

## EXPLOITATION AND CONTROL OF LABOUR WITHIN THE MALAYAN RUBBER INDUSTRY UP TILL 1941<sup>1</sup>

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*Makalah ini menegaskan bahawa pengeluaran getah kolonial di Tanah Melayu melibatkan tiga bentuk pengawalan buruh yang wujud saling berganti. Ini terdiri daripada sistem buruh 'indenture', sistem buruh bebas dan sistem buruh isirumah. Tujuan utama makalah ini ialah untuk menjelaskan kenapa dan bagaimana sistem-sistem pengawalan buruh tersebut bertukar daripada satu kepada yang lain daripada masa ke semasa.*

*Makalah ini bermula dengan perbincangan mengenai sistem buruh 'indenture' dan seterusnya meninjau proses peralihan sistem pengawalan buruh tersebut kepada sistem pengawalan buruh bebas. Selanjutnya, makalah ini menghuraikan bagaimana sistem pengawalan buruh bebas berubah kepada suatu sistem pengawalan buruh berbentuk isirumah. Kenapakah perubahan-perubahan tersebut berlaku dan dalam bentuk-bentuk sedemikian? Makalah ini berpendapat bahawa ragam eksploitasi buruh dalam pengeluaran getah kolonial berubah daripada suatu bentuk kepada suatu bentuk yang lain kerana kontradiksi-kontradiksi antara kapital dan buruh dalam pengeluaran getah itu sendiri. Manakala kapital dapat mengubah dan memperbaiki sistem pengurusan dan teknologi untuk memperkemarkan kawalan teknikal dalam pengeluaran, keberkesanan pengawalan buruh merupakan suatu perkara yang agak sukar kerana tentangan daripada para pekerja. Akibatnya, sesuatu sistem pengawalan buruh itu tergugat oleh kontradiksinya sendiri. Oleh kerana keadaan ini mempengaruhi keuntungan, maka dengan bantuan negara kolonial, para kapitalis bagaikan terdesak untuk terus menukar bentuk-bentuk pengawalan buruh agar suatu bentuk yang dapat memberikan pengeluaran maksimum dengan harga yang termurah dapat dicipta. Nampaknya inilah yang menjadi objektif utama pembentukan pengawalan buruh berbentuk isirumah dalam tahun tiga-puluhan selepas Kemelesetan Ekonomi.*

*Seterusnya makalah ini menunjukkan bahawa perubahan-perubahan dalam sistem pengawalan buruh juga memungkinkan ladang-ladang getah terus menggunakan buruh-buruh selain daripada buruh-buruh India dalam pengeluaran. Misalnya buruh-buruh China dan Jawa dapat diupah secara kontrak dalam sistem pengawalan buruh bebas dan buruh-buruh Melayu dapat diserap sebagai sebahagian daripada tenaga buruh ladang melalui sistem buruh isirumah.*

*This paper establishes that there were three consecutive forms of labour control in rubber production in colonial Malaya. These were the indenture system, the free labour system and the household labour system. The primary aim is to*

*explain why and how these labour control systems changed from one to the other over time.*

*The paper begins with a discussion of the indentured labour system and traces the transition of the labour system into a free labour system. Subsequently, the paper shows how the free labour system developed into a distinct labour control system in the form of the household. Why did the changes in the labour systems take the forms it did? It is argued in this paper that the mode of labour exploitation in colonial rubber production changed from one form to another primarily because of the contradictions between capital and labour in rubber production. While capital was able to change and improve the management system and technology to impose better technical control in production, control of labour proved more difficult due to resistance from workers. Consequently, each labour control system was undermined by its own contradictions. Since this affected profit, capitalists, with the support from the colonial state, found it necessary to keep changing the forms of labour control from one to the other in order to arrive at one which would provide maximum production with the least cost. This seemed to be the primary objective of the household labour system instituted after the Depression.*

*It is argued further in this paper that it was essentially the changes in labour control systems that made it possible for rubber estates to continue employing labourers other than Indian labourers in production. For instance the Chinese and Javanese were employed on contract under the free labour system and the Malays were incorporated into the estate labour force through the household labour system.*

## 1 INTRODUCTION

This paper will establish that the colonial labour system for rubber production in Malaya consisted of three forms of labour control which succeeded one after the other. They were the indentured, the free labour (or the *kangani*<sup>2</sup>) and the household labour systems. Notable historians such as R.N. Jackson<sup>3</sup> and Norman Parmer<sup>4</sup> described how these systems came about but they did not analyse them as forms of capitalist labour control. Why did the control systems change over time? What were the mechanisms at work? If at all, how was the colonial state involved in the process?

Another historian Lim Teck Ghee has argued that the colonial state policies on rubber production as well as on the administration of immigrant labour force created a social division of labour in colonial Malaya which kept the ethnic Indian labourers largely in rubber estates.<sup>5</sup> But how was their labour power exploited and what were the consequences? If any, what was the implication of the exploitation process on the position of labourers from other ethnic groups in rubber production?

## 2 EARLY CASH CROP PRODUCTION IN COLONIAL MALAYA

Let us begin by outlining the development of the rubber industry in Malaya. Following experiments in the cultivation of several cash crops sugar and coffee became the first two major crops grown commercially in the late 1800s.<sup>6</sup> During this period rubber was only collected in the wild, though Malaya was already emerging as the sole producer of a major type of wild rubber called *gutta percha*.<sup>7</sup> However, *Hevea Braziliensis* or the better quality natural rubber that we know today was also found to grow favourably in Malaya.<sup>8</sup> Initially this was grown on a small scale basis by Chinese smallholders and few adventurous planters.<sup>9</sup> Rubber became popular as an industrial commodity by early 1900, generating tremendous profits for rubber traders.<sup>10</sup> When the price of *Hevea Braziliensis* (also called plantation rubber) doubled by 1902,<sup>11</sup> this attracted rubber merchants, financiers, bankers and manufacturers of rubber products in England to invest in direct production of rubber.<sup>12</sup> They mobilised retired Malayan colonial officials to form companies and expand rubber cultivation in Malaya.<sup>13</sup> They were also assisted in the process by agency houses which floated the companies in London, negotiated for land with local colonial authorities and supervised the operation of the companies in Malaya.<sup>14</sup> In 1905, there were twenty-five companies involved in rubber production; twenty-four of them were capitalised in the same year or earlier in England and one company was capitalised in Belgium.<sup>15</sup> The growth of British companies was rapid and this may be shown as follows.

TABLE 1  
GROWTH OF BRITISH RUBBER COMPANIES 1905-1920

| Year    | No. of Companies | (% Change) | Issued Capital<br>(Pounds Sterling) | (% Change) |
|---------|------------------|------------|-------------------------------------|------------|
| 1905    | 24               |            | 1,411,298                           |            |
| 1908    | 150              | (525.00)   | 15,000,000                          | (962.85)   |
| 1913    | 530              | (253.33)   | 52,477,000                          | (249.85)   |
| 1920    | 600              | (13.21)    | 125,000,000                         | (138.20)   |
| 1905-20 | 1,304            | (2,400.00) | 193,888,298                         | (8,757.09) |

Source: Gow, Wilson and Stanton, *Rubber Producing Companies* (London, Financial Times, 1906-1920).

### 2.1 PROFITS IN RUBBER CULTIVATION

The influential share market analyst of London of the period, Gow, Wilson and Stanton Ltd. was confident that rubber cultivation in Malaya was 'a sound commercial undertaking' and expected the investment to provide as much as 15-20% returns after six years, that is after rubber became productive.<sup>16</sup> The actual

returns to capital was however much more. For instance, five out of the twenty-four 1905 companies paid out 4%, 5%, 7%, 20% and 20% dividends respectively in 1905. By 1906, eleven of them were paying out dividends between 5-55% with an average of 20.36% each. This however did not mean that other companies were not making profits: they were either piling up their reserves for future expansion or their liabilities were simply greater than their assets.<sup>17</sup>

The most spectacular profit was however obtained by rubber capitalists in 1908-1910. This was known as the period of 'rubber boom'. Fifteen companies out of the twenty-four 1905 companies for instance distributed 1,750,000 Pounds Sterling dividends on the average of 250% of their individual total market capitalisation. This was achieved even without a single one of their properties reaching its maximum production.<sup>18</sup>

Rubber cultivation was obviously a profitable business. Up to 1910, it was more profitable than sugar or tea cultivation and promised a minimum expected profit of at least 100%.<sup>19</sup> This made it the best paying enterprise in Malaya if not in the British empire as a whole. As a result it wiped out all other cash crop cultivation in the colony: the last sugar refinery (and thus sugar cultivation) in Malaya was closed in 1913, and with the rise of superior Brazilian coffee in the world market, the last coffee plantation was killed off in 1910.<sup>20</sup> Similarly, production of tapioca, gambier and pepper gave way to rubber.<sup>21</sup> The agricultural economy of Malaya thus became established as a mono crop cultivation of rubber in which British capital maintained the monopoly into the post-colonial era.

## 2.2 LOCAL MALAY LABOUR

The rise of the rubber industry had nothing to do with local Malay labour. Malays were defamed as 'lazy natives' in similar manner to the well-known colonial myth about African people.<sup>22</sup> Almost all accounts of Malay labour in rubber cultivation in the early 1900s noted that they were only useful for the initial stage of felling and clearing virgin jungle on a contract basis. One of them gave the reason that the 'Malay is a lazy man by nature ...'<sup>23</sup> 'They were not reliable ... they do not even work three days a week; they just only work when it suits them'.<sup>24</sup>

When coffee plantation first began in Sungai Ujong, Negri Sembilan in 1882 for instance, an exploiter of Malay labour therefore found himself without labour when he needed it most. This was because a Malay labourer would only work for himself and 'absolutely refused to hire himself out as a labourer on any terms that a planter could accept'.<sup>25</sup> A committee studying the problem of emigration from India in 1910 therefore concluded that 'the native population of the Malay Peninsula is not characterised by any aptitude for steady work and that the conditions under which they live are not of a kind to compel them to it'.<sup>26</sup>

The local Malay population was not at all compelled to work for wages. This was the 'result of natural independence rather than any shortcoming in character'.<sup>27</sup> They lived in their villages as simple commodity producers. Given the fact that the density of Malay population was also very sparse,<sup>28</sup> it was possible that, following Boserup, they needed little effort to produce food to subsist.<sup>29</sup> Except for certain districts in Perak, the Malays remained as casual labour carrying out irregular odd jobs.<sup>30</sup> At the most, the early period of rubber cultivation absorbed the local Malays only when they required immediate cash, at the time suitable to them and only on estates located close to their homes.<sup>31</sup> Since they were unreliable for estate labour therefore capital had to mobilize labour from the overpopulated countries of India, China and Java.

### 3 THE INDENTURED LABOUR SYSTEM

The early success of rubber cultivation in Malaya relied on Indian, Chinese and Javanese immigrant labourers. They were initially recruited by the planters as indentured as well as free labour. The two types of labour co-existed in rubber production since the early period because rubber replaced both sugar and coffee in estates which used indentured and free labour respectively. However, indentured labour subsequently gave way to free labour. Let us examine the origin, recruitment process and exploitation of indentured labour in Malaya.

