The rationale for this unique set-up could be traced to the priority given to competition to foster efficiency. The view was that, "competition in such an environment is quite unlike that of an inter-port competition, either within a country, or between foreign ports." The editorial continued:

Nowhere in the world does a multi-firm environment exist in a single port competing for a homogenous demand source as it does in Port Klang.

In all world ranking ports multi-firm market exists only to serve a wider market within an outreach beyond the geographic or national economic corridors i.e. trans-shipment.

Singapore was cited as an example of one of the world's largest ports, in which the entire throughput of 300 million tons was handled by a single government agency. The writer, G Durairaj, felt that as far as shipping lines were concerned, they would be better served by 1 company efficiently than by 3 companies inefficiently. There was inter-port competition between Port Klang and Singapore for at least the Malaysian cargo. Also, Port Klang had always been part of the larger shipping market of the 'Straits ports', which covered Penang in addition to Singapore. In a sense, therefore, the writer went on, Port Klang must compete with Singapore and Penang, rather than with itself.

The privatisation of Port Klang was designed to inject efficiency through competition. But competition within a firm environment was different from an industry environment.

The editorial referred to reports that the 2 operators of the facilities at the port were going to work together. The tone of the conclusion was advisory, as it called on the 3rd operator of the facilities at West Port to opt "to work together than succumb to misguided perceptions on competition and efficiency".

'Competition' is not full out-right competition. Officially, it had been stated in government documents such as *Status Report on Privatisation of Government-owned projects* that "privatisation is expected to promote competition, improve efficiency and increase the productivity of the services". *World Cargo News* (June 1995) clarified this element of 'qualified' competition in its article:

The two operators are not allowed to compete on price terms as they have to charge according to KPA tariff. They compete on service only ...

This aspect of port operations was analysed in a lengthy article on Malaysian Port Development in the periodical *World Cargo News* of June 1995. Here it was suggested that the two operators, KCT and KPM, had been moving towards much closer cooperation, such as berth sharing.

In view of the largely common ownership structure, and the government's more relaxed approach to port privatisation, it looks increasingly likely that KCT and KPM will merge.

... the new factor in the equation is Kelang Multi-Terminal Sdn. Bhd. (KMT) which is responsible for developing the West Port. Hence in future, lines calling at Port Klang would be presented with a clear choice, on price as well as service grounds, between KMT in the West Port (south approach channel) and KCT/KPM in the North Port (north approach channel).

KPM – second phase development plan

The *New Straits Times* of 12 June 1997 recounted details of the 2nd phase development plan given by KPM Chairman Dato' Rahmat Jamari. The plan period was given as 1996-2000. During that span of years, KPM was to invest RM500 million to expand existing facilities and to improve the quality of service to its customers. Berths 16, 17 and 18, which were general cargo berths, would be converted to container berths, in addition to Berths 19, 20 and 21. 3 new quay cranes were to be installed by the end of 1997, and 3 'super post-Panamax cranes' would be added in 1998, and the intention was to have 12 quay cranes by the year 2000. KPM was also setting aside RM68 million for the replacement and upgrading of the Marine Services facilities. Dato' Rahmat also commented on Information Technology support. Under this item, RM30 million was to be invested for upgrading of the computer systems in order to further enhance efficiency.

Dato' Rahmat cited statistics showing the trend towards a smaller workforce and increasing productivity.

On manpower, Dato' Rahmat said that they were privileged to have a committed and dedicated workforce of 3,520 employees.

The workforce decreased by 12.6 per cent from 4,028 employees the company inherited from Port Klang Authority when it was privatised in December 1992. Despite the decrease in workforce, our company was able to achieve a 72 per cent increase in total throughput from 12.1 million freight weight tons of cargo in 1992 to 20.77 million freight weight tons last year.

Non-container traffic was still important for KPM. In 1994, for example, 85% of tonnage handled by KPM was from non-containerised cargoes; namely, break bulk, dry and liquid items. The handling facilities were spread out in North Port and South Port.

The rapid growth of KPM as a multipurpose port posed a direct threat to KCT, which was a homogenous commodity port handling only container traffic. KPM had greater flexibility and capacity for expansion, which KCT did not.

Contrary to expectations, cooperation or “co-opetition” among the 3 port-operating companies did not materialise. There was much competition that was unhealthy and self-destructive, and it was evident that the companies were on a collision course. This led the ultimate owner of KCT and KPM, namely PNB, to consider a merger between the 2 port operators that will strengthen their prospects, as well as achieve economies of scale in operating the enlarged port facilities and services of the 2 companies.

In 1998, the Northport logo was launched jointly by KPM and KCT, underscoring the strong operational collaboration between the 2 companies. Dato’ Haji Rahmat Jamari, who served as chairman for both the companies, noted that the Northport positioning initiative, undertaken through the joint efforts of both companies, represented a genuine desire and commitment to harness the combined strengths and experience of the 2 companies in the provision of container terminal services.

The joint collaboration was only a prelude for Kelang Container Terminal Bhd. (which changed its name to Klang Container Terminal Bhd. in 1996) and Klang Port Management Sdn. Bhd. to merge. In January 1999, Northport Corporation Bhd. (NCB) was formed, but remained dormant until the successful completion (in August 2000) of the restructuring exercise involving KCT and KPM. Under the exercise, KCT and Kontena Nasional Sdn. Bhd. became wholly owned subsidiaries of NCB, while KPM became a subsidiary of KCT, which later became Northport (Malaysia) Bhd. The merged entity simply came to be called Northport.

The merger was carried out in a very cordial industrial atmosphere, with the 3,800 employees of KPM agreeing to join Northport (Malaysia) Bhd.

Phase Two development – North Port

In mid-1995, the ‘big’ news was that KPM was embarking on the 2nd phase of its development programme at North Port. This RM300 million project would culminate in a 3-berth container terminal at the North Port by the end of 1995. KPM’s managing director, Dato’ Dr. Abdul Halim Harun, mentioned that 3 quay cranes had been ordered under the second phase of development. KPM was already acquiring post-Panamax quay cranes, in anticipation of handling the bigger post-Panamax ships of size more than 6,000 TEUs.

Meanwhile, KPM and KCT sought approval of the port authority for joint development of berths 12 and 13, in the light of booming container traffic at both the terminals. The 2 terminal operators also sought the support of the port authority and the Ministry of Transport for the dredging of the North Channel part of the approach waterways to greater depth, to meet the requirements of the deeper draft of the post-Panamax container ships.

Port Klang was already gearing itself to cope with the looming increase in the size of container vessels. West Port, in one of its advertisements, promised:

Westport Malaysia will offer our container clients both excellent back-up service and the most advanced technological facilities possible. The first container terminal, consisting of 600-metre berths, will be ready for operation by April 1996. It will be able to accommodate fifth generation post-Panamax vessels of 5,000 TEUs and above.

Expansion of container facilities

In the mid-1990s, it was becoming evident that more container facilities would be needed. The *Straits Shipper* of 19-25 June 1995 had a headline in its front page; *Container traffic dominates ports*. The thrust of the article was that container traffic at Malaysian ports was growing at a remarkable pace, and was beginning to dominate the throughput at most of the ports. It was heartening for Port Klang to note that the newest container facility, Kelang Port Container Terminal (KPCT), operated by the Kelang Port Management (KPM), had recorded an outstanding 166% per growth. KPCT was already handling about 30% of the number of containers handled by the older KCT.

PKA’s publication *Gateway Malaysia* (December 1995) also drew attention to the ‘box’ traffic growth at Port Klang. In 1995, according to this publication, the port handled 1.13 million TEUs, which represented a 20.2% increase, compared with the 943,846 TEUs handled in 1994. Port Klang’s box throughput reached – and then exceeded – the one million TEU mark for the first time (in a year) by November 1995. It was confidently expected that by the end of 1995, the total throughput would be about 1.1 million TEUs.

PKA’s annual report for 1995 also analysed the upsurge in container traffic. Containerised cargo now accounted for 54% of Port Klang’s total cargo volume. The strong growth was attributed to the robust performance of the Malaysian manufacturing sector, and the statistics of major containerised export items tell their own story:

Containerised traffic ion handled at Port Klang, 1995

<i>Electrical and electronic products</i>	<i>2.44 million tons</i>
<i>Furniture</i>	<i>712,928 tons</i>
<i>Rubber goods</i>	<i>607,837 tons</i>
<i>Textiles</i>	<i>560,364 tons</i>
<i>Beverages</i>	<i>311,324 tons</i>
<i>Glassware</i>	<i>133,995 tons</i>
<i>Auto parts</i>	<i>125,975 tons</i>

Source: Port Klang Authority Annual Report 1995

The above list reflects the phenomenal growth of industry in Malaysia. The *Sixth Malaysia Plan (1991-1995)* document asserted that the expansion of the industrial sector had provided the main stimulus to the growth of the Malaysian economy. Also, during the years 1986-1990, the manufacturing sector had expanded rapidly, making it the leading growth sector in the economy.

In that milieu of dynamic growth and rapid change in Port Klang, it is amazing how much and how long old associations linger with place names. The 1995 edition of the *Oxford Dictionary of the World*, published by the Oxford University Press, had this entry on PORT KELANG:

A rubber port on the Strait of Malacca in the Malaysian State of Selangor 30 kilometres (19 miles) south-west of Kuala Lumpur. Population in 1980 was 192,080.

Until 1971 it was named Port Swettenham in honour of British Resident, Frank Swettenham.

This dictionary also gave *Klang* or *Kelang* as alternative names. To have described Port Klang as a rubber port in 1995 was, of course, quite inaccurate, as rubber was overtaken by numerous export commodities - including goods manufactured from rubber. Rubber gloves are the obvious example.

