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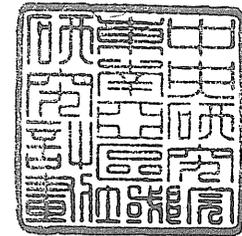
Plantation Labour, Unions, Capital, and the State in Peninsular Malaysia

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To my wife Kala
and our children,
Vijay, Gayatri, and Sri Vaitheki

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Preface and Acknowledgements

THIS book on the political evolution of plantation labour in Peninsular Malaysia specifically highlights the formation of labour during the colonial period, the nature of labour control, and the manner of labour resistance to exploitation in pre-war and post-war colonial Malaya. It also addresses the events that led to the establishment of the National Union of Plantation Workers (NUPW) and the reasons why alternative unions were formed in the 1950s and 1960s. The performance of the NUPW in the 1970s and 1980s and the reasons why it was not effective in representing workers are also discussed.

An important role will be ascribed to the relationship between the state, labour, and capital. Politics will not be reduced to government policies, but will be seen in terms of the general role and function of the state. This book will seek to determine from a theoretical perspective (Miliband-Poulantzas debate) whether the state acted at the behest of plantation capitalists or whether it had some degree of autonomy. Finally, given the high rate of labour exploitation, it will be appropriate to analyse whether this was due to the fact that capital in the plantations needs a captive labour force (merchant capital). The concept of merchant capital as advocated by de Silva (1982) will be tested by examining the social structure of plantations.

The study, from which this book arose, was undertaken in fulfilment of a Ph.D. in political science at the University of Malaya. Based on interviews, archival work, and library research, it was begun in 1985 and completed in 1990.

Research at the Arkib Negara, Kuala Lumpur, constituted a significant aspect of this study. Information on pre-war labour matters was obtained from files listed under the High Commissioner's Office and the various state secretariats. Records on post-war labour matters are listed under categories like the Malayan Union Secretariat, Perdana Menteri (British Military Administration and Chinese Affairs), Labour Department Malaya, High Commissioner's Office, various state labour departments, and others. In 1986, following the passage of amendments to the Official Secrets Act, files that had been categorized as confidential and secret have been closed to the public. As such, this study could not gain access to important files of the BMA and the Malayan Union periods.

In Chapters 6-7, information on the activities of certain unions such

as the United Malayan Estate Workers Union (UMEWU) and the NUPW were in part derived from unpublished documents. The UMEWU (UF) documents were obtained from former union officials like A. Angamuthu and M. Thanabalan in Seremban. The NUPW documents were obtained from local union committees in Cheroh Estate (CF), Raub Oil Mill (RF), Batu Arang Estate (BF), and the NUPW-GATCO (GF) village in Bahau, Negri Sembilan. These NUPW documents generally relate to the correspondence between union committees, principal union officials, and the respective management of these establishments. For reference purposes, these documents (in my possession) have been categorized in the Bibliography by the abbreviations within parentheses.

All except two of the illustrations in the Plate section of this book have come from my collection of photographs gathered over the years.

The study would not have been completed without the sacrifice and help rendered by many persons. I am very grateful to Dr Khong Kim Hoong of the Division of Public Administration, University of Malaya, for his supervision and guidance. I am also greatly indebted to Dr Harold Crouch of the Department of Political and Social Change, Australian National University, for his detailed comments and valuable criticisms.

Several former trade unionists were of considerable assistance to me. In Kuala Lumpur, S. N. Rajah and R. Ratnavelu, former members of the Labour Party, consented to be interviewed at great length. Rajah's assistance was crucial in locating former union officials in Seremban, Negri Sembilan, and Asahan, Malacca. On many occasions he sacrificed his time to accompany me to these places to facilitate the interviews. I am deeply grateful to him. Special thanks must also be given to Razak Khalifah, former member of the Parti Rakyat (earlier spelt Raayat) Malaysia, for the interview he gave me.

In Seremban I am greatly indebted to M. Thanabalan, A. Angamuthu, S. Suppiah, R. Palaraman, P. Murugasu, and Goh Kim Tong, who took time off from their tight schedules to talk to me. Thanabalan and Angamuthu went out of their way to assist me; both loaned their old union files for my research. On many occasions Thanabalan helped to trace some persons whom I wanted to interview. To my friends in Seremban I am deeply grateful; I hope to repay their kindness someday.

In Asahan I must accord special appreciation to workers like M. Esaiah, Goh Ah Kow, and Yap Ah Heng, who spoke to me in great detail on a number of occasions. Esaiah made it possible to contact a number of estate workers in the vicinity of Asahan. I am grateful to V. Nadarajan, former NUPW Malacca state branch official, for helping me to locate former union officials in Malacca town.

I would also like to convey my appreciation to workers in Cheroh, Raub, Batu Arang, and Bahau for their part in my research. R. Subramaniam, former NUPW secretary of the Cheroh Estate, loaned me his union file. Kai Navaneetham, V. Krishnan, N. Ramasamy, and others of the Raub Oil Mill were a source of considerable information. In Batu Arang Estate workers R. Govindasamy, R. Abraham,

M. Muniandy, Selamat bin Samsuri, and others related their problems at great length on a number of occasions. In Bahau settlers Krishnan, Munusamy, Subramaniam, T. David, and others willingly assisted in my research. To all the workers in these places I am very deeply grateful for their kindness and generosity.

I am greatly indebted to my family. My late mother Palaniamal and sister Muthamal were always a source of inspiration. My sister gladly and willingly discharged some of my family responsibilities. My wife Kala and children, Vijay, Gayatri, and Sri Vaitheki, to whom this book is dedicated, gave me the emotional stability and the endurance to complete the study. Theirs was a big sacrifice.

I would also like to thank the Oxford University Press for undertaking the publication of this book.

Finally I wish to express my gratitude to Universiti Kebangsaan Malaysia for granting me study leave beginning in 1985.

*Bangi, Selangor
April 1992*

P. RAMASAMY

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Abbreviations

AMRWC	All Malayan Rubber Workers Council
BMA	British Military Administration
BPRWU	Batu Pahat Rubber Workers' Union
CIAM	Central Indian Association of Malaya
EPF	Employees' Provident Fund
FELDA	Federal Land Development Authority
FMO	Netherlands Finance Company
FMS	Federated Malay States
FRU	Federal Reserve Unit
FTUs	Federation of Trade Unions
GATCO	Great Alonioners Trading Corporation
GLU	General Labour Union
ICFTU	International Confederation of Free Trade Unions
IIC	Indian Immigration Committee
IIL	Indian Independence League
INA	Indian National Army
Insan	Institute of Social Analysis
ISA	Internal Security Act
JCC	Joint Consultative Council
JSPWU	Johore State Plantation Workers Union
JSRWA	Johore State Rubber Workers Association
KEWTU	Klang Estate Workers Trade Union
KFRWU	Kedah Federation of Rubber Workers Union
KPA	Kedah Planting Association
MAPA	Malayan Agricultural Producers Association
McEEU	Malacca Estate Employees Union
MCP	Malayan Communist Party
MEEU	Malayan Estate Employees Union
MEWU	Malayan Estate Workers Union
MIC	Malaysian Indian Congress
MPAJA	Malayan People's Anti-Japanese Army
MPIEA	Malayan Planting Industry Employers Association
NDYL	New Democratic Youth League
NJILU	North Johore Indian Labour Union
NLFCS	National Land Finance Cooperative Society
NSILU	Negeri Sembilan Indian Labour Union
NUPW	National Union of Plantation Workers

PAM	Planters Association of Malaya
PEEU	Perak Estate Employees Union
PMCRWU	Pan-Malayan Chinese Rubber Workers Union
PMFTU	Pan-Malayan Federation of Trade Unions
PMGLU	Pan-Malayan General Labour Union
PMRWU	Pan-Malayan Rubber Workers Union
POW	prisoner of war
PWUM	Plantation Workers Union of Malaya
RGA	Rubber Growers Association
RIAB	Rubber Industry Arbitration Board
RWU	Rubber Workers Union
SEWTU	Selangor Estate Workers Trade Union
SFTU	Singapore Federation of Trade Unions
SGLU	Singapore General Labour Union
SS	Straits Settlements
TUAM	Trade Union Adviser of Malaya
TWU	Transport Workers Union
UAB	United Asian Bank
UMS	Unfederated Malay States
UPA	United Planters Association
UPAM	United Planting Association of Malaya
UMEWU	United Malayan Estate Workers Union

1

Introduction

Survey of the Literature

A quick perusal of the social science literature reveals that labour studies have never been accorded much importance in research on Malaysia. The works of Blythe (1947), R. N. Jackson (1961), Netto (1961), Sandhu (1969), and others basically examine labour in the context of immigration and settlement in Malaya in the nineteenth and twentieth centuries. Sandhu discusses the immigration and settlement of Indians; Blythe looks at the Chinese; and Jackson discusses the Indians, Chinese, and Javanese. These works have made important contributions to an understanding of the formation of labour, but do not in themselves constitute major studies on labour.

Labour as a mere appendage to the literature is manifested even more clearly in a second group consisting of the works of Thompson (1943), Arasaratnam (1979), Rajeswary (1981), Li (1982), and others which examine labour in the context of the development of ethnic communities. Although they move away from the concerns of immigration and settlement, they none the less treat labour as a sub-theme. Arasaratnam in his chronological study of Indians in Malaya devotes some attention to labour and the development of trade unions. Similarly Rajeswary, in her thematic study of the Indian community, devotes a chapter to the discussion of Indian labour between 1945 and 1957. In Thompson's study, labour is discussed in relation to the humiliating defeat suffered by the British at the hands of the Japanese, whereas Li presents a chapter on labour conditions as an indictment of British rule.

Both groups share two common problems that have bedevilled labour studies for a long time. One problem is that they do not accord primacy to the discussion of labour as a major theme. Labour is merely discussed as an appendage of larger phenomena whether immigration and settlement or development of a particular community. The other problem is that politics and its linkage to labour are not systematically explored. Although Rajeswary does make an attempt to do so, her rather brief treatment of labour cannot possibly provide a full discussion.

The discipline received its major impetus with the publication of works by Parmer (1960), Gamba (1962a), and Stenson (1970, 1980). Parmer discusses the impact of colonial policy on labour and capital between 1910 and 1941. Gamba in his study of trade unions addresses

the subject of labour unrest in 1945–8 and the impact of Emergency rule on left-wing trade unions. In his work on the history of the National Union of Plantation Workers (NUPW) he touches on its formation during the Emergency and its role *vis-à-vis* plantation labour. In comparison to Gamba's work, Stenson's on industrial conflict in Malaya is more thorough in that it systematically links political activity among labour to underlying economic, administrative, and social changes. Furthermore, Stenson discusses the reasons why left-wing trade unionism collapsed by examining some of the measures taken by the colonial government. The second Stenson work attempts to use the case of Indians in Malaya to illustrate the functioning of the colonial and neo-colonial orders.