#### 3.1 THE ORIGIN OF INDENTURE

As a form of labour control system indenture succeeded slavery in the 1830s. This was because the latter was getting expensive and emancipated slaves were threatening production of plantation crops such as sugar and thus the structure of colonial commerce and finance. The indenture system was therefore constructed to impose an equally effective control over labour while at the same time freeing plantation owners from being totally responsible for their labourers as required by slavery. As a result indenture became a formal system of contract involving,

... the recruitment in one place of labour to be employed in another, the labourer entering into a contract before embarkation to work for a stated period (generally 1 to 3 years) in return for fixed wages (including food and other indirect payments) and the payment of his passage out and repatriation by the employer: such contract being enforceable by penal sanctions rather than by civil process.<sup>32</sup>

Poor peasants from over-populated regions in India, China and Java were recruited as labourers. Due to imperialist rivalry however, every colonial power tried to preserve its colonial subjects for its own use: the Dutch maintained a stringent monopoly over the Javanese, the French used mainly the Indo-Chinese and a trickle of Indian labourers at the goodwill of the British, and the British maintained absolute control over the supply of Indian labourers.<sup>33</sup> The Chinese

imperial state was apprehensive about the whole system. Consequently, the British had to negotiate with it before they could secure a reasonable flow of indentured labourers from China from 1845.<sup>34</sup>

### 3.2 RECRUITMENT OF INDENTURED LABOURERS

There were differences in the ways in which the Indians, Chinese and Javanese were recruited into Malaya. The recruitment of Indians began in early 1800. In the initial period, agents of employers were sent to South India to engage and advance money to persons willing to emigrate to Malaya but who were too poor to pay for the passage themselves. Subsequently shipowners, merchants and others mobilised poor Indian peasants for speculation which inevitably led to kidnapping for the overseas labour market. In 1870, the government of India controlled the movement of labour to protect the Indian peasants. Recruitment was allowed only to professional agents on behalf of *bona fide* plantation interests and government departments.<sup>35</sup> To meet the sudden increase in demand for labour due to the expansion of rubber cultivation following the rise in the price of rubber in 1902 however, the Protector of Labour, Government of Malaya, appointed an agent called the Madura Company in South India in 1903 to indenture Indians systematically. This included searching for the labourers, carrying out medical examinations on them and shipping them to Malaya on a regular basis.<sup>36</sup>

Recruitment of Chinese indentures (known as the *sinkehs* or new arrivals) was carried out on what was known as the 'credit-ticket system'. This occurred in the following manner,

a recruiter or agent pays the passage and expenses of the intending immigrant, in some cases giving him a small advance as well, on condition that the coolie ultimately works off by his labour the expenses so incurred. Usually the China agent recovers his outlay, plus a profit, from an agent or broker in Singapore or Penang, to whom the coolie is consigned, and who remits the necessary sum to China on receipt of the coolie. This second agent then disposes of his coolie to the employer or his agent, making the best terms he can, according to the state of the market, to recoup his outlay and secure himself a profit.<sup>37</sup>

On top of the fact that the *sinkehs* were simply traded as pure commodities,<sup>38</sup> they were also virtually controlled by members and officials of their secret societies who were their brokers, keepers of depots and lodging houses where labourers were kept during transit and labour contractors who mobilised them to work. The latter monopolised the distribution of *sinkehs* and pushed their price even to the point which employers could not pay.<sup>39</sup> In spite of several

legislative and administrative measures taken by the Malayan colonial state, access to *sinkehs* was possible only through the secret societies.<sup>40</sup>

To recruit Javanese labourers, planters had to apply through the Consul General for the Netherlands at Singapore who would then pass on the request to European firms in Java. Normally, there were delays of several months before a planter was given a permit to recruit coolies and the indenture contract of a labourer had to be finalised in Java before a Dutch official. For these reasons, most employers did not recruit Javanese directly.<sup>41</sup> They used labour contractors instead. There was of course clandestine recruitment by private firms as well.<sup>42</sup> Generally therefore, employers reported that they could obtain all the Javanese they wanted.<sup>43</sup>

### 3.3 CONDITIONS OF CONTRACT

It was probably because of these difficulties in recruiting Chinese and Javanese labour that British estates employed largely Indian indentured labourers. In 1909 for instance, the number of indentured labourers stood at 13,199 Indians,<sup>44</sup> 5,000 Javanese.<sup>45</sup> and 864 Chinese.<sup>46</sup> Regardless of this, they shared a common destiny: the Indians were normally indentured for 600 days with very strict conditions,

...fines and imprisonment could be imposed for disobedience: and desertion was punished by arrest and imprisonment; indentured labourers, if their term had not expired could be transferred from one employer to another; there was no repatriation at the end of the contract. In fact the labourer was a victim of the doctrine of personal responsibility, able to enter into a contract and to sue, and be sued on that contract, if he was over the age of 15 years.<sup>47</sup>

The Chinese were contracted for 300 days with similarly strict conditions, that is 'breaches being punishable by rigorous imprisonment'.<sup>48</sup> The Javanese was however indentured for three years after which they were either reindentured or repatriated to their homeland.<sup>49</sup> During the indenture period the labourers were kept, controlled and exploited to the maximum.

### 3.4 EXPLOITATION OF INDENTURED LABOURERS

Generally speaking the three groups of indentured labourers were employed in different kinds of tasks although all ethnic groups did tapping. The Chinese were allocated the heaviest kind of work on piece-rate,<sup>50</sup> the Javanese were employed on varied field, building and carpentry work and other kinds of work generally performed by natives,<sup>51</sup> and the Indians were given the lightest work such as road-making, weeding and tapping.<sup>52</sup> The Chinese and Javanese were also normally mobilised through labour contractors while the Indians were directly

controlled by employers themselves.<sup>53</sup> This however did not mean that they were treated any different.

As a rule indentured labourers were employed on task work. Following the rate specified in their contract, the amount of a day's wage was credited into a labourer's account if he/she completed the set task. A Javanese labourer for instance was set a task of tapping 200 rubber trees in the morning for 20 cents and weeding in the afternoon for another 15 cents.<sup>54</sup> However it was generally agreed that it was difficult to make slaves out of the Javanese because they were inclined to resent ill-treatment. One way to extract more surplus out of them therefore was to employ them on different wages for different tasks. A commission of enquiry into the conditions of indentured labour in 1910 for instance found that there were eight different wage rates for the Javanese.<sup>55</sup> The other method was by overtasking. The same commission of enquiry found that 20% of Javanese employed in one estate could not complete their daily tasks because they were too heavy. This meant that a half wage was paid to the labourers concerned for every full day's work.

The position of Indians on task work was no better. The Assistant Superintendent for Immigrants, Federated Malay States for 1909 noted their condition in the following terms.

I took a sample of the work performed by a gang of 27 male statue immigrants (the oldest on the estates: seasoned workers) for the fortnight ending 31st. August 1909. They were recorded as doing 269 days work earning \$67.25, i.e. 9.9 days work done at \$2.49 wages earned per man per fortnight. There were however 68 days in the fortnight under which (uncompleted task) 'P' was entered. If those days were added on to the 269 it gives an average outturn to work of 12.4 days in the fortnight. Moreover, none of those 68 days were credited towards the completion of the coolies contract.<sup>56</sup>

In this case, the coolies were simply paid below their contract rate of wages. In addition to this, Indians were also forced to work overtime and their wages withheld for several months in arrears. Whenever they complained they were severely punished either by their employers or the state apparatus. As a case in point, a coolie in Selangor was shot dead (on October 6th. 1907) by the police in the trouble arising from wage claims.<sup>57</sup> In another instance, a manager was reported to have thrashed and beaten a gang of coolies who refused to work because of late payment of wages. The leader of the work gang was thrown out of the estate and all his possessions, including his dwelling were burnt.<sup>58</sup> In any case general abuse of coolies such as systematic flogging and whipping were part and parcel of the ways in which indentured Indians were treated by their employers.<sup>59</sup>

The *sinkehs* probably suffered the most systematic form of exploitation of indentured labourer in what was known as the *rumah kecil* system. Under this system, sections of an estate were contracted out to Chinese labour contractors (also known as *taukes*) while estates simply purchased the produce at a fixed price. To carry out the jobs, labour contractors mobilised *sinkehs* onto the estates and kept them in small huts known as *rumah kecil*. Each one of them was known as a *kongsi* under the charge of a trusted head labourer known as *kepala* (head) or *mandor* (overseer). These were distributed all over a single estate closest to the work sites.<sup>60</sup> Since estates had no direct dealings with the immediate producers managers considered themselves free of any moral or financial responsibility for the labourers giving labour contractors a free hand. In one extreme case of regimentation for example, the Chinese manager of a sugar estate noted that,

Hours same all over estate; about 5.00am *sinkehs* are turned out to bathe; whistle blow at 5.30am; *sinkehs* get rice, vegetables, soup, salt fish, tea and rice water before going to work at 6.00am. Rice water is sent out to field and eaten there at 9.00am, whistle blows at 11.00am for stopping work. *Sinkehs* then bathe and get food (conjee only). They go back to work at 1.00pm, at 3.00pm they again take rice water in the field. At 5.00pm work stop for the day. *Sinkehs* bathe about 6.00pm. At 8.00pm *sinkehs* again bathe and are locked up for night at 9.00pm.<sup>61</sup>

In other cases, particularly on rubber estates, *sinkehs* were forced to work for seven to nine hours and were similarly kept in huts surrounded by wooden palisades and guarded.<sup>62</sup> In addition to this, *sinkehs* were also generally abused with all kinds of atrocities. This included flogging and beating till death for bad or slow work, made to eat human excrement for disobeying orders and kicked around and even drowned for attempting to abscond.<sup>63</sup>

The *sinkehs* were generally given a nominal wage of 40-45 cents a day but this was mostly taken out to settle their debts for food and clothing. They were paid the remaining wage of 5 cents a day and only at the end of their contract period. To obtain more food, cash and in some cases opium, the *sinkehs* therefore sought out extra work.<sup>64</sup>

#### 4 THE 'RUBBER BOOM' AND THE TRANSITION TO FREE LABOUR

Excessive exploitation and atrocities afflicted on indentured labourers in Malaya as well as in other British colonies created a controversy in England. This culminated in a report by a Parliamentary committee on emigration from India in 1910. While it agreed that some 'unfortunate occurrences' did happen, the committee however supported the system by arguing that it benefited the

colonies as well as the immigrants. It therefore suggested reforms to the system to make it more palatable to the British idea of morality.<sup>65</sup> As a result even a vehement critic of the system, the Anti-Slavery Society, seemed agreeable to the idea. While it agreed that the system was deplorable because there were elements of slavery in it, it also recommended reforms rather than calling for a complete abolition of the system.<sup>66</sup>

It was as part of this exercise that a commission was appointed to enquire into the conditions of indentured labour in the Federated Malay States in 1910.<sup>67</sup> Quite different from the one in England however, the Malayan commission recommended the abolition of Indian indenture in 1910, the Chinese *sinkehs* in 1914 and the Javanese in 1932. What was the basis of this decision?

It has been argued that planters in Sumatra terminated the use of indentured labourers because they became a liability to estates during the Depression.<sup>68</sup> More than this however, the Malayan case showed that the labour system was inherently contradictory to the objective of valorisation as rubber cultivation developed into a matured capitalist industry.

