CHAPTER II

DISTRIBUTION OF HOLDINGS AND FARMS
BY LOTS AND/OR SUB-LOTS

Professor Ungku Aziz defines a holding as comprising "all the land owned by one person. It is a unit of ownership".[1] Implicitly here and explicitly elsewhere,[2] it appears that the criterion of the key-concept ownership in this definition is taken to be the entry of the name of the holder of the land in the document or title of ownership. In other words, ownership as implied here is that in its de jure sense.

To suit the relevant circumstances in the Block, this definition necessitates slight modification, for the simple reason that many a transfer of lots and sub-lots has been taking place without the names of the persons concerned being entered anywhere in the document of ownership. It is doubtless that the transfer of this nature has given rise to a host of economic and other problems of great magnitude. To treat the term ownership in its de jure sense in this setting amounts to gross denial of these problems - the very essence that this study is set to examine.

This study, therefore, recognises ownership in its de facto sense, that is ownership in so far as the means of the acquisition of the land are sanctioned by the cultural institutions of the people in the Block, be it through purchase, inheritance or gift; with no regard at all given to the entry of name in the land title. A 'holding' is thus a unit of ownership, with the term ownership interpretable both in its de jure or de facto sense. As far as Block P is concerned, ownership in de facto sense is important with regard to land in the Block, while de jure sense of term is important in relation to the relevant land outside the Block.

The unique peculiarity of the absence of the entry of name in the land title upon the transaction of land, particularly of sub-lots, in the Block, is attributable to a number of factors. Firstly, there is a "restriction of interest" set out by the Land Office that the land alienated "shall not be transferred or leased

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[1] Ungku A. Aziz, Subdivision of Estates in Malaya, 1951-1960, Volume 1, p. 11 (1962).

[2] Ibid, p. 12 where it is stated that "ownership is a legal term denoting possession of a piece of land."

unless such transfer or lease is to a single individual person".[3]
Secondly, there is the technical difficulty to affect the transfer
since most of the lots are not yet issued with their legal documents.
Thirdly, the cultural institutions and the mental attitude of the
people in this area may also contribute to this phenomenon in that
they do not attach as much importance to the legal transfer of the
land as to the physical transfer.   Finally, there are of course
other minor factors such as the avoidance of expenses and sheer
ignorance.

A glance at Table 2.1 will show the discrepency between
distribution of de jure holdings and de facto ones in Block P.   As
all economic, social, cultural and other problems as they exist in
the real world relate to de facto ownership of land, we shall hence-
force concentrate our attention in this Chapter on de facto holdings.

TABLE   2.1

DISTRIBUTION OF DE JURE AND DE FACTO HOLDINGS
IN BLOCK P BY LOTS AND/OR SUB-LOTS

De Jure[4]			De Facto[5]		
Combination of		Holdings	Combination of		Holdings
Lots	Sub-Lots		Lots	Sub-Lots	
1	–	100	1	–	79
2	–	2	–	1	24
			1	1	4
			2	–	4
Total	–	102	Total	–	111

[3] See Appendix II, under 7.

[4] Source: Records (Cards) at the Kuala Selangor Land
Office, see Appendix III.

[5] See Map III and Appendix IV.

TABLE 2.2

DISTRIBUTION OF DE FACTO HOLDINGS BY THE NUMBER OF
LOTS AND/OR SUB-LOTS CONSIDERED CUMULATIVELY IN
BLOCK P, IN S.S. AND IN S.S. AND OUTSIDE

(1) Lots and/or Sub-Lots	(2) Block P		(3) S.S.		(4) S.S. and Outside	
	Holdings	Percentage	Holdings	Percentage	Holdings	Percentage
1	103	92.8	97	87.4	60	54.1
2	8	7.2	13	11.7	43	38.7
3	-	-	1	0.9	6	5.4
4	-	-	-	-	1	0.9
5	-	-	-	-	1	0.9
Total	111	100.0	111	100.0	111	100.0

Table 2.2 shows the distribution of de facto holdings by
lots and/or sub-lots in Block P, S.S. except Block P, and S.S. and
outside, taken cumulatively. It can be seen from Column 2 that as
far as Block P alone is concerned 103 holdings, or 92.8% of the
total 111 holdings, are of one lot or sub-lot; and only 8 or 7.2%
are of two lots and/or sub-lots.

