The Return of Piracy: Decolonization and International Relations in a Maritime Border Region (the Sulu Sea), 1959–63

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Abstract

Piracy in Southeast Asia is generally believed to have declined dramatically with the advance of steam navigation and colonial expansion in the latter half of the nineteenth century and then to have been all but extinct for most of the twentieth century. However, in several parts of the region, particularly the Southern Philippines and Eastern Malaysia, piracy and maritime raiding returned on a significant scale in the aftermath of World War II and have since then continued more or less unabated. Drawing on British archival sources from the late colonial period the paper discusses the character of, and reasons for, the surge in piracy and armed raids in the waters off the east coast of British North Borneo (Sabah) in the 1950s and early 1960s. It is argued that, just as during the ‘Golden Age’ of European piracy in the seventeenth and eighteenth centuries, the fluctuations in piratical activity are best explained with reference to the different political economies of the colonial and post-colonial states responsible for policing the maritime region.

Keywords

piracy, security, maritime violence, barter trade, smuggling, colonial period, political economy, international relations, Southeast Asia, Philippines, Malaysia, Indonesia, Sulu Sea, Sabah, North Sulawesi.
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Introduction

Southeast Asia is frequently referred to as one of the most piracy-prone regions in the world today. However, in spite of the great attention that piracy in the Malacca Straits has attracted in recent years, the most pirate-infested part of the region – and, indeed, of the world – are the waters of the Southern Philippines and Eastern Malaysia. Over the past twelve years, Philippine authorities have recorded over 1,300 cases of piracy and armed robbery against vessels, mainly in the Southern parts of the country, and several hundred cases have been recorded by Malaysian authorities in the waters off Sabah. In the Philippines alone, 431 people were killed during the period between 1993 and 2004, and 426 people were reported missing as a result of the raids.1

The problem is by no means new. At least since the early nineteenth century, observers of the region have described the so called ‘Moros’, the Muslim peoples of the Southern Philippines, as prone to piracy and maritime raiding. From the late eighteenth century up to the mid-nineteenth century, the famous ‘pirate wind’, annual slave raids by Ilalanun and other Sulu pirates, struck fear in the coastal populations throughout Southeast Asia.2 Consequently, European observers came to regard piracy as endemic among the populations of the Southern Philippines, and the inclination to piracy was even taken as a marker of ethnic identity with all Muslim groups in the area being lumped together as *Piratenstämme*.3

Culture in itself, however, cannot explain historical developments, and the reasons for the surge in piracy and raiding – particularly slave raiding – in the early nineteenth century are still insufficiently understood.4 The fact that piracy, among some of the ethnic groups in the region, seems to be a legitimate and even high-status practice, does not in itself explain why piracy seems to be endemic in the region – especially after more than 200 years of serious effort to eradicate it by the colonial and post-colonial governments. On the contrary, this circumstance in itself needs to be explained. Why has

1 Santos (2004: 3), citing unpublished reports by the Philippine Coast Guard and Navy and Sazlan (2002: 3) citing unpublished reports by Malaysia’s Maritime Enforcement Co-ordination Centre. By comparison, the International Maritime Bureau, a unit of the International Chamber of Commerce, reported 189 attacks (actual as well as attempted) in the Malacca Straits during the same period; see ICC – International Maritime Bureau (2005: 4). Armed raids against ships will, for the present purposes, be designated as ‘piracy’ regardless of whether they take place on the high seas or in the territorial waters of a state. See ibid (2005: 3) for the major current definitions of piracy and armed robbery. The present discussion, however, excludes cases of petty theft against ships at berth or anchor, many of which are included in the IMB’s reports.

2 The major recent work on this period is Warren (2002).


the seemingly anachronistic practice of piracy not come to an end, or at least been relatively efficiently suppressed, in the Sulu region as it has in other formerly pirate-infested waters such as the east and south coasts of China, the Mediterranean and the Caribbean.\(^5\) In order to understand this, we need not only to look at the economic and cultural aspects of the problem, but also – and above all – the political aspects, especially in relation to private maritime trade. Why do certain national and international political contexts seem to favour piratical activity?