#### 4.1 OVERPRODUCTION AND RESTRUCTURING OF THE RUBBER INDUSTRY

Just like any other industry, the organisation of production of rubber was restructured as the industry matured. The rise in the price of rubber and profits in the early period demanded proper husbandry and improvements in technology. In 1907, the directors of rubber companies in London formed the Rubber Growers Association to begin technical and scientific research in planting and production of high quality rubber.<sup>69</sup> By 1912, most large scale producers began to equip themselves with the latest machinery to improve their methods of preparing rubber.<sup>70</sup> This apparently created an overall increase in production by 31.6% in the same year leading to a rubber surplus of 4,000 tonnes by 1914.<sup>71</sup> The surplus increased to 56,000 tons in 1917. Naturally prices fell accordingly. For instance there was a drop of 72.79% in prices between 1910-1917.<sup>72</sup> The large inflow of post-boom capital (50 to 60 million Pounds Sterling in 1916) also increased the amount of capitalisation per acre of rubber estate from 25-30 Pounds Sterling in the pre-boom period to 54 Pounds Sterling after 1910.<sup>73</sup> This created intense competition, conservative handling of the industry and introduction of scientific management to reduce the general overcapitalisation. The principal focus of the industry shifted from crude profits to reduction in 'all-in' cost or the cost of production.<sup>74</sup>

What all this meant was that the 'rubber boom' changed the industry from one which depended on beating helpless coolies for profit to one which focused on restructuring labour strategies to reduce labour costs. This seemed imperative because labour costs alone constituted 60-65% of the cost of production.<sup>75</sup>

## 4.2 INFLEXIBILITY OF THE INDENTURE SYSTEM

In such a context, indentured labour became counter-productive. The wage rate and period of employment being fixed by the contract, the labourers had to be employed regardless of the prevailing price level. Of course, it was profitable to increase the tasks of labourers during periods of high prices, but when the price dropped suddenly and significantly as in the 1910-17 period, employers were stuck with the contract to provide employment to labourers on fixed wages. Repatriation was also out of the question because it was difficult to recruit labour when the price recovered. For this reason the indentured labour system became contradictory to the need to manipulate the labour strategy and costs in the newly restructured rubber industry. Accordingly, innovations and new technology such as alternative day tapping designed to reduce the cost of production became inapplicable.<sup>76</sup>

The system also provided little scope for improvement in productivity because tasks allocated to labourers were already too severe and further tasking could only cause their gradual death. On the other hand there was no reason to create an incentive system because the indenture system allowed maximum and even brutal exploitation.

The greatest disadvantage of the indenture system was undoubtedly the high death rate among labourers. Almost every report on Indian immigration and emigration in the Federated Malay States from 1902 to 1911 emphasised the unsatisfactory number of deaths among the coolies. The best example within the reports was shown by two estates in Perak called the Sungai Krudda and Columbia estates. In 1907, they recorded death rates of indentured coolies at 22% and 19.76% respectively. This was in contrast to the normal death rates of 6.26% - 10.83% among estates in the Federated Malay States as a whole in the 1905-1909 period. The main reasons for it included poor conditions in the lines, bad water supply and unhealthy estate hospitals.<sup>77</sup>

It was clear that by 1910 indentured labour was becoming inimical to the rubber industry. The low cost of daily use and maintenance of labour was counteracted by rapid depletion and high cost of replenishment. The latter in fact constituted one of the major objections to the indenture system rather than the system as such.<sup>78</sup> This was because success in rubber production in the post 'boom' period depended primarily on competition, quality of produce, stability of the rubber price and, most importantly, efficient cost of production rather than outright brutality in labour use. For this reason also the Protector of Labour, Federated Malay States imposed a ceiling of 7% death rate as the tolerable limit after which an estate would not be supplied with indentured labour. But this was contradicted by the need to maximise labour use by estates since indentured labour was in the first place expensive to procure.<sup>79</sup>

### 4.3 RECRUITMENT OF FREE LABOUR

To some extent however, it was the contradictions in the colonial labour policy itself which finally destroyed the indenture system. It may be recalled that the indentured labour system was used side by side with the free labour system.<sup>80</sup> To see how the latter subverted and replaced the former, let us examine briefly the process through which free Indian labour was recruited.

Free labour was first mobilised through Penang in 1898.<sup>81</sup> Recruitment was carried out by a *kangani* or headman of an estate who was sent to South India to recruit his villagers, friends and relatives. The idea was to recreate immigrant village outposts of healthy and hardworking workers on estates. They were thus recruited in small batches and controlled into a large group. The advantage of the recruitment system was recognised as early as 1902 because it created 'the best understanding between the employers and the employed'.<sup>82</sup> The coolies themselves helped one another so that if a coolie's debt was unpaid, the others would readily lend their support.<sup>83</sup> They formed 'quite a happy family and were the cheapest and most satisfactory to recruit'.<sup>84</sup> They cost only 20 Rupees per head to recruit or 18 Rupees cheaper to recruit than an indentured labourer.<sup>85</sup>

The colonial state was also responsible for promoting recruitment of free labour. This began in 1902 with what was known as the 'state aided passage ticket system' which allowed Indian immigrants to travel to Malaya free of costs. This was later changed to the 'free ticket system' in 1903. In the latter case, immigrants were charged and indebted with recruitment allowances given to *kanganis* responsible for recruiting them as well as other miscellaneous costs.<sup>86</sup> For this reason, it did not attract the labourers. In 1903 for instance, there were only 2376 takers out of 8000 tickets offered. This changed the system to one completely free of debts on July 1st. 1904.<sup>87</sup>

The idea behind all this was to stop employers from indebting labourers to their estates so that Malaya became attractive to free immigrants. The expressed desire of the colonial government was to create a pool of totally free labour in the country. The High Commissioner for Malaya for instance stated that,

The policy we all desire to encourage is the free flow of labour into the country and then allow it to distribute itself according to the needs of employment. Those who are willing to pay more will always get labour more readily than those who wish to pay less.<sup>88</sup>

This however did not materialise because there was severe crimping or stealing of labourers among employers, particularly during the period preceding the rubber boom. As a result, the Protector of Labour declared that 'all unindentured coolies are entitled to leave on a month's notice; debts to estates being recoverable only in civil courts and not in detention on estates'.<sup>89</sup> In 1908, the

government also limited the legal amount of debt to 12 Rupees per labourer.<sup>90</sup> Estates did increase the use of free labour. For instance they recruited 56,000 free Indian labour in 1910 as opposed to 3,369 labourers in 1904 while at the same time reducing the number of indentured Indians from 2,654 in 1904 to 2,523 in 1910.<sup>91</sup> However, they reacted to the government restrictions by retaining labour through other means. This included non-settlement of wage, non-discharge even after one month's notice had been given, non-settlement of debts and holding wages in arrears.<sup>92</sup> Some employers even ignored the free labour concept. They '... do not understand or refuse to recognise the right of unindentured coolies to be discharged after giving a month's notice'.<sup>93</sup> In 1911 for instance, there were 136 out of 301 employers summoned for labour complaints in Selangor who refused to accept notice of termination by free labourers.<sup>94</sup>

Of course labourers reacted to the situation in their own way. As *kanganis* were also labourers they capitalised on the situation by simply taking their 'happy families' and moved from one estate to another to free themselves from debts as well as to look for better conditions and wages. As a case in point, it may be noted that after a year, an estate known as the Linggi Rubber Company in Selangor lost 67% of 724 coolies it recruited on January 1st. 1910.<sup>95</sup> One estimate put the number of labourers on the move in 1920s to about 30% of the total labour force.<sup>96</sup> The daily paper, *The Straits Times* was however a little conservative. It reported that 'at least an estimated 25% of the nominal labour force never engage in steady work but move from place to place doing odd jobs here and there and cheating contractors and managers'.<sup>97</sup> It was for this reason that Sir Frank Swettenham stated that, 'There are no Indian labourers whose employment is sedentary that I know of'.<sup>98</sup>

#### 4.4 THE FINAL DEMISE OF THE INDENTURE SYSTEM

The opportunity to abscond was also open to indentured labourers. Since they were employed on the same estates as free labourers, the better conditions of work and wages obtained by the latter naturally enticed them into absconding.<sup>99</sup> But the rate of absconding, given the severe reprisals from employers, depended very much on the state of labour demand. In times of strong labour demand indentured labourers simply followed free coolies to walk away to other estates. These normally consisted of the best and the strongest.<sup>100</sup> Moreover, Javanese indentured coolies easily escaped into the local Malay society to get out of indenture. The fact that crimping was also widespread further encouraged absconding.

On top of the fact that indentured labour was counter-productive and expensive to use, freer flow of free labour and absconding further undermined the indentured labour system. The final blow however did not come until recruitment of free labour was formalised with the formation of the Indian Immigration Fund. Let us now note briefly how this came about.

## 4.5 THE INDIAN IMMIGRATION FUND

This was a body set up in Malaya to streamline recruitment of free labour from India.<sup>101</sup> It started in 1908 as a Tamil Immigration Fund with advances from the government to recruit only Tamil labourers.<sup>102</sup> It changed to the new name when in 1910 recruitment expanded to cover all Indian races. At the same time it changed into a self-supporting body operating on loans from the government.<sup>103</sup> This allowed it to defray all costs of immigration and maintenance of homes for the decrepit.<sup>104</sup>

In terms of organisation it consisted of government officials and representatives from planters in the country. In terms of function, it took over all administrative matters on labour recruitment from the Protector of Labour, Federated Malay States, set up agencies and depots in South India for the purpose, absorbed the operation of the previous free ticket system, intensified recruitment using the *kangani* and absorbed all the costs of recruitment.<sup>105</sup> To cover the costs therefore, it levied a suitable amount of poll tax (initially \$5.00) on employers for every Indian labourer they employed. To encourage the use of the Fund, allowances were also provided to employers who used their own *kanganis* and the Immigration Department. As a result, the net cost of recruitment of free labour to employers in 1908 worked out to a mere 1.28 cents per working day.<sup>106</sup>

What all this meant was that the Indian Immigration Fund brought free labour to Malaya cheaply, in large numbers and in a systematic manner. As a result Indian indenture became completely irrelevant and thus formally abolished in 1910. The Chinese and Javanese indentures were however maintained a little longer to provide labour for difficult areas where workers were still needed to be forced to work. The Indian Immigration Fund continued to operate so successfully that it was conferred a statutory status in 1937.<sup>107</sup>

## 5 THE FREE LABOUR SYSTEM

The foregoing shows that recruitment of free labour depended solely on *kanganis* on estates. To examine in detail how the task of a *kangani* constituted a form of labour control, this section will first outline the growth of free labour in the form of contract workers and later show how this generated a particular relationship between capital and labour in estates which I have chosen to call the free labour system.

### 5.1 THE RISE OF CONTRACT WORKERS

Chinese labourers were also recruited as free workers after 1914. This was carried out by an employer sending out a trusted *kepala* (this literally means head) or head coolie to China to recruit his friends, clansmen and fellow villagers and

travel with them back to the place of work. Since they were not charged any cost the labourers were not bound by any obligation of money or contract to the recruiting employer. To ensure that only genuine coolies were recruited however, the government imposed a special quota to prevent immigration of shopkeepers and petty traders into Malaya.<sup>108</sup> This system existed together with the older method of recruitment where individual recruiters brought labourers from China and charged them for passage, food and lodging by deducting from their pay after they found employment. Due to the language problem however, most Chinese labourers continued to work on estates through labour contractors.<sup>109</sup> As a result, a network of labour contractors emerged with a few large and powerful ones supplying labour to sub-contractors on the work sites. Together, they controlled the labourers by indebting them, running crooked gambling dens and charging them exorbitant interest on wage advances.<sup>110</sup> This resulted in a strong Chinese labourers' resentment against labour contractors which led to work stoppages and strikes in the mid-1930s.<sup>111</sup>

The proximity of Java to Malaya made movement of this Javanese of free labour difficult to trace. They had been emigrating to Malaya long before the 'rubber boom', either on their own or in work gangs. Similar to the Chinese, they also worked on estates mostly on contract basis.<sup>112</sup>

From the early period, particularly after the 'rubber boom' therefore, there was constant emigration of free labour from India, China and Java. However, while the Indians were directly employed by estate managers, the Chinese and Javanese mostly became contract labourers. The latter constituted what may be argued as two major groups of (colonial) estate labour reserves. In 1937, they constituted about 40% of the total estate labour force. This can be shown as follows.

