

Introduction

The first oil mill in Penang^{*} was established in the first decade of the present century but the crushing of copra in modern factories was developed on a considerable scale only after the first World War. But in Europe and America a great part of the copra crushing industry was built before 1914 and the oil was mainly used in the manufacture of soap. The demand for oil closely followed the large development of the soap industry which took place in the middle of the 19th Century in several European countries. Malaya, together with the other coconut growing countries, exported large quantities of copra to the United Kingdom and the Continent, especially to France and Germany. Copra was first shipped from the Straits to Europe around 1850 but the trade did not become important until 1870.^{**}

A great stimulus for rapid development of the coconut industry took place after the First World War when the margarine industry turned to coconut oil on an extensive scale as the new basic ingredient. The prices of copra and coconut oil which had been fairly steady in 1914 at £25 and £41 9s. per ton respectively shot up to £45 10s. and £74 in 1918 and to £56 8s. and £92 15s. in 1920. This increase in price together with the advantageous position of Penang as

*The term Penang includes the Island of Penang and the strip of mainland on the opposite side known as Province Wellesley.

^{**}See "Coconut Industry in Malaya" by H.L. Coghlan.

the centre of entrepot trade with free port facilities was a great incentive for the setting up of oil mills. Again, in Penang, there were the businessmen who were handling and financing the sugar and later the rubber, rice and coconut trade of the Mainland and it was through the initiative of these people that the various industries and trades were set up on family lines. Moreover, Penang, as part of the Straits Settlements, enjoyed the assurance of the preservation of order and the just enforcement of the law.

In the early years exports of coconut oil remained relatively small in comparison with those of copra. However, the production of oil showed a steady increase till the outbreak of the Second World War.

During the Occupation the mills came under the control of the Japanese but there was little loss or damage to machinery and equipment. The production of oil was important for the local market, where, in the absence of other forms of oils and fats, coconut oil was exclusively used for culinary purposes. The great drawback was that there was little copra available at Penang, for, in the absence of a good transport system by land or water, it was difficult to bring the copra from the coconut growing areas. These oil mills were also used by the Japanese for the crushing of palm kernels and futile attempts were made to process lubricating oils. The mills could only work for a

few hours in the day, but this was important for the machinery was kept in good running order and the skilled workers were employed and this made the rehabilitation of the oil milling industry in 1945-46 a comparatively easy matter.

The difficulty of transporting the copra to the mills in Penang led to the establishment of little "mushroom" mills in the coconut growing areas of Province Wellesley. These mills, in addition to the extraction of oil, also used the outer husk of the coconut for the manufacture of fibre which was used in the making of ropes, brooms and brushes and these by-products fetched a good price. The machinery for these mills was improvised by the local foundries and was of a very crude type. After the Re-occupation, these mill owners, with whatever capital they could command, established themselves as coconut oil millers. The small mill, in its essential plant, is an exact replica of its larger counterpart in Penang. The machinery is locally made in Ipoh in foundries which have considerable experience in the manufacturing of mining equipment.