Anne Pérotin-Dumon has, in a thought-provoking article, argued that the classic age of the European pirates – from about 1520 to 1750 – was conditioned by the commercial policies of the major political empires, first Spain and Portugal, then England and France:

Thus, ironically, the hegemonic nature of some merchant empires did much to keep piracy alive. As long as monopolies went along with commercial wars, piracy simply fluctuated according to the degree of a state’s authority at sea. It was the linkage between trade, war, and hegemonic policies that engendered a cycle in which smuggling and piracy alternated. [...] To eliminate piracy as a phenomenon, however, trade monopoly had to be given up altogether. This was a policy toward which England, France, and Spain only gradually moved till the second half of the eighteenth century.\(^6\)

Piracy – whether in the sixteenth century Mediterranean, seventeenth century China or eighteenth century Caribbean – occurred on the margins of territorially based merchant empires with hegemonic policies. These were empires that primarily were concerned with asserting their political and military hegemony over other states, and in the mercantilist ideology of the age, trade was seen as a means of acquiring the economic means for the expansion of state power. In trying – albeit unsuccessfully – to control and monopolise maritime commerce, the states created the favourable conditions in which piracy and smuggling could flourish.

Inspired by Pérotin-Dumon’s argument, the purpose of the present paper is to explore whether piratical activity was fuelled by state policies and

\(^5\) In 2004, the IMB recorded one attack against a steaming ship in Chinese (Hong Kong) waters and no acts of piracy in the Mediterranean. The Caribbean was identified as a piracy prone area, but there were only five reported cases of piracy against steaming vessels, see ICC – International Maritime Bureau (2005: 44 and 49–54). Even if this figure is doubled to account for underreporting, it is far below the 96 cases recorded by Philippine authorities for the first seven months of the year.

The Return of Piracy

As the title of this paper indicates, piracy in the Sulu region was actually rather efficiently suppressed for a period during the late colonial era from about 1915 to 1941. With the aid of steam gunboats, the Spanish, Dutch and British navies managed already in the second half of the nineteenth century to put an end to the large scale raiding of the Sulu pirates, but they never managed to suppress piracy and coastal raiding on a smaller – but still frequent – scale. Spain never gained control of the southern parts of the Philippine archipelago and Dutch control of the waters of Eastern Indonesia was incomplete. In Sabah, the British North Borneo Company was administratively and financially weak and unable to prevent piracy and raiding by Suluses along its coast until the end of the nineteenth century.\textsuperscript{7}

It was only after Spain ceded its Philippine colony to the United States in 1898 that Sulu piracy was efficiently suppressed. After a surge in piratical activity in the first decade of the twentieth century, the Americans resumed anti-piracy patrols in the area and through the deployment of gunboats, Sulu piracy was promptly eradicated.\textsuperscript{8} In the subsequent years, the American ‘pacification’ campaign brought the Southern Philippines under central government control, and some 7,000 firearms were collected from outlaw elements.\textsuperscript{9} The task of maintaining law and order in the region was delegated to the Philippine Constabulary, a police force which had been set up by the Americans in 1901. The outcome was that law and order was successfully maintained in the region until the outbreak of the war with Japan in 1941.

After the Philippines gained independence in 1946, however, it seems that law and order was less efficiently upheld in the region than during the pre-war years. Two immediate legacies of the war again made piracy and maritime raiding a viable occupation for Sulu outlaws. One was the proliferation of large numbers of modern firearms after the war, and the other was the motorisation of sea travel due to the widespread availability of inexpensive U.S. military surplus engines.\textsuperscript{10} Compared with the pre-war era, these legacies of the war gave the pirates a relative advantage – in fire-power and


\textsuperscript{8} Hurley (1997: ch. 23).


