

## CHAPTER I

### INTRODUCTION HISTORICAL ASPECTS

#### Early Employment of Labour and How they Were Paid

Malaya is the largest single producer of tin in the world, being responsible annually for about 1/3rd of the total world output. Tin has been mined in Malaya for hundreds of years. The first known reference to the industry was made by Arab traders in 900 A.D. Production on a large scale did not really begin, however, until about the middle of the last century. The Chinese were responsible for developing the large-scale production with the permission of the Malay Rajas and local chiefs. Later British capital and enterprise were added to the Chinese effort, and by 1900, Malaya was producing more than half of the world's output.

Up to the 19th century, mining labour was mainly Malay. With the establishment of British rule in some states, a great influx of Chinese immigrants used Singapore, Penang and Malacca as jumping-off points to search for tin in the Malay States. In the later half of the 19th century, there were more than 100,000 tin mine workers in the country with about 40,000 working in Perak alone. In 1898, a boom in tin resulted<sup>1</sup> followed by a rapid increase in wages from about \$0.30 a day in 1896, to \$0.45 in 1898 and \$0.70 in 1899 (one dollar was then worth two shillings). Such high wages stimulated immigration of Chinese male labour, and it is estimated that between 1899 to 1900, 100,000 Chinese entered the Malay States.<sup>2</sup>

Many immigrant Chinese labourers came in on the 'credit system'. Coolie<sup>3</sup>brokers in Singapore and Penang worked with agents in China who secured recruits from the Chinese villages. The coolie broker would advance cost of fare and food from China for new immigrants. These agents arranged for passages in emigrant boats, and the system got its name from the fact that a large proportion of the recruits were shipped on credit, and were kept on board when they arrived in Singapore and Penang until their services

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<sup>1</sup>The boom was due to the industrialisation of Europe.

<sup>2</sup>Siew Nim Chee. Chinese Labour in Tin Mines.

<sup>3</sup>A coolie is a labourer.

had been bought by an employer. The miners paid about \$15.00 for a skilled craftsman to \$3.00 for a sickly coolie. The coolies agreed to serve for 12 months, receiving food, clothings and sometimes a few dollars as wages. The cost of food was then about \$2.00 to \$4.00 per month only. Sometimes even when the coolies found employment, they were often badly treated by their kepala<sup>4</sup> or foreman. Their movements were very restricted for fear of absconding. They were seldom paid any money, wages, and had to purchase most of their necessities from a company store. This 'truck system'<sup>5</sup> left the coolies always indebted to their initial employers who tended to keep them working at one place.

Large profits were made by the recruiting agents who secured from the mine-owners, a price for engaging coolies which was much more than the actual cost of bringing them over. The price was paid on the understanding that it would be worked off by the coolie during 6 months or a year, and thus the worker had to pay the profits of the broker and their agents before he received any thing in wages at all. He himself took no part on the bargain; he was bought and sold like a slave and was not allowed to leave the boat until the transaction was completed.

The high prices charged by brokers led to a demand by local Chinese residents that a commission should be appointed to enquire into the question of Chinese labour. A commission was actually set up in 1890. It recommended that workers should be recruited by the direct agents of the employers instead of by brokers. In 1910, another enquiry revealed all kinds of abuses, but indentured labour was not actually abolished until 1914.

The legal abolition of indentured labour had little influence on the supply of labour since the miners had already developed a system of private recruitment whereby an employer needing labour, would send his kepala to China to recruit men. The recruiter would advance all expenses and take the men to their place of employment. No wage was paid out, but the labourer would be credited with it and deductions were made for purchases of clothing, etc. from a shop owned by the employer. Eventually, he would be free from all debts, and could seek employment elsewhere. However, family and village ties tended to bind the labourer to his employer.

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<sup>4</sup>A kepala is an over-seer. The word 'kepala' means 'head' in Malay, thus a 'kepala' of the workers is the 'head' of the workers.

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'Truck-system' is whereby the employer forcing the coolie to buy food, clothings, etc. at a company store or from a contractor, or payment of wages in purchase certificates to be used only in a particular store.