TABLE 2  
ESTATE LABOUR FORCE IN MALAYA, 1937

| Categories of Labour  | Number  | %     |
|-----------------------|---------|-------|
| Indians               | 261,708 | 54.80 |
| Chinese               | 172,080 | 36.03 |
| Javanese              | 15,615  | 3.27  |
| Malays <sup>113</sup> | 14,901  | 3.12  |
| Others                | 13,232  | 2.77  |
| Total                 | 477,536 | 99.99 |

## 5.2 SCIENTIFIC MANAGEMENT

The rise of free labour provided employers with the flexibility of labour use unknown to them under the indenture system. While contract labourers (Chinese and Javanese) carried out major tasks such as jungle clearing as well as providing labour during periods of immediate need,<sup>114</sup> the existence of free resident Indian labourers allowed employers to devise two new exploitative systems to increase production.<sup>115</sup> Firstly, employers increased the working day of labourers employed on daily wage such as those working in rubber factories by getting them to do extra work voluntarily. This was done by introducing a bonus system and overtime rates particularly for evening work and work on public holidays.<sup>116</sup>

Secondly and more important, employers created a new compulsion to work in the form of piece-rate work. This meant that a labourer was paid a wage according to the amount of completed work in each day.<sup>117</sup> For instance, instead of being paid according to a certain number of acres of trees tapped daily as in the previous task work, a labourer under the piece-rate was allocated to tap a certain number of chosen trees but paid only according to the poundage of rubber and scrap brought in at the end of each day. In this way, a labourer was forced to improve his skill and performance because the way he tapped, the time he began tapping as well as the speed of tapping determined the amount of latex he obtained at the end of the day.<sup>118</sup> Similarly employers could regulate digging (measured by foot or chain), weeding (measured by space between trees), manuring (measured by number of trees) and other field work such as *lalang* eradication with piece-rate work. As a result,

The season does not affect working hours to any extent. Chinese tappers and Telegu coconut workers earning on the unit basis are the most industrious workers on estates. The former rise very early in the morning and work in darkness to tap the largest possible number of trees when the day is cool and the latex flow is good. The latter will work sometimes as much as 12 hours a day and earn four times the wage of his fellows.<sup>119</sup>

At first, piece-rate work was given out to contract workers, particularly to the Chinese.<sup>120</sup> This was because piece-rate work in estates was hardly distinguishable from contract work.<sup>121</sup> By 1937 however, it became common to other workers on many estates in Malaya.<sup>122</sup> The Labour Department, Malaya, for instance noted that in 1937,

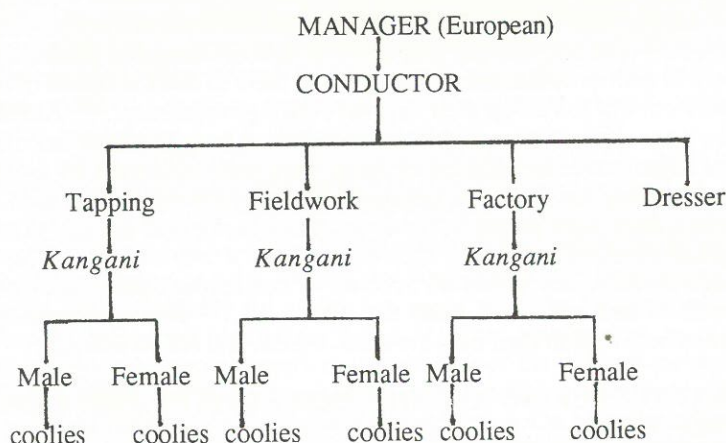
The old fashioned Indian cooly who accepted everything that happened as a matter of course is rapidly disappearing. The number of tappers who record daily in their pocket book the weight and density and the resulting calculated dry weight of their morning task is not small.<sup>123</sup>

What this means is that the rise of free labour and contract workers in estates introduced a new dimension in estate work. It allowed employers to coerce labourers to increase their working day through similar incentive systems as commonly found in mature capitalist industries. As a result, the performance of rubber estates became largely dependent on scientific management techniques as well as on the skill of individual managers. This is the essence of the free labour system in pre-war Malaya.

### 5.3 THE KANGANI SYSTEM

In order to see how the free labour system allowed managers to control labour for capital, it is now necessary that we examine the organisation of free labour directly employed by estates, that is the Indian labourers. This may be portrayed as follows.

Chart 1.1: Organisation of estate labour



Source: Labour Department, Federation of Malaya, *Report on Work on Plantation*, Federal Secretariat Files, No.13622/49/4A, p.16.

The manager of a typical rubber estate was always a European.<sup>124</sup> He was assisted by chief supervisors called conductors in every branch of work normally consisting of tapping, field and factory work. He was also assisted by a dresser whose main responsibility was dispensary work as well as supervising anti-malarial work, cleaning of drains, latrines and houses, and disposal of rubbish. Conductors usually consisted of Indians or Chinese who were normally recruited from outside the estate. They were 'the most directly authoritative man on the estate and supervises musters, regular attendance, the standard of work and very often the entry of details in the pay accounts'.<sup>125</sup> For this reason they were mostly confined to office work.

Conductors were in turn assisted by male and female *kanganis*. They were chosen from among the workers and consisted of people who were experienced, trusted by the manager, and commanded the respect of fellow labourers. Inevitably they also consisted of people of higher caste. For this reason, men *kanganis* also made up the estate *panchayat* or the workers council which enforced social rules, settled personal disputes and on behalf of the manager punished labourers for poor conduct. In this way they recreated the social hierarchy of Indian villages to enforce subservience among labourers.

As leaders of work gangs, *kanganis* did not work, but took out their work gangs to work, showed them their tasks and saw that their labourers completed their daily tasks. In this respect, they were fully responsible for their gangs to work full hours, to break for meals and to rest during the day. In short, they bore the most immediate responsibility in production.

It is clear that under the free labour system *kangani* constituted a crucial link between capital and labour. They replaced the (expensive) professionals in recruitment<sup>126</sup> and became the sole agent of labour control in production. To keep them in their position, employers allowed them to debit accounts of coolies under their control to recoup their expenses during recruitment.<sup>127</sup> At the same time they were allowed to extend loans to coolies to keep the latter indebted and therefore submissive. In addition to these, they were also paid by employers daily 'head money' (at five cents per coolie per day) for seeing that each coolie completed a day's work properly. However, this was not paid directly to them. It was instead credited into their accounts so that if any of their supervisees absconded or died, any unsettled account of the coolie concerned would be transferred to and redeemed from their accounts.<sup>128</sup> It was in their interest therefore to help exploit their own kinsmen, friends and fellow villagers.

#### 5.4 RESTRUCTURING OF THE INDUSTRY IN THE 1920S AND 1930S

By the 1920s, the inflexibility and heavy expenses imposed by indentured labour became a thing of the past. Though there was general crimping of labour under the free labour era, they were easily replenished by *kanganis* within a period of three months.<sup>129</sup> Accordingly, they were easily repatriated when necessary. The established connection with villages in India created by *kanganis* assured not only a ready supply of labour but also a permanent circulation of free labour between Malaya and India. In this way, *kanganis* incorporated the labourers into the capitalist production process on estates but retained them outside it whenever they became a threat to profit. This allowed the industry to restructure and weather the falling rate of profits caused by competition and economic depression in the following manner.

(i) Internal restructuring of estates. As a case in point, we may note that five out of twenty-four 1905 companies issued new shares in 1920 while two others either sold part of the estate land or sublet portions of the land for mining. This was carried out in order to balance their accounts. At the same time however, there were seven companies among them which expanded either by buying up adjoining estates or expanding into new land. All this occurred because there was a decline in the general rate of profit from about 50% in 1910 to 40% in 1916, 30% in 1919 and 6-7% in 1922 as well as a similar decline in the rate of dividends paid out.<sup>130</sup>

(ii) Centralisation of capital. Restructuring of the industry in this form was started by a prominent planter Sir John Hay soon after he became general manager of the Guthries Group of estates in early 1925. He began by forming a company to take over several small oil palm estates in Keluang, Johor and utilised the advantage of the pool of centralised knowledge of the Guthries Group to integrate the management for all of them. This changed the history of the planting industry in Malaya. Estates managed by a single agency house no longer existed as a collection of estates that happened to employ the same agents and secretaries. They instead formed a single corporate body under one single management.<sup>131</sup> Corporate management of the planting industry in Malaya was therefore created.

## 5.5 THE COLONIAL STATE

To some extent, certain policies of the colonial state were directly instrumental to the restructuring process. During the First World War for instance, the state propped up the industry by giving advances of up to 30 cents per pound of rubber to offset the declining prices.<sup>132</sup> The government also gave out \$600,000.00 in loans to planters to tide them over the crisis of the period.<sup>133</sup> In addition to these, the state protected the rubber industry in several ways. Firstly, the state controlled prices by regulating production. On November 1st. 1922 for instance it introduced the famous Stevenson Restriction Scheme to impose production quotas on all producers including peasant producers in order to ensure that rubber estates remained afloat.<sup>134</sup> This was supplemented by another scheme known as the International Rubber Regulation Agreement enforced on June 1st. 1934. Essentially, the agreement extended the idea of production quotas to control production in other rubber producing countries such as Indonesia, Indo-China, Thailand and Borneo so that the rubber industry remained viable.<sup>135</sup>

Secondly, the state controlled the land. On July 24th. 1917 for instance the Federal Council passed the Rubber Land (Restriction) Enactment 1917 which prohibited sale of any land exceeding fifty acres to non-British subjects or people other than subjects of Malay rulers.<sup>136</sup> It also prohibited the transferred of British-owned rubber land to non-British subjects.<sup>137</sup> The idea was obviously to protect British rubber estates from being bought by American and Japanese

competitors.<sup>138</sup> As a result competition and restructuring occurred among British capitalists where inefficient and smaller ones were killed off creating bigger corporate rubber giants such as the Guthries Group of Companies and the like.

Thirdly, the state controlled the development of labour movement. Since 1910, skilled Chinese workers in Malaya had been organising themselves in labour unions to demand for better working conditions and higher wages. Fearing the infiltration of the unions by the Communists, however, the colonial state subsequently deregistered the unions and in its place promoted trade guilds to represent workers in trade disputes.<sup>139</sup> However, the impact of the labour unions on workers in rubber estates, particularly Indian labourers, was negligible. They related to their employers largely on individual basis, and this essentially freed the employers from organised opposition from workers. This arguably facilitated the process of restructuring the rubber industry.

At this point we may summarise that the rise of free labour provided the opportunity for estates to introduce changes in management techniques and restructure the industry to weather bad times. Favourable changes in colonial state policy were of course instrumental to the process. However, it must be argued that all this could not have occurred without the *kangani* circulating the labour force and controlling them at work. A prominent scholar on labour problems in Southeast Asia, E.H. Jacoby for instance noted that,

The debacle during the depression brought into daylight the extreme sensitivities of the rubber industry to changing business trends and the plantations realised more than heretofore that their dependence on developments abroad called for a flexible labour force which could be quickly adjusted to fluctuating market situations and reduced to a minimum in periods of depressions.<sup>140</sup>

It was thus that the flexibility of labour control offered by the *kangani* system allowed capitalists to extract about six and half hours of surplus labour from each estate worker per day (in 1925)<sup>141</sup> in order to maintain an average profit of about 15% throughout the 1924-8 period of capitalist crisis.<sup>142</sup>

## 6 THE CONSTITUTION OF HOUSEHOLD LABOUR IN THE 1930S

However, the free or *kangani* labour system had its own contradictions. As noted above, crimping and absconding were part of the labour system itself. As headmen, *kanganis* were also exerting their freedom. Their influence among workers made them indispensable for both recruitment and deployment of labour on estates. Even as far back as 1911, the Assistant Superintendent of Labour in Selangor warned that it was 'dangerous to allow them to get too much control

into their hands at the expense of the personal influence of the manager of the estate'.<sup>143</sup>

Absconding at first balanced out the number of labourers between estates but the drastic fall in the price of rubber brought about by the 1930 Depression shocked the estates. In terms of performance, estates were paying very low dividends or none at all.<sup>144</sup> Among the twenty-four 1905 companies for instance, only 26.0% of them were paying out dividends in 1930, 13.0% in 1931 and 8.6% in 1932.<sup>145</sup> Gow, Wilson and Stanton described the situation as the 'darkest period in the whole history of the rubber industry' because costs of production simply over-shot the prevailing prices.<sup>146</sup> This led to restructuring processes in the industry quite similar to those of the 1920s. For instance, six companies out of the twenty-four 1905 companies expanded; five companies out of the same group absorbed other smaller estates and one acquired a new block of land. A number of amalgamations also took place in 1935.<sup>147</sup>

The situation was aggravated by the fact that by August 1930, the Depression worsened to the point that recruitment of labour was stopped and massive repatriation was carried out by the government.<sup>148</sup> Even the Javanese indentured labourers fell out of use in 1931.<sup>149</sup> Recruitment resumed in May 1934, but this was reduced to a mere trickle.<sup>150</sup> Given the fact that the available labour was at the same time threatened by the freedom of *kanganis*, how did estates control labour to maintain the industry?