The above works are important because labour is their major focus of study; the approach taken is quite objective, giving labour a fair treatment; and an attempt is made to discuss the nexus between politics and labour. None the less, there are certain gaps. The works of Parmer (1960), Gamba (1962a), and Stenson (1970) cover only very specific historical periods in the development of labour. Parmer's study is confined to the period 1910–41; those of Gamba and Stenson are concerned with 1945–8. Needless to say, this historical specificity provides only the backdrop, although a crucial one, to understanding labour in the post-independence period. Stenson's second volume (1980) covers a broader time frame, but it does not systematically address the labour situation in plantations.

This book is about the politics of labour and trade unionism in the plantations in Peninsular Malaysia. It seeks to answer one fundamental question: how did plantation labour come to constitute one of the most exploited segments of Malaysian society. It is the author's contention that this question cannot be fruitfully discussed by examining labour or trade unions in isolation, that is, plantation labour has to be placed in the context of a broad time frame—its evolution from the colonial period to the present. Specifically this book examines the formation of the plantation system, the nature of the labour–capital relationship, labour–capital conflicts in the pre-war and post-war periods, and the political circumstances under which pliant or moderate trade unions were formed and developed in the independence and post-independence eras.

The evolution of plantation labour will not be seen from a simply descriptive perspective. The role and function of the state will be examined in relation to the formation of the plantation system, the process of labour recruitment and control, the mediation of conflict between labour and capital, and ultimately the sponsorship of pliant or moderate trade unions to ensure the dominance of the capitalist system. The role of the state and its relationship to capital will be examined in the context of the theoretical debate that ensued between Nicos Poulantzas and Ralph Miliband (1972) in the late 1960s and early 1970s.¹

The Debate on the State

Miliband refutes the pluralist thesis that regards the role of the state in Western societies as fundamentally neutral in mediating conflicting

interests between diverse groups. This perspective, Miliband (1969:4) says, 'is a profound obfuscation'. He marshals evidence that the state in Western societies is not neutral but a direct instrument of the ruling class. He argues that the values of the ruling élite of the state system are similar to those of the dominant classes in the economic system. These shared values—products of class origins, the education system, and socialization—are above all geared to the maintenance and perpetuation of the capitalist system. The state in Western capitalist societies is not really neutral or independent as made out by the pluralist thesis but a direct instrument of the ruling class—especially the propertied class.

Poulantzas contends that Miliband's lack of an epistemological concern in his criticism of the bourgeois-pluralist notion of the state prevents him from truly understanding the character of the state in Western societies. He argues that Miliband, by refuting the bourgeois theory in terms of the theory itself, fails to understand social classes and the state as objective structures. Poulantzas counters that social classes or groups cannot be reduced to interpersonal relationships on the basis of shared values. Furthermore, the existence of a close relationship between state élites and dominant classes does not prove that the former is an instrument of the latter.

Poulantzas believes that the direct participation of the capitalist class in the state apparatus is not important. What is important is the objective position of the bourgeois class and the state in a particular social formation. He states that if the interests of the dominant class coincide with those of the state, this is not due to interpersonal relationships but rather to the overall requirements of the system itself. Poulantzas goes on to assert that the role and function of the state must instead be understood as 'the factor of social cohesion of social formation and the factor of reproduction of the conditions of production of a system' (Poulantzas and Miliband, 1972: 246). Basically Poulantzas says that the state is the main component in sustaining the capitalist system as a whole, and it does so by making possible the conditions for this sustenance. The state in a capitalist society cannot be reduced to the immediate requirements of the dominant class because to do so may not be in the long-term interests of the capitalist system itself. The crucial role of the capitalist state is to serve the long-term interests of the capitalist class; therefore, the state does not always respond to the immediate interests of particular groups of capitalists. Thus, it is on the basis of this alternative conception of the state that Poulantzas postulates his theory of the relative autonomy of the state in capitalist societies: whether the ruling class participates in the state directly or indirectly is not crucial, for 'the capitalist state best serves the interests of the capitalist class—when the ruling class is not a governing class'.

The Miliband–Poulantzas debate on the nature of the state serves as an appropriate theoretical context for the empirical discussion of the role of the colonial and post-colonial state and its relationship to plantation capital. It will be shown that while the state was fully committed to the development of plantation agriculture as the mainstay of the Malayan economy, its role was not directly determined by the interests of the

plantation capitalist class. As will be seen, the state in both periods was generally autonomous, that is, it acted independently of plantation capital; at times it passed laws and adopted certain measures in the interest of labour. From the viewpoint of the state this was necessary for the development and maintenance of the system. When the state adopted certain measures against labour, this was not necessarily due to collusion with the dominant class, but rather because of the requirements of the capitalist system itself. Nevertheless, the state's relative autonomy should not be interpreted to mean that it was neutral. It was a capitalist state concerned with the overall development of the capitalist system itself.

The Theory of Merchant Capital

As stated earlier, the primary concern in this book is to obtain a clear understanding as to why plantation labour remains one of the most marginalized social groups in Malaysia. Plantation workers today are victims of exploitation. They receive poor wages, live in miserable conditions, and above all are condemned to a life of poverty. Why is the rate of exploitation much more severe in the plantations than in other sectors? What is so peculiar about the plantation system that such a state of affairs prevails? To understand the process and degree of socio-economic exploitation of plantation labour and its continuance to the present day, a brief theoretical discussion of the nature of the plantation system, particularly its capital composition, is necessary.

Studies of plantations tend to categorize plantation production as basically capitalist (Beckford, 1972; Lamusse, 1980; Selvaratnam, 1983) because it is large scale in operation, with a division of labour and certain complex financial arrangements. A recent study of the Malaysian plantation system describes the plantation economy as a 'capitalist and profit orientated enterprise ... in consonance with the aim of [the] capitalist mode of production' (Selvaratnam, 1983). Similarly a well-known study considers them heavily capitalized corporate structures with profit as the guiding spirit. Plantations are usually labelled capitalist because they operate on a large-scale basis, using capital and placing primacy on profit (Beckford, 1972: 32-3). These studies do not describe the exact form that capital has assumed in the plantations. Specifically they do not tell whether it is productive capital or merchant (circulating) capital.

Karl Marx

When Marx discoursed on capitalism, he essentially discussed the characteristics of productive capital. According to him, productive capital has two features: capital-labour relations based on wage labour without the need to bind labour through non-economic coercion; and the production and accumulation of surplus value as the direct aim and determining motive of production.

Marx (1967) argued that for productive capital to function, an appropriate structure of production relations based on free wage labour was required. Free wage labour was considered essential for productive capitalism as the basis for a more complex form of labour co-operation in

the production process. Marx never spoke in detail about merchant capital, but did say that unlike productive capital, it could survive under the most primitive conditions, and that free wage labour was not a necessary condition for its survival.

Geoffrey Kay

Kay (1975) gives a much clearer distinction between productive and merchant capital. These two forms of capital are parts of the same system, but they are nevertheless quite distinct from one another. One is involved in production and the other in buying and selling of commodities. Both forms start with money and end up with more money in their circuits of operation. The essential difference is that whereas productive capital adds value to its finished products, merchant capital does not add value to the commodities it buys to sell. Thus, merchant capital engages in two transactions (buying and selling), and in both aspects it deals with the same commodity of the same value, but at different prices. For merchant capital to make a profit, a commodity has to be sold at a price higher than its purchase price. For this reason, according to Kay (1975: 37), an 'unequal exchange is a general condition of existence for merchant capital'.

Kay's attempt to differentiate the two forms of capital is really intended to show that underdevelopment in the Third World is related to the predominance of merchant capital. In this context the question arises as to how to categorize capital in the plantations. Kay does not address this question.

S. B. D. de Silva

It is in de Silva's work that the concept of merchant capital is discussed in relation to plantation agriculture. De Silva (1982: 464-6) argues that the difficulty in understanding the plantation economic system basically stems from the failure of analysts to distinguish between forms of capital investment. He argues further that capital investment in the plantations is essentially merchant rather than productive in form. He states that fixed capital in the form of land, estate roads, and housing was really external to the production process. In the plantations the use of machinery was mainly for the processing of crops for export and was not part of a continuing trend towards capital deepening. In contrast to productive capital where progress essentially brings down production costs, most technical improvements, for example in tea estates, only brought about better quality tea without lowering production costs. Production costs could only be lowered by more intensive exploitation of labour and not through productive investment.

On the relationship between merchant capital and the social structure in the plantations, de Silva (1982: Chapter 12) seems to argue, quite differently from Marx, that merchant capital needs a captive labour force. Unlike productive capital which dispenses with the need to bind labour, merchant capital with its emphasis on the buying and selling of commodities, not on increasing productivity, is forced to place great reliance

on curbing the expenditure items in the plantations—the wage bill being the primary concern. He argues that in order to lower production costs, merchant capital in the plantations has the tendency to subject labour to extra-economic coercion in the form of social controls.

De Silva's analysis is interesting in that it suggests a relationship between the form of capital investment and the social structure in the plantations. While Marx generally argued that merchant capital survived best under primitive conditions, de Silva specifically states that because capital in the plantations is of the merchant variant, it essentially needs a captive labour force.

This book will examine the socio-economic structure in the plantations in the context of the theory of merchant capital as advanced by de Silva. It will be argued that it is not possible to define or label capital a priori on the basis of certain social characteristics. It will be shown that although plantation capital had certain merchant features, their presence do not render capital as merchant in form. This book will put forward a thesis that an investigation of capital should proceed by way of its location in a concrete historical situation and not on a pre-determined basis. It will be concluded that de Silva's theory that plantation capital was merchant in form cannot be applied to the Malaysian situation. Contrary to his notion that plantation capital places little emphasis on production, it will be pointed out that in Malaysia it does pay some attention to labour productivity.

1. This debate ensued as a result of the publication of Miliband (1969). For the debate itself see Poulantzas and Miliband (1972). For a critical review of Poulantzas and Miliband (1972) see also Laclau (1977). For additional reading see Poulantzas (1976) and Miliband (1983).

2

The Formation of the Plantation System

COLONIAL officials realized that it would be difficult to undertake any comprehensive development of the Malay Peninsula without first consolidating political control over it. The need for greater political and administrative control and co-ordination of the Malay states had long since been felt following Malay resistance to British rule. Malay peasant revolts in the states of Negri Sembilan (1872), Perak (1875), and Pahang (1890) had exposed the inadequacy of military force alone in dealing with popular resistance. It was after the Pahang revolt that steps were taken towards a federation (Chai, 1964: 29), including Selangor.

In 1896 the four Malay states were united to form the Federated Malay States (FMS). In 1909 the British created a Federal Council to further tighten its control over the Malay states. In the same year Britain gained control over the four northern Malay states of Kedah, Perlis, Kelantan, and Trengganu from Siam. The state of Johore was the last to come under British protection in 1914. By 1909 British hegemony was virtually established all over the Malay states of the Peninsula. This chapter examines British colonial policy in relation to plantation agriculture and discusses in some detail the formation of the proletariat.