\textsuperscript{10} Kiefer (1972: 4) and Sidel (1995: 155). See also Hedman & Sidel (2000).
velocity – over the authorities that were charged with the task of upholding law and order on the sea.

At the end of 1949 the British authorities in North Borneo arrested 33 suspected Filipino pirates in North Borneo waters, all of whom subsequently were convicted and sentenced to between five and seven years imprisonment for ‘dacoity’ and related offences. In relation to the sentences, a despatch from the British Legation in Manila to London stated:

Piracy was the traditional means of livelihood of the Sulu Moros in the nineteenth century... With the advent of the Americans in the Philippines at the end of the century conditions improved considerably. A group of American officers organised the Philippine Constabulary which was very successful in maintaining law and order in Sulu up to the outbreak of war with Japan. But now the American officers are gone and the Philippine authorities have not hitherto shown themselves capable of maintaining the constabulary at its old standards. The result among the Moros is, I fear, that they are reverting to type and are again finding in piracy and smuggling an easy way of making a living.

After a particularly serious raid on the East Borneo town of Semporna in 1954, however, the British set up an armed force of marine police which in subsequent years reportedly developed into a ‘very efficient body’. The marine police thus seems to have been capable of upholding law and order in North Borneo waters between 1954 and 1958.

In May 1959, however, a surge in piratical attacks in North Borneo led the colonial government to request the assistance of the Royal Navy to combat the problem. In the twelve months between November 1958 and October 1959, the North Borneo police recorded 54 piratical attacks, although it was noted that the real number probably was much higher due to the reluctance on the part of many victims to report attacks to the authorities in order to avoid delays consequent on police interrogation. Rumours, moreover, circulated in the port of Tawau, close to the colony’s Indonesian border, of sinkings and gun battles at sea in which convoys of traders had fought off would-be pirates.

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11 ‘PERSONS, STATED TO BE FROM SITANGKAI’, enclosure to letter from British Legation in Manila to the Secretary of State for Foreign Affairs, 24 March 1950, FO 371/84337.
12 British Legation in Manila to the Minister of State for Foreign Affairs, 24 July 1950, FO 371/84337.
13 Acting Governor of North Borneo to the Secretary of State for the Colonies, 23 May 1957, FO 371/129539.
14 Governor of North Borneo to the Commissioner-General for the United Kingdom in South-East Asia, 13 November 1959, CO 1030/752. The original request for naval assistance was made by the Acting
Most of the reported attacks, 83 per cent, took place between May and August 1959, a period of fair weather in the Sulu region. Most occurred in an area east of, or close to, the island of Si-Amil near the Indonesian-North Borneo maritime boundary, and in all cases the perpetrators were Sulus from the Southern Philippines. The pirates used motor *kumpits* (wooden boats), often powered by one or more outboard engines, and in most cases they were armed with firearms or explosives, including shotguns, Garand (semiautomatic) rifles, carbines, Sten (submachine) guns, Bren (light machine) guns, pistols and fishing bombs. In 14 of the attacks, firearms or bombs were used, but there were no reports of casualties among the victims.  

**Traders, Smugglers and Raiders**

All of the victims were Indonesian vessels, mostly originating from various ports in Celebes (Sulawesi), Indonesia, on their way to Tawau with cargoes of copra (coconut). The great majority of the victims were relatively small sailing craft engaged in the intensive barter trade in the region. In this trade, based on traditional trading networks of the region, copra from the Philippines and Indonesia – mainly Celebes – was exported to North Borneo and exchanged for consumer goods, such as cigarettes, engines, textiles and clothing. The *kumpits* carrying the trade were operated by Filipino and Indonesian crews, but some of them were owned and financed by North Borneo businessmen.  

