

CHAPTER II

SELLERS AND REASONS FOR SALE

The selling off of rubber estates was at its peak in 1957 and 1958, that is the pre- and post-merdeka periods. Two types of rubber companies may be distinguished as "Sterling" and "Dollar" companies.¹ Again, two types of sale can be distinguished:

(1) when a whole rubber company is sold; (2) when portions of a rubber company are sold. It is necessary to make this distinction because the reasons for their sale are different. We shall first deal with the former, the reasons for which can be termed political and economic.

TABLE II

NUMBER OF ESTATES SOLD 1956-1958*

Year	Estates Sold		Total
	Sterling	Dollar	
1956	10	2	12
1957	23	2	25
1958	20	3	23
Total	53	7	60

* Figures for 1st Quarter of 1959 are not yet available.

SOURCE: (1) Zorn and Leigh-Hunt Manual of Planting Co.s. 1956-59.

(2) Fraser & Co. - Reports 1956-1958.

1. (i) Sterling companies are incorporated in the United Kingdom.
- (ii) Dollar companies are incorporated either in the Federation of Malaya or in Singapore.

It is evident from Table II that a relatively large number of "Sterling" estates were sold; 36 sterling companies out of 46, were sold during the first year of the Federation's independence. British investors were naturally anxious about the security of their investments here. This has also occurred in other countries on the achievement of independence, for example, in Ceylon. Fear of political dispossession by nationalisation, or of having profits practically extinguished by excessive taxation was another factor responsible for such sales. "The undercost value of shares assigned to rubber companies in Malaya is an indication of some apprehension about the political future of Malaya, An anomalous condition is created for it is cheaper to acquire the equity of first class clonal rubber by purchase of shares in companies than to replant oneself with all the attendant disadvantages of a long wait for returns."¹ The aim being to move capital to a more secure place for e.g. to Africa, where suitable land and labour are available.² This concern for political changes led to investment in Nigeria. Fifteen rubber companies with estates in Malaya are to invest more than \$2 million in Nigeria, not because of no confidence in Malaya but to avoid having all our eggs in one basket.³

-
1. Mr. J. B. Burgess, Chairman of Malasia Rubber Co., Straits Times, 31/5/57.
 2. Sir Eric MacFayden, Singapore Standard, 4/6/58.
 3. A London spokesman, Straits Times, 21/6/57.

Table III shows the number of Malayan rubber companies which have taken out interests in Africa, particularly in Nigeria. Of

TABLE III
STERLING COMPANIES WITH INTERESTS IN AFRICA

Planting Company	Acroage in Malaya	Interests Acquired
1. Kepong (Malay) Rubber Estates Ltd. (Selangor and Johore).	30,441	1957: Interests of £25,000 taken in Illushin estates which is developing Nigerian estate of 5,000 acres.
2. Gula Kalumpang Rubber Estate Ltd. (Perak & Kedah).	14,229	Interest in Illushin, Nigerian Rubber Development proposition.
3. Kuala K Rubber Estate Ltd. (K - a)	9,604.75	Oban, Nigeria, Rubber estate formed in 1953, with capital of £800,000 to plant 9,000 acres. 7,200 acres planted by July 1957 of which small area expected to reach maturity in 1959.
4. Seafield (Selangor) Rubber Co., Ltd. (Perak and Selangor).	5,152	£30,000 interest (callable as required over next 8 years) in Illushin estates, Co. formed to develop 5,000 acres in Nigeria.
5. Batu Caves (Selangor) Rubber Co., Ltd., (Selangor).	4,102	£20,000 interest in Illushin estates, (callable over next 8 years).
6. East Asiatic Rubber Estate Ltd., (Kedah, Johore, Trengganu).	12,097	Interest being extended to Gold Coast, Investment under consideration. 25% interest in S. African timber as part of trade investment.

SOURCE: (1) Straits Times Directory for Singapore and Malaya - acreages.

(2) Zorn and Leigh-Hunt Manuals - various.

the six concerns, five have invested in the Illushin estates.¹

None of the above states are sold, but the fact that they have taken out sizable interests elsewhere indicates a diversification of resources.

For the economic causes of estate sales, it would be instrumental for us to consider various costs of production such as replanting, labour costs, taxation and the effects of the war and the emergency.

Owners of estates with rubber nearing its economic age are faced with the choice of finding the capital to replant or of selling off. Since foreign companies felt uncertain about the political future of Malaya they were reluctant to replant. Consequently some of the estates sold were under very old rubber as Table III indicates.

-
1. The Illushin estates at Oban, are a joint venture between British firms and Eastern Region Development Corporation (ERDC) of Nigeria. The companies are negotiating with the Western Region Production Development Board (WRPD) and the Colonial Development Corporation for the establishment of a rubber estate of some 8,500 acres in the Illushin province.
Cf. (1) The International Bank for Reconstruction and Development, The Economic Development of Nigeria, (Baltimore: John Hopkins Press, 1955.)
(2) E. I. Oliver, Economic & Commercial Conditions in Nigeria, Overseas Economic Surveys, (London: H.M. Stationery Office, 1957.)