The Beginnings of Plantation Agriculture

The British consolidation of political power paved the way for the formulation and development of a definitive plantation agricultural policy, which was predicated on the need to reduce the economy's over-dependence on tin and to recoup European capitalists' losses in the mining industry (Lim, 1977: 15). There were two prongs to the formulation of a colonial agricultural policy; one was directed at the development of large-scale plantation agriculture based on the popular myth that only Europeans could develop modern agriculture while the other prong, which was neglected for some time, was the attempt to develop peasant agriculture (Lim, 1976).¹

The main impetus for the development of plantations came from European planters who had taken the lead in plantation agriculture in older colonies by injecting capital and enterprise. It was expected that European capital and enterprise would be essential to the implementation of a plantation agricultural policy in Malaya. The formation of a

concrete policy was preceded by some successful experiments in plantation agriculture in the Straits Settlements (SS).

Sugar Plantations

Sugar, the first known plantation crop, was cultivated in Singapore, Penang, Province Wellesley, and Perak beginning in the late 1850s. Initially the industry was under the control of Chinese capitalists, but later passed into the hands of Europeans. At first, Europeans used Chinese contract labour, but when the sugar industry became highly capitalized, Indian indentured labour was utilized.

The sugar industry ran into difficulties towards the end of the nineteenth century. Apart from the problem of labour supply, increasing competition from beet sugar production in Europe and from large-scale production of sugar in Cuba and Java added to the problems of sugar planters. The decline of the sugar industry, particularly in Perak, was also a result of official British policy in the 1890s to extend *padi*-planting areas by financing irrigation schemes; this was in order to reduce rice imports.

Although European sugar planters had initially been encouraged to start new planting areas in the Krian district, this move later contradicted the official policy. In fact, the most suitable areas marked for *padi* cultivation coincided with those selected by planters for sugar-cane cultivation; these were areas such as in Krian, Matang, and Lower Perak. The restriction of sugar-cane cultivation in areas specified for *padi* cultivation culminated in the Irrigation Areas Enactment of 1899 which reserved certain areas for *padi* cultivation. Thus, by the turn of the century many planters were already experimenting with other plantation crops such as rubber and coconut. Official policy had discouraged sugar-cane cultivation but encouraged the planting of other crops on land that was less suitable for *padi*. The government also encouraged the purchase of Chinese-owned estates by Europeans (J. C. Jackson, 1968: 170, 174).

Coffee Plantations

Unlike sugar, the advent of coffee on a plantation basis in the late nineteenth century was entirely pioneered by Europeans. The successful introduction of coffee in Selangor, Negri Sembilan, Perak, and Johore was related to developments both in Malaya and in other world coffee-producing centres, notably Ceylon and Brazil (J. C. Jackson, 1968: 177). Between 1869 and 1889 the industry in Ceylon was almost destroyed by the fungus *Hemileia vastatrix*; as a result, European planters began to turn their attention to coffee cultivation in Malaya.

The initial coffee-growing ventures in the peninsula failed because of planters' ignorance of local conditions, the unsatisfactory land terms offered by the British administration, and the inadequate labour supply. Between 1870 and 1888 many prospective European planters shied away from coffee-planting, but the situation generally improved in the

late 1880s due to stable market conditions and the incentives given by the government to planters to open new estates. In 1888 Thomas Helsop Hill, a British planter, was granted a rent-free 10,000-acre agricultural concession in Kuala Kangsar district. This gesture reflected the official desire to encourage European plantations with generous incentives (J. C. Jackson, 1968: 183). The increase in the number of coffee estates in the late nineteenth century stemmed from the adoption of a colonial agricultural policy of cheap and accessible land, the provision of cheap labour from India, the transition from planting Arabian coffee to Liberian coffee that was better suited to local conditions, and the abolition of slavery in Brazil in 1888 which prompted the rise in the coffee price.

The coffee boom of the 1890s found its greatest expression in the Klang district which replaced Kuala Lumpur as the main centre of coffee growing in the peninsula. The rush for land in the Klang district, particularly between 1893 and 1894, was interpreted by the government as a sign that coffee planters no longer needed special official encouragement. Accordingly the government increased the annual rent on land planted with coffee in Klang from 25 to 50 cents per acre. It was also recommended that from 1892 onwards all agricultural land would be granted in 320-acre blocks, and that in the Klang and Kuala Selangor districts they could only be alienated after being offered for sale by public auction (J. C. Jackson, 1968: 196).

This change in policy undermined the confidence of European planters, and when coffee prices showed signs of falling in 1898 as a result of overproduction in Brazil, many lost interest in acquiring land in Klang. This so-called Klang 'fiasco' was a big set-back to the further development of coffee plantations in Klang. Notwithstanding the policy of the Selangor government, coffee planting declined generally in Malaya from the 1890s onwards. The drop in price was related to increased production in Brazil, the inability of the coffee variety grown in Malaya to compete with other good varieties grown elsewhere, the devastations wrought by pests, and the planters' lack of initiative in improving the processing and marketing aspects of the industry (J. C. Jackson, 1968: 200).

By the end of the nineteenth century planters had lost confidence in the coffee industry and many estates were either abandoned or planted with alternative crops. By this time many planters had shown a clear preference for rubber, and this move was supported by the United Planters Association (UPA). By the beginning of the twentieth century virtually all European applications for new agricultural land in the western Malay states were for the planting of crops other than coffee.

The Rubber Plantation Industry

The origin of the modern rubber plantation industry goes back to the early 1870s when Henry Wickham arranged a shipment of 70,000 seeds of *Hevea brasiliensis* from Brazil to the Kew Gardens in England.² From

Kew a large proportion of the seeds were sent to Ceylon in 1876 and planted in the Botanical Gardens. In June 1878, 22 plants were shipped to Singapore where about half of them were planted while the rest were sent on to Kuala Kangsar, Perak, where in 1880 they bore fruits. Three years later rubber specimens collected from these trees were sent to England. During this time Helsop Hill also planted some rubber for observation along roadsides on three coffee estates in Perak, Selangor, and Negri Sembilan (J. C. Jackson, 1968: 213).

In the 1880s the rising price of coffee in the world market and scepticism in official circles regarding rubber as a commercial crop discouraged many planters from growing rubber.³ However, later in the decade the world price of coffee dropped due to over-abundant supplies from Africa, thus making the fruitful results from the experiments with rubber commercially viable. With the arrival of Henry Ridley as the Director of the Singapore Botanic Gardens in 1888, the doubts regarding rubber as a commercial crop began to evaporate. Ridley wasted no time in embarking on a series of experiments to prove the potentialities of *Hevea*.

In Singapore, Ridley improved Dr Trimenin's tapping methods. But his early efforts to convince planters and officials about the potentialities of *Hevea* met with little success, as coffee then fetched a high price. By the mid-1890s the sharp drop in coffee prices combined with rising rubber prices sparked off interest in rubber as an alternative crop. Furthermore, much of the early scepticism about rubber was dispelled when the first shipment of rubber from Malaya fetched a high price of 46 pence per pound on the London market in 1899 (Radhakrishnan, 1975: 31).

During the pioneer stage, rubber was interplanted with other crops such as coffee and coconut. Only after the industry had gained some momentum were large areas of jungle alienated for the expansion of the rubber industry. Tables 2.1–2.4 give a clear picture of the expansion of the rubber industry from the late 1890s to 1940. The industry that took shape in Malaya was not a homogeneous unit; it was composed of predominantly large European-owned estates, medium and small non-European—mainly Chinese-owned—estates, and smallholdings held

TABLE 2.1
FMS: Rubber Acreage, 1897–1904

Year	Acres
1897	345
1898	1,761
1899	3,227
1900	4,693
1901	5,965
1902	7,239
1903	11,239
1904	19,239

Source: J. C. Jackson (1968: 226).

TABLE 2.2
FMS: Rubber Acreage, 1905–1908

State	1905	1906	1907	1908
Selangor	25,758	44,821	61,552	82,246
Perak	11,934	29,612	46,167	56,706
Negri Sembilan	5,718	10,663	17,656	27,305
Pahang	15	483	860	1,991
Total	43,425	85,579	126,235	168,248

Source: J. C. Jackson (1968: 229).

TABLE 2.3
Malaya: Rubber Acreage, 1910–1918 ('000)

	1910	1912	1914	1916	1918
FMS	245.7	399.1	470.0	543.70	672.10
SS	114.6	173.7	207.7	292.80	308.10
Johore	43.5	91.8	121.5	136.70	164.20
Kelantan	5.4	34.8	16.5	69.70	80.30
Trengganu	n.a.	1.5	1.8	3.00	5.10
Kedah	20.0	n.a.	59.8	67.70	75.40
Perak	n.a.	n.a.	n.a.	0.36	0.75
Total	429.2	700.9	877.3	1,113.96	1,306.75

Source: Computed from Drabble (1973: 76, 93, 117, 133).

TABLE 2.4
Malaya: Rubber Acreage, 1922–1940 ('000)

Year	Estates	Smallholdings	Total
1922	1,410	918	2,328
1924	1,455	952	2,407
1926	1,523	992	2,515
1928	1,696	1,014	2,710
1930	1,876	1,173	3,049
1932	1,939	1,276	3,215
1934	2,010	1,272	3,282
1936	2,015	1,205	3,220
1938	2,626	1,254	3,880
1940	2,113	1,351	3,464

Source: Radhakrishnan (1975: 32).

by the peasantry. In 1921 one-fifth of the total estate acreage in Malaya was Chinese-owned, the average size of estates being about 400–500 acres (J. C. Jackson, 1968: 266). Capital in these estates was mainly derived from family business ventures in tin mining and other

commercial pursuits. Chinese ownership of estates was mainly in Johore, Malacca, and Kedah.

The presence of peasant smallholdings was another conspicuous feature of the rubber industry in Malaya. In 1940, as Table 2.4 indicates, rubber smallholdings constituted about 39 per cent of the total rubber acreage in Malaya. In 1970 estate acreage only made up about 1,598,000 acres, about 37 per cent of the total; whereas smallholdings covered the remaining 2,677,000 acres (Radhakrishnan, 1975: 54).

The success of rubber as a commercial crop in the early nineteenth century was not lost upon the peasantry. In the early period peasants were unable to cultivate rubber vigorously because of official hostility. The lack of credit facilities, the restrictions imposed on cultivation, the closure of land office books to peasant rubber land applications, and the passage of certain laws hindered the expansion of peasant smallholdings.⁴ In 1926 only about 55,000 acres of land were granted to the peasantry compared with 174,000 acres to the estates (Hua, 1982: 38). The most blatant form of discrimination against the peasantry was the introduction of restriction schemes to protect large plantations during slump periods.