From the Indonesian point of view, most of the trade seems to have been illegal but the central government was unable to control it. Copra traders were required to obtain export licences at their port of origin, but as there was no proper organisation for issuing them, exporters instead reportedly bribed local officials to see through their fingers. The Indonesian navy tried stop to the trade by intercepting trading craft, often confiscating both cargo and vessel. The navy, however, lacked the capacity to enforce the export regulations efficiently; at one time it was reported that Indonesia only had one
operating naval patrol vessel in the region.\(^{18}\)

As regards the relation between the Philippines and North Borneo, the trade was more or less straightforward from the end of World War II and until 1956. North Borneo was a natural market for copra producers in the Southern Philippines (as well as in Celebes), and exporters were attracted to the British colony by the ‘law and order of our institutions and by a copra price which includes no element of levy imposed officially (or unofficially by officials)’, as put by the North Borneo governor in 1959.\(^ {19}\) The copra – without any money actually changing place although accounts were kept in Straits Dollars – was exchanged for limited amounts of consumer goods that were imported to the Philippines.

From 1956, however, the barter trade came to be seen as problematic by the Philippine government, as large quantities of consumer goods – especially cigarettes – were being imported to North Borneo from Hong Kong and then re-exported to the Philippines in exchange for copra in an attempt to evade licensing and foreign exchange restrictions imposed by the Philippine government.\(^ {20}\) The trade was still perfectly legal from the point of view of the North Borneo government, but as the scale increased during the second half of the 1950s the Philippine government’s stance went from unclear to outright condemning. In the mid-1950s, an inconsistently applied rule of dubious legal status gave the Southern Filipinos the right to barter their produce for household goods up to a value of 1,000 pesos per person. President Ramon Magsaysay apparently favoured the arrangement and intended to issue a special directive regulating the barter trade, but was tragically killed in a plane crash in 1957. The barter trade was thus left without proper legal framework, and the Philippine customs authorities instead began to apply an extensive list, issued by the Central Bank, of items banned to the trade.\(^ {21}\) In January 1959, Magsaysay’s successor, President Carlos Garcia, moreover, issued a ban on exporting copra from the country to North Borneo, apparently in an attempt to curb the smuggling of cigarettes and counterfeit pesos into the Philippines.\(^ {22}\) The ban, together with intensified naval patrolling and efforts to regulate the barter trade, initially had the effect of bringing the trade to a virtual standstill, but it gradually

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\(^{18}\) Governor of North Borneo to the Commissioner-General for the United Kingdom in South-East Asia, 13 November 1959, CO 1030/752.

\(^{19}\) Ibid.


\(^{22}\) ‘FROM MANILA TO FOREIGN OFFICE’, 23 September 1959, CO 1030/752.
revived again during 1959 as the Philippine authorities were unable to uphold the ban.\textsuperscript{23}

The British were not only concerned that the Philippine efforts to quench the barter trade would have negative consequences for the trade and economy of North Borneo, but also feared that it might bring about an increase in piratical activity as Sulu barter traders – or ‘smugglers’ as seen from the Philippine perspective – were deprived of their livelihood and thus might revert to ‘their traditional occupation of piracy’.\textsuperscript{24} The problem did indeed continue in spite of the efforts of the British authorities, and in 1960, 42 piracies were reported to the British authorities. In the following year, the marauding reached a post-war record of 97 pirate attacks with eight people killed and 45 wounded or missing. In 1962, the number of reported piracies declined to 39 with four people killed and three wounded, but on the other hand there was a sharp increase in the number of armed raids on coastal settlements in North Borneo. There were 20 armed raids in 1962 resulting in the killing of at least eight people.\textsuperscript{25} The most serious raid took place on 20 July at Kunak, a timber camp on the East coast of North Borneo:

