

CHAPTER VIII

CONCLUSION

In the preceding chapters we have been tracing the changes in ownership and control of the tin dredging companies. Changes in the ownership and control of these companies all seem to follow a certain trend. Investment of the local population is increasing at the expense of that of the foreigners. The Chinese in particular are increasing their investment at a very great rate. In 1954 there were roughly 7,000 foreign investors and they owned a total of about \$18,000,000 worth of shares. The number of local investors for the same year was about 2,000 and they owned only about \$3,500,000 worth of shares in the tin dredging companies. In 1964, too, the Chinese owned the most number of shares among the various races of Malaya. Their investment amounted to about \$3,500,000 whilst that of the other races formed only a small percentage of that owned by the Chinese. This was due mainly to differences in income and enterprise. The foreigners quite obviously commanded a high position in the tin dredging companies, as far as ownership and control were concerned. There was a lapse of about ten years before the Chinese and the other races of Malaya managed to take over from them. Certain motivating factors encouraged the local people to begin investing heavily in the dredging companies, and by 1964, the positions of the foreigners and that of the local population were reversed. Some of the explanations could be attributed to a rise in the standard of living, government encouragement, business consciousness, and political sentiments.

In 1964, the number of foreign investors for the companies had been reduced by 50%, leaving only a total of about 3,700 of them. They still owned about \$18,000,000 worth of investment. In absolute terms, their position has remained more or less the same, but relatively, they now own only about 4% of the shares in the tin dredging companies. This is in contrast to the 75% which they owned in 1954. And, in 1964, too, they owned four times as much shares as the Chinese. But now the situation is different. The investment of the local population has increased tremendously. The Chinese now own about \$16,000,000 worth of shares which is an increase of about \$12,500,000. The Indians have investment to the amount of \$1,000,000, the Malays \$500,000 and the local firms and companies about \$5,000,000. For the Chinese, there has been an increase of about 500%; for the Malays about 200%; for the Indians about 300% and for the local companies about 200%. On the whole, the local population own \$22,500,000 out of the \$56,000,000 worth of investment. This is an increase of about seven times over the 1954 figure. In general, therefore, we find that in 1964

the ownership and control of the foreigners amounted to about 75% whilst that of the local population amounted to only 25%. In 1961, the situation was such that the foreigners own only about 40% of the companies whilst the local population own about 60%. From such changes we can establish certain trends and they will show that every year more local people are investing in the tin dredging companies. On the other hand, the foreigners are refraining from doing the same and in many cases, foreign capital has been pulled out of the dredging companies.

Certain reasons were suggested for these changes. The major cause of the decline in the shareownership of the foreigners was the uncertainty of the tin mining industry regarding production and prices. The conditions in the world market are influenced by the forces of supply and demand. It was also stated that the standard of living of the local people has risen quite considerably and this enabled them to participate in the tin mining industry. Another reason why all the investment should go to the tin dredging companies is because the potential investors are not able to penetrate into the privately operated companies. The organisation of the Chinese mining enterprises is a good example of such closely guarded units. The only resort is, of course, the limited public companies and most of these are the dredging companies.

Lastly, the significance of the changes in the ownership and control of the tin dredging companies. The main significance is a declining reliance on foreign supply of capital. And capital raised locally would retain many of the benefits which used to be enjoyed by the foreigners.