This phenomenon is slightly altered when we consider the
situation in the S.S. as a whole in Column 3. Here, 97 holdings
are of one lot or sub-lot, 13 of two lots and/or sub-lots and only
one of three lots and/or sub-lots. That there is only slight
alteration in this Column from the original situation in Column 2
is due to the fact that only small acreage of land in other Blocks
of the S.S. is held by the holders in Block P.

As this enquiry reveals that not one owner in Block P holds
any sawah land outside of the S.S., we can thus conclude that Column
3 summarises the ownership of sawah land of the holders in Block P.
It can be seen that as many as 87.4% of the total sawah holdings are
of only one lot or sub-lot. The remaining 11.7% are of two lots
and/or sub-lots and only 0.9% are of three lots and/or sub-lots.
If it is recalled that the majority of lots in the S.S. are of three
acres in area, we can thus conclude that approximately 87.4% of the
holders of land in Block P hold sawah land of not more than three acres
each in area.

Column 4, depicting the situation in all the relevant
areas, alters the situation in Column 3 significantly. This is
because, as we shall see in the next Chapter, the holders in Block
P hold more land outside of S.S. than they hold in the S.S. other
than Block P. Here, holdings are made up of as many as five lots

and/or sub-lots. However, there are only two holdings combining each four and five lots and/or sub-lots. Sixty holdings, or 54.1%, are of one lot or sub-lot. Thus, more than half of the holders of land in Block P hold only one lot or sub-lot. As these lots or sub-lots are necessarily in Block P, most of them are thus not more than three acres each. Next important category of holdings are made up of two lots and/or sub-lots. Fourty-three holdings, or 38.7%, belong to this category. Most of these comprise of padi-land in Block P and coconut-land or kampong land outside of the S.S. And, finally, there are six holdings, or 5.4%, comprising each of three lots and/or sub-lots.

Table 2.3 depicts the same situation as that shown in Table 2.2 by looking at it from another prespective. It shows the various combinations of lots and/or sub-lots which make up holdings in the Block in each of the three relevant areas, arranged in the descending order of magnitude. It can be seen that there are in all 12 such combinations.

The most important in magnitude is the first case whereby 43 or 38.7% of the total holdings are made up of one lot each in Block P. This represents those holdings whose holders own only a single lot in the Block, and nothing else.

Next, 34 holdings or 30.6% of the total number comprise each of a lot in Block P, together with a lot outside of the S.S. The lot outside of the S.S. may thus be coconut-land or one-acre kampong land.

Third, 16 holdings constituting 14.4% of the total comprise of only one sub-lot in the Block.

The fourth case is rather unique in that these four holdings constitute, beside one lot in the S.S. outside of Block P, two lots each in the Block.

Likewise, the last three combinations are interesting in that they include more than one lot each in the areas outside of the S.S.

Combination number 1, 3 and 7 show holdings which involve land in Block P alone. There are 61 holdings in these combinations. Thus, about 55% of the total holdings in Block P are made up of land in the Block only.

Only nine holdings involve land both in Block P and in other Blocks of the S.S. These are shown in the Table by combination number 4, 6 and 8. They represent about 8.1% of the total holdings.

The remaining combinations show those holdings which comprise of land in Block P and in areas outside of the S.S. There are 41 of them or about 37% of the total number.

TABLE 2.3

DISTRIBUTION OF DE FACTO HOLDINGS BY THE COMBINATION OF LOTS AND/OR SUB-LOTS IN BLOCK P; IN S.S. EXCEPT BLOCK P AND OUTSIDE OF S.S.

(1) Number of Combination	(2) Block P		(3) S.S. Except Block P		(4) Outside of S.S.		(5) Holdings	(6) Percentage	
	Lots	Sub-lots	Lots	Sub-Lots	Lots	Sub-Lots		Absolute	Cumulative
1	1	–	–	–	–	–	43	38.7	38.7
2	1	–	–	–	1	–	34	30.6	69.3
3	–	1	–	–	–	–	16	14.4	83.7
4	2	–	1	–	–	–	4	3.6	87.3
5	1	–	–	–	1	–	3	2.7	90.0
6	–	1	1	–	–	–	3	2.7	92.7
7	1	1	–	–	–	–	2	1.8	94.5
8	–	1	–	1	–	–	2	1.8	96.3
9	1	1	–	–	1	–	1	0.9	97.2
10	1	–	–	–	2	–	1	0.9	98.1
11	1	1	–	–	3	–	1	0.9	99.0
12	1	–	–	–	3	–	1	0.9	99.9

It is thus apparent that slightly more than half of the owners of land in Block P hold land in the Block only. Of those who hold both in the Block and outside, there are far more owners who hold the combination of land in the Block and in areas outside of the S.S. than those who hold the other combination, viz. land in Block P and other Blocks of the S.S.