The tremendous expansion of the rubber industry in colonial Malaya in the early twentieth century was a result of the interplay of a number of factors which influenced world demand. Although rubber had been in use for a few millennia, since as far back as the Aztec days in Mexico, its commercial value was only realized in the late nineteenth century. The use of rubber for commercial purposes was precipitated by a series of scientific experiments and discoveries.⁵ The work of Charles Goodyear and Thomas Hancock made possible the manufacture of elastic, pliable, and durable rubber products which were insoluble in common oils, no longer sticky, and unaffected by temperatures.

The London exhibition of 1851 displayed many items that could be made from rubber. The most important invention of that century was the pneumatic tyre by John Dunlop in 1888. This invention, among others, was the major catalyst for the growth of the natural rubber industry. In 1900 about 45,000 tons of rubber, mainly from Brazil, were exported to the United States and Europe (Barlow, 1978: 16). The big demand for rubber from these two regions and the relatively high price coincided with the search by the British government for suitable agricultural crops. Rubber was introduced in Malaya in this context.

Between 1900 and 1905 the United States consumed about 40 per cent of world rubber production, while the United Kingdom and Germany together used a further 35 per cent. The high US consumption was reflected in the production of passenger cars which went up from 4,192 in 1900 to 24,250 in 1905. In 1900 the price of rubber was 4 shillings and 3 pence per pound. In 1905 it rose to 6 shillings and 3 pence per pound. Until 1913 rubber exports from Malaya were below those of South America, but by 1914 it exceeded the South American figure by nearly 6,000 tons. Wild rubber production, which accounted for 30 per cent of world production in 1915, fell to 16 per cent in 1918. In the same year exports of rubber from Malaya amounted to about

TABLE 2.5
Average Price of Malayan Rubber on London Market, 1906–1940
(pence/lb)

<i>Year</i>	<i>Price</i>
1906	71
1908	53
1910	105
1912	57
1914	28
1916	34
1918	27
1920	23
1922	9
1924	21
1926	24
1928	11
1930	6
1932	2
1934	6
1936	8
1938	7
1940	24

Source: Radhakrishnan (1975: 32).

50 per cent of the world's total consumption (Drabble, 1973: 29, 30, 106, 130). Table 2.5 indicates the prices which Malayan rubber fetched between 1906 and 1940 in the London market.

The international demand for rubber, particularly from the United States, enabled the Malayan rubber industry to expand. Rubber prices were not always consistent and fell during the Depression of the 1920s and 1930s. Price depression and lack of demand were dealt with through the imposition of restriction schemes by the colonial state.

The Role of the Colonial State

The colonial state was an important factor in the development of the Malayan rubber industry. It is inconceivable that the industry could have developed in such a rapid and unhindered manner without state protection and patronage. The real stimulus came when the state itself officially promoted agricultural growth so as to reduce its dependence on tin production.

Apart from encouraging the flow of capital the state took a number of other concrete steps to further promote the industry, the most important of which was the liberal land concessions made to European concerns. Land regulations had been introduced in the western Malay states during the time of coffee cultivation, and when rubber planting gained momentum after 1900, special land regulations were introduced in the FMS. By 1900 no new lands were granted to Chinese gambier or

tapioca planters unless they agreed to plant some permanent crops. In 1904, through the application of the 'alang clause', the state confiscated large stretches of abandoned land belonging to Chinese shifting cultivators (J. C. Jackson, 1968: 235). Moreover, under the new regulations, Europeans could acquire virgin lands on attractive terms.

Under the Federal Land Code drawn up in 1896, 640 acres were deemed sufficient for an estate under European control. Anyone wishing to take up more land had to obtain the approval of the Resident-General subject to special conditions. Agricultural lands below 100 acres in size were subject to forfeiture if left uncultivated for three years, even if the rent was paid. Despite the general regulations concerning land alienation, land terms offered to proprietary planters were, none the less, liberal and generous. Lim (1976: 84, 89) notes that the state was unable 'to prevent the subordination of its interests to the desirability of attracting capitalist planters'. He argues that agricultural land was offered to European planters rent free for the first 25 years on a 90-year lease. The most alarming revelation was the disclosure that about 28,000 acres were granted in leases of 999 years. The liberal state concessions failed to achieve their objective; senior colonial officials like Swettenham regretted that they were insufficient to attract European capital.

The state also gave priority to Europeans in the alienation of land with road frontages. In 1904 a deputation from the Planters Association of Malaya (PAM) was assured by the High Commissioner that future alienation of lands with road frontage would be made in favour of Europeans. In 1905 an order was issued to all district officers that no land abutting on a government road 'was to be alienated to a native without the previous sanction of the Resident' (J. C. Jackson, 1968: 237).

The state was aware that mere provision of land was not enough to hasten the flow of capital into the plantation industry. Good lines of communication had to be established to push plantation agriculture into new areas. By 1900 railway lines had been established, connecting such places as the Kinta valley, the interior of Selangor, and Seremban with coastal towns like Teluk Anson and Port Dickson. By July 1903 rail connections between Prai and Seremban had been opened. In 1909 work on the Johore railway was completed. By this time the state had spent a total of \$46 million on railway development in Malaya (J. C. Jackson, 1968: 236).

The state also created a special loan fund to boost the expansion of the plantation industry. At the request of the United Planting Association of Malaya (UPAM) in 1904 the state authorized a loan fund of \$0.5 million as capital to be lent out to bona fide planter applicants at 6 per cent interest. By the end of 1904, 11 applications for a total of \$149,350 had been received. Although participation in this scheme was unenthusiastic, the UPAM none the less considered the scheme a great stimulus to an increase in the planted acreage (Drabble, 1973: 39). By early 1908 the amount loaned out had been raised to \$1.5 million. But in the next two years to 1910 very few applications were received, an indication of the change in the organization of capital from proprietary ownership to corporate control of the system.

The colonial state was a good ally of capital. During the boom period the state allowed or facilitated the unlimited expansion of the rubber industry. In difficult times the state came to the aid of the plantation industry as can be seen in the restriction schemes that were introduced in 1922 (the Stevenson Restriction Scheme) and 1934 (International Rubber Regulation Agreement).

Plantation agriculture in Malaya moved from a speculative, pioneer stage to dependence upon a single crop in 1908. From 1908 to 1917, except for a temporary price set-back in 1913-14, the rubber industry enjoyed unlimited expansion partly in response to increased demand due to World War I. Many new estates were formed and thousands of acres of land were alienated. This expansion saw the absorption of small companies by big ones and the emergence of overcapitalized European companies (that is, they had paid too much for their land).

By 1917, however, rubber production in Malaya began experiencing difficulties. The price of rubber had risen in 1918 but by 1920 a severe depression had set in, resulting in the curtailment of production and the repatriation of labour. The depression, which lasted until 1925, also affected smallholders and Chinese investors who had borrowed extensively to finance development (Barlow, 1978: 56). It also gave rise to fears that the Americans might take over the rubber industry. It was in this context that the Rubber Growers Association (RGA) urged the state to impose controls on rubber production so as to raise prices.⁶ In October 1921 the Stevenson Committee, appointed by the British Parliament, recommended that compulsory restrictions be imposed only if the Netherlands East Indies (NEI) participated in the scheme. The NEI government refused, but in a surprise move the committee none the less pushed the scheme forward, and it took effect in 1922.⁷

Under the Stevenson Restriction Scheme exports were limited to a stipulated percentage of the 'standard output' for the year ending October 1920—a year judged to be normal. The exportable percentage was initially fixed at 60 per cent and this was adjusted whenever the price moved outside the pivotal price range (Barlow, 1978: 56). It did not restrict new planting or replanting but only the alienation of new land.

By 1925 the price of rubber rose again and the export of rubber from Malaya was unable to keep pace with world demand. During this period NEI production increased from 103,000 to 228,000 tons, whereas exports from Malaya went up only from 212,000 to 294,000 tons (Allen and Donnithorne, 1954: 34). When it was realized that the scheme was clumsy, the rubber economy was once again placed in the arena of competition in November 1928. With the end of restrictions, a great surge in exports followed, the largest portion coming from the smallholders. On 29 October 1929 the world market for rubber collapsed and there was no recovery until 1933. In the face of this decline in price, most estates managed to recover their costs by wholesale dismissals, cuts in wages, curtailment of maintenance, and selective tapping.

The collapse in 1929 once again convinced rubber companies that compulsory restrictions were necessary to control production. After

much negotiation the International Rubber Regulation Agreement came into effect in June 1934 with the approval of Britain, the Netherlands, India, France, and Siam, who together controlled over 98 per cent of rubber acreage. Under the agreement the participants agreed to allocate production quotas to each country based on average exports over the years 1929–32 (Allen and Donnithorne, 1954: 125; Barlow, 1978: 73). The scheme was administered by the International Rubber Regulation Committee based in London. This agreement lasted until 1938, when it was renewed for another four years.

The two schemes were clear manifestations of the commitment of the state to protect the plantation industry during slump periods. The schemes sought through legislation to restrict the output of rubber so as to raise prices and maintain its competitiveness in the world market. Under the schemes output was restricted by the levy of production quotas. The imposition of quotas was due to the powerful lobbying by plantation-based companies and their representatives in London. In fact, one wonders whether these schemes would have been introduced had it not been for the role and influence of the RGA, a powerful body representing Malayan plantation interests in London.

Given the plantation bias of these schemes, smallholdings became the target of discrimination. One clear manifestation of this bias was in the assessment of plantation and smallholding rubber production. The productive capacity of smallholdings was under-assessed. When the scheme was implemented, the Malayan authorities, lacking the necessary data on smallholding production, fixed their production quota at 320 pounds per acre per annum. This under-assessment was a big blow to thousands of smallholders, who ventilated their grievances in riots and demonstrations. Eventually peasant dissatisfaction forced the authorities to set up a committee to review the smallholding quota, which was finally raised to 426 pounds per acre per annum.⁸

The introduction of the second scheme in 1934 did not represent any major improvement. Like its predecessor, this scheme discriminated against smallholders. Smallholding rubber production was underestimated by the authorities, who favoured European plantations. While European estates were assessed without proper investigation, smallholding inspection was carried out rather arbitrarily. At the end of 1935 smallholdings under *belukar*⁹ (secondary forest) were disregarded in the total smallholding acreage, thus reducing the latter by 100,000 acres (Bauer, 1948: 94).

The under-assessment of smallholding production capacity caused a big financial loss to the smallholders. Lim (1977: 150) estimates that the smallholding sector suffered an under-assessment of 180 pounds per mature acre during the term of the Stevenson Scheme. Since the mature area of smallholdings in the FMS was approximately 350,000 acres and rubber was valued at 49 cents per pound, the cost to the peasants would have been about \$173 million between 1922 and 1930. Under the International Rubber Regulation Agreement, Bauer (1948: 99) estimates that between 1934 and 1940 smallholders lost about \$85 million.