The raid began about 1740 hours [...] when a vessel (technically a "kumpit", but more like a Chinese launch in appearance and about 24 feet long) approached Kunak from the Semporna Channel. It had a "kajang" covering, badly maintained. At the time the government launch "Rusakan" was alongside the steps of the wharf, and the British Borneo Timber Company log towing boat, "Darvel Bay", was alongside the longest part of the wharf. As the "kumpit" came alongside the "Rusakan", the muzzles of four rifles appeared over its side. The occupants of the "kumpit" opened fire and in the first burst killed the Engineer of the "Rusakan", who was sitting on the forward deck, and wounded two children also on deck. The two sailors, the Engineer’s wife and one of the sailor’s wives jumped into the sea. The serang (skipper) was wounded in the left arm as he also jumped for the sea. The kumpit then pulled up to the wharf. Four raiders ran across the wharf to the "Darvel Bay", which had its engine running, shot four members of the crew and did some damage to the engine. One man returned to the "Rusakan", smashed the copper pipes of the engine, tore out the radio and transferred it and the "Rusakan’s” binoculars to the

\textsuperscript{23} ‘Extract from Monthly Intelligence Report – February, 1959’, undated, CO 1030/752.
\textsuperscript{24} ‘Extract from monthly Intelligence Report for January, 1959 – North Borneo’, undated, CO 1030/752.
\textsuperscript{25} ‘PIRACIES AND ARMED RAIDS’, note attached to saving from the Governor of North Borneo to the Secretary of State for the Colonies, 8 January 1963, CO 1030/1660.
kumpit. While one raider stayed in the kumpit, the rest, some seven in number, advanced from the wharf, with two firing up the road, while others entered the shops near the wharf and forced local people to carry goods and money back to the kumpit. The telephone-line was cut and an attempt was made to launch the Mostyn Estates launch "Lucinda". This was unsuccessful, as it was locked up. The raiders then stove in the boat and damaged the engine. [...]  

After the raiders had loaded their boat, they saw a Chinese launch coming in round the coral. They intercepted it, tied up their own boat to it, told the passengers to jump into the sea and ordered the skipper and engineer, named Kamaludin, to tow the kumpit out.  

For the British, the armed raids on the coast were even more serious than the pirate attacks. Whereas the latter mainly affected Indonesian barter traders, the former directly affected the population of North Borneo. Moreover, the raids caused a serious shock to morale all along the east coast of the colony, causing local labourers to drift away. This in turn, the British feared, could have serious implications for the whole economy of North Borneo.  

The British were unable to protect the trade and coast of its colony from the raiding activities of the Sulu pirates. In the period 1959–62, 61 Filipino nationals were convicted of piracy in North Borneo courts, and another 27 of lesser crimes related to acts of piracy, but this apparently did little to stop the raids. The authorities also took a range of measures to improve security, including the strengthening of police patrols and posts along the coast, constructing watch towers and forts in vulnerable places, improving radio communications between outlying settlements and police posts, temporarily providing military garrisons and increasing naval patrolling. The main purpose of these measures, as the British were well aware, however, was to boost the morale of the population, as there was very little chance of the authorities actually apprehending the pirates.  

26 'Armed raids along the Coastline of North Borneo', letter from the Acting Governor of North Borneo to the Commander-in-Chief, Far East Station, 30 July 1962, DO 169/31.  
27 Ibid. and Commander-in-Chief, Far East Station to Admiralty, 8 August 1962, DO 169/31.  
29 Governor of North Borneo to the Secretary of State for the Colonies, 8 January 1963, CO 1030/1660, and North Borneo to the Secretary of State for the Colonies, 9 January 1963, FO 371/169740.
International Cooperation and Priorities

The British realised that the only way to rid its waters and coast of the pirates was to deal with the pirates at their land bases. These were located in the Southern Philippines, mainly in the Tawi-Tawi group of islands, some 40 nautical miles (c. 60 km) east of the eastern tip of North Borneo, and any chance of effectively dealing with the pirates clearly required the cooperation of Philippine authorities. Cooperation with Indonesia, meanwhile, was out of the question because of its objection to the plan, set for 31 August 1963, of forming Malaysia through the merger of Malaya with the British colonies in North Borneo and Singapore. In the beginning of 1963, Indonesia even declared a policy of Confrontation (Konfrontasi) against Malaysia involving armed incursions along the British and later Malaysian border in North Borneo.