The Table as a whole also demonstrates an interesting pattern in the distribution of ownership of land among the three areas. It shows that the holders of land in Block P hold, in addition to lots and/or sub-lots in Block P, either lots and/or sub-lots in the S.S. except Block P, or in areas outside of the S.S. Not one owner holds land in all the three areas.

From the Table, it has also become apparent that there has been many cases of breaking up of lots in Block P into sub-lots. It can be noticed that 25 holdings in the Block involve sub-lots. This subdivision of lots may result in the establishment of holdings of less than the original area of a lot, which is mostly three acres. It may also establish holdings of more than that area, by the resultant sub-lots being added to the existing lots and/or sub-lots of the holdings. Of the two possibilities, the former is more prevalent. There are 21 cases of the former possibility in the Table as compared with four of the latter.

The prevalence of this phenomenon may produce far reaching effects on the economic and other circumstances of the holders concerned. Firstly, the two processes of subdivision and agglomeration mentioned may lead to the inequality of land ownership. It can be seen from the Table that some holdings are of only one sub-lot or lot, while others are of more than one lot and/or sub-lot. As a matter of fact, the logical tendency of this phenomenon is to concentrate on the one extreme, large areas in a small number of holdings, and large number of holdings in a small area on the other. This will be illustrated further in the next Chapter. This inequality in the distribution of land ownership may thus give rise to inequality of income among the solely landed people.

The inequality of land ownership may also pave the way for situations of landlordism and tenancy with their multitude of attendant problems.

Further, if what is held is operated, the establishment of sub-lot and lot-plus holdings may also lead to a situation of uneconomic operation in relation to the extent of labour and capital in the possession of the holders. This also will be further dealt with in the next Chapter.

Finally, the existence of sub-lots in holdings may result in the fragmentation of ownership and operation.

Before we leave the question of subdivision, attention is here drawn to the advocation in some quarters that in order to discourage subdivision, tight regulations should be drawn up to

prevent the division of land beyond a certain area.[6]   The fact
revealed by this study here in connection with subdivision amply
points out that there is a variance here between what is legal and
what is actually practised.   It has shown that a small lot of land
may be owned and operated severally without necessarily going
against the legal restriction of alienating a part of it.   In fact,
by drawing such regulations, it will merely lead to further con-
fusion in the matter of legal claim and ownership, as hereby actually
encountered.

We proceed now to examine the distribution of farms.   The
best definition of a farm is that given by Professor Ungku Aziz as
its being "a unit of production based on land.   A farm may consist
of one piece or many pieces of land.   The pieces may be contiguous
or scattered".[7]   A farm of a farmer operating in Block P includes
thus all the lots and/or sub-lots that he operates, both inside and
outside of the Block.

Table 2.4 shows the distribution of farms by the number of
lots and/or sub-lots in Block P, in the S.S. and in the S.S. and
outside, considered cumulatively.   As far as Block P is concerned,
it can be seen from Column 2 that 129 farms, constituting 94.2% of
the total, are of one lot or sub-lot.   Of the rest, six farms are
of two lots and/or sub-lots each, one of three, and another four.

The picture is changed slightly when we consider the
situation in the S.S. as a whole, where 124 farms are of one lot or
sub-lot, 11 of two lots and/or sub-lots, one of three and one of
four.   The slightness of the change is due to the fact that farmers
in Block P farm only a small acreage in other Blocks of the S.S.
Comparing this with the corresponding situation in the distribution
of ownership already discussed in Table 2.2, it at once becomes
obvious that there are no cases of renting in of land in other Blocks
of the S.S.   There are in fact cases of renting out: of the seven
cases of ownership, there are only five corresponding cases of
operation.

The farmers in Block P have all their padi farms in the
S.S.   As such, Column 3 therefore shows the total distribution of
their padi farms.   It can be noticed that 90.5% of the padi farms
are of one lot or sub-lot.   The remaining 9.5% are of two lots and/
or sub-lots or more.   This fact is important when we come to con-
sider the questions of fragmentation and economic unit of operation
of the padi farms.

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[6] See, for example, Wilson, T.B., The Economics of Padi
Production in North Malaya, Part I, p. 99.

[7] Professor Ungku Aziz, op. cit. p. 11.