## 6.1 THE RESIDENTIAL LABOUR FORCE

In the 1930s, it became necessary for estates to create a permanent residential labour force. This was done by providing allotments to labourers' families as well as settling them in settlements on estate reserve lands.

The idea was first put forward in Malaya by Frederick W. Knocker, the Curator of the Perak Museum in 1910. To overcome the problem of labour supply on estates, he suggested that estates form,

... a band of union between the estate and its labour, by granting the latter small plots of grounds within the concession, whereon to carry out minor cultivation after their own fashion such as market garden, orchard, banana or sugar planting etc., which can be attended to easily without interfering with regular work on the plantation. For a native whether he be Chinese, Tamil, Javanese or Malay cherishes above all else a piece of land he can tend and look upon as his own particular property. Further it includes them to bring their own folk to the estate and rear children on the spot; and in other ways settle down and regard the places as their home. And both women and children must

be considered desirable adjuncts on rubber plantation as, indeed, their names on checkrolls of most of the old estates testify.<sup>151</sup>

Unlike Sumatran (tobacco) plantations which retained labour by recreating native villages on estates as early as the late 1890s,<sup>152</sup> Knocker's suggestion was apparently ahead of time. The existence of the Indian Immigration Fund and the smooth circulation of free labour under the *kangani* system at the time made settlement of permanent labour on estates seem superfluous. It only became meaningful in the 1930s when poor economic conditions, cessation in immigration and the contradictions in the *kangani* system forced employers to look for an alternative labour system. This was expressed in what later became known as the allotment and settlement systems. Let us note these systems briefly.

## 6.2 THE ALLOTMENT SYSTEM

The 1930s Depression prompted employers to cut wages by 20%<sup>153</sup> but some labourers (in Perak) still preferred to remain on estates because '... they could supplement their earnings in various ways, eg. by fishing, hunting, collection and sale of firewood and growing of vegetables'.<sup>154</sup> Similarly, reports from the state of Kedah stated that 'on a number of estates labourers planted padi, ragi etc. and reared cattle, goats and fowls and were thus largely independent of their local market for their surpluses'.<sup>155</sup> This mode of existence was soon formalised on August 14th. 1931 when the Controller of Labour, Federated Malay States imposed the rule that estates must provide a one-sixteenth acre plot of land or allotment beside coolie lines to every labourer who had dependents.<sup>156</sup> The aim was to supplement the wages of labourers and stabilise the estate labour force. Employers apparently heeded this directive. By 1932, the Labour Department reported that both Indian and Chinese labourers were noticeably producing their own foodstuffs from their allotments. Supplementing wages through other means such as selling firewood, fishing and so forth was also becoming much more generalised.<sup>157</sup>

In 1932, the Controller of Labour, Federated Malay States also declared that labourers would be repatriated if they could not earn sufficient subsistence wages.<sup>158</sup> In response to this and to retain their labourers, estate managers intensified allotment allocation by defraying profits from toddy shops to help buy seeds, manure, equipment etc. They feared that coolies might decide to go home because the Depression was threatening to push wages down below the level of subsistence.<sup>159</sup> By 1937 therefore, allotments became common to all estates as well as coolie lines in government departments. In some cases, semi-detached houses with built-in bathing area as well as a garden of 30 by 100 feet were provided to each family rather than accommodation in coolie lines.<sup>160</sup>

### 6.3 SETTLEMENT

Some estates went a little further than just providing allotments. In 1932, an experiment was carried out by an estate in Port Dickson, Negri Sembilan to settle 62 labourers on a block of 264 acres of estate reserve land.<sup>161</sup> This was followed by several other estates in the area. By 1940, such settlement became generalised among estates in Selangor, Perak and Johor.<sup>162</sup> As a result, and for the first time Indian labourers were commended by their employers. The Manager of Permatang Estate in Selangor for instance noted that,

... the Indian labourer has it in him to make a success of subsistence cultivation and pride himself with better food and means of weathering bad times.<sup>163</sup>

In contrast, the Chinese were more adventurous than the Indians: they settled their families on estate reserve lands even as far away as to make them cycle to work daily.<sup>164</sup> The initial objective was for residential labourers to supplement their wages and grow food crops just as on allotments. Since settlements provided bigger size lands (in blocks of 2-3 acres per family) however, they were situated further away in estate reserve lands. In some cases, estates also turned large portions of their reserve lands into large settlements. One good example was the Sedenak Estate in Johor 'where some hundreds of acres of ravines have been cleared and planted with vegetables by Chinese labourers working on the estate, a block of 5 acres being allotted to each family'.<sup>165</sup>

True to the original objective however, provision of land use to labourers was largely confined to cultivation of vegetable crops and animal rearing rather than growing of staple food crops such as rice. This was because the latter interfered with regular work on estates. In contrast, vegetable growing and animal rearing fit much better into the scheme of rubber production on estates.<sup>166</sup>

### 6.4 THE HOUSEHOLD AS A FORM OF LABOUR CONTROL

Undoubtedly allotment and settlement on estates began as a wage substitute but it may be argued here that such access to land use provided the infrastructure for labour control through the household.<sup>167</sup> This may be shown as follows.

The success of allotment and settlement to retain labour on estates augmented changes in the labour process in rubber production. Employers carried this out by integrating piece-work with the division of labour in the households. It has been noted that piece-work essentially increased the labourers' working day. Due to low wages in the 1930s however, a labourer was also forced to work fast enough to allow him time to cultivate food crops in his allotment or settlement. To maximise the use of his labour time, a labourer was forced to mobilise other members of his household to speed up his work; children and the elderly were

mobilised to collect scraps and women were called on to share tap. In this way, household tapping was created.<sup>168</sup> To ensure uniformity and to protect the trees, employers simply stepped up supervision on areas under piece-work.

This mode of exploitation apparently worked so successfully that the Labour Department, Federated Malay States found in 1937 that estates in Kelantan and Malacca were giving out jobs to households rather than individuals.<sup>169</sup> This not only cheapened the cost of production but it also sustained regular tapping work because members of a household alternated, shifted or divided the work among them so that no one was burdened with tapping work as such. To cheapen the cost of production further, employers also short-weighted rubber poundage brought in by labourers and offered bonuses to labourers who brought in extra rubber beyond a certain poundage.<sup>170</sup>

It was perhaps because of the success of regulating household labour through piece-work that after 1934, assisted emigration of Indian labour was restricted only to families and those with dependents nominated by labourers already working on estates in Malaya.<sup>171</sup> This allowed individual estates to create their own permanent household labour force.

To a large extent the constitution of household labour made *kangani* redundant. This was because work performance of individual labourers now became the problem for heads of households and not the *kanganis*. The former was forced to take responsibility in order to survive. Consequently the latter were turned into overseers called *mandors* or *tindals* who merely supervised rather than controlled labourers directly.<sup>172</sup> What all this means is that the creation of household labour made it possible for an employer to control and regulate the whole estate labour force by simply controlling the heads of households. By reducing the wages for instance, the latter was forced to control and regulate members of their households to work accordingly. This essentially turned the household into a distinct form of labour control for rubber production.

## 7 THE EXPLOITATION OF THE HOUSEHOLD LABOUR FORCE

How were members of a household controlled and regulated? This section will examine the nature of exploitation of women, children and the elderly under the household labour system.

### 7.1 EXPLOITATION OF FEMALE LABOUR

Though the number of women workers had been small,<sup>173</sup> they always formed a class of workers in their own right. Since the early period, they were paid on their own account but the rate was about 10-15 cents below that of men. This approximated about 57.1% - 71.4% of the male wage though they were allocated

similar tasks to men in unskilled work such as maintaining seedling beds and gardens, clearing, light digging, weeding as well as in skilled work such as tapping.<sup>174</sup> In terms of productivity however, women provided 'a sum of work about equal to the men'.<sup>175</sup> In fact the commission of enquiry into the conditions of indentured labour in 1910 noted that they made excellent tappers if not the best.<sup>176</sup>

Apart from low wages, women also suffered from being female. In the 1910s for instance, an Assistant Manager, Leopold Ainsworth noted that on one occasion he was attracted by a commotion among a gang of Tamil women weeders at work.

Judging from the noise things seem to be going from bad to worse, but I had nothing much to fear or worry about, however, for very soon the woman on the ground produced her baby with no more effort than a hen to lay an egg and appeared none the worse for her experience.<sup>177</sup>

Instead of showing sympathy to the woman for being forced to work to the point of giving birth however, Ainsworth wrote that he hoped fines were imposed on those who stopped working for the incident.

Ainsworth also reported that Indian women suffered at the hands of their husbands. The latter for instance took it as a propitiatory offering to loan their wives to a European boss.<sup>178</sup> Similarly, on one occasion he observed that an Indian woman was tied to an upright of a house and beaten by the husband because it was customary for women to be beaten for having done something wrong.<sup>179</sup> These atrocities were tolerated even by estate officials such as Ainsworth because they considered that such treatment was natural particularly for women of low caste and of doubtful reputation. In any case officials were convinced that women labourers on estates consisted mainly of those with doubtful reputation or 'bazaar women' and widows who had been formerly tyrannised because of their marital status.<sup>180</sup>

Exploitation of women in the 1930s appeared in slightly different form. Estates provided maternity allowances to encourage women to reproduce (more workers) but the conditions were so strict that employment during confinement was inevitable.<sup>181</sup> Creches and nurseries were also provided on estates but these were primarily intended to allow mothers to go out to work to supplement the household income. The coercion on women to work even under difficult personal conditions became much more pronounced under the household labour system. While the daily wage rate for women continued to be below that of men,<sup>182</sup> women were often put on task and piece-rate particularly in tapping, while men were paid daily wages. In this way women could obtain a higher income but they had to work more, particularly in periods when their husbands' wages were

low as in the 1930s.<sup>183</sup> In some cases, they in fact became principal wage earners for their households. Women on the Permatang Estate in Selangor for instance engaged in estate work for wages while their husbands cultivated fields on the estate settlement and their children attended to cattle rearing.<sup>184</sup> This division of labour was obviously necessary to sustain household needs. Since households were traditionally controlled by men,<sup>185</sup> this meant that women became directly regulated by the latter rather than by employers as was the case previously.

To a large extent, it was the Indian and Malayan colonial states which created the subordination of estate women in such form. Rule 23 of the Indian Emigration Act for instance prohibited males from emigrating without their women.<sup>186</sup> In compliance to this, the Malayan Labour Code of 1923 also forbade separate employment of wives from their husbands.<sup>187</sup> Likewise the immigration rules of the 1930s did not allow assisted emigration of any woman unless she was part of a family.<sup>188</sup> It seemed that state policies and the maturity of the estate labour strategy worked hand in hand to extract more surplus out of women by simply re-enforcing existing exploitation of women by men.