The two schemes basically aimed to protect the European planta-

tion industry. The discrimination against smallholders can be attributed partly to the realization by plantation interests that competition from smallholdings might threaten their own prospects. Sir Andrew McFadyean, a member of the International Rubber Regulation Committee of 1934–8, lent credence to this view in 1936 that 'one of the primary objects of the Rubber Control Schemes was to protect European capital in plantation companies in Malaya, Borneo, and the Netherlands East Indies from competition arising from the production of rubber by the natives' (Barlow, 1978: 72).

The Organization of Plantation Capital

The level of organization of plantation capital was an important element in the consolidation of the plantation system in Malaya. By the early twentieth century proprietary ownership in the rubber industry was exposed as inadequate for the expansion and growth of the industry. The system was highly vulnerable to price fluctuations and most importantly was unable to raise capital for expansion. The proprietary system was also at a distinct disadvantage in bringing inputs like consultation and expertise into an industry that was becoming increasingly complex. The solution to this increasing complexity was the entry of public limited companies floated by merchant houses in Singapore and other parts of Asia.

The transition from proprietary to corporate ownership entailed alterations in the ownership, management, and scale of operation patterns.¹⁰ In normal circumstances it was on the initiative of a local planter that an agency house undertook to float a rubber company in London, selling its shares in the stock market there. Given the reputation of the agency house, there was no problem in selling the shares and attracting the capital necessary to begin operations in the colonies.

Once a company was set up the agency house was entrusted with the managerial and supervisory functions of the rubber estates. The secretarial functions were either entrusted to a firm in London or to the agency house itself.¹¹ The main task of the secretarial firm was to keep registers, arrange directors' meetings, and carry out the legal obligations of the company, while the task of the managing agent was to administer the estate and organize sales of the produce. It was customary for a director of the agency house or managing agency firm to sit on the board of the estate company. Given the key position of the agency firm in the plantation industry, it was common for other business deals to come its way, such as acting as agents for shipping and insurance as well as importing overseas manufactures (Allen and Donnithorne, 1954: 53).

By the turn of the century agency houses came to be regarded as the main instrument of capital penetration in the rubber industry. Agency houses such as Guthries, Boustead & Co., and Harrisons & Crosfield were considered pioneers in the development of corporate control of the industry. Apart from attracting capital agency houses forged links between plantations in Malaya and investors abroad. The presence of agency houses with their superior organization and experience gave

Western investors the confidence to finance the expansion of the industry.

This change in ownership systems resulted in the monopolistic control of the rubber industry by a select group of people in England through a system of interlocking directorships with certain key personnel in agency houses. During 1914–15 a total of 1,100 persons served as directors in 479 Western companies in South-East Asia. About half the directorships were in Malaya where about 73.0 per cent were held by the British, whereas Dutch and French/Belgian nationals held only 13.6 and 11.0 per cent respectively in South-East Asia (Voon, 1976: 150).

According to Puthuchear (1974: 26–8), in 1953 Europeans controlled about 83 per cent of the rubber industry, whereas Chinese and Indian control amounted to only about 14 and 3 per cent respectively. Furthermore, 75 per cent of the European estate acreage was under the domination of agency houses and only about 25 per cent of the acreage was not owned by public limited companies. It was estimated that about 20 agency firms controlled the industry and the largest 5 were Harrisons & Crosfield, Boustead-Buttery, Guthries, R. E. A.-Cumberbatch, and Sime Darby. Although the number of directorships was large, control was highly concentrated in the hands of a small group of directors. As pointed out by Voon, 77 directors (7 per cent of the total) controlled 30 per cent of all directorships, and each held 5–22 directorships.¹²

The monopolistic control of the plantations also meant that control of the industry was tied up with control by agency houses. More often than not, matters pertaining to the rubber industry were dealt with by agency houses rather than the company (board of directors). By delegating their work to agency firms, company directors enhanced the role and power of these firms, giving them a strong say on how plantations were run. Men on the spot—estate managers—had little influence in the actual running of the plantations. From the agency firms' viewpoint, estates were simply customers for the goods of the agency firms. Such exclusive control by agency firms does give some indication as to why labour conditions were in such an unhealthy state of affairs, as labour welfare was often sacrificed in the pursuit of profits.

Agency houses were by no means the only factor responsible for the development of the rubber industry, as there were important groups of estates created independently of the Singapore merchant houses. One was the Duff Development Company, which leased about 3,000 square miles of land from the Sultan of Kelantan. In 1906 the company began planting rubber. While the great bulk of capital and enterprise came from Britain, the activities of other Western nationals in plantation agriculture were quite notable, especially the Franco-Belgian Société Financière de Caoutchouc (Socfin) which also acquired properties in Indonesia and Indo-China (Allen and Donnithorne, 1954: 114). There was also an important group of estates financed by investors in Shanghai. In the companies that were floated locally, Chinese capital played an important role. At the same time some manufacturing concerns eager to control raw material supplies began to acquire some estates. By 1915 the Dunlop Rubber Company had acquired a number

of estates, and the United States Rubber Company through its Malayan subsidiary, American Plantations, had also opened up plantations.

The Formation of the Plantation Proletariat

By the late nineteenth century it was realized that an adequate labour force was essential to the development of plantation agriculture, a need made all the more urgent as rubber became an increasingly lucrative crop. Initially European planters experimented with local Malay labour, but concluded that the native Malays had an aversion to work on plantations. They therefore had no alternative but to turn to Indonesia, China, and India for their labour supply. The so-called Malay aversion to plantation work did not mean that they had an aversion towards wage labour. The Malays did not object to wage labour, but rather to the working conditions in the plantations. Given the oppressive conditions in the plantations—a regimented life, monotonous work, low wages, and a high mortality rate—Malays were reluctant to leave the peasant sector. De Silva (1982: Chapter 9) states that Sinhalese peasants did not join the plantation work-force precisely because of the nature of the plantation system. The Sinhalese had no aversion or dislike for wage labour; on the contrary he argues that they had readily responded to wage labour even before the British established plantations in Ceylon.

Having found difficulty in recruiting local Malays, European planters turned to the recruitment of Javanese, Chinese, and Indians. At first it was felt that the Javanese would be quite suitable for plantation work; moreover, they would blend easily with the local Malay population. A labour commission set up in 1910 recommended that 'every reasonable measure should be taken to encourage the importation of Javanese labour' (FMS, 1910). The NEI government, however, was not sympathetic because of their own need for labour in the outer islands such as Sumatra. Nevertheless, there was a small flow of Javanese into the SS and FMS on the initiative of certain European firms in Java using native recruiters. In 1920, 8,918 Javanese labourers were working on 3-year contracts in the FMS, distributed as follows: Perak (2,361), Selangor (2,186), Negri Sembilan (1,383), and Pahang (2, 988) (R. N. Jackson, 1961: 127, 131).

Chinese Labour

European sugar planters had primarily relied on indentured Indian labourers to work in their plantations. But with the rapid expansion of the rubber industry in the late nineteenth century and certain restrictions imposed by the Indian government on emigration of Indians, labour supply to Malaya proved to be uncertain. In order to circumvent this problem the PAM contemplated alternative sources of labour supply.

In February 1910 the PAM appointed a committee to consider the feasibility of establishing a bureau in South China to recruit Chinese labourers. The committee was to some extent influenced by private European firms that supplied Chinese indentured labourers to plantations.

However, not all PAM members felt that recruitment of Chinese labour should be left to private initiative. They were of the view that the government should take the responsibility in recruiting Chinese labourers. As a result of the pressure exerted by the PAM, the FMS government appointed the Par Commission to investigate the conditions of indentured labourers. It recommended that the government apply the *kangani* system of recruitment to the Chinese (Parmer, 1960: 79–80, 90). In June the FMS government sought the permission of the Secretary of State for the Colonies and the Governor of Hong Kong to establish an agency in Hong Kong to facilitate the recruitment of Chinese labour. But the plan was vetoed by the authorities in London for fear that such recruitment might give rise to much abuse.

Colonial officials, particularly those in London, were reluctant to sanction the official recruitment of Chinese labourers for a number of reasons. First, since there was a considerable number of Chinese in Malaya, further immigration would only complicate the racial make-up of the country. Second, given the abusive nature of labour recruitment under the indenture system, official promotion of immigration utilizing this system would certainly run counter to public opinion in England. Third, colonial officials were only too aware of Chinese involvement in secret societies in the SS and their potential for destabilizing the political situation. Under these circumstances the enhancement of the South Indian immigration machinery became top priority.

Despite official reluctance to recruit Chinese labourers, there was still a considerable flow of Chinese into Malaya. Indeed, Chinese immigration to Malaya, which began in the late eighteenth century, was only checked with the passage of the Aliens' Ordinance in January 1933 in the SS and the FMS. The beginning of Chinese immigration to Malaya was related to the British occupation of Penang, Malacca, and Singapore in the late eighteenth and early nineteenth centuries, and its subsequent expansion into the Malay states in the late nineteenth century. The development of the tin mining industry, associated with certain technological advances like the introduction of the steam engine and the railway, necessitated labourers. In 1898, with the boom in tin, there was a rapid increase in wages which further stimulated the flow of Chinese into Malaya. In 1901 the Chinese formed 25 and 46 per cent of the total population of Selangor and Perak respectively. Although tin mining absorbed the bulk of Chinese labourers, the cultivation of pepper, gambier, sugar-cane, tapioca, and, in the late nineteenth century, rubber took a considerable portion of Chinese labourers. In 1911, 25 per cent of the estate population was Chinese, and in 1931, 35 per cent of estate labourers in the FMS were Chinese (Blythe, 1947: 66, 68).

In the beginning when there was not much demand for labour, Chinese immigrants usually paid their passage to Singapore or Penang, and on arrival were regarded as free labourers. When the demand for labour grew, Chinese immigrants, unable to pay their fares, became indebted to brokers or organizations involved in the transportation of immigrants to Malaya. Out of this situation emerged what was termed the credit ticket system or an indenture system of labour recruitment

and control. Under this system brokers in China working in close league with their counterparts in Singapore undertook to meet the expenses of bringing labourers to Singapore. Once in Singapore immigrants were kept in lodging-houses until they were purchased by contractors or employers. The labourers were then required to work for their employers until they had discharged their debts. Labourers recruited under this system were known as 'Chue Tsai' or 'piglets' and the persons involved in the importation of immigrants were known as 'Chue Tsai Thau' or 'heads of piglets' (Blythe, 1947: 69).

The method of recruitment of Chinese immigrants through brokers and lodging-houses left much to be desired. Brokers in China often enticed unsuspecting men to emigrate by telling wonderful stories about wealth to be gained in far-off places. Because of the lucrative nature of the business, desperate brokers out for quick profit got these unsuspecting men indebted to gambling-houses. Those who fell into the trap had no choice but to emigrate to pay off their debts (Blythe, 1947: 69). The situation in the workplaces was no better; immigrants had to work very hard to discharge their debts to employers. To become free labourers was not a simple matter especially when unscrupulous employers or contractors found ways and means to further enslave their labourers by selling opium to them (Parmer, 1960: 101).