TABLE 2.4

DISTRIBUTION OF FARMS BY THE NUMBER OF LOTS AND/OR SUB-LOTS CONSIDERED
CUMULATIVELY IN BLOCK P, IN S.S., AND IN S.S. AND OUTSIDE

(1) Lots and/or Sub-Lots	(2) Block P		(3) S.S.		(4) S.S. and Outside	
	Farms	Percentage	Farms	Percentage	Farms	Percentage
1	129	94.2	124	90.5	98	71.5
2	6	4.4	11	8.0	29	21.2
3	1	0.7	1	0.7	9	6.6
4	1	0.7	1	0.7	-	-
5	-	-	-	-	-	-
6	-	-	-	-	-	-
7	-	-	-	-	1	0.7
Total	137	100.0	137	99.9	137	100.0

The situation is significantly changed when we consider the distribution in all the relevant areas, as shown by Column 4. This change is brought about by the fact that the farmers concerned farm a substantial acreage in the areas outside of the S.S. The study reveals that most of the holders of land in these areas do operate it themselves, in the form of coconut farms or mixed kampong cultivation.

The column shows that 98 farms, or 71.5%, are of one lot or sub-lot. Necessarily, all these are padi farms in Block P. This is the extent of single-lot or single-sub-lot farming in the Block. This fact is again important when we discuss the questions of fragmentation and the economics of operation.

The remaining 28.5% of the farms are distributed among two or more lots and/or sub-lots. Attention is drawn to an extreme case shown in this column where one farm is made up of seven lots and/or sub-lots. While other farms do not exceed three lots and/or sub-lots, this extreme case is indeed extra-ordinary.

The same distribution of farms can be looked at from another angle by looking at Table 2.5. This Table shows the various combinations of lots and/or sub-lots of the farms in each of the three relevant areas. There are in all 15 different combinations. The combinations are arranged in a descending order of magnitude.

Fifty-eight farms are made up each of only one sub-lot in Block P. This constitutes 42.3% of the total number. Slightly

TABLE 2.5

DISTRIBUTION OF FARMS BY THE COMBINATION OF LOTS AND/OR SUB-LOTS IN BLOCK P_1 IN S.S. EXCEPT BLOCK P_1 AND OUTSIDE OF S.S.

(1) Number of Combination	(2) Block P		(3) S.S. Except Block P		(4) Outside of S.S.		(5) Farms	(6) Percentage	
	Lots	Sub-Lots	Lots	Sub-Lots	Lots	Sub-Lots		Absolute	Cumulative
1	-	1	-	-	-	-	58	42.3	42.3
2	1	-	-	-	-	-	40	29.2	71.5
3	1	-	-	-	1	-	14	10.2	81.7
4	-	1	-	-	1	-	9	6.6	88.3
5	1	1	-	-	-	-	2	1.5	89.8
6	1	1	-	-	1	-	2	1.5	91.3
7	1	-	1	-	-	-	2	1.5	92.8
8	-	1	-	-	2	-	2	1.5	94.3
9	2	-	-	-	1	-	2	1.5	95.8
10	-	1	-	1	-	-	1	0.7	96.5
11	-	1	-	1	1	-	1	0.7	97.2
12	-	1	1	-	-	-	1	0.7	97.9
13	1	-	-	-	2	-	1	0.7	98.6
14	2	-	-	-	-	-	1	0.7	99.3
15	2	2	-	-	3	-	1	0.7	100.0

less but still very important is the number of farms made up of a single lot in Block P. There are 40 farms of this category, constituting 29.2% of the total. Fourteen farms making up 10.2% of the total consist each of one lot in Block P and one lot outside of the S.S.; while nine farms, or 6.6% consists each of one sub-lot in Block P and one lot outside of S.S. The remaining 11 combinations embrace each two or one farm only.

As in the case of ownership, the Table reveals that some farmers farm either a combination of lots and/or sub-lots in Block P and other Blocks of the S.S. or a combination in Block P and area outside of the S.S. Exception, however, occurs here in the combination number 10, whereby one farm incorporates lots and/or sub-lots in all the three relevant areas.

Combinations number 1, 2 and 5 show all those farms involving lots and/or sub-lots in Block P alone. There are 100 farms in this category making up approximately 73% of the total number.

Only four farms, shown by combinations number 7, 10 and 12 involves lots and/or sub-lots in Block P and other Blocks of the S.S.

One farm, that of combination 11, involves lots and sub-lots in all the three areas.

The remaining eight combinations show 32 farms involving lots and/or sub-lots in Block P and areas outside of the S.S.

