

INTRODUCTION

A study of the changes in ownership and control is not only interesting academically but is also important in terms of economic development. One very important point that would stand out is the supply of capital. Although capital is but only one of the requirements for economic development, yet it would go a long way to show changes in other spheres. We could for instance say that a shift from a foreign to a local supply of capital indicates a sort of change in the "attitude" of the people of the underdeveloped country concerned. Therefore, any study which would directly concern itself with economic development is highly desirable.

The main purpose of this paper is to present a research on changes in ownership and control of one aspect of the tin mining industry in Malaya--that of the tin dredging companies. A research on the ownership and control of the tin mining industry would demand too much time and resources and therefore it is not possible as far as this paper is concerned. The main emphasis in this paper would be to determine the changes in ownership and control of the tin dredging companies prior to and after the independence of Malaya.

Two years have been chosen for this research. They are 1954 and 1964. They are, in fact, not arbitrary but are meant to represent two important periods, one before Malaya achieved independence and one after it (this would also include formation of Malaysia as a new nation). The conclusions for the first period (before independence) should more or less resemble the findings of James Puthuchery (in "The Ownership and control of the Malayan Economy"). Changes in ownership and control are quite negligible from one year to another. And this research would show that even given a period of ten years, the changes in ownership and control, though quite notable are actually not very remarkable. But this does not mean that there are no exceptions as we will see in later chapters when we study the ownership and control of the tin dredging companies according to various races, sex and occupation.

We will first reveal the situation in 1954 and follow up with that of 1964. We would then be in a position to make comparisons between the two years and show the changes that have taken place in the ownership and control of the tin dredging companies. But even more important than that we will try to establish certain trends in such ownership and control. We will round up the discussion with some reasons for the changes that have taken place. Last but not least, the writer shall attempt to

point out the importance or significance of such changes.

There are certain difficulties faced in this research and the reader is reminded to keep these in mind so that the real picture of the ownership and control of the dredging companies could be appreciated. The greatest of these problems encountered in the research is the lack of information and data. Only the share registers of the locally incorporated companies are available. All companies doing business in Malaya are required by the law of the country to register themselves with the Registry of Companies. For locally incorporated companies, their share registers and annual reports must be submitted to the Registry of Companies. But whereas foreign companies (those incorporated outside Malaya) are required to register themselves with the Registry of Companies, they are not compelled or obliged to submit their share registers to the Registry. Therefore, the reader should bear in mind that there is insufficient data in this research. There are about forty odd tin dredging companies in the country owning about seventy dredges. But of these, data and information were obtained only for about twenty two companies. The writer does not wish to assume that these twenty-two companies could be sufficient enough to represent the whole situation. It could be false and too misleading. Therefore, the reader is reminded that whatever aggregate figures or percentages that are quoted would only refer to these twenty-two companies. The lack of data and information is just too unfortunate but it is beyond the control of the writer.

Another feature of this paper is that the writer shall use the word "Foreign Ownership" as referring not only to European ownership but to all ownership and capital that has not been raised locally. Often people tend to think of "foreign" mainly in terms of Europeans but in this context, "foreign" refer also to Australians, Indians and all those people who are not citizens or nationals of Malaya. It should also be born in mind that the reader is quite right in assuming that when we talk of foreigners, they are composed mainly of Europeans, and in particular the British. The Australians are next in importance as far as numbers are concerned. "Local Ownership" or shareholders would refer to all the races in Malaya. And when we talk of local shareholders, the writer places emphasis on the Chinese who contribute most of the local capital for the tin dredging companies.

Another point is the writer does not seriously intend to distinguish between ownership and control. But we shall assume here that corporate control in this paper refer to "Ultimate Control" - that is, those who own shares in the tin dredging companies also at the same

time control them. The writer realizes that the role of the owners in most cases is passive, but in terms of capital we cannot neglect the fact that control lies with the owners. But wherever the two features cannot be treated as identical, the writer shall point out the differences.

And, finally, the writer wishes to point out that there are very few references for the topic. There is in fact no recommended text for reference. The writer has no choice but to refer to some very unusual annual reports of various institutions like the Bank Negara Reports, Annual Reports of the Chamber of Mines etc. As such, where certain points are not backed up by references the writer has made necessary assumptions, inferences, and implications. Materials for the early 1950's are not easily available and even for the present period there are difficulties in looking for the correct material. The writer therefore ask for fair judgement from the reader.