The *Straits Times* editorial of 18 November 1995 supported the principle of a greater use of Malaysian ports by Malaysians:

The wisdom of encouraging our exporters and importers to use our own ports should be obvious. Besides greater utilization of facilities on which billions of ringgit have been spent there will be a considerable amount of foreign exchange to be saved.

In late 1995, the Cabinet directed that all Government purchases from abroad must be carried on ships which call direct at Port Klang. This ruling was in line with the declared intention of the Malaysian Government to make Port Klang a premier port, as well as primary mainline call port in the country.

The consultants who drafted the feasibility report on privatisation of PKA's facilities touched on this ever-present factor of competition from the "close proximity" position of Singapore.

Present trends in deep sea container shipping point towards fewer and larger ships calling at fewer ports for reasons of economies of scale. Due to historical reasons, Singapore has emerged as the major port of call in this region for such large vessels. The best opportunity for at least one

Malaysian port, Port Klang, to tap into this traffic would be to generate a sufficiently large volume of container traffic so that it becomes economical for the large vessels to call.

Meanwhile, at North Port

On 9 January 1996, the *APL China*, one of the largest container vessels afloat, berthed at the North Port. It was the ship's maiden call at Port Klang. This American President Lines 67,420-ton vessel, 276 metres long, had a container capacity of 4,832 TEUs. Its arrival at Port Klang marked the inauguration of direct shipping services between Port Klang and major ports in the Trans-Pacific trade. The guest of honour at the inauguration ceremony was the Prime Minister, Tun Dr. Mahathir Mohamed. A joint venture company, APL Agencies, was opened in Kuala Lumpur.

The media was devoting more attention to shipping, and the promotion of Port Klang as the maritime gateway as well as exit to Malaysia. The efficiency of ports does not depend on the port authorities alone. That seemed to be the theme of the editorial in the *Business Times* of 11 January 1996.

Hauliers have a role to play too in that it ensures that Port Klang is well-served in terms of efficient haulage facilities ... In Malaysia manufacturers are widely scattered and hauliers must improve their inland transit system to ensure that consignments reach their destinations no matter how far removed from Port Klang, as expeditiously as possible.

Phase Two of West Port was completed in February 1996, when 3 container berths and 1 general cargo berth were completed and commissioned.

By the end of 1995, other "civil infrastructure works" had been completed in Pulau Indah. They comprised roads, drainage systems, the main fire station, cabling works and a gate complex.

All those projects were undertaken by PKA with its own internal funding. With the completion of Phase Two projects on Pulau Indah, PKA's responsibility for development ended. The annual report of PKA for 1995 contained this policy statement regarding Phase Three of West Port development:

Phase Three of Pulau Indah port development will be undertaken by the private terminal operator. Projects carried out during the year include the construction of 3 container berths for ships of up to 100,000 displacement tons. The scheduled date for completion is December 1996.

The progress of the West Port project was being monitored with interest by interested parties outside Malaysia. The publication, *Container Shipping: the South East Asia Market*, in its January 1996 issue, had the following note on the West Port story:

The massive West Port complex development currently being built in Port Klang (at a reported total cost of between US\$0.5-1.5 bil.) will provide ample space for further growth in container and bulk port activities. Three additional container berths are due to be completed by the end of 1995 and the full long-term development is reported to involve 22 additional deep draft (14-17 metres) container berths, representing 1.4 million teu handling capacity. West Port will be operated by Klang Multi Terminal (KMT), and although the intention is supposedly to compete with Singapore, the new capacity is bound to bring pressure on to existing North Port operators KCT and KPM (Klang Port Management).

West Port began to be regarded as Port Klang's latest gateway to international shipping. In the 1995 Budget address, delivered at the end of 1994, the Deputy Prime Minister and Finance Minister, Datuk Seri Anwar Ibrahim, reiterated the Government's intention to make Port Klang not only an entrepôt port, but also a load and cargo trans-shipment centre in the region.



PART NINE

ROLE OF PORT IN POST- PRIVATISATION ERA

ROLE OF PORT IN POST-PRIVATISATION ERA

Often, it had been justified that with privatisation, the government hoped that the ports would be operated more on commercial lines. This may have been merely a perception, considering that it was the government which had removed this commercial flexibility, when the Harun Commission relegated statutory agencies (like the Port Klang Authority) to become mere government departments. The port authority actually lost the flexibility it needed to response to the commercial needs of the trade it served.

With all its facilities privatised, PKA relinquished its traditional function as a port operator. A new role for the port authority was necessary. PKA assumed new and challenging roles, including that of a trade facilitator. But the port authority continued to be responsible for trade facilitation; to create a conducive commercial environment, encouraging greater utilisation of the port and promoting direct trade.

Datuk M. Rajasingam, in his presentation on *Privatisation of Malaysian Ports* in Geneva (1993), noted:

In this regard the port authority will be responsible for planning and developing the port and ensuring supply driven facilities in the present growing environment to meet the demands for additional capacity as a result of the consistent double-digit growth in tonnage through the port in tandem with the buoyant national economy.

As a regulator, the port authority would also place emphasis on safety, maintenance of channels, safe navigation within the port limit, and vessel traffic movement. To ensure safety in vessel movement in the port waters, the port authority installed the Vessel Traffic Management System (VTMS) that was commissioned in 1997. Radar and VHF radio stations were installed at West Port (Pulau Indah), Pulau Angsa and Bukit Jugra to enhance navigational safety in the port's waters.

One of the principal functions of the Authority in the post-privatisation era was to ensure that port tariffs and costs were regulated carefully. In order to facilitate trade, it was essential that port tariff is regulated to ensure competitiveness. Emphasis would be directed towards productivity and efficient and cost-effective services.

In *Gateway Malaysia* (December 1995), PKA GM Datuk M. Rajasingam wrote:

Exciting things are taking place in our port ... Port Klang is a key player in the development of the country's economy, and as the port's regulator, KPA has a heavy responsibility to ensure that the government's vision for the port becomes a reality.

Besides the powers vested in it by the *Port Authorities Act*, PKA was also empowered by the *Port Authorities (Privatisation) Act 1990* to regulate activities and management of the private operators, including the assessment or evaluation of their performance.

Its core functions (after privatisation was completed) were elaborated by PKA, as follows:

Port planning – to provide a supply driven environment by identifying the need for facilities to meet specific cargo growth trends as well as ensuring fast turnaround of ships.

Trade facilitation – to act as a catalyst by providing a conducive commercial environment to enhance the port's regional role.

Port promotion – to provide utilization of the port's facilities and facilitate the development of new commercially viable trade while retaining existing ones, through maintaining appropriate levels of charges.

Environment needs – the protection of a balanced environment while ensuring port requirements are met.

Safety – to ensure navigational safety within the port limits, that all regulations and procedures for navigation and handling hazardous cargo are observed.

Performance standard – monitoring the performance of terminal operators so that high standards are maintained.

Assets management – to ensure the vast assets of KPA, comprising over 800 hectares of land and other port-related properties are maintained at optimum level, and to encourage the development of port-related industries within and outside the port area.

The New Logo

It was felt that the time had come to devise a new logo for the Port Klang Authority (PKA), to reflect its role as a trade facilitator in the post-privatisation era that had already commenced. The Minister of Transport, Tun Dr. Ling Liong Sik, launched PKA's new logo in July 1991.

PKA's publication *Port Klang: Trade Facilitator*, contains the following interpretation of the logo:

The Logo is a composite of the port's full name and a stylised symbol derived from the letters P and K, the initials of the port's name.

The full name in capitals clearly establishes the port's name. The country's name in lower case letters identifies the port's country of origin.

The letter P in aqua green and the curved tip within signify the sea and shelter for vessels.

The dark grey arrow is a stylised K and is the symbolic expression of the forward movement of the port towards a more dynamic role in the maritime trade of the country.

Overall, the corporate colours of aqua green and grey symbolise the sea and the neutrality of the port authority respectively.



PKA's current logo, adopted in July 1991.

It was decided to use the new logo for purposes of port promotion. The anchor symbol, which was introduced in 1972 when Port Swettenham was renamed Port Klang, was retained as Port Klang Authority's official logo. The new logo was prominently displayed on the cover of PKA's annual report for 1991.

Port Klang was getting ready for the challenges ahead. More ships were expected to call, and larger volumes of cargo would have to be handled. A significant reform relating to port operations, which came into effect in late 1991, was mentioned in the annual report for 1992:

To facilitate uninterrupted port working Port Klang as well as all other Malaysian ports, abolished the five 'port closed days'. We now work throughout the year, 24 hours a day.

The background to this new ruling was that a directive had been issued by the Ministry of Transport, after a consensus had been reached by chairmen of all Malaysian port authorities, at a meeting held in Kuching, Sarawak. Transport Minister, Tun Dr. Ling Liong Sik explained that the move was designed to cope with the increased demand for port services.

A notification in the *Federal Gazette*, signed by the Minister of Transport on 11 July 1992, repealed By-law 61 of the *Port By-laws of 1965*. The old practice, whereby the port used to be closed on 5 days in the year (the first day of Chinese New Year, the first day notified for Hari Raya Puasa, Merdeka Day, Deepavali and Christmas Day), was abolished.

The commercial firms had all along been requesting the port authority to keep the port open throughout the year. It was perhaps difficult to grant that request when the port was a government- owned utility. With privatisation having been introduced, it was both legally and psychologically wiser to convert Port Klang into a round-the-year, service-oriented port. PKA had been making timely provisions for efficient and appropriate facilities for port operations, and the working hours policy had to reflect the new culture of privatisation.