Even though British-Philippine relations in principle were friendly in the years leading up to the forming of Malaysia, the possibilities for naval cooperation between the two countries were hampered by two major unresolved sovereignty issues. One was the Philippine claim that its territorial waters, in agreement with the 1898 Spanish-American Treaty of Paris, encompassed most of the Sulu Sea. The British, by contrast, only recognised the much smaller territorial waters set down in the 1958 United Nations Convention on the Law of the Sea, which the United Kingdom had ratified, but not the Philippines.30

The other dispute concerned the territory of British North Borneo itself. In June 1962, as preparations for the transfer of sovereignty of North Borneo to Malaysia in the following year were underway, the Philippine President Diosdado Macapagal unexpectedly announced his country’s claim to the territory.31 These unresolved territorial disputes made naval cooperation difficult, as Great Britain was careful not to enter into any operational or other agreements that might be interpreted as a tacit recognition of the Philippine claims.

Aside from the territorial disputes, the two countries also had fundamentally different views of what constituted the main problems of maritime law enforcement in the Sulu region. In order to combat the pirates, the British worked to establish cordial informal relations with the Philippine police and naval officers in the region, but wished to avoid, at all costs, the

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30 ‘Advice to Flag Officer Commanding in Chief Far East Fleet in connection with Station Orders in Territorial Limits and the Protection of Merchant Shipping’, undated, FO 371/169740.
31 See Noble (1977).
The Philippines, on their part, proposed a formal agreement between Great Britain and the Philippines similar to the one which the country had signed with Indonesia in 1960 – or, alternatively, expanding that agreement to a trilateral agreement. The purposes of the Indonesian-Philippine agreement was to eradicate piracy, offences against the security of the state, all forms of smuggling (including the barter trade) and illegal entry. According to the British, however, the focus in implementing the agreement was all on the smuggling problem:

The Philippine Navy, in conjunction with the Indonesian authorities, are active in harassing barter traders, and display a comprehensive knowledge of trading craft. However, the take little interest in other unlawful pursuits entailing loss of life and property and show an ignorance of raiders.\(^{33}\)

The British therefore were of the opinion that such an agreement would be more to the detriment of the traders than to the pirates and raiders. They, moreover, foresaw operational problems with joint patrolling stemming from different perceptions of the local craft that would be stopped. The Filipinos were likely to insist that the crews were smugglers who should be shot whereas the British were likely to insist that they were traders who should be released.\(^{34}\)

In mid-March 1963, a group of North Borneo government officials and British naval officers visited the Philippines for exploratory talks on Anglo-Philippine naval cooperation, but still with the aim of avoiding any formal agreement or additional commitments. It was clear from the talks that the problem of cigarette smuggling and its detrimental effect on the national economy was the main priority for the Filipinos. Although the talks were conducted in a constructive and friendly atmosphere, the British realised that unless they showed their willingness to cooperate in controlling the cigarette smuggling, they could expect no cooperation from the Filipinos in the prevention of piracy and armed raids on the coasts of North Borneo, which in Philippine eyes was a ‘comparatively minor issue’.\(^{35}\)

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\(^{32}\) Governor of North Borneo to the Secretary of State for the Colonies, 8 January 1963, CO 1030/1660.


\(^{34}\) F. A. Warner to T. Peters, 12 June 1963, DO 169/93.