TABLE IV
BREAKDOWN OF THE ACREAGES OF SOME ESTATES SOLD

Name of Estates	Total Acreage	Acreage under old rubber	%	Under Matured budg. rub.	%	Under Imm. budg. rub.	%	Reserves etc.	%
1. New Columbia Estate (Perak).	2,782½	1,224½	44.1	1,018½	36.7	427	16.2	112½	4.0
2. Sg. Purun Estate (Solangor)	1,414	838	59.3	389	28.1	114	8.1	63	4.5
3. Bursch Estate (Perak)	1,271	923	75.0	205	13.7	143	11.3	-	-
4. Sempoh Estate (Ponang)	2,125	1,158	59.2	773	31.7	194	9.1	-	-
5. Topah Estate [✱] (Perak)	2,430	1,505	62.0	457	18.8	256	10.5	212	8.7
6. Jimoh Estate [✱] (Negri Sembilan)	1,030	637	61.8	221	21.5	119	11.6	53	5.1
7. Changkat Serdang Estate [✱] (Negri Sembilan)	1,028	429	41.7	212	20.6	238	23.2	149	14.5
8. Hamilton Estate [✱] (Negri Sembilan)	960	339	35.4	312	32.5	275	28.6	34	3.5
9. F.M.S. Rubber Planters Estates	3,793	3,027	79.8	610	16.1	156	4.1	-	-
Average per estate	1,868	1,131	60.6	466	24.9	214	11.5	69	3.0

✱ Incorporated locally.

SOURCE: (1) Zorn and Leigh-Hunt, Manual of Planting Co.S. - various

(2) Fraser & Co., Facts and Figures - various.

Of the nine examples cited only Changkat Sordang, New Columbia and Hamilton estates had less than half of their acreages under old rubber. With the exceptions of F.M.S. Rubber and Sempah, the acreages under reserves and immature, comprise more than 10% - this area being totally unproductive. Thus taking the acreages under old rubber, reserves and immature rubber together, the area involved is more than 60% for all; this area being virtually unproductive. It is not unnatural therefore that the estates were sold. Besides the Directors of Changkat Sordang estate state that "the company has not paid any dividends since the war in view of replanting campaign. Anything appreciable in the way of dividends appear far off."¹ It is also interesting to note that Company's report for 1955 - "This is a small estate the sort of estate which ^{can} easily be sold off to Chinese buyers with a consequent winding up at treble the present market."²

Cost of replanting is estimated to be about \$850 per acre (£100) spread over a seven-year period with 6/7 years to reach the production stage and another 6/7 years to reach maturity. Generally an estate should replant 3% of estate acreage a year; this is based on a 30-35 year economic life of rubber trees. Thus over a seven year period an estate should replant 21% of its total holding. The government provides financial assistance for replanting at the rate of \$400 per acre for estates. As a means to this

1. From the files of Fraser & Co.

2. Ibid.

end a replanting cess is levied.¹ The assistance provided is deemed to be insufficient at present tax rates and with fluctuating rubber prices, for more than half the cost has to be met by the estates themselves. Because it proved impossible to accumulate the necessary funds to replant economically, Gan Kee Rubber sold their 1,200 acre estate.²

Cost of replanting is coupled with high labour costs which are geared to selling prices,³ which fluctuate violently because of both inelastic supply and demand. The inflationary tendencies of an export-orientated economy help to raise costs of production further. If wages, which represent 60% of costs were raised much further, this would have the effect of putting out of production large areas of old, low yielding rubber at present comprising 51.8%.⁴ Bukit Lintang Rubber Co. sold 1,300 acres, "because the advantages of higher prices of rubber are offset by increases in wages."⁵

-
1. The schedule IV cess is levied at a flat rate of $4\frac{1}{2}$ ¢ per lb. for all rubber exported. The part collected on smallholding rubber is paid into the Smallholder's replanting fund, while that collected on estate rubber is repaid to the extent of replanting expenditure incurred since 1946. See Appendix I for Replanting Scheme in the Rubber Industry.
 2. The Straits Times, 26/11/54.
 3. Wages in the rubber industry are related to the average price of rubber during the preceding 3 months.
 4. Rubber Statistical Handbook, 1957.
 5. The Straits Times, 27/12/56.

Rising labour costs are accompanied by taxation in the form of export duties and cesses.¹ The duties levied are regarded as too high and as a result "capital may be diverted to Nigeria where the prospects for rubber were good and taxation low."²

The war and the emergency³ have adversely affected many rubber estates. One of the reasons why the old established European estates in Province Wellesley were sold was the damage done to them during the occupation. In that area at least 10,000

-
1. Export duties are levied on a sliding scale and consist of 4 parts:-
 - (i) Accrues to general government revenue and amounts to 5% ad valorem when the price of rubber does not exceed 60 ¢. When the price is higher the duty is calculated thus - $\frac{4.55 P - 63}{10}$ where P = weekly notified price of rubber.
 - (ii) levied when the price of rubber is more than \$1 and calculated thus: $\frac{2.5 P - 250}{10}$ where P is the weekly notified price. This is refundable when the price of rubber remains for 8 successive weeks below \$1.00.
 - (iii) Research cess - $\frac{1}{2}$ ¢ per lb. goes to a Research fund.
 - (iv) A replanting cess of $4\frac{1}{2}$ ¢, see also note 1 on page 10.
 2. Sir John Hay, Straits Times, 9/1/56.
 3. See International Bank for Reconstruction and Development, The Economic Development of Malaya, (Singapore: The Government Printer, 1955), pages 11-12.
~~Also~~ Federation of Malaya, Annual Report, 1952, (Kuala Lumpur: At the Government Printing Press, 1953), pages 105-106, and Federation of Malaya Annual Report 1953, (Kuala Lumpur: at Government Printing Press, 1954), pages 115-116.
-

acres of rubber belonging to Caledonia, Juru, Simpang, Betram, Malakoff and Val D'or estates were cut down.¹ Of the estates mentioned only Malakoff and Betram remain.