The silver jubilee year, 1988

1988 was the silver jubilee year for PKA. The port, as an entity in its own right, had completed 25 years of operations. The Board chairman, Tan Sri Dato' Michael Chen, highlighted some of the achievements in his review of 1988. Trade totalling 15.87 million tonnes had been registered, and he pointed out these were the best results since the Port Authority had been set up in 1963. Exports through Port Klang rose by 7-8% to 6.59 million tonnes, while import cargo, at 9.28 million tonnes, was higher by 31.4% over the previous year's figures. The buoyancy of the Malaysian economy (with a growth rate of 8.1%) was reflected in the port's activities during the year.

There was a sharp increase in import items like iron and steel, heavy machinery, fertilisers and household goods. The port handled 325,661 TEUs in 1988, representing an 18% increase over the previous year's throughput. The selective reductions in the tariff structure were apparently reaping good results. In 1988, the timber tariff had been made more attractive with a 22% discount. In addition, incentives had been given to timber exporters with a policy of 14 days free storage for export and 28 days free storage for re-export and transshipment. Charges for heavy cargo exceeding 2.5 DWT had also been reduced. The 1988 annual report had an interesting sentence about coal:

Coal in bulk was a newcomer to the Port Klang trade. A total of 527,257 tonnes was imported in 1988, as against 3,644 tonnes the previous year. The coal was imported for the Kapar power station and a local cement manufacturer.



The Port Klang Authority had taken the dolphin as its symbol for its silver jubilee celebrations because of its friendliness, adaptability and readiness to give protection.

Fertiliser was, however, the biggest dry built commodity in terms of volume. 867,119 tonnes were imported through the port, a 28% increase. Other dry bulk commodities imported were cement, maize, sugar and wheat. 34.5% of the total tonnage handled by Port Klang consisted of bulk cargo. As for bulk liquid cargo, the biggest import item was petroleum (1,733,884 tonnes) while latex, palm oil and palm kernel oil continued to be important export items.

The main containerised exports were rubber (629,105 tonnes), latex in drums (105,765 tonnes) and timber (406,185 tonnes). As for imports, the major commodities that arrived in containers were chemicals, newsprint, electrical goods, milk products and a variety of household goods.

A total of 4,641 ships, with a registered tonnage of 38.6 million tonnes, called at Port Klang in 1988. 1,453 were container vessels.

Throughout the year, reconstruction work on three coastal wharves (No. 5, 6 and 7) in the South Port was still in progress. The wharves were planned for the berthing of coastal ships up to 6,000 tonnes displacement. This project had commenced in October 1987, and the scheduled completion date was August 1989.

A major construction project that was started in January 1988 was that of Berth No. 15. This \$23.14 million project included the construction of a dolphin berth between Berths 22 and 23.

Berth No. 15 had previously been a dolphin berth, and the plan was to make it a cargo berth 244 metres long and 63.2 metres wide. The berth was regarded as an alternative to immediate development in West Port. The berth was intended to accommodate vessels up to 60,000 displacement tonnes. Tracks for container quay cranes were to be fitted on the wharf to cater for container operations. This project was scheduled for completion in January 1990. Yet another project in progress was the conversion of a transit shed in the North

Port into a modern passenger lounge, with duty free shops, souvenir shops, a cafeteria and offices for Customs and Immigration personnel.

There was definitely good cause for celebrating the silver jubilee of the port with a “big splash”, as the press called it. The 2-day event was launched by the Prime Minister on 3 September. Tun Dr. Mahathir Mohamad called for greater efficiency and to ensure optimum use of port services. It was an ‘open house’ on both days, and over 80,000 visitors came along. In addition, another 15,000 from schools throughout Malaysia and from colleges and universities, business and firms visited the port premises. A special element in the public relations activities was the invention of the ‘Port Klang Game’. This game board was meant to be an interesting teaching aid on port operations. It was given free to every student who visited the port.

The *Business Times* carried a special supplement to commemorate the jubilee event. The Prime Minister in his message said:

It is my hope that Port Klang will continue to strive hard to enhance its services to all port users in line with its status as a major port in this country.

Its ability in performing this role effectively is important in fostering confidence in foreign investors when they consider investing in Malaysia

...

Tun Dr. Ling Liong Sik, Minister for Transport, said:

Port Klang has seen a great deal of changes which befit its role as one of the major ports in this country as well as the principal gateway for our nation's fast developing industrial areas. The KPA is now experiencing another kind of change in its identity - the advent of the Government's privatisation policy.

In his review of the year 1988, Tan Sri Dato' Michael Chen observed:

Next year will see changes in the set-up and management of the port with the impending privatisation of the port's remaining services.

A consultant firm was appointed and had carried out a study on how the remaining services of the port are to be privatised.

The *New Straits Times*, in its editorial of 6 September 1988, briefly reviewed the port's experience over the years:

Ten years ago 7,200 port workers handled 6 million tons of cargo. Last year 5,200 handled 13 million tonnes. This year, 13 million tonnes in the first eight months with no increase in manpower.

PKA Charter

PKA embodied its ideology, and declared its commitment to port users, in a formal Clients' Charter:

AS MALAYSIA'S MAIN GATEWAY FOR TRADE, PORT KLANG WILL:

Provide the highest standard of cargo safety and security while ensuring a navigational safe haven for ships.

Strive for cost-effective service through port performance of international standards.

Develop a highly trained, motivated workforce to meet the growing demands of the port industry.

Create a conducive commercial environment to provide traders a competitive edge in the world market.

Develop supply-driven port facilities and services to undertake a larger regional role.

The Charter was meant to act as a pledge to provide a quick and efficient service to users.

The port authority moved swiftly and strongly to the letter and spirit of its Charter by emerging as a trade facilitator, addressing and resolving broader issues relating to process flows in trade, via the port terminals it had privatised. It endeavoured to create a conducive environment for trade to grow, including lobbying for legislative changes, and changes in government policies, that were seen to hindering trade growth or hampering efficient cargo flow.

One of the important accomplishments of the port authority in its trade facilitation role was convincing the Ministry of Finance to allow foreigner lines to hold majority stakes – up to 69% – in ship agencies, in an attempt to attract shipping lines to Port Klang. The equity restriction was part of the government's larger New Economic Policy aimed at providing opportunities for the economic uplifting of the “*bumiputras*”. The relaxation in the equity requirements marked a major policy shift, and the relaxation encouraged several large foreign shipping companies to set up owner-based ship agencies in Malaysia. The impact of these investments was significant.

A second major achievement was the successful lobbying of the Ministry of Transport to relax provisions in the cabotage policy, which was seen as hampering the movement of international cargoes from other Malaysian

ports to Port Klang. The cabotage policy is enforced by the Domestic Shipping and Licensing Board, which comes within the portfolio of the Ministry of Transport.

The Malaysian government had introduced the cabotage (coastal shipping) policy in 1980, and had implemented it in stages. The *Fifth Malaysia Plan* document explained that the aim of the policy was to ensure that (eventually) only Malaysian-registered vessels, owned and operated by Malaysians, were allowed to operate in domestic shipping.

Before the relaxation of the law, foreign-owned ships were prohibited from being involved in domestic shipping. Boxes from Penang, for example, could not be carried by foreign shipping lines to Port Klang for onward shipment to main line vessels calling there. There was a shortage of local ships for feeder services. At the same time, foreign-registered vessels could not transship at Penang, in spite of the demand for their services. The result was inevitable; namely, a large volume of local exports were being sent to Singapore.

Early in 1994, the Government of Malaysia decided to partially remove cabotage restrictions and allow foreign shipping lines to lift cargo between Penang and Port Klang, but only as part of the international leg. PKA, which had pushed for the relaxation, regarded this reform as highly desirable in its aim to promote Port Klang as the National Load Centre. Soon, the relaxation was extended to Kuantan Port and Johor Port, allowing foreign lines to lift cargo from these two ports for transshipment to international destinations at Port Klang. The initiative taken by the port authority was consistent with its role as a trade facilitator.

PKA publication *Port Klang: Trade Facilitator* asserts that “the role of KPA is not just as developer of physical facilities but, equally important, as a reformer of institutional and procedural practices”. PKA had advocated a more liberal shipping policy, on the grounds that such a policy needed to be introduced, if Port Klang was to be developed into a regional trans-shipment hub. Working closely with the Ministry of Transport, PKA saw the realisation of its objective: the relaxation of the cabotage law to allow foreign-owned ships to carry transshipment cargo containers from Penang to Port Klang and vice- versa.

The removal of the cabotage restriction proved the wisdom of PKA’s initiative, according to a PKA publication. It brought about the desired result of a reduction in the volume of transshipment of Malaysian-origin boxes via Singapore.

“Operasi Cekap”

An incessant complaint which Port Klang unfairly faced was delay in the process flows. There were several agencies involved in the process flows, involving both documentation and the physical movement of cargo from and to the port. It was important that the source of this problem was identified.

Early in 1995, the Malaysian Government launched *Operasi Cekap* (Efficient Operations) to monitor every link in the country’s logistics chain. Certain ports had been unable to cope with the consequences of the economic boom; namely, an increase in the volume of cargo arriving as well as awaiting export. It was galling to Malaysian leaders that the port of Singapore was being used a great deal by Malaysian exporters and importers.

Operasi Cekap was intended to instil a more realistic attitude to technical issues in cargo handling and cargo clearance. Of course, it was known that port authorities cannot be made the scapegoat for everything that goes wrong. Port administration was but one link in the chain stretching from the manufacturing plant to the overseas importer’s premises. Similarly, other chains may stretch from the factories overseas to the Malaysian wholesale depots in the Klang Valley, in the interior of Johore, or in the Kinta Valley around Ipoh. Hauliers, freight forwarders, shippers and government departments like Customs were also responsible. The Transport Minister made frequent visits to Penang, Johore and Port Klang to monitor the situation.