Following the talks, the Philippine authorities did take some measures to curb piratical activity, including increased patrol activity in the Tawi-Tawi area and, notably, the killing of one of the principle gang leaders, Amak, a fearsome, one-eyed outlaw who had been involved in several of the armed raids on the coast of North Borneo. The campaign, however, was not primarily carried out in order to appease the British, even though the Filipinos apparently tried to use the clean-up as a bargaining chip in order to gain more cooperation in controlling the cigarette smuggling. Rather, it seems that a tour by British and Philippine officers of the Sulu region in March 1963 prompted the Filipinos to try to curb the lawlessness and prevalent corruption in the local Constabulary forces.\(^3\) The Philippine action contributed to a decline in piratical activity, and especially armed raids, in North Borneo but piracies nevertheless continued right up until the end of British rule in the territory in August 1963.

**Conclusion**

After having been relatively successfully suppressed during the period of American colonialism in the Philippines, piracy and maritime raiding returned to the Sulu region in the years following World War II and Philippine independence in 1946. The situation grew increasingly serious towards the end of the 1950s and early 1960s when Sulu pirates attacked numerous local traders, mainly from Indonesia, and coastal villages and settlements on the coasts and islands of British North Borneo.

With the raiders, heavily armed and equipped with fast motor boats, coming from the Philippines, there was little that the British – who were genuinely concerned about the problem – could do to uphold law and order on the seas. The main priority for the British colonial government was to guarantee security in its territorial waters in order that free trade could flourish and bring economic prosperity to the colony. Free trade, however, largely meant importing copra from Indonesia and the Philippines in contravention of the (inefficiently implemented) export regulations of those countries and exporting cigarettes, an activity which was seen as smuggling from the Philippine perspective. For the Indonesian and Philippine governments, the main issue was to control the illegal trade and impose taxes and licences on the import and export of goods in and out of their respective

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\(^3\) ‘ANGLO-PHILIPPINE TALKS CONCERNING PIRACY AND OTHER ACTIVITIES IN THE SULU AREA’, letter from Lieutenant Commander P. A. Woollings to the Flag Officer Commanding-in-Chief, Far Eastern Fleet, 30 July 1963, DO 169/33.
countries. The British colonial government, by contrast, only imposed minor fees on the trade and rejected any suggestions that they cooperate with their neighbours in curbing the smuggling.

In general terms, the failure to achieve efficient naval and police cooperation in order to curb piracy was due to a clash between what may be termed the British ‘trading state’ on the one side and the Indonesian and Philippine ‘political states’ on the other side.\textsuperscript{37} The former saw free trade as the key to national (or colonial) advancement and the government’s role, in that context, was to provide the institutions which allowed free trade to flourish – including to maintain law and order on the sea in order to secure the free passage of traders and goods. For Indonesia and the Philippines, by contrast, the main priority was nation-building and to assert central government control over the vast territories and territorial waters of their respective country. In the immediate post-colonial period, moreover, free trade was viewed by the latter countries with suspicion because of its association with predatory capitalism and Western imperialism. For Indonesia, the British commercial policy in North Borneo seemed designed to maintain the uninterrupted supply of cheap raw materials, whereas smuggling of cigarettes from the territory to the Philippines deprived the central government of considerable incomes. For both Indonesia and the Philippines, thus, the main priority was to safeguard their borders and suppress the trading activities which the British encouraged and viewed as a corner stone in the colony’s economic development.

International relations were further complicated by the Philippine claim to Sabah, by different definitions of the territorial water limit and Indonesia’s policy of Confrontation against Malaysia. These matters also illustrated the Indonesian and Philippine concerns with issues of national sovereignty and the importance attached to issues of maritime borders and territories rather than free trade and economic development.

Just as in previous instances of piratical activity during the last 500 years, piracy in the Sulu region re-emerged in the mid-twentieth century as a result of the different political economies of the states involved. In the clash between the policies of free trade and the policies of territorial assertion, that is where the roots of piracy – at least in one of its major forms – can be found. As long as the differences in policies and priorities between trading states and political states persist, piracy is likely to persist.

\textsuperscript{37} Cf. Rosecrance (1986).
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