## 7.2 CHILDREN

The children were also integrated into the household survival strategy and controlled by heads of households. Just like the women, they were previously recruited on their merit either as minors or dependents eligible for specific wages at about 10-20 cents a day or about 57.1% of an adult male wage. They were also provided with food rations according to their ages. They were as a rule task workers (under female *kanganis*) on estates just like any other labourers. Their tasks included tapping old trees, collecting nuts for seeds, gathering seeds for cover crops and maintaining estate roads.<sup>189</sup> Estates were responsible for their upkeep.<sup>190</sup> This was probably the reason why it was not compulsory for employers to build schools on estates until 1923 and parents were likewise not forced to send their children to school.<sup>191</sup> Any care and provision for children were primarily designed to create healthy and sturdy locally-bred workers. The Annual Report of the Planters Association of Malaya for 1920 for instance stated that 'every child born on the estate should have the best possible chance of developing into a healthy labourer'.<sup>192</sup>

Children were however released from the responsibility of employers when household labour was constituted. They instead became a part of the household labour reserve regulated by the head of the household. As noted earlier, the introduction of piece-rate work and a cut in wages forced heads of households to mobilise children to collect scraps to speed up tapping work. Likewise, the allotment and settlement systems that came together with piece-rate work reintegrated children into domestic production to supplement the household wage. On the Permatang Estate in Selangor for instance, children were used to

rear animals such as goats, cattle, pigs and fowls to supplement their household income.<sup>193</sup>

### 7.3 THE ELDERLY

The colonial policy of repatriating surplus labour force essentially freed the employers from maintaining the decrepit, the destitute and the elderly on estates. In any case the government sponsored institution such as the Indian Immigration Fund took responsibility for such categories of workers noted earlier. The constitution of household labour in the 1930s however made such persons, particularly the elderly, central to the household economy. It has been noted that together with children, the elderly were also mobilised to collect scrap in tapping work. In fact it was reported that the allotment provided full time work for the elderly. They cultivated vegetables for sale and reared animals to supplement their household income.<sup>194</sup>

As a result, mobilisation of labour through the households not only reconstituted the labour power of the elderly so that reduction of wages for principal wage earners was possible but the provision of allotment as an integral part of the labour mobilisation system provided a place for old workers to retire at no extra cost to the estates. Given the social need to retain the elderly to stabilise household units, this created the 'home' concept on estates. To this extent, the reintegration of the elderly into estate production process seemed important to the success of the labour system itself.

What does all this mean? At this stage it is possible to argue that the pattern of exploitation of women, children and the elderly marked a fundamental change in the nature of the estate labour force in the 1930s. Instead of being independent, the various components of the household labour force were pulled together into an integrated unit under the control of the household heads. This gave birth to what we may call worker households on estates.<sup>195</sup> It provided the basis for employers to control labour through the household labour system.

## 8 THE HOUSEHOLD LABOUR SYSTEM AND LOCAL MALAY LABOUR

The change to the household labour system in the 1930s finally integrated the local Malay labour force into estate production. It has been noted that previously Malay peasants had been largely independent and used estates only as a source to gain immediate cash. The situation however changed in the 1930s. Malay peasants by this time had turned into simple commodity producers of rubber whose subsistence depended largely on changes in the price of the commodity.

The Depression of the 1930s therefore threw Malay peasants into economic difficulties forcing some of them to seek wage employment in estates. This was

facilitated by the introduction of piece-work and household employment by the latter. Piece-work employment in particular became compatible with the use of labour power in Malay households which included limited production for cash on top of the production of use values mainly in the form of seasonal staple (rice) crop cultivation. For this reason, the Malays could even provide a few weeks of continuous direct labour to estates during their slack seasons. Given the cessation of Indian immigration in the 1930s therefore, Malay peasants became an important source of labour for estates.<sup>196</sup>

The exchangeability of labour between peasant and estate production was clearly observed by about 1930. The British Adviser for the state of Kelantan for instance noted that there was a tendency for estates in the state in 1930 to substitute Malay for Tamil labour.<sup>197</sup> In fact there was a rapid subsequent development in the mobilisation of Malay labour in areas where Malay population predominated such as in the states of Kelantan and Kedah. The number of Malay estate workers in the state of Kelantan for instance increased by 53.09% in the 1933-37 period forming 48.6% of all the estate labour force in the state in 1937. In some cases, estates were run entirely by local Malay labour.<sup>198</sup> Likewise there was an increase of 37.8% of Malay estate workers in Kedah forming 25.6% of all the estate labour force in the state in 1937.<sup>199</sup>

There was however a lower increase in the number of Malay workers in the Federated Malay States. In 1931 for instance, there were about 3,500 Malay workers in the Federated Malay States.<sup>200</sup> This figure increased by only 9.23% to 3823 workers forming a mere 1.9% of the total estate population in the Federated Malay States in 1937.<sup>201</sup> Evidently the increase in these states was very slow. Even in 1959, local Malays constituted only 20% of the total estate labour force in the Federated Malay States.<sup>202</sup> Nevertheless the same Labour Department which previously condemned the Malays for their ineptitude reported in 1937 that 'the Malays had learnt the necessity of regular attendances and proved themselves good workmen and were being paid standard rates'.<sup>203</sup> The reasons for Malay participation in estate work was also conjectured by the same report. It noted that it was the employment of a 'family to take one or more tasks and for some members to turn out to tap it' that made it possible for Malay labour to be secured.<sup>204</sup> The Kelantan Annual Report for 1937 also stated that,

Tapping tasks are looked on almost as a family possession and if a labourer wants a rest and change or to attend to his own business, a brother or an uncle will take his place.<sup>205</sup>

Undoubtedly, it was the dynamics of household labour regulation that made mobilisation of Malay labour possible. The need to reproduce the household economy during the Depression compelled the heads of Malay households to devise various survival strategies including labouring for wages on estates. The principle at work was evidently the same as that which operated in the Indian

labour households on allotments and in settlements on estates. The difference was that the Malay households were not directly constituted by the estates though they served the same purpose. They were instead created by a bigger colonial state policy to create poverty by confining Malay subsistence within the areas gazetted as Malay Reserve lands from 1913.<sup>206</sup>

As a result estates that benefited most from Malay labour were limited to those located close to Malay peasant villages. The Kelantan Annual Report for instance noted that,

Two rubber estates so favourably placed have been able to earn dividends throughout the slump and build up a labour force consisting entirely of Malays nearly all of whom continued to live in their kampongs.<sup>207</sup>

Likewise, an estate in the Federated Malay States (Kemuning Estate in Perak) reported smooth sailing throughout the Depression by drawing about 50% of its regular labour force from six Malay villages and Chinese squatters in the surrounding areas. They formed what a former manager of the estate called the 'commuting labour force'.<sup>208</sup>

Though limited in nature, all this evidence strongly suggests that by the 1930s, the local Malay population became an important labour reserve for the estates. This was possible because the estates regulated their labour through the households and changed the labour process in rubber production to suit household rather than individual employment. After more than thirty years of experiment, the estates finally created a labour mobilisation system which integrated independent subsistence peasants into the conventional process of surplus extraction through wages.

## CONCLUSION

In conclusion, it may be summarised that the changes in the forms of coercion in the colonial labour system for rubber production arose largely from the contradictions inherent in the forms of labour control themselves and in the colonial labour policy generally. It was shown for instance that indenture was a brutal form of coercion which led to natural depletion of the labour force and absconding. This was augmented by the use of free labour in the same period. The changes in management techniques and in organisation of production as the industry matured simply hastened the demise of the indenture system. Likewise the free labour system was shaken when the *kangani* became too independent and threatened the effectiveness of the system itself. This time the changes in modes of exploitation generated by the free labour system, particularly the introduction of piece-rate work, hastened the constitution of household labour. The introduction of allotments and settlements on estates in the 1930s following the

Depression integrated piece-work with the division of labour on the household basis. This created worker households in which heads of households controlled the members to combine food cultivation and estate work in order to weather low wages. As a result the household labour system was created where employers simply controlled wages and heads of households to force other members to work. In this way estates could also incorporate the hitherto elusive local Malay labour force into estate production until the whole structure of control was rocked by unionism after the Second World War.

However, it must be noted that the changes in the labour systems did not occur independently. It has been shown that the colonial state had been part of the labour control mechanism all along. The Labour Department for instance took direct responsibility, particularly in the early period, to mobilise and circulate the colonial labour force to estates. The state directly controlled labour movement, regulated production and suppressed foreign competitors during the economic depressions in the 1920s and 1930s so that estates could restructure to withstand declining profits. In short, it was the coalescence of state protection and the maturity of capitalist exploitation in rubber production that changed the colonial labour systems from one form to the other.

## NOTES

<sup>1</sup>I am grateful to an anonymous reader for comments on the draft of this paper.

<sup>2</sup>*Kangani* is a Tamil word which means headman.

<sup>3</sup>See R.N. Jackson, *Immigrant Labour and the Development of Malaya 1786-1920* (Kuala Lumpur, Government Press, 1961).

<sup>4</sup>See J.N. Parmer, *Colonial Labour Policy and Administration* (New York, J.J. Augustin Incorporated Publisher, 1960).

<sup>5</sup>See Lim Teck Ghee, *Peasants and their Agricultural Economy in Colonial Malaya 1871-1941* (Kuala Lumpur, Oxford University Press, 1977) and his 'British Colonial Administration and the "Ethnic Division of Labour" in Malaya', *Kajian Malaysia*, vol. 2, No. 2 (December 1984).

<sup>6</sup>See H.N. Ridley, 'The History and Development of Agriculture in the Malay Peninsula' and 'History of the Economic Plants', *Agricultural Bulletin of the Straits and Federated Malay States*, No. 10, vol.4 (October 1905), p.292-317.

<sup>7</sup>In 1900 for instance, 1,381,179 Pounds Sterling worth of the commodity was exported from Straits Settlements, Malaya to Britain. See T. Seeligman, *India Rubber and Gutta Percha* (Translated from French by J.G. McIntosh, London, 1903).

<sup>8</sup>See C. Beadle and H.P. Stevens, *Rubber: Production and Utilization of the Raw Product* (Bath and New York, Sir Issac Pitman and Sons Ltd., 1911).

<sup>9</sup>See Lim Teck Ghee (1977); J.C. Jackson, *Planters and Speculators: Chinese and European Enterprise in Malaya 1786-1921* (Kuala Lumpur, University of Malaya Press, 1968).

<sup>10</sup>For instance, trading companies in the Congo were reportedly making a profit of 80,000 Pounds Sterling on every 1,000 Pounds Sterling of paid up capital within six years. See Potter (Archdeacon), *Great Britain, Slavery and the Indentured Labour in the Twentieth Century* (London, Robert Banks and Sons, 1910), p. 14-19.

<sup>11</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1906), p. viii.

<sup>12</sup>*The India Rubber World*, vol. 36, No. 4 (January 1907), p. 114.

<sup>13</sup>For instance, the former Resident General of Malaya, Sir Frank Swettenham, acted as a director of Selangor Rubber Company Ltd. formed in 1899, director of Sungai Way Selangor Rubber Co. Ltd. formed in 1904 as well as the chairman of Anglo-Malay Rubber Co. Ltd. formed in October 1905. See Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1909).

<sup>14</sup>Agency houses originated from trading houses and had large shares in new companies they formed at par. This gave them at least one seat on the London board of directors for the companies. They also became eastern agents for the companies. This meant that they secured the exclusive business rights to supply implements, machinery, tools, fertilisers, building materials and household necessities for both estates of the companies and its labour force. At the same time estates under a single agency house enjoyed centralised book-keeping, finance and general management as well as unified procedures and access to new techniques. See R. Soliva, *An Economic View of Rubber Planting* (London, Kelly and Walsh Ltd., 1931), p. 10.; S. Cunningham-Brown, *The Traders: A Story of Britain's Southeast Asian Commercial Adventure* (London, Guthries and Co. (UK) Ltd., 1971), p.177.

<sup>15</sup>The performance of these twenty-four British companies will be cited throughout this paper. For convenience I will call them '1905 companies'.

<sup>16</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1906), p.viii.