Reports appeared in the Malaysian press that as much as RM78 billion of Malaysia’s imports and exports per annum went through Singapore. Transport Minister Ling was reported to be unhappy that about 56% of the nation’s cargo was feedered via a third port. This did not include the cargo passing through the Johore Causeway daily. In 1994 alone, the value of goods sent in trucks via the Causeway was valued at RM34.66 billion. These facts and figures underscore a problem that was often debated both in the open and behind closed doors. The port users and the commercial firms valued speed and brisk handling of goods. Similarly, shipping interests wanted to be able to roll off their cargo at receiving ports and leave with their exports with a minimal loss of time. This trend would increase rather than decrease.

By April 1995, the Transport Minister was able to report that he was happy with *Operasi Cekap*, as the cargo flow at Port Klang had improved, and said cargoes at the port were Customs cleared and delivered to relevant consignees within 3 days of the arrival at Port Klang. The minister’s directive was, however, that all arriving cargo must be cleared within 24 hours, especially since “the pre-arrival clearance for imported cargo had been approved.”

Inland port

The first inland port under PKA management was officially opened in Ipoh, in the Jalan St. John area, by the Minister for Transport, Tun Dr. Ling, on 10 November 1989. The Minister flagged off the first train load of containers from KCT, which heralded the development of intermodalism in the country.

This inland port was officially called the Ipoh Cargo Terminal (ICT). It was a joint venture enterprise between PKA and the Malayan Railway. The total cost of the project was \$2.3 million. The money was spent mainly on paying for the 1.6 hectare container yard, renovating the import and export warehouses, and on electrical fittings. The entire project was completed in October 1989.

The inland port, which was supported by shipping lines, was welcomed by the business community in Perak, as there was no convenient seaport in the state for handling cargo for international trade. With the official commissioning of the ICT, it became possible for container loads to be sent directly to the wharves at Port Klang or at Penang by train. There was good potential for establishing the fixed-day shuttle service, between the inland port and the two seaports. The convenience and saving of time were obvious advantages for the trading community.

The development of the inland port at Ipoh was soon followed with the development of a second inland port at Segamat, in Johore (about 260 km south of Port Klang). The port authority invested RM18 million, including the acquisition of land, to develop the Segamat Inland Port, which was served by both road as well as rail connections provided by KTM Berhad.

The Segamat Inland Port was closed in 2006 due to underutilisation, but plans have been unveiled earlier in 2013 to revitalise the port and make it a more attractive and economic prospect.

Future Expansion

As a regulatory body, PKA began looking for new sites for expansion purposes, in order to cope with the expected growth in cargo by the year 2020. Various locations along the Selangor Coastline south of the Port Klang area were earmarked for a thorough study of the engineering, economic, environmental and marine dimensions.

PKA had made plans to build a new sea-land gateway to support the work of its existing (or partly-completed) terminals at South Port, North Port and West Port.

However, it would be more than 15 years later, in 2010, before any concrete plans for developing the next terminal were unveiled in the Port Klang Development Master Plan.

Modern or ultra-modern?

In keeping with the new technology of Port Klang's 3 port areas, the private warehouse or property owners were also competing to provide modern facilities, according to the norms of the late 1990s. Traditionally, a warehouse would bring to one's mind a huge shed with ample space for stacking or storing cartons, sacks, barrels or boxes. That was typical of bygone Port Swettenham. An advertisement in the *New Straits Times*, at the end of 1996, described the facilities of a new elevated warehouse at the North Port:

- *raised flooring with direct loading from container*
- *loading/unloading bays equipped with Dock beveller*
- *sprinkler system*
- *heavy duty pave blocks for driveway*
- *ample lighting for night operations*
- *male and female toilets*
- *two separate blocks of 70,000 square feet each.*

The search for even better ways of handling cargo clearance was being pursued relentlessly. On 7 December 1996, the *Star* published a comment by the Transport Minister on the Prime Minister's statement that Malaysia was looking into the possibility of adopting an automated system of cargo handling, similar to the one used at Rotterdam in the Netherlands. The Minister called on all port authorities to study automated cargo handling systems being used in other countries for possible implementation in Malaysia.

Automated cargo handling systems are definitely worth looking at, and I hope that local port authorities will look into this matter.

We have to start increasing automation and enhancing the use of robotics in the industry if we are to keep up with other countries.

Port Klang Community System

Port Klang had taken the lead in forging an e-commerce environment by collaborating with EDI Malaysia Sdn. Bhd., which rolled out a pilot project called Port Klang Community System (PKCS) in 1994. PKCS was essentially a system which electronically transferred documents, replacing physical movement of documents, to expedite the physical flow of cargo. PKCS, which emerged as the forerunner of the national EDI, became the central or focal point for all manifests, Customs declarations as well as declarations relating to dangerous cargos, and Free Zone declarations.

Cruise Terminal

Historically, Port Klang had played a major role as a port of call for passenger ships. The immigration-emigration movements of its early years had been replaced by growing tourist traffic. Apart from foreign tourists, there was a growing tendency for Malaysians to travel. The spread of affluence in Malaysia had also led to a big demand for short cruises around the seas of Thailand, Indonesia and Singapore. The South Port (and later the North Port) became prominent in the cruise business. West Port, too, had a cruise terminal, which became operational in December 1995.

Star Cruises had its own terminal at Port Klang. With the Kuala Lumpur International Airport at Sepang opened for traffic, Star Cruises Sdn. Bhd. had planned to commence 'fly and cruise' services.

In 2010, Star Cruises sold their cruise terminal to the Glenn Marine Group, better known for their marine and naval logistics business. The terminal was renamed the Port Klang Cruise Centre.



The Star Cruises Terminal (left), since sold to Glenn Marine Group and known as the Port Klang Cruise Centre.

Dangerous cargo

Any port has to cope with the growing tonnage of chemicals that have to be handled. Port Klang was no exception. There was a time, described in an earlier section, when the only hazardous cargo was petroleum or more rarely, explosives. Over the years, the march of science and technology had brought into existence a wider variety of dangerous chemicals. In 1992, Port Klang had to handle no less than 5 million tonnes of dangerous chemicals. It was well-known to the seafaring community that the International Maritime Organisation (IMO) research

studies show around 50% of the goods carried by sea are dangerous in one way or another. When such goods were landed at Port Klang, they had to be handled with due care and attention, and stored properly until collected or sent on to the relevant consignees. In our day and age, apart from chemicals that are inherently or intrinsically hazardous, there were also radioactive materials to be considered. Unscrupulous groups had been known to ship off materials containing radioactive elements to unsuspecting ports in Third World nations.

PKA classified dangerous goods into 3 main groups, Group One, Two and Three. Group One comprises mainly cargoes that are explosive by nature. Dangerous goods that fall into this category can be landed only at specific places, subject to conditions that the authorities may impose from time to time. Vessels carrying such goods, unless specifically exempted by PKA, are prohibited from coming alongside the berths.

Group Two items are peroxides, radio-active materials, flammable liquids of low flash points and gases. Vessels carrying goods classified in this group may come alongside the berths but the goods must be in direct transit. Storage is not automatic and specific approval of PKA is mandatory.

Group Three goods comprise materials or substances that are corrosive or toxic, and this classification includes flammable liquid of high flash points and flammable solids. These goods can be stored in conformity with the rules in designated areas.

It is unfortunate that there are cases of reckless or unscrupulous port users willfully failing to comply with Port Klang regulations pertaining to dangerous goods. Failure to declare the hazardous nature of goods is a criminal offence and in 1996, PKA blacklisted 3 shipping agents who had persisted in flouting the relevant regulations. There had been 49 cases of port users not declaring and observing the port's dangerous goods regulations in 1996. GM Datuk Rajasingam told the *Star* in February 1997 that agents would be prosecuted and the revocation of their licences would be recommended to the Customs Department. There was close cooperation between PKA and the 3 terminal operators. Probably with vivid memories of the 1980 fire at the port in which he had sustained injuries, Rajasingam pointed out that any mishap involving hazardous consignment could result in loss of lives and serious damage to property. In the latest incident, reported on 16 January 1997, he recalled that an export container packed haphazardly with corrosive liquid and gas had caught fire at the KPM container yard. When the matter was investigated, it was found that the forwarding agent had not declared the goods as dangerous cargo and the items had been packed together with general cargo meant for Kuching. Action taken by PKA included prosecution of the offender, and the recruitment of a chemist to assist in the enforcement and safe handling of dangerous cargo. Instead of depending on the services of the Chemistry Department, it was decided that PKA should set up its own laboratory so that tests could be conducted without delay.

PKA has a hazardous cargo unit. It conducts training on the handling of dangerous cargo for operational staff of private terminal operators. The unit assists port operators to draw up in-house procedures for hazardous cargo as well as for implementing the ship-to-shore safety checklist.

The South Channel breakthrough

On 27 January 1997, PKA Assistant GM Captain Abdul Rahim Abdul Aziz made an important statement that was certainly ‘tidings of great joy’ for masters of ships calling at Port Klang. The South Channel in Pintu Gedong was declared free for deep draught vessels, thanks to the successful completion of the 6-month capital dredging project. Captain Abdul Rahim explained that post-Panamax container vessels, bulk carriers and tankers with a draught of up to 15 metres could come into Port Klang waters without tidal restrictions. The South channel could be used round the clock and there was easy access for big ships. Previously, ships’ captains had to wait for the right water depth before taking their vessels through the channel which was 4.8 kilometres long and 365 metres wide.