European employment of Chinese labourers in plantations goes as far back as the 1890s. Chinese labourers were either directly or indirectly recruited from the lodging-houses. After the abolition of the indenture system in 1914 European planters obtained Chinese labourers through the headman or *kepala* method of recruitment. Employment through contractors became much more of a dominant feature by 1920 (Parmer, 1960: 100).

As argued by Parmer (1960: 101), the contract system of employment in Malaya was a Chinese innovation whereby European planters held their labourers through Chinese contractors. European managers paid these contractors to do a certain amount of work; the latter hired Chinese labourers, paid their wages, and supplied their provisions, food, and housing. For all intents and purposes, Chinese contractors—not the Europeans—were the employers of Chinese labourers. Linguistic, family, and village ties facilitated their 'employment' of labourers and explain why Chinese labourers worked under contractors and not directly under Europeans, even though they knew that the contract system had obvious disadvantages. Table 2.6 shows the number of Chinese labourers in FMS estates between 1912 and 1920.

Until 1933 there were no restrictions placed on the flow of Chinese to Malaya. The laws introduced before this period aimed to regulate the flow of Chinese labour and to check the gross abuses inherent in the recruiting system. As early as 1873 a law (Ordinance X) was introduced in Singapore to regulate immigration, but was never implemented. In March 1877 a Chinese Immigration Ordinance (No. IV of 1877) provided for the appointment of a Protector of Chinese in Singapore and an Assistant Protector in Penang. In 1880 another ordinance (No. IV of 1880) containing improvements over the earlier one was passed. This

TABLE 2.6
FMS: Number of Chinese Estate Labourers, 1912–1920

Year	Perak	Selangor	Negri Sembilan	Pahang
1912	5,177	6,256	9,699	307
1914	4,085	5,441	12,829	1,645
1916	7,952	10,286	22,261	2,332
1918	6,148	10,218	27,536	2,470
1920	7,705	7,561	22,254	3,346

Source: R. N. Jackson (1961: 156).

ordinance provided for the release of immigrants who had paid for their passage themselves and required those who had not paid for their passage to be placed in government depots for a certain period of time (Blythe, 1947: 74–7).

In the following years the machinery for the protection of Chinese labourers was extended throughout the FMS. Chinese Protectorate Offices were opened in Perak in 1883, Selangor in 1890, Malacca in 1911, Negri Sembilan in 1914, Kedah in 1923, Johore in 1927, and Pahang in 1938. Although each state passed its own laws in regard to labour matters, in 1904 they were consolidated into three main enactments: the Labour Enactment (General); the Labour Enactment (Chinese Mining); and the Labour Enactment (Chinese Agricultural). In November 1910 seven bills containing amendments to labour laws made necessary by the expansion of the rubber industry were passed in the Federal Council. It was from this series of legislation that the Labour Code of 1912 emerged (Blythe, 1947: 74–7, 93–7).

No restrictions were imposed on the inflow and outflow of Chinese immigrants even after the indenture system was abolished. The first attempt to regulate the flow was undertaken in the SS by the passage of the Immigration Restriction Ordinance in 1928 (Parmer, 1960: 93). The ordinance empowered the Governor to regulate or prohibit immigration under emergency conditions. Although general in nature, it was none the less enacted with Chinese immigration in mind. The ordinance was opposed by employers who argued that it might reduce the labour supply and give rise to high wages and strikes. The ordinance turned out to be less than effective for it could only be resorted to during certain emergencies. Moreover, it had no control over immigrants once they landed.

The 1928 ordinance gave way to the Straits Settlements Aliens' Ordinance on 1 January 1933. Its objective was 'to regulate the admission of aliens in accordance with the political, social and economic needs for the moment of the various administrations in Malaya' (Parmer, 1960: 93). This ordinance, subsequently duplicated in the FMS and Unfederated Malay States (UMS), gave the government broad powers to register, control, and deport aliens from Malaya. An alien under this legislation referred to the Chinese and Indonesians; Indians were excluded

from the definition. From this date onwards immigration quotas were fixed for the entry of Chinese males; quotas were not fixed for females until 1938.

South Indian Labour

The use of indentured labour had become popular when slavery was abolished in the British territories in 1833–4. As a result, many planters turned to India to fill the gap. Recruitment was based on a labourer entering into an agreement with an employer to work for a stipulated period of time to discharge his debts that were incurred during his journey to the place of work. Theoretically once the labourer had paid his debts, he would become a free man. In practice this seldom happened as employers faced with labour shortages almost always found ways to re-indenture a labourer. Tinker (1974: 19) calls it a 'new system of slavery':

The legacy of Negro slavery in the Caribbean and the Mascareness was a new system of slavery, which induced in the Indians many of the responses of their African brothers in bondage. For ninety years after emancipation, sugar planters and sugar workers—to be followed by others involved in other kinds of plantation culture—worked out the inheritance of slavery.

South Indian immigration to Penang and Province Wellesley could very well have predated 1833. Labourers from South India came to work in the European-owned sugar and coconut plantations. Indentured labourers were also used to some extent in road and railway projects. Until 1857 the Indian government took little interest in the matter. However, because of overcrowding in ships, the government passed laws in 1857 and 1859 regulating the flow of immigration. As a result, recruiting became expensive and the length of contract was increased from 18 months to 2 years (R. N. Jackson, 1961: 50).

There was a general consensus that South Indian Tamils would be ideal for plantation work (Plates 1a–b). South Indian labour especially of the lower caste had all the 'right' qualities such as docility, submissiveness, malleability, and little self-reliance. Sandhu (1969: 57) remarked that 'the relegation of these classes to the levels of animals in a caste-ridden society naturally tended to deprive them of initiative and self-respect, and made them a cringingly servile group'. The preference for Tamil labourers was conditioned by the fact that many European planters had used Tamil labour in Ceylon and firmly believed them to be 'the mainstay of the planters'.

Tamils were also desirable from a political angle—as a counterbalance to the growing Chinese population. As early as 1887 Sir Frederick Weld, a senior colonial official, recommended migration from India 'because the Indians are a peaceable and easily governed race'. 'It is advisable,' said Weld, 'that, in a country like this, the preponderance of any one Eastern nationality should not be excessive' (Stenson, 1980: 16).

The supply of labour from South India was also facilitated by proximity to India, British rule in India, and the presence of a huge surplus of

labour in South India—the product of British imperialism. Without the impoverishment of the poor peasant and artisan classes, South India could never have become the recruiting ground for labour. The establishment of British supremacy foreshadowed the disruption of the old union of agriculture and industry and thus contributed to the destruction of Indian small-scale manufacturing and native industries, resulting in millions of workers falling back on traditional agriculture for subsistence. The increased pressure on land led to subdivisions and over-cultivation, and also to the propensity to accept tenancies at uneconomic and exorbitant rates (Bipan, 1966: 60). The *ryotwari* land tenancy system introduced in the Madras presidency in the nineteenth century and the exorbitant land assessments imposed by the colonial state caused untold suffering among peasants. To ease the economic burden many peasants either became indebted or sold their land to the landlords. It has been estimated that in 1891 there were about one million farm labourers in Madras, rising to three million by 1921 (Sandhu, 1969: 40).

Mass Recruitment of Indian Labour

During the early stage of labour recruitment a 'joint and several' type of contract system was imposed on labourers. Under this notorious system a gang of workers signed a contract whereby each of them became liable for the default of any of the others.¹³ This type of contract was enforceable under the Indian Act No. XIII of 1859—an Act which provided for the punishment of breaches of contract. When the SS was separated from British India, emigration to the former was curtailed as it was illegal for Indians to migrate outside India. Emigration to the SS and to other parts of Malaya was only renewed in 1872 after certain conditions were imposed by the Indian government.¹⁴ The final immigration arrangements were contained in the Straits Settlements Ordinance No. 1, also known as the Indian Immigrants Protection Ordinance of 1876 or the Indian Act No. 5 of 1877.

The Straits Settlements Ordinance involved immigrant labourers who arrived in the colony to work. The ordinance set out the principal aspects of the contract: that the immigrant agreed to work in the estate for a number of years, and to repay the employer the sums expended on his behalf, while the employer agreed to provide the necessary funds for the voyage and to pay a labourer monthly wages at 12 cents per day, not to deduct more than \$1 in any one month in repayment of advances, and to supply rice and other prescribed items at the proper prices, deducting the cost from the wages.

Complementing the above provisions were others such as: no immigrant was to work for more than six days a week, or more than ten hours in a day, or more than six hours without a break; a magistrate could cancel the contract at the immigrant's request if the wages were in arrears for over four months, or if the employer was convicted of maltreatment; an immigrant, absenting or neglecting or refusing to

labour, lost the wages during his absence and forfeited 50 cents for each day absent, and if absent more than seven days, could be sentenced to rigorous imprisonment for 14 days; and rigorous punishment was to be meted out for disobedience and desertions (R. N. Jackson, 1961: 61–2).

In 1881 the Indian government, after many complaints from Straits officials and planters,¹⁵ repealed the 1877 law, thereby removing all restrictions on emigration. In 1884 a new law, the Indian Immigration Ordinance, was passed in the SS to replace the 1876 law. Under the new law an Indian labourer could not sign any contract until he arrived in the SS. This ordinance was left under the general supervision of the Indian Immigration Agent at his office in Penang (R. N. Jackson, 1961: 69).

From 1884 onwards the Malayan authorities took a number of concrete measures to increase the flow of labour from India. It was felt that the labour shortage in Malaya was due mainly to two factors: competition for labour from countries like Ceylon and Burma; and the monopolization of labour recruitment from South India by a few private firms. Thus, following the Indian Immigration Ordinance of 1884, the SS government took two important steps to facilitate the flow of labour. One was the granting of a subsidy to the line of steamers owned by the British India Steam Navigation Company so that cheaper fares would stimulate emigration. The steamers owned by this company had good accommodation and carried government inspectors to oversee the welfare of labourers during the voyage. The other was the opening of a depot at Negapatam with a medical officer to ensure that outward-bound labourers were in good health.

In 1890 the SS government appointed a commission of enquiry with the aim of encouraging immigration. It pointed out that the indenture system of labour recruitment was not suitable as it had a number of defects. It recommended that the Malayan government set up proper machinery for recruitment and that conditions in the FMS should be made more attractive (SS, 1890). By the time the commission concluded its report and made its recommendations, a number of plantations in Perak and Selangor, particularly those growing rubber, were using labourers recruited under the *kangani* system.

The commission's report reflected the views of European planters, especially those engaged in coffee and rubber growing. Its criticism of the indenture system was basically economic; hardly any attention was given to its social implications for labourers. Furthermore, it dismissed complaints of harsh treatment of labourers by employers and completely exonerated European employers of any wrongdoing: 'We have no doubt that Indian immigrants are practically free from physical ill-treatment on the part of managers or responsible assistants' (SS, 1890).