<sup>17</sup>See Davies and Co., *Local Rubber Companies* (Singapore, The Albion Press Ltd., 1914).

<sup>18</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1916), p.v.

- <sup>19</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1915), p.7.
- <sup>20</sup>See Ooi Jin Bee, 'Rubber Industry of the Federation of Malaya', *Journal of Tropical Geography*, vol. 15 (June 1961), p.46-65.
- <sup>21</sup>See Jackson (1968), p.196.
- <sup>22</sup>Peoples of East Africa, British Guiana and Southern Negeria were cited as cases of lazy natives. See Colonial Office, *Report of the Committee on Emigration from India* (April 1910), pp.54, 73-74 and 124; cf.S. Hussein Alatas, *The Myth of the Lazy Native* (London, Frank Cass, 1977).
- <sup>23</sup>L. Ainsworth, *Confessions of a Planter in Malaya* (London, H.F. and G. Witherby, 1933), p.33.
- <sup>24</sup>See Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p. 95.
- <sup>25</sup>Jackson (1961), p.95.
- <sup>26</sup>See Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p. 33.
- <sup>27</sup>G.St.J. Orde-Brown, *Labour Condition in Ceylon, Mauritius and Malaya*, (Command Paper No. 6423, 1943) p. 96.
- <sup>28</sup>The population census in the Federated Malay States, March, 1911 showed that there were only 430,000 Malays in the whole of Federated Malay States (comprising the states of Perak, Selangor, Negeri Sembilan and Pahang) as opposed to 430,000 Chinese and 170,000 Indians. See Federated Malay States, *Minutes of the Proceedings of the Federal Council*, Wednesday, October 25th, 1911, p.B24.
- <sup>29</sup>See E. Boserup, *Conditions for Agricultural Growth*. (London, George Allen and Unwin, 1965).
- <sup>30</sup>Planters Association of Malaya, *Annual Report*, 1919, p.18.
- <sup>31</sup>Planters Association of Malaya, *Annual Report*, 1916, p.8..
- <sup>32</sup>Indentured Labour, Notes on recent decisions affecting Far Eastern Dependencies, in C.O. 273/566/72165 dated 23.1.1931; cf. Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p.13.
- <sup>33</sup>For instance, the Protector of Labour, Federated Malay States, Malaya, reported in 1902 that Madras Presidency in South India had a 'population of 38,623,000 from whom we are at liberty to recruit'. See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1902, p.1.

- <sup>34</sup>See P.C. Campbell, *Chinese Coolie Emigration to Countries within the British Empire* (London, P.S. King and Son, 1923).
- <sup>35</sup>See Report of the Commission of Enquiry into the State of Labour in the Straits Settlements and Protected Malay States (1890), p.30. in *Selangor Secretariat Files*, No. 4311/1901; *The Straits Times*, 26.8.1895 and 7.2.1896.
- <sup>36</sup>C.O.273/321/35210.
- <sup>37</sup>Report of the Commission of Enquiry into the State of Labour in the Straits Settlements and Protected Malay States (1890), p.11. in *Selangor Secretariat Files*, No. 4311/1901; cf. Campbell (1923); Jackson (1961).
- <sup>38</sup>In Canton, the recruitment process was likened to 'selling young pigs'. See Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October 1910), p.C66.
- <sup>39</sup>Campbell (1923), p.16.
- <sup>40</sup>*Ibid.*, p.12; see also S.L. Blythe, 'Historical Sketch of Chinese Labour in Malaya', *Journal of Royal Asiatic Society Malayan Branch*, Part 1 (June 1947).
- <sup>41</sup>Report of the Commission of Enquiry into the State of Labour in the Straits Settlements and Protected Malay States (1890), p.35.
- <sup>42</sup>See Parmer (1960), p. 112-113.
- <sup>43</sup>Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States, (October 1910), p.1.
- <sup>44</sup>*Ibid.*, p.C109.
- <sup>45</sup>*Ibid.*, p.C61.
- <sup>46</sup>*Ibid.*, p.C67.
- <sup>47</sup>Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.13622/49/4A, p.4.
- <sup>48</sup>*Ibid.*, p.9-10.
- <sup>49</sup>Report of the Commission Appointed to Enquire into the conditions of Indentured Labour in the Federated Malay States (October 1910), p.C61.
- <sup>50</sup>Colonial Office, Colonial Reports, Johore Annual Report 1931, p.21.
- <sup>51</sup>C.E. Ackers, *Report on the Rubber Industry of the Orient including Ceylon, the Malay Peninsula, Java and Sumatra* (London, Waterlow and Sons Ltd., 1912), p.33.
- <sup>52</sup>*Ibid.*, p.19.

<sup>53</sup>The general attitude of estate managers towards Chinese and Javanese labourers was summarised as follows. 'These coolies belong to the contractor and not to me: if they are ill-treated, they will not stay: if they are sick, they prefer to use their own medicine or to leave the estate: if they are very sick and come and tell me so, I will do my best for them and give them hospital treatment; if they die in the *kongsi*, the contractor would be sure to report to me: if they went away and died, I probably should not know'. Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October, 1910), p.C99.

<sup>54</sup>*Ibid.*, p.C71.

<sup>55</sup>*Ibid.*, p.C62.

<sup>56</sup>*Ibid.*, p.C104.

<sup>57</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1907, p.4.

<sup>58</sup>Ainsworth (1933), p.69-70.

<sup>59</sup>See Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October, 1910), p.C108.

<sup>60</sup>*Ibid.*, p.94-96.

<sup>61</sup>*Ibid.*, p.C81.

<sup>62</sup>*Ibid.*, p.C80 and C96.

<sup>63</sup>*Ibid.*, p.C81-86.

<sup>64</sup>*Ibid.*, p.C95-96; C98.

<sup>65</sup>This included shortening the period of indenture to twelve months, limiting the hours of work for children as well as giving them some form of instruction, settling the labourers in the country of indenture but without abolishing the facility of a return passage and charging to the public revenue all costs of inspection and supervision on deployment of indentured labourers. See Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p.99 and 103-108.

<sup>66</sup>This included changes in recruitment policies, methods of supervision, protection at work and limiting the indenture period to five years. See J.H. Harris, *Coolie Labour in the British Crown Colonies and Protectorates* (London, Edward Hughes and Company, n.d.).

<sup>67</sup>See Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October 1910).

- <sup>68</sup> See A. Stoler, 'The Company's Women: Labour Control in North Sumatran Plantation Agriculture', Mimeo. n.d., p.6-7.
- <sup>69</sup> See Federated Malay States, Federal Legislative Council Paper, No.3, 1910.
- <sup>70</sup> Gow, Wilson and Stanton Ltd., *Rubber Producing Companies*, (London, Financial Times, 11912), p.vi.
- <sup>71</sup> The following discussion is based on the chart on rubber production and consumption by W.H.Rickinson and Son (London 1918) and the tables provided by Barlow (1978), p.442-445.
- <sup>72</sup> This figure is derived from tables provided by Barlow (1978), p.440.
- <sup>73</sup> See Ackers (1912), p.25-26.
- <sup>74</sup> "All-in" cost includes all expenditure on the estate other than capital expenditure, staff bonuses, allowances for depreciation of buildings and machinery, freight to London and New York, marine insurance, dock charges, brokers and *agents* ' commissions as well as directors' fees and cost of London office administration'. See D.M. Figart, *The Plantation Rubber Industry in the Middle East* (Washington, United States Department of Commerce, Bureau of Foreign and Domestic Commerce, Government Printing Office, 1925) p.75.
- <sup>75</sup> *Ibid.*, p.81.
- <sup>76</sup> See R.S. Stewart and F.C. Ebbels, *Rubber Companies Account* (London, Gee and Co. (Publications) Ltd., 1916), p.86; cf. R. Garnier, *Some Impressions of Rubber in the Malay Peninsula in Comparison with Ceylon and South India* (Colombo, The Colombo Apothecaries Co. Ltd., 1923), p.11ff.
- <sup>77</sup> See P.N. Gerrard, *On the Hygienic Management of Labour in the Tropics* (Singapore, Methodist Publishing House, 1913); Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October 1910), p.C104.
- <sup>78</sup> C.O. 273/360/2948/10.
- <sup>79</sup> Cf. C. Mathieu, *Para Rubber Cultivation: Manual of the Planters in Malaysia* (Paris, Augustin Challamel (ed.), 1909), p.6.
- <sup>80</sup> The concept of free labour in colonial Malaya meant a monthly contract to labour between a labourer and an employer. This could be terminated by either party after a month's notice, either verbally or in writing.
- <sup>81</sup> See Jackson (1961), p.101-107.
- <sup>82</sup> Federated Malay States, *Report of the Indian Immigration and Emigration*, 1902, p.2.

- <sup>83</sup>Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p.379.
- <sup>84</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1907, p.2.
- <sup>85</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1904.
- <sup>86</sup>These included train fares from their villages to recruiting depots, food at depots, quarantine expenses and transportation to estates.
- <sup>87</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1902-4.
- <sup>88</sup>Federated Malay States, Minutes of the Proceedings of the Federal Council, Thursday, January 19th., 1911, p.B12.
- <sup>89</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1907, p.8.
- <sup>90</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1908.
- <sup>91</sup>Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.113622/49/4A, p.7.
- <sup>92</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1907 and 1908.
- <sup>93</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1909, p.5.
- <sup>94</sup>Federated Malay States, *Report of the Indian Immigration and Emigration*, 1911, p.4.
- <sup>95</sup>*Ibid.*
- <sup>96</sup>See Parmer (1960), p.69.
- <sup>97</sup>Quoted in Planters Association of Malaya, *Annual Report*, 1920, p.20.
- <sup>98</sup>Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p.403.
- <sup>99</sup>As an example, the difference in wages for Javanese indentured and free labour was as follows.
- Indentured male*; 35 cents per day for tapping 260 trees in the morning (20 cents) and digging and weeding in the afternoon (15 cents).

*Indentured female*; 25-30 cents per day for tapping 150-200 trees in the morning (20 cents) and factory work in the afternoon (5-10 cents).

*Free male*; 40 cents for unspecified work.

*Free female*; 25 cents for tapping 150-200 trees with no afternoon work. See Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federatee Malay States (October, 1910), p. C71.

<sup>100</sup> A labour contractor in an estate in Port Dickson, Negri Sembilan for instance related that 14 out of 40 *sinkehs* under his control burrowed a hole under the *kongsi* house to escape the guard and the wooden palisade surrounding them. See Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October, 1910), p.96; cf. Colonial Office, *Report of the Committee on Emigration from India* (April 1910), p.111.

<sup>101</sup> For a summary of the history and operation of this body, see L.H. Clayton, 'The Tamil Immigration Fund and its working' in Selangor Secretariat Files No. 3656/1914.

<sup>102</sup> Federated Malay States, *Report of the Indian Immigration and Emigration*, 1908, p.8 and 1909, p.8.

<sup>103</sup> Federated Malay States, *Report of the Indian Immigration and Emigration*, 1911, p.4.

<sup>104</sup> Federated Malay States, Minutes of the Proceedings of the Federal Council, May the 8th., 1911.

<sup>105</sup> Planter Association of Malaya, *Annual Report*, 1916, p.6.

<sup>106</sup> *Ibid.*

<sup>107</sup> See Malaya, *Annual Report of the Labour Department*, 1937, p.6 and 20.

<sup>108</sup> C.O. 273/34/33119.

<sup>109</sup> Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat File, No. 13622/49/4A, p.10.

<sup>110</sup> See Parmer (1960), p. 101.

<sup>111</sup> See J.N. Parmer, 'Chinese Estate Workers' Strikes in Malaya in March 1937' in C.D. Cowan (ed.), *The Economic Development of Southeast Asia*. (London, George Allen and Unwin Ltd., 1964); Yeo Kim Wah, 'The Communist Challenge in the Malayan Labour Scene, September 1936 - March 1937', *Journal of Royal Asiatic Society, Malaysian Branch*, vol. 49, Part 11 (1976).