PKA had been carrying out maintenance dredging periodically to cope with the ever-present problem of siltation. The capital dredging project had cost RM20 million. More than 8 million cubic metres of sand, mud and clay were removed by the trailer suction hopper dredger *Pearl River* and deposited at a site 10 kilometres out at sea. The capital dredging scheme was a measure in furtherance of the Malaysian Government’s policy to provide an environment conducive for bigger ships to use Port Klang. On the same day that Captain Rahim’s announcement was publicised in the newspapers, the Star carried an advertisement of Hanjin Shipping announcing the inauguration of their Europe West Bound service by 4,000-TEU vessels to Port Klang. The voyage from Port Klang to Rotterdam would take 19 days, to Antwerp 20 days, and to Felixstowe 22 days.

A National Port Authority

On 10 March 1997, Transport Minister Tun Dr. Ling Liong Sik announced that a National Port Authority (NPA) would be established. It would function as a regulatory body and oversee the operations of all private ports. The existing practice of having a regulatory authority for each port was not sufficient, the Minister explained. The first stage of improving port efficiency through privatisation of terminal operations had been successful. However, the Minister commented, terminal operations constituted only a part of a claim that would affect the efficiency of ports. The Ministry of Transport was going through a process of privatising federal ports to cut bureaucracy and improve efficiency. The ports of Malaysia were handling 90% of the nation’s total trade, estimated at about RM198 billion.

In year 1993 and 1994, the ports of Bintulu and Penang had been Privatised. At Port Klang and Pasir Gudang, container terminal operations were already privatised, while Kuantan Port was privatised in 1998.

The NPA when it comes into existence will not involve itself in the day to day running of port operations. Rather, it will be concerned with facilitating growth and regulating operations in harmony with national policies.

One can comment that the obvious advantage of having a body like the proposed National Ports Authority is that it would take an overview of all developments and trends in the ports of Malaysia. Measures could be adopted to avoid excess capacity and to encourage greater professionalism among port executives. Collection of statistics and the commissioning of objective research studies on economic, legal and environmental aspects of ports, could also be carried out.

The *New Straits Times* in its Business section of 3 March 1997, devoted a full page to developments at Port Klang. The general tenor of the three reports was quite encouraging, and the port was described as a ‘transformed entity’.

... while the nation’s cargo gateway still has a long way to go before it can be considered a regional hub, some of the achievements so far are still notable

The president of the Association of Freight Forwarding Agents, Jason Goh, was quoted as saying that a container could be trucked out within hours of the ship arriving at the port, instead of weeks. Other major changes were: 24 hours operation by the Customs; an increase in the number of trucks operated by hauliers; the introduction of more cranes at the port.

The policy was to comply with the requests of ship operators. The Minister of Transport said that the ship operators know how their cargo was loaded and how it ought to be unloaded. If a ship asked for 3 cranes, they would be given the 3 cranes “regardless of what the terminal people might think” is a more efficient use of its equipment.

PKA GM Datuk M. Rajasingam commented on the increase in the number of trucks the 5 hauliers were using. Whereas in the past, the lack of a sufficient number of trucks was a common complaint, a smooth flow of such vehicles into and out of Port Klang had been achieved.

Both the Minister and the GM highlighted the drive to develop Port Klang into a transshipment centre. The statistics showed a dramatic rise in the number of TEUs trans-shipped through the port:

1994	NIL
1995	500
1996	140,000

The strategy of setting up inland ports had proved to be successful. Plans were being made to set up similar inland ports in Segamat, Johore; 2 in the State of Kelantan; and at least one more in East Malaysia.

As for traffic handled at Port Klang, the growth was more than satisfactory. In 1995, 40.03 million tonnes had been dealt with. In 1996, the total cargo had escalated to 49.04 million tonnes, an increase of 22.5%.

An article by Thomas Soon in the Maritime section of the *Star* on 18 April 1997 contained salient facts and figures on the progress made by the ICT. Total cargo handled by the inland port had increased by big leaps and bounds. From 5,994 TEUs of 76,042 tonnes valued at RM248 million in 1989/1990, the cargo had increased to 25,125 TEUs of 455,755 tonnes valued at RM1.58 billion in 1996. ICT's GM, V. Satchithanathan, revealed that 85% of the goods came from and went to Port Klang while the remainder went to or came from Penang.

By mid-1997, the agencies had held equity in ICT were the Malayan Railway, Perak State Development Corporation, Port Klang Authority, Penang Port Commission and Johor Port Authority. ICT had become the main port of the import and export of most industrial establishments located in the Kinta Valley region. ICT functioned exactly like a seaport. Through Bills of Lading were used widely for imports, while for exports, such Bills were issued on request by the exporters.

2 warehouses, one bonded and the other non-bonded, enabled container packing and unpacking operations. Chartered trains took the container cargoes daily to and from Penang and Port Klang. However, containers were also carried by other or normal goods trains.

With the success of the ICT, there was no doubt that the Malaysian commercial world had accepted the advent of multi-modal operations. To quote Transport Minister Ling again:

The inland port strategy is good for the exporter as the cargo is deemed to have been loaded onto a ship once it is delivered at the centre. This allows the exporter to get his money faster.

Also, the legal protection provided by the well-known *Carriage of Goods by Sea Act* covered all movements of the cargo from the inland port to seaports.

On 26 May 1997, the *Star* highlighted aspects of Port Klang's aspirations for the future. Tan Sri Dato' Michael Chen drew attention to the port's ranking in the maritime world over the years. The PKA Chairman pointed out that Port Klang had steadily moved up the rankings from 57th place in 1989 to 35th in 1990, and 26th place in 1995. The ambition was to become an efficient regional hub and also earn a place among the world's 10 busiest container ports. Tan Sri Dato' Chen also expressed confidence that the number of berths would be increased from 35

to 60 by the year 2000. PKA had spent RM1 billion on West Port and in May 1997, 11 berths were already in operation. The plan was to construct another 20 berths before the year 2003.

Distripark at Port Klang

A primary purpose in the development of the distripark is to allow goods leaving and entering Malaysia through Port Klang to be rebagged, repacked, sorted, stored, relabelled, palletised or assembled.

That was how *Port Link* (September/October 1991), the newsletter of the Kelang Container Terminal, described this new facility. How could Port Klang have managed without a distripark, considering the growing volume of cargo it was handling year after year? At last, the Port Klang Distribution Park was developed in the North Port free commercial zone. The distripark was a joint enterprise effort of the Port Klang Authority and Peremba (Malaysia) Sdn. Bhd., a diversified company. A team of executives visited Nedlloyds Districentres in the Netherlands to find out more details on the development and management of distriparks. There was no doubt at all about the value of such a facility for port users, importers and exporters alike. Manufacturing, however, is not allowed in a distripark.



The North Port Distripark, one of the Free Zones under PKA's jurisdiction and management.

A number of formalities had to be complied with. The area had to be demarcated and a *Gazette Notification* had to be published. The site, initially chosen, was just outside the fenced-up area of the KCT complex, and the total estimated area was 25.5 hectares. The plan was to have 21,367 square metres of warehouse space ready by September 1993. Ultimately there would be 125,415 square metres of warehouse space and also 6 hectares of open storage space. The ground breaking ceremony was performed by Transport Minister, Tun Dr. Ling Liong Sik, on 8 August 1992. The distripark began operations in September 1993 and up to the end of that year, it had handled a total of 2,079 TEUs and 41,400 tonnes of conventional cargo. The principal activities were value-adding and consolidation of cargo coming from various areas. Another, perhaps unexpected, service to traders, was that of duty deferment. High value cargo can be stored in the distripark pending later delivery.

Re-exports handled at the distnipark increased by 80.2 per cent in 1995 when compared with the figures for 1994.

1993 was another year of growth for Port Klang. Cargo handled exceeded 30 million tonnes. 1993 marked the 20th year of container operations in the port and it also witnessed the start of operations at the 2nd container terminal.

Free Zone at Port Klang

The legislative background to the Free Zones Act can be described briefly. The older *Free Trade Zone Act 1971* was found to be “inadequate and incapable of supporting the greater needs of the present economic development”, according to the explanatory memorandum attached to the draft of the new law. It was therefore decided to enact the Free Zones Act and provide for the establishment of free zones in Malaysia for the purpose of trade and manufacturing industries. The objective was also stated:

To provide appropriate legal provisions for Malaysia to exploit to the best of its ability the economic potentials of duty free zones for the purpose of trade and industrial development, including tourism.

A ‘free zone’ can be either a free commercial zone or a free industrial zone.

The Minister of Finance is empowered to declare by a *Gazette Notification*, any area in Malaysia to be a free commercial zone or a free industrial zone. Section 42 of the Act stipulates that any vessel tied alongside the wharf of a free zone shall be deemed to be within such free zone.

Within a free commercial zone, the commercial activities “trading, breaking bulk, grading, repacking, relabelling and transit” may be carried out.

In a free industrial zone, no commercial activity is allowed, but manufacturing activities including assembly of parts are permissible.

In March 1993, the Minister of Finance, through the required notifications, empowered PKA to administer the free zones in the port area, with effect from 1 April 1993.

The entire North Port area of 248 hectares, including the 26-hectare Port Klang Distribution Park, was declared a Free Commercial Zone (FCZ). Later, both South Port and West Port would be accorded the same status. Any FCZ is deemed to be outside Malaysian territory and the Customs Area and, therefore, it is immune from Customs duties and regulations. It is only when goods leave the FCZ, and enter Malaysian territory as imports, that they are

subject to a Customs levy. Similarly, duty is not levied on goods brought into the FCZ for towage or for value-adding process before re-export. Traders are spared the tedious formality of having to apply for duty drawback, which is the normal procedure in a customs area. A further advantage is that when goods are moved into and from the FCZ, only 3 documents prescribed by Customs have to be produced for inspection.