Consideration of combination of farm lots and/or sub-lots such as this is very important from the standpoint of fragmentation, which we shall discuss in Chapter III.

The Table further depicts that, as in the case of ownership, there is a process of breaking up of lots in farming. It can be observed that 58 farms in the Block or 42.3% of the total number of farms are virtually of one sub-lot each, while 19 other farms involve sub-lots. The former is the case of subdivision, while the latter is of agglomeration; both being the result of the breaking up.

This breaking up process gives rise to a number of economic and other problems. Among these are the problems of fragmentation of operation and economic unit of operation. Both will be dealt with in the following Chapters.

From the fore-going discussion and Tables, we gather that there are 111 holdings in the Block and other relevant areas as compared with 137 farms. The discrepency in these two figures is brought about by the existence of tenancy and gift-to-operate as systems of operation, besides the system of own-operation. The extent of each of these systems can be adjudged from Table 2.6.

TABLE 2.6

DISTRIBUTION OF FARMS AMONG THE VARIOUS SYSTEMS OF OPERATION IN BLOCK P

Systems of Operation	Farms	Percentage
Owner/operator	77	56.2
Tenant/operator	19	13.9
Giftee/operator	38	27.7
Mixed system	3	2.2
Total	137	100.0

From the Table, it can be seen that 77 farms constituting 56.2% of the total number are operated by their own owners. It is the absence of this situation in the remaining farms that accounts for the difference between the number of holdings and farms.

Only 19 or 13.9% of the farms are operated by tenants. These tenants pay rent to the landlords.

Twice as numerous - 38 farms or 27.7% - is the situation of giftee-operator, whereby the farmer has been allowed to operate the land rent-free. In all cases, the giftee is a relative of some kind to the giftor, such as brothers, children and in-laws.

There is another situation of mixed system, whereby a farm incorporates two or more of the previous systems. There are only three farms in this system.

Notwithstanding the situation in the system of mixed operation, the Table shows that 41.6% of the farms, viz. those in the systems of tenant-operation and giftee-operation, do not belong to the farmers. This compares favourably with the usual situation that "about half of the farm land in Malaya is worked by farmers who do not own that land".[8]

[8] Professor Ungku Aziz, The Causes of Poverty in Malayan Agriculture, in Lim Tay Boh, Editor, Problems of the Malayan Economy; Singapore (1963).

However, the situation in the system of giftee-operator is more akin to the system of owner-operator than to tenant-operator. Hence, we can thus conclude that tenancy and landlordism is not very prevalent in this Block. There is only 13.9% of the farms which are either owner-operated or giftee-operated. Tenancy and landlordism is further almost absent in the relevant land in other Blocks of the S.S. and in areas outside of the S.S. This conclusion, nevertheless, is derived with caution, for it is granted that such a large extent of the system of giftee-operator is indeed a unique occurrence.

In the situation of tenancy, three systems of rent payment have been found to be employed:

      a)   The most prevalent is that of the "bagi-dua" system whereby the "product" is equally divided between the landlord and the tenant. The "product" is of two types. In some cases, it is the thrashed padi, clean or unclean as the case may be divided by quantity. In others, it is the ripe padi plant ready for harvest divided by area.

      b)   Another system is where the tenant has to pay a fixed quantity of clean, thrashed padi[9] to the landlord. A typical case is 20 tins per acre.

      c)   A solitary case occurring here is where the tenant has to pay $250 cash to operate two acres of land for a duration of five years. It is a system known as 'pajak'.

The incidence of rent payment varies among these different systems. Certainly, other things being equal, bagi-dua on ripe padi plant basis is lighter than the same system on the basis of clean, thrashed padi. For, in the former case, the landlord has to perform the harvesting of his share himself.

On clean padi basis, 'bagi-dua' system charges about 125 gantangs per acre, taking the productivity per acre to be 250 gantangs, which is the average productivity per acre in the Block. Taking one tin as equivalent to five gantangs, this charge is 25% higher than the charge of fixed-quantity system, which is 100 gantangs per acre. However, if the productivity is unequal, either

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[9]Most interviewees give the capacity of a tin as equivalent to five gantangs. Actually, a kerosene tin holds only approximately four gantangs.

may be higher than the other. The tendency of the landlords is to charge 'bagi-dua' system where productivity is higher, and fixed-quantity system where productivity is low.

The 'pajak' charge is $25 per acre per year. However, the incidence here is not so much on the amount as on the cash payment which the tenant has to settle in advance.