A second commission set up in 1910 to inquire into the conditions of indentured labour with the aim of facilitating the flow of Chinese and Javanese labourers also came to the conclusion that the indenture system was unsuitable. Unlike the previous commission this commission recorded instances of ill-treatment of indentured labour by European

employers. It recommended that the indenture system be abolished and the *kangani* system be instituted to bring in Javanese and Chinese labourers.

The indenture system in Malaya was an oppressive system of labour recruitment that exploited and caused misery to labourers. Wages were exceedingly low, and more importantly labourers caught in the system were almost reduced to slaves. Severe punishment or iron discipline was meted out for the slightest infringement of the law. Labourers resented the conditions and many fell sick and died or deserted their place of employment (R. N. Jackson, 1961: 66–7). The mortality rate was high; according to Sandhu (1969: 85), they ‘appear to have literally died like flies’, the death-rate among new arrivals being as high as 80–90 per cent.

In the late nineteenth century the rise of Indian nationalism helped to publicize the plight of Indian indentured labourers in places like Malaya and the West Indies. Around the same time in Malaya employers in coffee and rubber estates blamed the system for obstructing the free flow of labour. In England the campaign by societies like the Anti-Slavery Society and the Anti-Corn Law League helped to mobilize public opinion against the system.¹⁶

As demands for free Indian labour became more strident, colonial officials in Malaya requested that planters adopt a system of immigration that would provide free passage for labourers. On 10 March 1910 the indenture system was officially replaced with the *kangani* system. The motivating factor behind the transition to the *kangani* system was economic. The cost factor and the problem of inadequate labour supply made it necessary for planters to adopt the *kangani* method of labour recruitment. The system was not introduced suddenly for it had evolved from the late 1860s and became prominent during the coffee boom in the 1880s and 1890s.¹⁷

An Indian Immigration Committee (IIC), established in 1907 to devise a comprehensive scheme to import labour, served to complement the *kangani* system. It was composed of three government officers and five European planters, all appointed by the Governor acting as the High Commissioner of the FMS. Under its purview the Tamil Immigration Fund was set up to finance the importation of labour. The contributions to the fund came from government assessments on the number of days worked by all Indian labourers as well as a poll tax paid by employers. Employers who refused to contribute could be fined and their labour recruitment licences withdrawn. The objections to the fund stemmed mainly from the RGA in London, which was not consulted in the appointment of planters to the IIC. The establishment of the IIC and the fund was a tremendous boost to labour recruitment under the *kangani* system. In 1911 the Labour Department was created to oversee labour matters, and the Controller of Labour became the Chairman of the IIC. In the 1920s, as a result of the pressure exerted by the Indian government, two Indian nationals were appointed to the IIC.

In the *kangani* system an employer who needed labourers obtained a *kangani* licence form (from the Labour Department) where he would enter the name of the *kangani* (estate foreman), the maximum number

of labourers to be recruited, the wage rate of a labourer, and the amount of commission due to the *kangani*. The *kangani* would then proceed to Penang where the Deputy Controller of Labour would issue him a licence after having ascertained the correctness of the particulars in the form.

Once in India the *kangani*'s licence would be endorsed by the Malayan Immigration Commission at Avadi or Negapatam. He then contacted the relevant European agent of his employer for some advance money as recruiting expenses. Once the recruiting was complete he would also obtain his commission. The agent would later bill the employer for the services rendered. The *kangani* would then proceed to his village—the most popular recruiting districts were Trichinopoly, North and South Arcot, Tanjore, Chengleput, and Vizagapatam in South India. Having spent some money on gifts to the recruits' families, he would then send his recruits by rail to the ports. Normally the *kangani* would return to Malaya with his recruits, but sometimes he would send them ahead while he stayed on to get more men (Parmer, 1960: 51–3; Sandhu, 1969: 92–5).

The *kangani* system backed by adequate finance encouraged the steady flow of Indian labourers to Malaya. Between 1865 and 1897 about 33,000 *kangani* recruits entered Malaya. Between 1898 and 1938 about 1,153,770 recruits landed in Malaya at an average of 28,000 per annum. The total number who entered Malaya between 1865 and 1938 was over 1,186,000. This number represents about 62 per cent of the total assisted labour migration, nearly 44 per cent of all labour, and 28 per cent of the total Indian immigration to Malaya up to 1957 (Sandhu, 1969: 96).

A significant feature of the *kangani* method was the movement of families. The emigration of females to improve the sex ratio was encouraged by reducing the assessment paid on female workers. *Kangani* were also given more commission for female recruits as well as married couples. The Indian government passed the Indian Emigration Act of 1922 and the Indian Emigration Rules of 1923 which stipulated that there should be at least 1 female emigrant for every 1.5 males.

The *kangani* system was an improvement over the indenture system. Nevertheless, it came to be criticized by Indian intellectuals in India and Malaya in the 1920s and 1930s. Indian nationalists argued that Indians were exploited by plantation capitalists, thus depriving Indians overseas of their rights. The system was mainly criticized for such abuses as bribing workers to migrate, using unhealthy recruiting practices, forging signatures of village headmen, exploiting family quarrels, as well as the gross misrepresentation of wage levels and living conditions in Malaya. An editorial in the *Hindu*, a Madras newspaper, said of Indian labour in Malaya:

The Indian in Malaya today is discriminated against on every side. His status is ... far below that of other communities in the country. The public services are closed to him; under cover of protecting native interests arable land is denied to him; in the professions his existence is barely tolerated. Even the Malaya-born Indian, who does not know India, is treated as an alien in the land of his birth!

To permit the emigration of Indians to a country where they are treated with such little consideration seems consistent neither with the self-respect of India, nor with the best interests of prospective emigrants (Parmer, 1960: 64).

In Malaya criticism against the system mainly stemmed from Indian-based organizations like the Central Indian Association of Malaya (CIAM), which was founded in 1936 (see Stenson, 1980). This organization, which came under the influence of radical Indian nationalism, was very critical of British rule and labour exploitation in particular. Composed of educated and articulate Indians, it highlighted the plight of Indian labour, arguing that the immigration machinery was not geared to the good of labourers and that Indian immigration should not be simply for the purpose of 'labouring but also to be accepted in Malaya as full citizens with a stake in the future of the country'.

As criticism of the *kangani* system grew, the Malayan authorities became overly sensitive to the extent that the entry of Indian nationals suspected of labour agitation was not permitted. Those allowed in for temporary visits were closely watched. The publications and correspondence of Indian nationalist writers were banned. At the same time the authorities kept a list of all Malayan Indians who were suspected of having radical political leanings.

In 1936, amid the controversy surrounding the *kangani* system, the Indian government dispatched V. S. Srinivasa Sastri, a leader of the moderates in the Indian National Congress, to investigate the conditions of Indian labour. After visiting many places of employment and receiving deputations from all sides on the situation, he made the following statement on the *kangani* system:

It is irrelevant to discuss here the merits or demerits of the administration of the system since the argument itself admits of the abuses to which it is liable ... however careful the administration may be, the labourer may be under some concealed obligation to the *kangani* which will act to his disadvantage in Malaya ... (Sandhu, 1969: 102).

Since he could not approve the system, he recommended that it be abolished. In his report to the Indian government, he was critical of the IIC for its bias towards employers. Although formal abolition of the *kangani*

TABLE 2.7
Number of Labourers in Rubber Estates, 1934-1940 ('000)

	1934	1935	1936	1937	1938	1939	1940
Indians	179	175	184	236	209	214	218
Chinese	86	62	65	77	61	75	88
Javanese	12	9	10	13	9	12	14
Others	25	25	18	23	17	23	31
Total	302	271	277	349	296	324	351

Source: Bauer (1948: 236).

system came only in 1938,¹⁸ the system itself became less and less significant after the Great Depression of the early 1930s.¹⁹

The Indian government ban on all assisted labour emigration on 15 June 1938 was strongly protested against by the UPAM. In the negotiations for the resumption of emigration, held from 1939 to 1941, the position of the Indian government in regard to labour migration to Malaya was made very clear—resumption of future migration would be dependent on the institution of a proper wage system. Since employers were not about to give in on the wage question, the future prospect of Indian labour migration to Malaya appeared rather dim.

Table 2.7 summarizes employment in rubber estates from 1934 to 1940. It appears that throughout the 1930s European estates relied very largely on Indian labour with about four-fifths of the work-force being Indian.

1. The development of peasant agriculture was clearly discriminated against by the colonial government in favour of plantation agriculture, which received better land terms than peasant agriculture (Lim, 1976).

2. For a more detailed history of rubber, see J. C. Jackson (1968), Drabble (1973), and Voon (1976).

3. In 1889 tapping of rubber trees in Kuala Kangsar proved so unsuccessful that Frank Swettenham personally ordered the destruction of the trees (J. C. Jackson, 1968: 214).

4. The Malay Reservations Enactment of 1913 provided for exclusive Malay ownership, and the Rice Enactment of 1917 forbade the alienation of rice land for other agricultural products.

5. In the mid-eighteenth century Fresneau, a French engineer, made some detailed observations on how to preserve rubber, after having seen its use by Brazilian Indians. On his return to France he discovered that turpentine could be used as a solvent for rubber.

6. Between 1920 and 1921 British and Dutch companies were parties to a voluntary agreement for the restriction of output, but this proved ineffective.

7. This was not surprising as four of the eight members of the Stevenson Committee were members of the RGA (Allen and Donnithorne, 1954: 122).

8. The committee recommended that the production quota for smallholdings be raised to 533 pounds, but the British imperial authorities rejected the recommendation (Lim, 1977: 146-7).

9. Although rubber under *belukar* yielded rather satisfactorily, this was not taken into account by the colonial authorities when assessing smallholding acreage under production.

10. The transition from proprietary to corporate ownership saw the physical expansion of the majority of estates through the buying up of small plots of land from private planters and smallholders and through application for uncleared land.

11. It is not clear whether it was the managing agency or the secretarial firm that controlled the company. In many cases both functions were performed by the same party directly or through associates. If, however, the functions of a company were performed by two agencies, then the centre of control would vary with the power of the company and the strength of the personalities involved.

12. Multiple and interlocking directorships were the key to the control of the rubber industry. The leading people in the planting industry were directors like R. N. G. Bingley, L. Dourgal, V. R. Wickwat, Arthur Lampard, and former colonial Governors such as Sir William Treacher and Sir Frank Swettenham. These men held eight or more directorships in rubber companies. The greatest concentration of control was in the hands of Lampard, the Chairman of Harrisons & Crosfield. He held 22 directorships, and his

chairmanships, spread over nine territories in South-East Asia, controlled an aggregate authorized investment of \$3.8 million. Control of capital and territory in the rubber industry was effected through two levels—inter-company and inter-territorial directorships. In many cases these two levels overlapped (Voon, 1976: 177).