The gateway to the North Port FCZ was completed in June 1995 at a cost of over RM6 million. There were 5 lanes for exports and 4 for imports, as well as a customs inspection bay and an administration building. Early in 1995, entry and exit procedures for the FCZ were made even simpler. There is neither detention nor inspection of cargo at the gate. Customs examination, if needed, is conducted inside the FCZ itself. For export cargo entering the zone, only a consignment note in the case of containers, or a lorry chit, if the cargo is in breakbulk form, needs to be produced. Similarly, imports are also examined and released in the FCZ to avoid delays at the gate. Hauliers leaving the zone have to show only a gate pass and an endorsed *Customs Form K1*.

Liberal procedures are also followed for the trans-shipment of goods, with the aim of encouraging the growth of re-export trade. Except for goods that are totally prohibited, or for which Approved Permits are prescribed for importing into the FCZ, most commercially traded items can be brought into the FCZ and be re-exported without any AP.

The import, storage and distribution facilities provided in the FCZ are valuable for the trading community. Imported goods can be stored in the FCZ for up to 6 months, or even a longer period upon authorisation. This allows for deferred payment of duties on the goods, until they are transported out of the FCZ into the country. A PKA pamphlet points out that for goods that are “high duty and high value”, the cash flow savings can be significant. The following paragraph has a persuasive tone:

Enjoy greater opportunities to market and sell your products by importing and holding the goods in the Free Commercial Zone, awaiting a more receptive market, until the next quote period or more favourable sales conditions.

In the FCZ the following value-adding activities are permitted:

Break-bulking

Packing/repacking

Packaging/repackaging

Sorting/grading

Labelling/Re-labelling

Repair of goods in transit.

Exports out of the country can move into the FCZ 24 hours a day. That applies to imports coming into the country as well.

The creation of the Free Commercial Zone covering the entire North Port with effect from 1 April 1993 was welcomed by the commercial firms. The Kelang Container Terminal Bhd. Chairman's review of 1993 contains this paragraph:

The creation of the Free Commercial Zone will provide an opportunity for the Company to promote Port Klang as a port for handling of trans-shipment cargo. While the full potential in this trade sector may take some time to be fully realized there has nevertheless been good signs of strong interest from clients and this can provide a new prospect for future growth for Port Klang ...

Port Klang Free Zone (PKFZ)



Port Klang Free Zone.

After the final phase of the privatisation in 1992, a major development project in which the port authority was involved was the development of the Port Klang Free Zone (PKFZ) in Pulau Indah, sited on a 1,000-acre area close to Westport. Port Klang Authority became the developer and owner of PKFZ as well as its regulator through powers vested under the Free Zone Act.

The PKA annual report for 2006, quoted the Chairman of the port authority, Dato' Yap Pian Hon as saying:

The Authority, acting on its supply-driven philosophy has been in the forefront in introducing initiatives to supplement the marketing efforts of the private terminal operators and the Port Klang Free Zone which open in November 2005.....PKFZ which is the biggest development undertaken by the Authority since the privatization of its facilities, is a radical long-term project to develop Port Klang as a regional distribution hub and it will have a major impact on the port's position as a national load centre.

However, PKFZ was embroiled in controversy over cost overrun. A memorandum from the Finance Minister (KK/BPKA/D5(Y)/540/1/1) issued in 2007 noted that PKFZ was approved by the Cabinet as a result of information that “this project is progressive and self-financing”.

However, when the project was carried out it was found not progressive and the project cost soared to RM4,632,732,000.00. The initial cost of the project was only RM1.088 billion and if there is any extra work scopes exceeding RM100 million, the same must be transmitted to the Finance ministry for consideration.

This however was not followed resulting in major financial problems.

Saddened by various articles in the mass media, and feedback about PKFZ, the former GM of PKA, Datuk M. Rajasingam J.P., wrote to the press expressing his disappointment about the PKFZ fiasco. –That article, quoted verbatim below, not only traces the development of Port Swettenham (later Port Klang) Authority from its formation in 1963, but also highlights the trials and tribulations faced by the management in developing Port Klang to what it is today (2013):

Over the last couple of months I read many reports in the Sun and various internet blogs about the Port Klang Authority's (PKA) financial problems relating to the Port Klang Free Zone (PKFZ) in Pulau Indah. If the information is true, I am indeed saddened by the financial mismanagement that has taken place. My fellow officers and I toiled many years to make it one of the most successful statutory authorities in Malaysia, an efficient port in the world map and a cost effective environment for the exporters and importers of this nation.

Let me take you through the history of Port Klang, the sacrifice made by management and staff to ensure a cost effective, efficient service, 24 hours a day, 365 days a year, sometimes even facing life-threatening situations. It was done without bonuses, special privileges or titles. We did it only for the love of the country through accountability and transparency in financial management, dedication to work and as proud citizens.

It was on July 1, 1965 I remember walking into the imposing PKA headquarters in Port Klang with a letter of appointment as a traffic officer. I was briefed, along with three others, about our duties and responsibilities, the important role of PKA in the nation's economy and the way forward. Interestingly, PKA was only formed two years earlier by an Act of Parliament. Port functions and assets belonging to the Malayan Railways were in the process of being transferred to the new entity called Klang Port Authority. The Port (then only South Port) was handling about

3 million tonnes of cargo. The first phase of North Port comprising four berths at a cost of RM45 million was completed and had just started operations.

Those were exciting times. There was uncertainty and anxiety among the thousands of employees about their future due to their transfer from the Malayan Railways. This issue will continue to plague the management for many years to come as there were two sets of employees with different terms and conditions of service. The stevedoring services were in private hands. Terms and conditions of service for the stevedoring workers was extremely poor and they were daily rated employees. There was extreme exploitation of labour while the owners were driving Rolls Royces. Man management was very complex with constant labour unrest. To compound the problems, Singapore, the main gateway for Malaysian exports, decided to go separate ways from the Malaysian Federation in 1965. From the port perspective, PKA's role and responsibility became even more important as the major gateway for Malaysian exports. Management was under constant pressure from port users to improve the service, reduce waiting time and make Port Klang the alternative to Singapore.

This environment resulted in the management of PKA facing the two most aggressive unions in the country - RUM or Railwaymen's Union of Malaysia and HWU or Harbour Workers Union. They feared nobody. In spite of the many union actions, credit must go to the management for not only confronting the union, but also ensuring the functions of the port were not only carried out but also meet the growing demands for port facilities. Faced with congestion due to demand for facilities by port users, and problems due to workers' demands and union unrest, the late 60s and early 70s were very trying times, indeed.

Looking back, I have the greatest respect and admiration for Md. Zain Ahmad, the first Malaysian to hold the post of general manager of PKA. Not only did he face the unions head-on, but more importantly was the visionary who laid the foundation for what Port Klang is today. I would like to personally credit him for the first container ship Tokyo Bay calling at Port Klang in July 1973.

I still remember vividly the day in 1971 when Tun Abdul Razak Hussein, the then Prime Minister, visited Port Klang to consider the appeal for additional funds to convert the second phase of North Port into a container terminal. At the expense of his job, Md. Zain stood firmly on the need for additional funds to upgrade the second phase development into a container terminal facility for Port Klang. The construction of the 900 metres of berth along with the upgrade to handle container vessels cost the government RM100 million. The rest of course, is history.

Over the next 20 years, PKA continued to successfully develop additional facilities northwards at a cost of approximately RM200 million. The total length of Port Klang reached 4 km. of berths. The channels were dredged to take in the largest container vessels calling Port Klang in those days. This period also saw the change in the leadership at Port Klang - first by Datuk Harun Din who took over from Md. Zain. He was to a large extent, instrumental in resolving many of the issues with unions and workers. He gave a human touch to port management. He helped change the perception that "all scum of the earth end up at the water front". Soon after he returned to the civil service and later became the Elections Commission chairman, Hashir Abdullah took over as the general manager. An accountant by training, he was a "penny pincher" who took great pains to ensure that the finance of PKA was well managed through the introduction of many practices to ensure accountability.

I had the rare honour and privilege of taking over from the three previous illustrious general managers under whom I served during the very interesting yet turbulent history of Port Klang. What an experience it was!

As a team, the management and officers were able to overcome the many trials and tribulations, the problems with workers, handling the bureaucracy to get the funding to develop the port facilities and new terms and conditions of service for staff under the constant changing environment and skills which were to say the least, almost impossible. Equally important, due to prudent management with accountability and transparency throughout the years, PKA became not only self-sufficient, but settled all the borrowings to develop the port facilities, and even paid taxes to the government. I can proudly state, with the help of the team of senior officers, PKA developed the first and second phases of West Port in the early 90s amounting to approximately RM500 million without any borrowing. It was financed from internal funds.

Our peers in government service warned us that success will only attract the vultures. Believe it, we saw it all! During this period, the government embarked on the privatisation plan for government-owned agencies.

In spite of initial problems, the container terminal was successful in providing an efficient service to the large container vessels calling Port Klang. In fact, we were performing extremely well, making a net profit of no less than RM30 million a year from the container terminal. Even so, we welcomed the proposal by the government as this would certainly eliminate the many restrictions placed on government agencies. The first privatisation exercise of the country took place on March 17, 1986. This was followed by the rest of Port Klang's services in 1992 and West Port in September 1994.

PKA went through a major paradigm shift; a metamorphosis from that of a port operator to a port regulator and trade facilitator for the logistics environment. The government further decreed that PKA should not involve itself in any business activities. All business should be left to the private sector as part of the new policy on privatisation. With this decision PKA privatised West Port with the first and second phases of development which includes the lease of berths, backup area and land area amounting to 1,200 acres. Interestingly, PKA and the government also stood guarantee for loans taken by the private operator. What more, even a cash loan was provided. Such was the financial strength of PKA in the “good old days”.