Lawlessness, due to the emergency, has not only undermined confidence and hampered production but also increased costs of production. Because of the imposition of a dusk-to-dawn curfew, less rubber could be produced. Labour shortages were experienced as a result of resettlement, e.g. on the Changkat Serdang estate.² Managers were also unable to exercise enough supervision because of security reasons. Considerable amounts had to be spent on "regrouping coolie-lines" on United Patani, Damansara, Merton and Chofa estates. Crops were severely affected by bandits and production was temporarily suspended during 1951 because of military operations on Bruch, Federated-Selangor, Sungei-Purun and Damansara estates. Also on Bukit Nilai estate, the factory and buildings were destroyed and labour had to be housed on a neighbouring estate.³ Similarly, Jorak Estate, situated in a "dangerous" area and therefore unsuitable for planting, was sold.⁴ Of the abovementioned estates

-
1. Singapore Standard, 4/1/1958.
 2. From the files of Fraser & Co.
 3. Zorn and Leigh-Hunt - Manuals of Planting Companies, (Firm, brokers, London) - various.
 4. Straits Times, 2/1/57.

only Damansara and United-Patani¹ remain. Although conditions have improved considerably, the above factors made for greater strains on the resources of companies which could ill-afford it.

Another reason why estates were sold was because capital in Malaya showed a lower yield than investment in Britain. "The situation was also affected by the increase in the bank rate last year, and a further tightening of the credit squeeze made it appear that for some considerable time, investment in Britain could be made to yield more...."² Therefore Alonga-Pengsu Amalgamated was sold.

Those estates which have sold off, have generally obtained a good cash return. Table V shows the break-up value of the shares of some of these estates.

TABLE V
BREAK-UP VALUE OF SHARES OF SOME ESTATES

Name of Estate	Unit of Issue	Break-up Value
1. Bukit Nilai	2/=	1/3d.
2. Garing Malacca	2/=	4/6d.
3. Pelepah	2/=	3/=
4. Bukit Kajang	£1/=	£1.12s.
5. Sengat	2/=	1/10d.
6. Morib	2/=	4/=
7. Merton	2/=	2/3d.
8. Sg. Batu	£1/=	50/=
9. Sg. Purun	£1/=	£1.9s.9d.
10. Banting	£1/=	49/=.
11. Bruas Perak	£1/=	25/=
12. Seloma	2/=	5/4½d.
13. Jong Landor	2/=	6/7d.

SOURCE: Zorn & Leigh-Hunt Manuals - various.
The Straits Times, - various.

only Damansara and United-Patani¹ remain. Although conditions have improved considerably, the above factors made for greater strains on the resources of companies which could ill-afford it.

Another reason why estates were sold was because capital in Malaya showed a lower yield than investment in Britain. "The situation was also affected by the increase in the bank rate last year, and a further tightening of the credit squeeze made it appear that for some considerable time, investment in Britain could be made to yield more...."² Therefore Alonga-Pengsu Amalgamated was sold.

Those estates which have sold off, have generally obtained a good cash return. Table V shows the break-up value of the shares of some of these estates.

TABLE V
BREAK-UP VALUE OF SHARES OF SOME ESTATES

Name of Estate	Unit of Issue	Break-up Value
1. Bukit Nilai	2/-	1/3d.
2. Garing Malacca	2/-	4/6d.
3. Pelepah	2/-	3/-
4. Bukit Kajang	£1/-	£1.12s.
5. Sengat	2/-	1/10d.
6. Morib	2/-	4/-
7. Merton	2/-	2/3d.
8. Sg. Batu	£1/-	50/-
9. Sg. Purun	£1/-	£1.9s.9d.
10. Banting	£1/-	49/-.
11. Bruas Perak	£1/-	25/-
12. Seloma	2/-	5/4½d.
13. Jong Landor	2/-	6/7d.

SOURCE: Zorn & Leigh-Hunt Manuals - various.
The Straits Times, - various.

1. Although United Patani has now been sold, it is not considered thus because it was sold after March 1959, therefore outside the period under consideration.
2. The Straits Times, 18/7/58.

Of the examples given, only two have sold off at a loss. Two have obtained two and a half times the original value of the shares, while the rest obtained from one-eighth to one and a half times.

Take over bids can be explained in various ways. In some cases plantation companies have substantial liquid assets which are an attraction to bidders. For example, the London Asiatic Rubber and Produce Co., Ltd., had a working capital of £994,968 but an issued capital of £1,169,540.¹ This has also caused shares to appreciate in value. Besides, the disparity between London and eastern estate valuations has also been responsible for sales. Companies "of no outstanding merit" have been paid about £80 (\$680) an acre. This contrasts with an average stock exchange capitalisation of less than £50 (\$425).² For example, the Scottish Malayan Rubber Estate sold 1,320 acres at £125 (\$1,062.5) when an average Malayan property would fetch £70-80 per acre.³

Estates were acquired either by offering a price in excess of that reflected in the Stock Exchange quotations, or a financial syndicate contacted the individual shareholders with a "bid" and by acquiring voting control became the owner of the company's liquid

-
1. Natural Rubber News, Natural Rubber Bureau, Washington 6, D.C. June 1957.
 2. Zorn and Leigh-Hunt, Manual of Planting Companies, 1957, pp.4-5.
 3. The Financial Times, London, 18.5.57.

assets. It then disposed of the estate through associates in the east and the company was liquidated.¹

The money obtained from selling estates in Malaya was invested in property in Britain (in the case of Gan Kee and Segari estates) or in quoted securities or in the aircraft industry (in the case of the Perak Rubber Syndicate Ltd.).² The proceeds from the sale of Bukit Tupah estate were, however, invested in other rubber companies.³

In the post independence period there may be fewer sales as the political transition has been carried on smoothly. On the economic side, material tax concessions have been granted to overseas trade corporations in the British Finance Act of 1957⁴ and this may prevent the rubber companies from winding up their affairs in Malaya.

The reasons for the sale of portions of an estate are somewhat different from those outlined above.