The depression of 1929 also hit the tin industry. Wages immediately felt the impact of the slump. In fact many mines were able to stay open only because the labourers were willing to accept extremely low wages. The rate per kung<sup>6</sup> in 1931 to 1932 varied from \$0.10 to \$0.20 and in some cases, the labourers worked for their food only. Many organisations were set up in Perak and Selangor to provide relief work for the unemployed. But as vast numbers of Chinese mining labourers were unable to find alternative jobs because of similar conditions in other industries, the Government undertook the mass repatriation of unemployed labourers. In 1931, 10,000 mining labourers were repatriated within the months of September and October alone (this figure does not include those labourers who returned to China of their own accord). This mass emigration and repatriation back to China in the slump of 1930's caused an acute shortage of mining labour when the industry began to revive in 1934. However, this condition was also responsible for the 1,000 per cent increase in money wages for tin mines' labourers during the decade 1931-1941.

Just before World War II, wages in the mines varied greatly owing to the great increase in demand for tin. On European mines, wages for Asians varied from \$60.00 to \$120.00 per month in 1941, while the salaried staff of Chinese miners were paid between \$30.00 to \$100.00. Labourers under contractors received \$0.50 to \$1.00 while those under Chinese miners were paid \$0.50 to \$0.70 per day of 8 hours work (one kung). Workers in European mines received more because Chinese miners provided free food whereas those under European companies and contractors had no free food. The average cost for food per head was about \$10.00 before 1941. Chinese women as well as Indian and Malay labourers on Chinese tin mines received no free food, hence their wages were higher. Male adults were paid the lowest rates of all, that is, between \$0.40 to \$0.50 per day. They received free food and often, lodging in the mines.

There had been a number of minor strikes caused by agitators because the war had caused a rise in prices whereas the rise in wages had lagged behind. Some employers gave a cost-of-living allowance while others raised the basic wages. As a result, there was great variation in wages in different mines. When such adjustments were made, the labour situation became comparatively settled until the Japanese occupation in 1942.

During that time nearly all Chinese labourers became unemployed. They were taken to work in the Siam Death Railway or took up farming, hawking, etc. After the war, with the help of the Tin Inspection Committee and with financial assistance from the Government, the tin mining industry was slowly rehabilitated.

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<sup>6</sup>One 'kung' equals 8 hours of work.

In 1947, the increase in the cost of living exceeded the rise in wages and labour tended to be reactive and dissatisfied. Several strikes were instigated and some labourers adopted a 'go slow' policy. In 1948, with the beginning of the emergency, terrorists made attacks on mines and mining personnel with the intention of crippling the tin industry. Murders of kepalas and kidnaps of miners took place. Thus supervision was reduced and the efficiency of the labour force declined. The labour force in tin mining suffered another setback when during 1949, the rubber boom drew many labourers away. One solution has been the increasing use of women labourers for unskilled work which was formerly performed by men.

In 1950, during the Korean War Boom, nearly all mines made huge profits. Due to the inflationary trends and the shortage of labour, the Malayan Mining Employers Association (MMEA) recommended a 'Tin Price Bonus' scheme for mine labourers and this was accepted. The female daily average was about \$1.80 per kung. They did not receive free food. However, those receiving between \$1.40 and \$1.80 received a free noon meal considered to be worth about \$0.15. Those receiving less than \$1.40, received 3 free meals (but no lodgings). If a minimum of \$1.00 per day for food was subtracted from the women's average, it would be seen that the men's real wage which was supplemented by free food and lodging was higher. The male labourers average rate per kung was about \$1.46. Usually the men's monthly average was higher than that of the women's. This is explained by the fact that the men and not the women could take advantage of the 'Tin Price Bonus' scheme. Furthermore, the women did not work regularly, spending some time at alternate occupations. Also, the wages for December are not necessarily the same as the yearly average. Many factors cause a labourer's earnings to vary from month to month. He may have been ill; he may have taken time off to attend a marriage or funeral. He may have absented himself to work on his farm. Shifting of the site or building of a new palong<sup>8</sup> or dredge may have caused the mine to shut down temporarily. The Government resettlement scheme in December, 1950, actually caused the absence of many labourers because they had to move their families.

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<sup>7</sup>The emergency was the time when the communists tried to overthrow the government with guerilla warfare.

<sup>8</sup>A palong is a long wooden sluice used to recover tin from tin-bearing soil.