PKA is a typical statutory authority with layers over layers of bureaucracy before approvals on expenditure are considered. Against all odds, we succeeded without being a GLC. PKA was a success story by any measure. What went wrong? What happened to all the transparency and accountability? At this rate will there be anything left for the children tomorrow? Is it possible that we are already taking away from their kitty?

Strong leadership and governance is the hallmark of any institution and isn't it ironic that 50 years on, we are still struggling while the rest of the world moves on?

At the time of the writing, legal issues are pending in the court over responsibilities for the cost over-run of the project and for letters of support issued by Transport Minister. This may be a blot in the history of Port Klang, but as history has revealed, this premier port will face the challenges and continue as the life-line of Malaysian economy, and further strengthen itself by deepening and widening its outreach.



Port Klang Free Zone.

PART TEN

PORT KLANG TODAY AND THE CHALLENGES AHEAD

PORT KLANG TODAY AND THE CHALLENGES AHEAD

After tracing the history of Port Klang for the last 100 years, the inevitable question arises: Whither Port Klang? Unfortunately, predicting the future is only for soothsayers; no one can for sure say what lies ahead.

But we can learn from the past. If there was any lesson learnt from the past history of Port Klang, then there is one thing that is clear: the growth and development of Port Klang has been repeatedly underestimated. The constant geographical migration (and upgrading) of the port facilities from Bukit Kuda to Pengkalan Batu, then to Kuala Klang and then to the Sungai Dua deepwater location, followed by Pulau Indah, comes to mind when considering the future growth of Port Klang.

Over 100 years ago, on 24 April 1911, soon after the first Advisory Board was appointed for Port Swettenham, FMSR GM P.A. Anthony sent a memorandum on '*Future of Harbour Development at Port Swettenham*' to the Under Secretary, FMS, citing the need for expansion of the port. It was barely a decade since Port Swettenham was commissioned, and the cargo traffic growth was swift. There was a pressing need to look into the future of the port, since the growth in traffic had exceeded the expectations of its planners.

The volume of cargo handled by Port Swettenham by 1911 was about 10% the volume handled by Singapore, totalling about 2.3 million tons. Serving a fast-growing and a rich economic hinterland, Port Swettenham was attracting attention from Singapore, which merely served as an entrepôt. The prospects for growth in cargo volume at Port Swettenham were very bright, given the brisk trade in tin, rubber and other commodities, and changes in shipping trends favouring the deployment of bigger ships, as well as the need to foster direct wharf loading (as compared with the inefficient lighterage services). From a port that was handling barges and lighters, by 1911 Port Swettenham was visited by ocean-going steamers, which needed a deeper draft and longer berths.

The need for additional port facilities and services was evident and also agreed to by all parties, but there was a lack of consensus on where these additional port facilities should be built. There were strong arguments from the industry that the new port facilities needed should be located away from Port Swettenham to the deepwater point at Sungai Dua, especially given the cargo and shipping trends witnessed in the preceding 10 years. But there was the persuasive argument by the GM of the FMSR that it would be imprudent to do so and instead favoured the expansion at Port Swettenham. Was it a wise decision?

The GM's memorandum contained his view on new development at Sungei Dua.

Should the time ever come when it is found that even with the completed schemes as shown on plans A, B and C the traffic has outgrown the accommodation, that in my opinion would be the time to consider the advisability of constructing additional wharves at Sungai Dua and the trade expansion would justify the expenditure on the railway from Klang, reclamation, township, etc., but this port would then be an auxiliary to Port Swettenham, where as if as has been suggested we were to construct wharves at Sungai Dua now and incur the necessary expenditure on the railway, reclamation and township it would mean moving the port altogether and abandoning the whole outlay already incurred at Port Swettenham, as it cannot be argued that at the present time there is sufficient trade to justify the upkeep of the two ports.

There were views that if the location with deeper draft had been chosen, Port Swettenham could have challenged Singapore for the rapidly expanding trade in ocean-going steamers. There were, after all, ocean going steamers anchoring off in the roads outside the port limit near the North Klang Straits, working with lighters to load and unload cargoes. The FMS Chamber of Commerce lobbied strongly, including in the legislative assembly, for the new port at Sungei Dua. Views to the contrary from the FMS government were just as strong. Was it therefore a fatal decision to drop the idea of building a new port for ocean going steamers at Sungei Dua, instead of adding facilities at Port Swettenham?

As mentioned in an earlier section of this publication, Port Swettenham was destined to wait for a full 50 years to pass before the authorities would be satisfied that the time had come to develop new facilities in the Sungei Dua (North Klang Straits) area. The question of whether this development came 50 years too late would be debated over the next half century – still without a consensus – as would also the debate on the challenges facing Port Klang over that time, as decisions were made with the future of Port Klang at stake.

In addition to continual physical development, the tests that lie ahead for Port Klang include evolving a new and innovative port strategy, as it moves on to meet the various demands of the future.

The expansion – and physical development – of additional berthing facilities, to meet future demand, will not only confront the scarcity of suitable shoreline, but more importantly, challenge planners' creativity in accommodating increased shipping traffic, which will impact the density of the navigational channels. The channels, which are nearing optimum density, will require safer vessel traffic management to prevent congestion – and collisions – potentially arising from adding more berthing capacity within the present geographical limits.

Even if additional berths could be accommodated within the present geographical limits (and a safer vessel management system is adopted) this will not be possible without the construction of elaborate breakwaters – at prohibitive development costs – to mitigate the tidal fluctuations from the open seas that lead up to the Straits of Malacca. The collateral damage to the marine ecosystem and impact on environment will also be considerable... which the port can ill-afford to ignore.

Expansion of physical facilities aside, Port Klang, which now forms an important hub in the international port system, will have to face the challenge of coping with the constant increase in ship sizes. In 2012, CMA-CGM, which calls at Port Klang directly, announced that it has ordered three 16,000 TEU capacity ships and that it might order vessels up to 18,000 TEUs, following the path taken by Maersk Line (another line that until very recently used to call directly at Port Klang), which had placed orders for three 18,000 TEUs capacity ships in early 2011. The mega carriers are more than 10 times the size of the first cellular ship that berthed alongside Port Klang's dedicated container terminal, first commissioned in 1973.

The trend towards ever-increasing sizes of container vessels, aimed at addressing fleet deployment strategies and service strings of global shipping lines in response to the changing marketplace, will invariably impact Port Klang's ability to meet the challenges posed by these giant ships, which will need superior physical shore-side and landside infrastructure, as well as suitable navigational and approach channels. What makes deepening of the channels by dredging as a less sustainable solution is that dredging may not be viable in the long-term, given the extremely soft seabed, which precipitates swift re-flows after the alluvium is dredged.

An alternative to overcoming the obstacles posed in physically stretching and constructing additional new berths in the present geographical limits is to identify a new port site further away from the present location and facilities – a story not too unfamiliar in the history of Port Klang, as this book has revealed!

The ability of Port Klang to respond appropriately and swiftly to these changes in shipping trends, pattern and ship sizes, could become a major factor in determining the continued role of the port as a mainline port of call, as well as an important transshipment hub port in the international port system.

The future expansion of Port Klang must also be viewed against the backdrop of the changing port landscape in the region; in particular, port developments taking place in India, China, Sri Lanka, Burma, Indonesia, Thailand and Vietnam. Drastic changes in shipping patterns could be expected from these developments. A source of potential concern to Port

Klang is that the increased use of ports being developed in these countries could result in a lower volume of cargo being made available (from these countries) for transshipment via Port Klang. Considering the fact that the recent growth of Port Klang had been largely driven by the expansion of transshipment traffic sourced mainly from these countries, it could be that continued reliance on transshipment for future growth should be viewed with some caution.

There is little to doubt also that in the years ahead, the future and continued role of Port Klang, at the macro level, will be challenged by one of the most volatile and extremely fluid socio-economic periods in the development of human history. This is because of strong exogenous forces, reflecting wide-ranging issues of global concerns, driving changes in the development of global trade on which Port Klang strongly depends.

The direct and collateral impact of trends in globalisation and global manufacturing, and its impact on the global supply chain; technological changes and development; trade liberalisation and its impact on border controls and legal regimes; changes in trading patterns, including the creation of new trade lanes; and the issue of sustainability of port development against growing environmental concerns; these are some of the factors which are outside the control of the port, but will strongly influence its destiny. Changes in shipping patterns, fleet deployment and ship technology are further developments which will dictate (to some degree at least) the direction of growth in the facilities and development of Port Klang, including the transshipment pattern, which has been the driver of growth during the last 15 years.

It should also be borne in mind that expected structural changes in the economy in the years ahead, with the government's recent Economic Transformation Programme, will also have its impact on port development, especially since indigenous cargo will focus on more value-adding than it did in the past. Under such circumstances, the source of growth contributed by indigenous cargo is unlikely to continue to record-high growth levels.

The history of Port Klang, as narrated in this publication, has shown that bold decisions are needed to ensure the growth and development of the port, even as it also reveals that not all decisions helped in its development.

The future of Port Klang may continue to be impacted by issues both likely and unlikely, and by questionable decisions of people with undue influence over it (as had occurred in the past), but that is no reason to procrastinate initiatives that are needed to fuel the future of Port Klang's development. This is recognised by the port authority. PKA Chairman Dato' Lee Hwa Beng noted (in his statement in the port authority's 2008 annual report) that "efforts must be intensified to analyse the fundamental drivers of the global port business *vis a vis* Port Klang to enable us to develop a competitive strategy for both the short and long-term."

The port's continuing success will continue to depend on our ability to share the future by anticipating and responding swiftly to change. As we broaden our capability, we need to be pro-active and innovative in our strategies to accentuate the distinctions between our port and our competitors.