Table VI shows the acreage affected by "break-up" of this nature. The greater proportion of the "break-up" occurred in 1956 and 1957, while that in 1958 amounted to about half of the 1957 acreage.

-
1. The Straits Times 2/7/57.
 2. The Straits Times 18/10/56.
 3. Comtel Reuter, Estate News, 9/3/59.
 4. As from April 1957, profits tax will normally arise only on Investment income and British Income tax will only be paid on Investment income and on dividends distributed. In addition a once and for all saving accrues in the 1st year through freeing part of future tax provisions set aside in previous accounts. See Zorn & Leigh-Hunt, 1958.

No.	Plantation	1956			1957			1958			Remarks
		Total Acreage	Acreage sold	Sold for \$	Acreage sold	Sold for \$	Acreage sold	Sold for \$	%		
1.	Aberfoyle R. Plantations Ltd. (Perak & Kedah)	9,609.50 (8)x	2680	916,285.71			143	405,000.00	29.3		
2.	Allagar R. Plantations Ltd. Perak	1,867(1)			429 92½	161,200.00 112,263.57			27.9	429 acres - old see rubber; 92½ acres	
3.	Alor Pongsu Amalgam R. Estates Ltd. (Perak & Kedah)	3,841(5)	544	139,987.14	736½ 752	451,714.29 365,708.57			5.4	Blain Company - 544 acres - old rub	
4.	Anherst (Selangor) R. Co. Ltd. (Selangor & Pahang)	3,186(3)			479	214,285.71			.2	479 acres to Escote Co. Ltd.	
5.	Anglo Asiam R. Plantations Ltd. (S. Johore)	32,938.55 (8)					3438	583,242.86	10.4	3438 - old rubber.	
6.	Bagan Serai R.E. Ltd. (Perak & Selangor)	5,039(2)					2031	657,000.00	40.3		
7.	Batu Tiga R.E. Ltd. (Selangor)	4,773(4)					1443	1,474,285.71	30.2		
8.	Bernam (Perak) R. Plantations Ltd.	2,860(1)			213	27,282.86	estate sold	1,127,982.86	100	218 acres reserve	
9.	Bekoh Consolidated R. Estates Ltd. (Malacca & Johore)	7,017(2)			311	102,857.14			4.4		
10.	Bukit Tupah R. Estates Ltd. (Kedah)	3,465(2)			1512	799,987.14	estate sold	1,740,000.00	100		
11.	Eew Seng Rubber Co. Ltd. (Perak)	1,468½(2)			840	349,714.29			57.2		

x The figure in brackets indicates the number of estates under that company.

No.	Company Name	Total Acreage	Acreage sold	Sold for \$	Acreage sold	Sold for \$	Acreage sold	Remarks
12.	Esset Rubber Estate Ltd. (Selangor & Perak)	3,312(3)			755 1/2 1277 54	483,080.00 450,000.00 70,877.14	63.0	54 acres, tin bearing
13.	F.M.S. Rubber Plantations Ltd. (Negri Sembilan & Central Johore)	9,453.16 ()	3225	1,005,171.94			100	estate sold
14.	Golden Hope R. Estate Ltd. (M.S.)	22,344 (11)			705 to Kuala Lumpur R. Estate	for 29,000 shares	3.2	Negotiations for the of 1744 acres of rubber for \$749,528.57.
15.	Gordon (Malaya) Rubber E. Ltd. (Negri Sembilan)	5,454.90 (5)			1037	345,000.00	18.0	
16.	Hevea (Johore) R. Plantations Ltd. (Johore)	2,240(2)			1038	258,840.00	100	estate sold
17.	Hoscote R. Co. Ltd. (Negri Sembilan, Johore, Selangor, Pahang)	7,084(5)			889	415,002.86	12.5	
18.	Layang R. Plantations Ltd. (Johore)	5,637(1)			275	64,285.71	4.9	275 acres - old, low yielding rubber.
19.	Kuala Muda R. Estate Ltd. (Kedah)	9,604.75			2040	856,285.71	21.1	2040 acres - old rubber
20.	Ladang Bharu R. Estate Ltd. (Kedah)	7,531.40(2)			916	486,857.14	12.2	

No.	Planting Company	1956			1957			1958		
		Total Acreage	Acreage sold	Sold for \$	Acreage sold	Sold for \$	Acreage sold	Sold for \$	%	Remarks
21.	Londor Rubber Estate Ltd. (Malacca & Pahang)	2,268(2)			671	257,142.86			25.1	671 acres - old rubber
22.	Malay Rubber Planters Ltd. (Perak)	2,875(2)			1850 137	1,298,571.43 244,285.71			69.1	137 acres tin bearing
23.	Marborough (F.M.S.) R. Estate (Perak)	2,143(1)			457	210,000.00			21.3	
24.	Petaling R. Estates Ltd. (Selangor, Kedah, Perak, Negri Sembilan, Johore)	24,784 (18)			300				1.2	300 acres, of which acres - are rubber land - sold for building purposes
25.	Pilmoor R. Co. Ltd. (Selangor)	1,954	176	351,428.57					9.0	176 acres tin bearing sold to Petaling (planted with rubber)
26.	Sembilan R. Estates (Negri Sembilan)	44,221	651	300,000.00					14.7	70 acres prewar pedigree 581 acres old rubber 651 acres rubber.
27.	Sengat Rubber Estate Ltd. (Perak)	1,883(1)	83	100,808.57	estate sold	1,102,000.00			100	33 acres tin bearing 50 acres rubber 23
28.	Singapore Para R. E. Ltd. ()	2,385.81(1)			1365	471,875.71				
29.	Sg. Bharu R.E. Ltd. (Malacca)	4,018(1)	494		932	368,571.71			35.5	494 acres - old rubber Proceeds for sale of acres to be invested steel stocks.

