

CHAPTER I

INTRODUCTION

(a) Aims of Study

This study involves an analysis of the facts pertaining to the shareownership and control of tin-dredging companies. The objectives embodied are:-

- (i) To determine who are the shareholders by racial groups, occupations and sex.
- (ii) A similar determination of the directors.
- (iii) A comparison of local shareownership and foreign shareownership.
- (iv) To analyse any emerging trends in ownership and control over the decade from 1954-1964.

(b) Scope of Study

This study covers 41 tin dredging companies registered in Malaya. They include 21 locally incorporated companies and 20 companies incorporated outside the country. The chief areas of overseas incorporation are London (England) and Sydney (Australia). The local centres of incorporation are Malaya and Singapore. The exercise covers a span of one decade from 1954-1964.

(c) Limitations of Study

Although there were 41 tin-dredging companies registered in the Malayan Stock Exchange, data for only 21 locally incorporated companies were available. The other 20 were incorporated overseas. Under Malayan law, foreign incorporated companies are not required to file their annual returns and share registers with the local Registry of Companies.

The data is presumed to cover the years 1954 and 1964. In

some cases, the files for 1954 or 1964 were missing. In these instances, data for the nearest year is utilised. For example, the 1954 file for Sanged Way Limited is missing. But data for 1953 is available. This 1953 data is used to make good the missing data for 1954. Within the period under discussion, some companies were liquidated while others were newly registered. These changes disturbed the trend of ownership.

The share registers do not state the race of the shareholders. Hence, personal discretion in deciding the racial origin of a shareholder was used. Another problem encountered was the lack of information with regards to occupations. The share registers did not list the occupations of many shareholders. Nothing could be done to remedy this problem, except to ignore the blanks. This study is not entirely accurate in time reference because shares were being continuously traded and transferred during the space of one year. Consequently, the study does not relate to any specific date.

(d) Research Methodology

Since ownership in Malaya is a much neglected field of study, little material on this topic has been written. The data was collected first hand from the share registers, and is thus primary data. The companies' annual returns were referred to for information concerning the list of directors, the date of incorporation and the amount of issued capital. Since most of the share registers ran into several volumes, the task of collecting the salient data was a laborious and monotonous affair, covering a duration of one month, working seven hours a day.

During the first stage, a worksheet was used¹. It was ruled in vertical columns to incorporate the required information. Each column represented race, amount of shares held, occupation, sex and foreign/local companies. While my colleague, Lim Boh Ang read out the details, I marked a tick (✓) in the relevant column. This specialisation of labour was faster and less tedious.

After the field work was completed, the primary data was compiled and worked upon with calculations to determine the amount of shares owned by each race, by males and females, and by foreign and local companies. From this refined data, further calculations transformed the data into meaningful percentages. After the first stage,

1. See Appendix I.

a different process was used for "occupations". Tallysheets with columns for various types of occupations were used.

The whole process was repeated for each company; and the final figures transcribed into an over-all or master table for the 21 companies.

(e) Definition of some terms used

Shareholders

These are the names registered as owners in the list. They are categorised as individual or corporate owners. The individual holder is a person who holds ordinary shares in the issuing company. The corporate holders may be business firms, institutions or charitable organisations. In certain cases, academic bodies like the University of Malaya, and societies are also recorded as shareholders.

Shareholding

This refers to the amount of shares held by each shareholder. A shareholder may own one or more holdings. If one shareholding is held by two owners, then it is a joint holding, that is, in joint ownership.

Race

In this text, race is taken to mean the various ethnic groups. It includes the Chinese, Malays and Indians who are citizens of the Federation of Malaya. All foreigners are excluded. It is decided for the sake of convenience to group Ceylonese, Punjabis, Tamils and Pakistanis as Indian. There is a discrepancy in those listed as Malays. There are many Indians who embrace the Muslim faith, and list themselves under their Muslim names. They are classified as Malays, although racially they are Indians.

Foreigners

Foreigners refer to those who are not citizens of Malaya.

2. See Appendix II.

These shareholders are located in the following countries, dis-
tricts, territories, provinces, and states of America and Canada.
The majority of the shareholders are British and Australian.
The remainder are from other parts of the 22 countries incorporated
into the company and district.

The rest of the shareholders who are not classified within the two
previous groups fall into this category. It comprise of Japanese,
Chinese, Indonesians and Filipinos. In determining which country
they are from, their residential areas, as stated in the affidavits,
were a great help. Since these various shareholders form a minority
group, it was decided to classify into one group.

them