Dato' Lee observed that the port authority bears a heavy responsibility for charting the port's way forward to the future, and must not allow the terminal operators to propose their own agendas, possibly to the detriment of the port as a whole. He stressed the importance of the terminal operators playing their roles in the marketing of the port in a unified manner, by coming together and planning and implementing various initiatives. The regulatory functions of PKA will transform in line with the changes in the external environment; also, port planning and coordination will assume an even greater significance than it had in the recent past.

Apart from the changing port landscape in the region (with the emergence of new ports in the region), Port Klang will also be challenged by the changing complex logistical settings with which maritime shippers and ports are operating in the hinterlands, which have started to receive renewed attention. Closer integration of transport functions provided by logistics, and the re-orientation of shipping networks, are redefining the role of ports in the value chain. This calls for new approaches to port development. A notable one would be the development of logistical zones in the port or in its immediate vicinity. As the economic hinterland boundaries become blurred, Port Klang will become a regional port, as part of the "regionalisation" that results from logistical decisions of shippers and 3rd-party logistics service providers.

Part of the strategy arising from this awareness by the port was the development of the PKFZ. The development of the PKFZ, with its special status as an integrated commercial and industrial zone, was conceptualised as a vehicle for cargo generation and convergence, for the long-term sustainability of Port Klang's competitiveness as a regional hub port.

The port authority's 2007 annual report noted:

As a premier free zone with a strong focus on import/export activities facilitated by a tax-free regime and strongly supported by a comprehensive range of logistics services and global shipping connectivity in Port Klang, PKFZ is poised to be the preferred investment hub in the region for local and foreign investors.

Given the developing regimes in global trading conditions and development in shipping patterns and technology and the need to take them into account when charting the future of Port Klang, in 2010 the Port Klang Authority

commenced studying the Port Klang Development Master Plan (2010-2030). The objectives of the study included an analysis on the port's current port capacity and capabilities, as well as planning for future expansion.

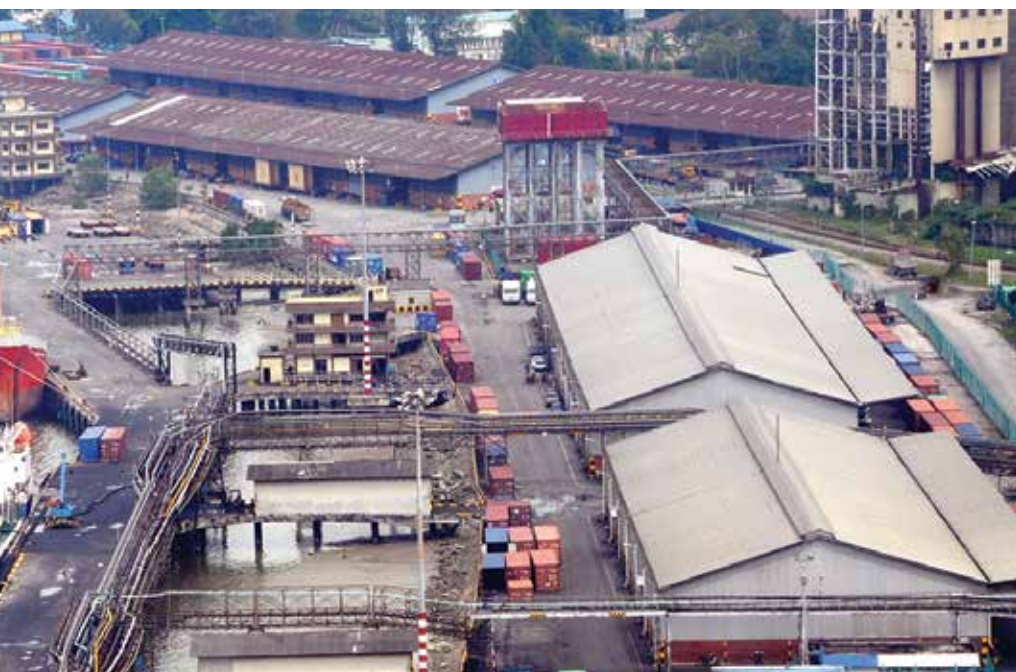
Economic sustainability will be a major challenge, and greater collaboration will be expected in balancing the port development and managing of the port marine environment and its eco system.

Port Klang has come a very long way. It is now a globally ranked port, with more than 140 shipping lines providing regular services and linking the port with more than 500 other ports worldwide. It handled more than 8.9 million TEUs and about 175 million tons of cargo in 2010, not a mean achievement for a port whose fate was in doubt when, immediately after its official commissioning as Port Swettenham 100 years ago, it was ravaged by malaria and faced an almost deserted port settlement and an uncertain future.

There were moments of elation, celebrations, commendations and rare achievements in the course of its 100 years of history. There were also moments of despair, anguish and gloom. But Port Klang moved on, and it will continue to move on with the evolution of new port development strategies.

There is little to doubt that given its past, Port Klang will continue to evolve and display the resilience and pliability for survival well into the future.









ABOUT THE AUTHORS

John Doraisamy

John Doraisamy was born on 15 September 1930 in Johor Baru. In 1935, he enrolled in St Paul's Institution, Seremban. When WW2 broke out, he was forced to leave school, but when the war ended in August 1945, he returned to St Paul's to complete his education. He sat for the School Certificate in 1948 and qualified to enter the University of Malaya (UM) in Singapore the following year. He graduated with honours in English and a Diploma in Education in 1955.

John began his teaching career at the Victoria Institution in Kuala Lumpur for eight years from 1955 to 1963, and then proceeded to England where he obtained his B.Sc. Econ degree in Economics and Political Science. He went to London for his M.Sc., being called to the Bar of Lincoln's Inn.

Subsequently employed at the Faculty of Education, UM in Kuala Lumpur from 1966, John retired as Associate Professor in 1987. While at UM, he obtained a Diploma in Adult Education from Edinburgh University. In the 1990s, he obtained his LLM from London University.

John has authored many textbooks in English and Civics, among which is *Understand and Criticise*, which is still in print. Apart from his books, he is also remembered for his "Window on the World" broadcast on RTM and on its foreign service of *Suara Malaysia*. He has also written several 'histories', including the History of Victoria Institution.



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G Durairaj graduated with an Honours Degree in Economics from University of Malaya. He is the Managing Director of PortsWorld and a veteran journalist-turned-researcher who has written for several specialized maritime and transportation publications in Malaysia and overseas.

Durairaj who served the Business Times (Malaysia) as a specialist shipping writer had his practical stint at International Fairplay Shipping Weekly (London) and was correspondent for the Lloyd's List (London), Cargo News Asia (Hong Kong) and Malaysian Business.

Durairaj, who was also transport columnist for the New Straits Times, has published and edited several industry-related publications, including the Malaysian Maritime Sourcebook. He has presented researched papers on shipping and maritime transportation at conferences and workshops including in Malaysia, Singapore, Paris, Bremenhaven and Yokohama.

A member of the Malaysian Logistics & Supply Chain Council (MLSC), jointly chaired by the Ministry of International Trade and Industry and Ministry of Transport, Durairaj was a specialist writer on the chapter on logistics in the Third Industrial Master Plan (2006-2020). He has carried out extensive researches and consultancy reports on maritime and logistics and was engaged as one of the consultants to produce the Roadmap on the Development of the Logistics Services Sector in Malaysia (2010), commissioned by Malaysia Investment Development Authority (MIDA) and the Economic Planning Unit (EPU) in the Prime Minister's Department.

Durairaj, who is also the Managing Director of Centre for Logistics & Management Studies, is the Chairman of the Focus Group on Institutional Issues and Regulatory Framework under MLSC and lectures at Open University Malaysia-IPD as well as in universities in The Philippines.



GLOSSARY

BCG

Bogie covered goods wagon; covered goods wagon attached to a bogie (framework with wheels)

Belacan

Fermented shrimp cake, a common condiment in Malaysia and used in making sambal belacan

BMA

British Military Administration

CG

Covered goods wagon; railway goods wagon designed to transport moisture-susceptible goods and fully enclosed by sides and a fixed roof

Customs Free Zones

Zones that are legally extraterritorial in relation to the Customs authorities

DWT

Deadweight tonne

FESC

Far East Shipping Conference

FMS

Federated Malay States

FMSR

Federated Malay States Railway

GM

General Manager

Godown

Dockside warehouse

GRT

Gross Register Tonnage

Jalore

Variant spelling of jalor; a small sailboat

KCT

Kelang Container Terminal Sdn. Bhd.

KMT

Kelang Multi Terminals Sdn. Bhd.

KPM

Klang Port Management Sdn. Bhd.

LASH

Lighter Aboard Ship, a single-decked vessel with large hatches, wing tank arrangements, and a clear access to the stern with a gantry crane to convey barges from the stowed location aboard the ship to the stern region and to lower the barges into the water

LWOST

Low Water Ordinary Spring Tides, the mean low-water mark of ordinary spring tides

Mensem

Month, usually used in the phrase ‘per mensem’ (by the month)

MD

Managing Director

NCO

Non-commissioned officers

Nakhodah

Ship’s captain

Pikul

Measure of weight approximately 60kg

PKA

Port Klang Authority

PNB

Permodalan Nasional Berhad

Prahu

Variant spelling of perahu and proa; a canoe-like boat, possibly equipped with an outrigger and sails

Sagor

Traditional sailing boat made from a hollowed-out single log

Sampan

Small boat resembling a scow, originating from China and usually used for fishing

Tongkang

A kind of boat or junk used in the seas of the Malay Archipelago. Commonly used as lighters during the 19th and early 20th Century AD

UNNRA

United Nations Relief and Rehabilitation Association

Ultra vires

Latin for “beyond powers,” in this case referring to body corporate actions (or those of its officers) outside the powers allowed to it by law

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