No.	Planting Company	1956			1957			1958			Remarks
		Total Acreage	Acreage sold	Sold for £	Acreage sold	Sold for £	Acreage sold	Sold for £	%		
0.	Sg. Chinch R. Co. Ltd. (Perak)	4,238(1)			988	454,285.71			23.3	Proceeds to be used reduce bank overdra provision of essen buildings.	
1.	Sg. Metang R. E. Ltd. (Perak)	1,494(2)			398	252,394.29			26.0		
2.	Tali Ayer R. E. Ltd. (Perak, Kedah)	6,178 (2)			1046	799,997.14			16.9		
3.	Jong Lander R. Estate Ltd. (Perak)	3,265.3 (2)	366	157,142.86	estate sold	1,242,857.14			100		
4.	Lover Perak R. Estate Ltd. (Perak)	1,783½ (1)	51	14,785.71	175½	26,065.71	estate sold		100		
5.	Central Perak R. Co. Ltd. (Perak, Johore, & Province Wellesley)	10,637.20 (5)	1219	750,000.00	771	421,771.43			9.3	771 acres - isolated estate.	
6.	Waterfall (Selangor) R. Estate Ltd. (Selangor)	5,585.92 (5)	2411				590		53.7	1071 old rubber 1340 land 2611 - sold. Further sales to be consider satisfactory offer	
7.	Sedarak Rubber Estate Ltd. (Johore)	10,580.80 (1)	1221	476,442.86					11.5		
8.	Mengkibol (C.J.) R. Co. Ltd. (Johore)	5,771.41 (1)			2200				38.1	450 acres old rubber 1750 acres reserve	

No.	Planting Company	Total Acreage	Acreage sold	Sold for £	Acreage Sold	Sold For £	Acreage sold	%	Remarks
39.	United Temiang (F.M.S.) R. Estate Ltd. (Negri Sembilan & Johore)	7,469.74 (2)			647			8.7	647 acres partly p
40.	Betram Consolidated R. Co. Ltd. (P.W. & M.S.)	16,167.74	2729	600,000.00				16.8	2729 acres sold to replanting.
41.	Federated (Sel.) R. Co. Ltd. (Selangor)	1,794.77 (1)			727	259,997.14		40.5	727 acres sold rub Part of proceeds t utilised in property investment.
42.	Harpenden (Sel.) R. Co. Ltd. (Selangor)	3,194 (3)					1390	43.5	
43.	Damansava (Sel.) R. Co. Ltd. (Selangor)	3,391	898	350,000.00	103	44,999.73		29.5	103 acres old rubber
44.	Inche Kenneth Kajang R. Co. Co. Ltd. (Sel.)	3,705 (6)			795	282,653.43		21.5	795 acres old rubber Directors prepared to consider offer for 40 tin bearing land.
45.	Merlimau Pegoh Ltd. (Malacca & Johore)	22,819 (5)	532 970	240,000.00 317,142.86				6.6	
46.	Bukit Rintang R. Estate Ltd. (Malacca)	1,710	402 estate sold	207,428.57 799,987.14				100	
47.	Kepong (Malay) R. E. Ltd. (Selangor & Johore)	30,441 (11)	1024	450,000.00				3.4	1024 acres sold

No.	Planting Company	Total Acreage	Acreage sold	Sold for \$	Acreage sold	Sold for \$	Acreage sold	Sold for \$	Remarks
48.	Scottish Malayan Estate Ltd. (Pahang & Selanger)	7,810 (5)	581 1326	519,428.57 1,425,000.00					561 acres immature sold. 1326 acres which 1044 acres immature - sold.
49.	Third Mile (F.M.S.) R. Co. Ltd. (M.S.)	3,521.88 (2)			68 estate sold	150,348.00			parts of property suitable for re- developments, 600 considered to have development value

1956 - 20 pieces sold - 21,003 acres
 1957 - 36 pieces sold - 25,900 1/2 acres
 1958 - 7 pieces sold - 11,075 acres
 1956-1958 - 63 pieces sold - 58,734 1/2 acres.

Source: (1) Zern & Leitch-Hunt: Manual of Planting Companies: 1957-1959.

(2) The Straits Times, Directory of Singapore & Malaya, 1955-56, pr. total acreages.

Table VII shows the number of sales in relation to the sizes of each piece. Although only 22 pieces were sold in 1956, as compared with 35 in 1957, the acreage involved differs by only a small margin. This indicates that the pieces sold in 1956 were somewhat larger (on the average) than those of 1957. The pieces sold are also much larger in 1958, than in either 1956 or 1957. The proportions of small pieces sold were about $\frac{1}{2}$, $\frac{2}{5}$ and $\frac{1}{8}$ in 1956, 1957 and 1958 respectively. For the three years as a whole more sales occurred in 0-499 and 500-599 groups.

TABLE VII
NUMBER OF SALES IN RELATION TO SIZES OF PIECES SOLD

Year	No. of Sales				Total
	0-499	500-599 (Acres)	1000-1499	1500 & above	
1956	6	6	4	4	20
1957	14	14	5	3	36
1958	1	1	2	3	7
Total	21	21	11	10	63

TABLE VIII
NUMBER OF SALES IN RELATION TO REASONS FOR SALE

No. of pieces	Old rubber	Tin bearing	Reserves	Build- ing	Invest- ment	Others [■]	Total
	14	5	3	1	2	38	63

■-for which reasons are not given.