- <sup>112</sup>See T. Shamsul Bahrin, 'Indonesian Labour in Malaya', *Kajian Ekonomi Malaysia* vol.11, No. 1 (1965).
- <sup>113</sup>Malays in the Federated Malay States were included in the category of 'others' because their number was too small.
- <sup>114</sup>See for instance Shamsul Bahrin (1965).
- <sup>115</sup>The following information is taken from Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.13622/49/4A, p.17-19.
- <sup>116</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1910, p.3.
- <sup>117</sup>Colonial Office, Colonial Reports, Federated Malay States Annual Reports, 1937, p.6.
- <sup>118</sup>See R.M. Richards, 'The Principle of Tapping', in his Lectures Delivered at the Planters Conference under the Auspices of the Incorporated Society of Planters, July 12th. - 14th., 1924, at Kuala Lumpur.
- <sup>119</sup>Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files No.13622/49/4A, p.18.
- <sup>120</sup>See Colonial Office, Colonial Reports, Johore Annual Report 1931, p.20-21; Colonial Office, Colonial Reports, Federated Malay States Annual Report, 1937, p.61.
- <sup>121</sup>The Labour Department, Malaya for instance noted that, 'To say that a labourer is working on contract simply means that he is being paid by piece and not by time although in some cases the piece-work actually measured is often that of a small gang, the remuneration of which is shared according to plan agreed on amongst the members of the gang'. See Malaya, *Annual Report of the Labour Department*, 1940, p.2.
- <sup>122</sup>Colonial Office, Colonial Reports, Johore Annual Report 1937, p.32.
- <sup>123</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.70.
- <sup>124</sup>The following is adapted from Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.13622/49/4A, p.16-17.
- <sup>125</sup>*Ibid.*
- <sup>126</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1911, p.2.

- <sup>127</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1908, p.9.
- <sup>128</sup>Mathieu (1908), p.50.
- <sup>129</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.10 and p.31-32.
- <sup>130</sup>See Figart (1925), p.9.
- <sup>131</sup>See Cunningham-Brown (1971), p.252-3.
- <sup>132</sup>Telegram from High Commissioner, Federated Malay States to Secretary of State, Colonial Office dated 10.8.1914 in C.O.273/408/29628.
- <sup>133</sup>Telegram from High Commissioner, Federated Malay States to Secretary of State, Colonial Office dated 20.8.2914 in C.O.273/412/31446.
- <sup>134</sup>For a critical analysis of the impact of the scheme on peasant producers, see Lim Teck Ghee (1977).
- <sup>135</sup>For a summary of these controls, see Barlow (1978), p.58-73; see also K.E. Knorr, *World Rubber and its Regulation* (California, Stanford University Press, 1945).
- <sup>136</sup>C.O.273/460/33555 dated 2.7.1917.
- <sup>137</sup>C.O.273/451/15179 dated 24.7.1917 and C.O.273/458/50578 dated 13.10.1917.
- <sup>138</sup>C.O.273/446/55810/16; C.O.273/446/61128/16; C.O.273/458/50587 dated 13.10.1917.
- <sup>139</sup>See M. Stenson, 'Organised Labour, Government and Employers in Malaya, 1935-1948', Unpublished Ph.D. thesis, University of Malaya, April 1968; see also Yeo Kim Wah (1978).
- <sup>140</sup>E.H. Jacoby, *Agrarian Unrest in Southeast Asia* (India, Asia Publishing House, 1961), p.142.
- <sup>141</sup>See Labour Research Department, Colonial Series No.2, *British Imperialism in Malaya* (Great Britain, Milne, Tannahill and Methuen, 1926), p.35.
- <sup>142</sup>Soliva (1931), 46.
- <sup>143</sup>See Federated Malay States, *Report of the Indian Immigration and Emigration*, 1911, p.4.
- <sup>144</sup>It must be noted however that a former manager of the Guthries Group of Companies, Mr.B.Hembry who had 26 years of experience in rubber planting in Malaya and is now retired and living in Canterbury, England, hesitated to acknowledge that suspension of dividends had anything to do with the level of

profits. He instead argued that it was part of management technique to maintain reserves, particularly at low prices as in the 1930s. In fact he believed that those companies which weathered the 1930 crisis were handled by managers who had the good sense to withhold dividends during low prices. (Personal interview with Mr.Hembry, April 1983).

<sup>145</sup>See Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, 1930, 1931 and 1932).

<sup>146</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies* (London, Financial Times, November 1930), p.3.

<sup>147</sup>Gow, Wilson and Stanton Ltd., *Rubber Producing Companies*. (London, Financial Times, April 1935), p.6.

<sup>148</sup>See Parmer (1960).

<sup>149</sup>See Federated Malay States, *Report on the Working of the Labour Department*, 1932, p.19.

<sup>150</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.9ff.

<sup>151</sup>F.W. Knocker, *How to Judge Rubber Investments in British Malaya* (London, Alexander Moring Ltd., 1910), p.67-68.

<sup>152</sup>See K.J. Pelzer, *Planter and Peasant: Colonial Policy in the Agrarian Struggle in East Sumatra 1862-1947* (The Hague, Martinus Nijhoff, 1978), p.41.

<sup>153</sup>See V.S.S. Sastri, *Reprint of the Report on the Conditions of Indian Labour in Malaya* (Kuala Lumpur, Federated Malay States Government Press, 1937), p.5.

<sup>154</sup>Colonial Office, Colonial Reports, Federated Malay States Annual Report, 1931, p.44.

<sup>155</sup>Colonial Office, Colonial Reports, Kedah Annual Report 1930-31, p.42.

<sup>156</sup>Federated Malay States, *Report on the Working of the Labour Department*, 1931, p.1.

<sup>157</sup>Federated Malay States, *Report on the Working of the Labour Department*, 1932, p.14.

<sup>158</sup>*Ibid.*, p.15.

<sup>159</sup>*Ibid.*, p.10-14.

<sup>160</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.42.

<sup>161</sup>Federated Malay States, *Report on the Working of the Labour Department*, 1932, p.11.

- <sup>162</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.42-48..
- <sup>163</sup>Malaya, *Annual Report of the Labour Department*, 1940, p.4.
- <sup>164</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.71.
- <sup>165</sup>Colonial Office, Colonial Reports, Johore Annual Report 1937, p.37.
- <sup>166</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.47.
- <sup>167</sup>The use of the term household here is deliberate. In the case of estate workers, the household extended beyond the immediate nuclear family to include the elderly and relatives.
- <sup>168</sup>Family tapping was not unknown in rubber production. It was used by employers to reduce daily wages in Ceylon in the 1920s by paying women scrappers proportionately less and children scrappers paid in rice. See Garnier (1923), p.23..
- <sup>169</sup>Malaya, *Annual Report of the Labour Department*, 1937, p.72.
- <sup>170</sup>Garnier (1923), p.24; and it is also interesting to note that the practice of short-weighting by some unscrupulous estate managers caused riots and labour troubles in the 1930s. See Federated Malay States, Report of the Working of the Labour Department, 1932, p.16; Malaya, *Annual Report of the Labour Department*, 1939, p.6..
- <sup>171</sup>This method of labour recruitment was known as the 'letter-bearer's system'. See Malaya, *Annual Report of the Labour Department*, 1937, p.9 and 31-32.
- <sup>172</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.8.
- <sup>173</sup>The number of indentured women immigrants was about 15% that of male and they constituted about 13-17% of free immigrant labour. See Colonial Office, Report of the Committee on Emigration from India (April 1910), p.432; *Report of the Indian Immigration and Emigration 1908-1911*.
- <sup>174</sup>Cf. Ackers (1912), p.202; Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.13622/49/4A, p.10
- <sup>175</sup>Mathieu (1909), p.48.
- <sup>176</sup>Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October 1910), p.C65 and C79.
- <sup>177</sup>Ainsworth (1933), p.61.
- <sup>178</sup>*Ibid.*, p.72.
- <sup>179</sup>*Ibid.*, p.49.

- <sup>180</sup>Report of the Commission Appointed to Enquire into the Conditions of Indentured Labour in the Federated Malay States (October 1910), pp.43;74;175;176.
- <sup>181</sup>See Federated Malay States, Labour Code 1923, p.9.
- <sup>182</sup>The standard rate of pay for estates in ordinary areas was 32 cents per day for women as opposed to 40 cents per day for men. In difficult areas women were paid 37 cents while men were paid 47 cents per day. See Sastri (1937), p.5.
- <sup>183</sup>See N. Heyzer, *Working Women in Southeast Asia* (Milton Keynes, Open University Press, 1986), p.71-75.
- <sup>184</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.45-47.
- <sup>185</sup>The nature of control over household income in the pre-war period is difficult to determine. Mr. B. Hembry, a retired manager of the Guthries Group of Companies was sure that income was paid to individual labourers. A study carried out in the 1960s however, showed that members of households on estates pooled their income together including that obtained from work outside the estates. This was put under the control of the heads of the households. It was also the heads of households who related to estate management and collected the wages on behalf of other members of their households. See R.K. Jain, *South Indians on the Plantation Frontier in Malaya* (New Haven, Yale University Press, 1970).
- <sup>186</sup>C.O.273/573/82069.
- <sup>187</sup>Federated Malay States, Labour Code 1923, p.67.
- <sup>188</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.64-66.
- <sup>189</sup>Labour Department, Federation of Malaya, *Report on Work on Plantations*, in Federal Secretariat Files, No.13622/49/4A, p.11-12.
- <sup>190</sup>See Colonial Office, *Report of the Committee on Emigration from India* (April 1910), pp.43 and 175.
- <sup>191</sup>*Ibid.*, p.404; Federated Malay States, Labour Code 1923, p.10.
- <sup>192</sup>Planters Association of Malaya, *Annual Report*, 1920, p.19.
- <sup>193</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.46.
- <sup>194</sup>*Ibid.*, p.45-7.
- <sup>195</sup>This became the dominant feature of estate labour force in the 1960s where head of households negotiated for their members employment, collected wages for them and controlled the household purse, See Jain (1970), p.59.

- <sup>196</sup>The first Labour Adviser to the British Secretary of State for the Colonies, G.St.J. Orde-Brown, for instance wrote that the Malays '... constitute a valuable element of elasticity in the labour supply ... the smallholder is therefore a valuable asset to the country not only on account of his own produce but also in his capacity as an occasional wage earner when the labour force requires temporary expansion'. (Command Paper No.6423), p.108.
- <sup>197</sup>See Colonial Office, Colonial Reports, Kelantan Administration Report for the Year 1930, p.36.
- <sup>198</sup>Colonial Office, Colonial Reports, Kelantan Administration Report for the year 1937, pp.41 and 72.
- <sup>199</sup>Colonial Office, Colonial Reports, Kedah Annual Report 1930-31, p.42 and Kedah Annual Report 1937-8, p.29..
- <sup>200</sup>Federated Malay States, *Report on the Working of the Labour Department*, 1931, p.19.
- <sup>201</sup>Colonial Office, Colonial Reports, Federated Malay States Annual Reports, 1937, p.58.
- <sup>202</sup>Ooi Jin Bee (1961), p.59.
- <sup>203</sup>See Malaya, *Annual Report of the Labour Department*, 1937, p.72.
- <sup>204</sup>*loc. it.*
- <sup>205</sup>Colonial Office, Colonial Reports, Kelantan Administration Report for the year 1937, p.45.
- <sup>206</sup>For a full analysis of subsistence production in Malay Reserves, see Lim Teck Ghee (1977), Chapter 4.
- <sup>207</sup>Colonial Office, Colonial Reports, Kelantan Administration Report for the year 1937, p.45.
- <sup>208</sup>Personal interview with Mr. B.Hembry, Canterbury, England, April 1983.