Of the reasons given for sale, by far the largest number sold were old rubber. Clearly this was done to reduce costs of production for the cost greatly outweighs the yield. On the other hand, the companies concerned might have been unable to re-plant these areas. Betram Consolidated sold 2,729 acres of rubber to finance replanting, presumably on some other parts of the estate. The five pieces of tin-bearing land sold all fall below 499 acres. These areas are probably disposed of because the companies concerned were unable to work these areas themselves. Two other sales were effected to utilise the proceeds in property investment and in steel stocks. This indicates that capital was moving out of rubber and also out of the country. Sungei Chenoh Rubber Co. sold 988 acres in 1957, to use the proceeds for reducing their bank overdrafts and to provide essential buildings. The Board of the Waterfall (Selangor) Rubber Co., which has paid no dividends since 1958, because of outstanding loan notes, were willing to consider sales to extinguish the debenture issue; this being a pre-requisite for capital construction. It can be seen from Table V that the Company sold 3,501 acres (1956-58) and this helped to pay off five years debenture interest. However, a $4\frac{1}{2}$ year debenture interest is still outstanding.¹

1. Zorn & Leigh-Hunt- 1952-1959.

Pataling Rubber estates sold 300 acres for building purposes. In such cases, the initiative does not come from the estate itself, but either from the government for development purposes or from Housing Syndicates.

From the table, three pieces of reserve land were sold. The proceeds from such sales may be used to finance replanting or for investment. Or they may be sold because of good profits obtainable due to population pressure.

Sometimes marginally profitable areas may be sold so as to make the estate compact and efficient. For this reason Central Perak Rubber sold an isolated estate of 771 acres, as did Kapala Rubber estates.¹ The London Asiatic Rubber Co., sold their Timah Division (rubber and reserve land) because its steepness made it difficult and expensive to replant.²

TABLE IX
PERCENTAGE OF ACREAGE SOLD

	0-9.9	10-19.9	20-29.9	30-39.9	40-49.9	50-69.9	70 & Over	Total
No. of Estates	10	8	10	3	41	5	9	49

1. The Straits Times, 23/4/58.

2. Natural Rubber News, July 1957.

Table IX indicates that of the 49 companies listed in Table V, 9 have sold between 70 and 100%. The five which have sold more than 50% might be preparing to dispose of their interests in the near future. For example, one group has already obtained controlling interest in Damansara estate. This may well preclude a sale.

To turn now to the break-up tables compiled for the States of Selangor, Penang, Johore and Malacca. (Tables I, XI, XII and XIII). The acreage involved in Selangor is by far the largest and the majority of the sales occurred in 1957 and 1956. The acreage of 1958 and 1959 are almost similar, and on the whole the fewest number of sales (5) occurred in 1958. The average size of the pieces sold are about 585 acres. The average size for 1959 is larger, i.e. 983 acres but this is only for the first quarter of the year. Of the 40 sales, 8 pieces were bought by other rubber companies, while one was sold to a housing estate.

In Penang, the greater proportion of the sales occurred in 1956. Though four sales occurred in 1957, the acreages involved are relatively small.

In Johore, although there were 13 sales, the acreage involved is only 9,569 acres 0 roots and 94 poles, thus the average size of the piece is about 775 acres. The larger proportion of the sales were effected in 1956.

THE BREAK-UP OF RUBBER ESTATES. SELANGOR.

Planting Company	Estate Name	Total Acres		Acres of pieces sold			Sold to				Sold for \$	Year
				A.	R.	P.	H.	I.	Ch.	O.		
1. Scottish Mal. Estates Ltd. (U.K.)	Bukit Cherokee Riverside Strait Larille, Teluk Gong	6086½	1.	581	3.	00				8	520,000.00	195
2. Waterfall (Selanger) R. E. Ltd. (Eng.)		5585.92	1.	4403	3.	39				3	185,837.13	195
			2.	207	3.	23		1	1		72,000.00	195
			3.	553	1.	26		2			150,000.00	195
				1165	1.	8						
3. Cheta R. Estate Ltd. (Eng.)	Segambut Ayer Teneh	1252	1.	408	1.	20				5	181,117.00	195
			2.	518	3.	15		2			345,000.00	195
			3.	215	1.	20				6	204,606.25	195
				1143	2.	15						
4. Kepong (Malay) R. Estates Ltd. (U.K.)	Selanger Kepong Group. Sg. Gapai Group.	9480	1.	1184						Damansava R. Co. Ltd.	446,250.00	195
5. The Lapan Utan R. Co. Ltd. (Ceylon)	Lapan Utan	454½	1.	400	0.	20				6	335,000.00	195
6. The Renfield R. Estate Ltd. (Eng.)	Coalfields	1274	1.	1237						Jeram Rubber Ltd.	614,770.86	195
7. Serdang Blah Syed (F.W.)	Serdang Blah Sg. Remok	1155	1.	462	3.	30				10	378,000.00	195
8. Inche Kenneth Kajang R. Ltd. (Scotland)	Inche Kenneth, Kajang, Reko, Reko Hill, Rim Dunedin	3205	1.	390	1.	10				5	165,000.00	195
			2.	201	0.	30				2	81,398.90	195
			3.	191	3.	12				3	45,000.00	195
				783	1.	12						
9. Kimara Group Estate Ltd. (F.W.)	Kimara	1903.36	1.	163	3.	20				Jaffnese Corp. Housing Est.	569,660.40	195
10. Berton R. Synd. Ltd. (Eng.)		594.63	1.	584	3.	00				1	270,000.00	195
11. The 7th Mile R. Est. Ltd. (F.W.)	7th Mile	1288	1.	780	1.	19				Jeram R. Ltd.	863,043.00	195
12. Strathmore R. Co. Ltd. (Gr. Br.)	Ulu Buleh	2562	1.	536	3.	06				Chin Leong Reality Ltd.	1,425,000.00	195
13. Batu Tiga (Sel.) R. Co. Ltd. (Eng.)	Batu, Glenmarie Sg. Purun Rinchling	5721	1.	1304	2.	15				Ng Ching Sin Reality Ltd.	1,332,000.00	195
14. Federated (Sel.) R. Co. (1932) Ltd. (Lond.)	Bukit Badak Sg. Puleh	1794.77	1.	957	2.	00				2	616,922.30	195
			2.	726	1.	10				8	260,000.00	195
				1683	3.	10						
15. The Black Water (Klang) R. Co. Ltd. (Ceylon)	Black Water	931.34	1.	896	0.	10				S. Reality (Mal.) Ltd.	680,100.00	195
16. Harpenden (Sel.) R. Co. Ltd. (Eng.)	Harpenden Oxted, Santalidge	3194	1.	966						3	525,000.00	195
			2.	500						17	239,400.00	195
				1466								
17. Sg. Purun (F.W.S.) R. Co. Ltd. (Eng.)	Sg. Purun	1417½	1.	680	1.	29				5	(880,000.00	195
			2.	395	0.	00				(24	(
			3.	117	3.	12				(25	(880,000.00	195
			4.	134	0.	25				(
				1327	1.	26						
18. The Borib R. Plant. Ltd. (Eng.)	Plumatang Changkat	2284.17	1.	1108	2.	14				5	565,324.00	195

TABLE 10 (CONTD.)

Planting Company	Estate Name	Total Acreage	Acres of pieces sold			Sold to				Sold for \$	Date
						H	I	Ch	O		
19. Port Swettenham R. Co. Ltd. (Australia)	Port. Swett.	265	1.	259	2.	30			2	383,000.00	1957
20. Jalan Kebun R. Co. Ltd. (Aust.)	Jalan Kebun	388	(1)	365	0.	20			2	400,000.00	1957
21. The Damanava (Sel.) R. Co. Ltd. (U.K.)	Bananava	3391	1.	303	3.	29			2	45,000.00	1957
	Bukit Pamer		2.	967	3.	27			Hescote R. Co. Ltd.	357,000.00	1956
22. The Selanger United R. E. Ltd. (U.K.)	St. Andrew	2478.75	(1)	203	3.	00			1	560,000.00	1957
	Brong Comot		2.	1768	3.	07			18	735,000.00	1957
				2472	2.	07					
23. Bentong (Sel.) R. Estate		N.a.	1.	687	1.	07			Banting Heck	500,000.00	1959
			(2)	493	1.	38			Seng Est. Co. Ltd.	320,000.00	1957
24. Antong Deany		N.a.	(1)	251	1.	00			16	140,220.00	1958
25. Sg. Biah Synd.		N.a.	(2)	667	1.	20			15	212,300.00	1956
26. Bong Sin R. Est. Ltd.		N.a.		132	3.	30			5	81,008.00	1956

12 pieces sold	-	1956	-	6798	3.	16
20 " "	-	1957	-	10464	1.	37
5 " "	-	1958	-	3189	2.	39
3 " "	-	1959	-	2949	1.	22
40 " "	-	1956-1959	-	23402	1.	34

Source: (1) Transfers of Land owned by Europeans or British Registered Cos. & Asians, Registry of Titles, Kuala Lumpur.

(2) The Straits Times Directory pr. Singapore and Malaya. 1955-56 for total acreages and estate names.

Planting Co.	Names of estates	Total Acreage		Acreage of pieces sold	Sold to M. I. C. O.	Sold for £	Year	No. of sub-s.	No. of owners
Penang Rubber Estates (Eur. owned)	Caledonia	15,058.07	1.)	8640		3	£2½ mill.	1956	
	Victoria)						
	Changkat)						390
	Begam)						
	Krian)						
	Jawi		2.)	3780	1		2 mill.	1956	
	Krianedch)						
Batu Kawan R. & Co Plant Ltd. (U.K.)	Transtian								
	Batu Kawan	11,744.00							
	Prye								
The Sempah Rubber Est. Ltd.	Golden		1.	2136	2cp per pred. Synd.		560,000.00	1956	182
									2 ch
									1 Synd.
									1 Synd.
									1 Ch.
The Central Perak R. Co. Ltd.	Sempang	2,037.55	1.	238 0 00	1		11,000.00 1956]		51
			2.	1000	1		45,000.00 1956]		
				1238					
The Sempah Rubber Est. Ltd.	Sempah	2,264	1.	1240 0 00	1		1,033,477.50	1957	
	Peranti		2.	130 0 00	1		105,700.00	1957	
			3.	209 0 00	4		188,212.50	1957	
			4.	108 0 00	1		2,300.00	1957	
				1687 0 00					
Luner R. Estates Ltd. (F.M.)		1,472	1.	476 2 14	3		836,800.00	1956	17
									3 Ch.
Prye (Pg.) R. Synd. Ltd. (Eng.)		611	1.	290	1	9	14,000.00	1957	10
									1 W. 9Ch.
Heintze Estate		N.a.	1.	790	3 Rousing		2,050,000.00	1956	
Chong Lye Hock Estate		360 1.09	1.	235 2 31	Synd. S.		46,000.00	1957	50
				19271 1 5	44				44 Ch.

1956 - 7 pieces sold	-	17,058.	2.	14.
1957 - 6 "	-	2,212	2.	31.
1956-1957 -13	-	19,271	1.	5.

Source: (a) Registry of Deeds, Penang.

(b) The Straits Times Directory for Singapore & Malaya, 1955-6, pr. total Averages & estate names.

(c) Land Offices, Penang, Butterworth, Bukit Mertajam, Nibong Tebal.

SUMMARY OF LAND SALES, 1956

Particulars	Name of Estate	Total Area		Plots sold	Sold to	Sold for	Year	No. of subdivisions	No. of owners
				A. R. P.	U. I. Ch. 0	£			
Kekikol (L.A.) L. Co. Ltd. (English)	Kekikol	5,779.41	1.	0 2. 38	Klang Dep. Building Soc.	28,200.00	1956	-	-
			2.	4 0. 00	Per Dep.		1956	-	-
			3.	1000 0. 00	1	1,000.00	1956	-	-
			4.	340 0. 00	1	34,000.00	1957	48	1 Ch.
			5.	1000 0. 00	100	-	1958	100	100 "
			6.	4 0. 00	Malaya Borneo Land		1957	-	-
London R. Est. Ltd. (S. S.)	London Sq. Street at Japanese Range Bldg	6,827	1.	1004 0. 00	Land. As. R. S		1958		
			2.	304 1. 00	57	16,400.00	1958	57	57 Ch.
Kekikol R. Est. Ltd. (English)	Kekikol	4,000	2.	1447 0. 00	60	57,000.00	1958	60	60 Ch.
				2024 1. 00					
London R. Co. Ltd. (S. S.)	London	10,000.00	1.	000 0. 00	1		1958		
			2.	100 1. 00	Dept. acquisition		1958		
			3.	703 1. 35	15		1958	15	15 Ch.
			4.	1270 0. 00	3		1958		
				2007 1. 00					
		Total		9000 0. 00					

1956 - 7 sales - 4001 2. 38

1957 - 2 " - 252 0. 00

1958 - 3 " - 3005 1. 00

1959 - 1 " - 1000 0. 00

1956-1959 - 13 " - 9500 0. 04

Source (a) Subdivision files, (1956-1958). The Registry of Titles, Johore Bharu.

(b) Subdivision files from Land Offices in Muar, Batu Pahat & Klang.

(c) The Straits Times Directory, pr. Singapore & Malaya, 1955-56, pr. total acreages and estate names.

TABLE 13.

30

BREAK-UP OF RUBBER ESTATES, MALACCA.

Planting Co.	Name of Estate	Total Acres	No. of places sold		Sold to				Sold for £	Year	No. of subdivisions	No. of owners	
			A.	R. P.	U	I	C	0					
Bukit Kajang Rubber Est. Ltd. (U.K.)	Bukit Kajang	2730	1.	100	3. 10				6	1936	11	9 Ch.	
			2.	117	3. 30				9	1936	23	9 Ch.	
				226	3. 00								
Berliman Pagueh R. Estate Ltd. Pagueh (U.K.)	Berliman	10002	1.	130	2. 30				3	30,300.00	1938	2	3 Ch.
			2.	300	2. 25				8	107,100.00	1950	-	-
				440	1. 25								
Sg. Sharu R. Estate Ltd. (U.K.)	Sg. Sharu	4078	1.	110	0. 20				1		1957	15	1 Ch.
The Peresta R. Estate Ltd. (U.K.)	Peresta	430	1.	230	1. 07				7		1957	48	7 Ch.
Bukit Lintang R. Estate Ltd. (Scott- land)	Bukit Lintang	1710	1.	8	1. 36				8	4,000.00	1956		
			2.	8	2. 24				8	4,000.00	1956		
			3.	10	0. 10				8	5,500.00	1956		
			4.	319	1. 34				10	177,000.00	1956		
			5.	50	0. 20				8	17,000.00	1956		
			6.	407	3. 00				8	310,000.00	1957		
			7.	278	3. 34				12	-	1957	51	12 Ch.
				1060	1. 37								
The United Malacca R. E. Ltd. (U.K.)		3044	1.	153	1. 23				5		1956	21	5 Ch.
The Malacca R. Planta.	Betran Bukit Achoon Sorkan	14549.	1.	100	3. 20				12		1950	21	12 Ch.
		13		2405	1. 30								

1936	8 places	-	902.	3. 37
1957	4 "	-	1031	1. 00
1938	1 place	-	153	1. 23
1st gr. 1930	2 places	-	317	3. 10
Grand total	15	1936-8.	2405	1. 30

Sources: (a) Transfers of land from Europeans or Br. Registered Cos. to Asians, Registry of Deeds, Malacca.

(b) The Straits Times Directory, 1955-6, for total acreages and estate names.

(c) Volumes of Deeds of Surrender (1956-1959) Registry of Deeds, Malacca.

Again in Malacca, more than half the sales occurred in 1956 and 1957 and in contrast with Selangor and Johore no sales were made to any housing trust. Only one sale was made to another company.

TABLE XIV
SUMMARY OF THE FOUR BREAK-UP TABLES

State	Acres sold	No. of Estates	No. of pieces sold	Av. Sizes of pieces sold	No. sold in diff. years			
					1956	1957	1958	1959
Selangor	23412.1.34	26	40	585.1.11	30	43.4	13.6	13.
Penang	19271.1.5	8	13	1251.2.29	88.5	11.5	-	-
Johore	9569.0.04	4	13	736.0.14	59.6	7.6	30.1	15.9
Malacca	2465.1.30	7	15	211.1.14	34.4	48.4	5.6	11.6

Whereas in the sale of rubber companies political factors are intertwined with the economic, in the sale of pieces by an estate, the motives are almost wholly economic.

The following sketch is included to show the "break-up" of a rubber estate, in this case, the Sedenak Rubber Estate of Johore.

Key:

- 1. Sold to 1 Chinese, 903. A.
O. R. 00. P.
- 2. Sold to 15 Chinese, 703. A
1. R. 35. P. now subdivided.
- 3. Government Acquisition for
New Village 191. A. O. R.
65. P.
- 4. Sold to 3 Chinese 1270. A
O. R. 00. P.
Area remaining. - - - - -
- 5. Sedi on agricultural land