13. In the initial stage of labour recruitment it was customary to impose a 'joint and several contract', a system described as 'capable of very inhuman application, even to ... making one man in a hundred work out the default of ninety-nine absconders'. This contract was outlawed by the Straits Settlements Labour Contracts Ordinance of 1882 (R. N. Jackson, 1961: 58).

14. Among the conditions were that the recruiting agent bring the recruited labourers before a magistrate in India, declare the particulars such as money advanced, wages at workplace, length of contract, and the magistrate must attest that the labourer was willing to emigrate and understood the conditions.

15. The Straits officials and planters complained of too many legal restrictions and an inadequate labour supply stemming from the high rate of desertions.

16. The activities of these social organizations were directed more at the labour situation in the West Indies rather than in Malaya. In so far as Malaya was concerned, Tinker (1974: 316) believes that the Anti-Slavery Society's campaign against indentured labour did not have much impact on events in Malaya.

17. The use of *kangani* labour seemed quite popular with coffee planters, many of whom had come from Ceylon.

18. The issue that finally precipitated the ban was a wage dispute between the two governments. Despite the fact that the cost of importing a South Indian labourer decreased from \$47.50 to \$29.39 between 1908 and 1938, there was no wage rise for labourers. When immigration was resumed in 1934 following the Depression, the Indian government wanted wages restored to the pre-Depression level. In 1937 planters reluctantly agreed to restore wage levels, but in 1938, without consulting the Indian government, they reduced wages by 5 cents. This action prompted the Indian government to ban all assisted labour emigration to Malaya with effect from 15 June 1938.

19. During the Depression about 56,000 labourers were repatriated to India and another 45,000 paid their own passage home (Bauer, 1948: 220).

3

Pre-war Labour Relations in the Plantations

THE first part of this chapter focuses on the nature of the labour-capital relationship by examining the wage structure, the element of extra-economic coercion, and the way the state regulated the relationship. This observation provides an appropriate context for the discussion of labour-capital conflict in the second part.

The Wage Structure

Indian Labour

In the late nineteenth century the wages of estate workers were determined by several Indian immigration laws. The Straits Settlements Ordinance of 1884 prescribed the form of contract of an indentured labourer and fixed his wages at 12 cents a day. However, under this law employers had the power to deduct their wages as punishment for even a slight infringement of the law. While the laws allowed for wage fixation and specified the number of days a worker had to work, they left much to be desired especially in regard to the well-being of workers. The standard wages paid could hardly alleviate the poverty and misery experienced by workers, leading to frequent deaths and desertions among them (R. N. Jackson, 1961: 61, 67). With the abrogation of the indenture system in 1910, wages in the plantations were freed of direct government control. The government no longer fixed wages directly, but influenced the wage rate by providing or withholding assistance in labour immigration.

For employers the best guarantee against wage hikes was the availability of cheap and abundant labour. In 1920, at the close of World War I, in anticipation that the rubber price would rise, the PAM was advised by the Controller of Labour to form the General Labour Committee. The objective of the committee, composed of representatives from various planters' associations, was to look into ways of attracting labour from India. An executive committee suggested that the standard of living of Indian labourers had not improved and recommended a number of concrete steps to alleviate this problem (PAM, 1920).

The PAM's call to implement the proposals was not heeded because of two factors: first, the anticipated demand for rubber did not rise but declined by the end of 1920, resulting in the discharge of labour; second, the role of the IIC in prescribing standard wages under Section 141 of the FMS Labour Code of 1923 was strenuously objected to. The reluctance of employers to increase wages in the early 1920s moved the Indian government to legislate a basic standard wage through the Indian Emigration Act of 1922. In the eyes of the Indian government, the standard wage should maintain a labourer in a tolerable state of comfort and allow for savings, sickness, and old age. The principle of a standard wage was accepted by the Malayan government, and a provision empowering the IIC to fix standard wages from time to time was included in the Labour Code of 1923.¹

The IIC's role under the 1923 Labour Code in fixing a standard wage rate was not appreciated by the planters' associations. To them this was gross interference by the government in matters that were best resolved by the free interaction of capital and labour. The first inquiry to fix standard wage rates took place on 9 February 1924 in the district of Kuala Selangor. The inquiry chaired by the Controller heard representations from planters' associations and the Government of India. The memorandum submitted by the Kuala Selangor Planters' Association opposed any wage increase on the basis that the industry could not afford it. Its spokesman argued that although the wage rate in the district was lower than in the inland districts, the workers enjoyed better living and working conditions. The protest was to no avail; the IIC fixed the daily standard wage rate at 35 cents for males and 27 cents for females effective from 1 June 1924 (FMS, 1924a).

Between 1924 and 1930 the IIC held seven wage inquiries to prescribe standard rates, as shown in Table 3.1. Throughout the wage negotiations, the fixing of the rates by the IIC was strongly opposed by planters' associations. They argued that wages were adequate and that any wage increase would only lead to a fall in productivity because workers accustomed to higher wages would become lazy. It was also contended that the real beneficiaries would not be workers but shopkeepers and moneylenders. It was also made known that living and working conditions were much better than in India, and that the presence of a large number of Indian labourers in Malaya was an indication of a 'general prosperity'. At the last wage inquiry in 1930 the IIC was also warned that wage increases might result in the Chinese replacing the Indians because the former would work for lower wages during depressed periods (FMS, 1930).

To support its argument the PAM (1928) set up a Special Labour Committee to investigate the wage structure in the plantations and to make recommendations as to the feasibility of wage increases. The PAM, in presenting the findings of the committee, argued that an impartial investigation had shown that the wages paid to Indian labourers were 'sufficient to maintain them in comfort and sufficient to provide an ample margin for savings, sickness and old age'. Based on the findings, the PAM called for an end to wage fixing as well as to the

TABLE 3.1
IIC Wage Inquiries, 1924-1930

Date	Districts	Rate per Day (cents/day)	
		Male	Female
1924			
9 February	Kuala Selangor	35	27
10 August and 5 October	Kuala Selangor, Klang, and Kuala Langat	40	30
1927			
9 March	Province Wellesley	50	40
9 May	Lipis, Raub, Bentong, and Temerloh	58	46
1928			
29 October	Ulu Kelantan	58	46
1929			
20 February	Kuala Selangor, Klang, and Kuala Langat	50	40
1930			
16 July	Province Wellesley, Kuala Selangor, Klang, and Kuala Langat	40	32
31 July	Lipis, Raub, Bentong, Temerloh, and Ulu Kelantan	47	37

Sources: FMS (1924-30).

IIC resolution that after 1 July 1928 *kangani* licences be issued only if the wage rates stated in them were not less than 50 cents for men and 40 cents for women. On the latter, the PAM sought legal opinion. Although the PAM's legal advisers informed the IIC that the resolution was unreasonable and without legal effect, this did not deter it from trying to enforce the resolution.

The inquiries showed from the beginning that employers had more influence and weight than the Agent of the Government of India. In many of the inquiries the Controller took the side of employers. In determining standard wage rates for the coastal districts of Klang, Kuala Selangor, and Kuala Langat in 1925, the subcommittee of the IIC agreed to accept the Kuala Langat District Planters Association proposal of \$7 as a reasonable monthly budget for an Indian worker rather than the \$9 proposed by the Agent (FMS, 1927).

The adoption of \$7 as a monthly budget and a daily wage rate of 40 cents for male and 30 cents for female workers was not well received by the Indian government. In a letter to the Chief Secretary, FMS, dated 8 February 1926 the Indian government protested against the adoption of unfair wage rates in these coastal districts. It criticized the IIC for not adhering to the ratio of 5:4:3 in fixing wages for men, women, and

children. It was argued that adherence to this ratio would have entailed a minimum daily wage of 51 cents for men, 41 cents for women, and about 30 cents for children. The Malayan authorities were also criticized for not fixing wage rates for child labourers of whom there were about 14,000.²

In one of the wage inquiries the Controller, under pressure from employers, personally rebuked the Agent for conveying an unfavourable image of labour conditions in Malaya; this arose from the Agent's investigation into conditions of labour in Province Wellesley and the reasons why estate workers deserted to work in the *padi* fields (FMS, 1927). Both the Chairman (the Controller) and employers took offence at what was said by the Agent and an immediate retraction was demanded. Unfortunately the Agent, Subbayya Naidu, unable to stand by his argument and without any support from other members, apologized to the Chairman and promised to retract the 'unpleasant' statements from his report before sending it to India. Parmer's (1960: 182) comment on the harassment of the Agent is quite appropriate: 'The Agent was subjected to questions and comments which carried connotations of a master-subject relationship and which aimed to undermine the Agent's confidence in himself or at least to distract him.'

The Indian government's criticism of the IIC in fixing standard wage rates in the coastal districts of Selangor in 1925 prompted the Controller to order another inquiry in these districts in 1928. That this inquiry was held was partially due to the PAM's rejection of the IIC's resolution on the issue of *kangani* licences. The Controller declared that had the planters respected the IIC's decision in the first inquiry, the second would not have proceeded (Parmer, 1960: 188). The IIC met in October 1928 and fixed wage rates at 50 cents for men, 40 cents for women, and 20 cents for children above 10 years but below 15 or 16 years, the rates to be implemented on 1 February 1929 (FMS, 1928).

Before these rates could be fully implemented and extended to other coastal areas like Province Wellesley, the Great Depression set in. As a result, many thousands of plantation workers had to be repatriated to India, and immigration to Malaya was curtailed in August 1930. As shown in Table 3.2, estate employment fell very heavily during the Depression. Bauer (1948: 225-36) estimates that between August and

TABLE 3.2
Number of Estate Labourers in the SS and FMS, 1929-1933 ('000)

	Indians	Chinese	Javanese	Others	Total
1929	205	42	6	5	258
1930	154	42	5	4	205
1931	121	37	3	3	164
1932	104	35	3	3	145
1933	111	39	3	7	160

Source: Bauer (1948: 225).

December 1930, 67,000 Indian adults and 11,000 children were repatriated, and in 1931 the same fate befell about 56,000 adults. The rubber price fell sharply during the slump; in 1929 the price was 38 cents per pound, but dropped to 24 cents by April 1930, 12 cents by September 1930, and 10 cents by May 1931.

The last inquiry was held on 16 and 31 July 1930 to fix standard wage rates at a time of falling rubber prices. This inquiry differed from previous ones in several ways. First, it was called by the High Commissioner at the request of planters' associations to deal with the sharp decline in the rubber price. Second, the inquiry was not confined to one or two districts, but was generally aimed at fixing wages for all rubber-growing districts in the country. Third, the objective was not to consider wage increases but rather to consider reducing the standard wage rates (Parmer, 1960: 190).

At the inquiry four memoranda were presented: three by employers and one by the Agent. The first memorandum submitted by the agency houses of Selangor wanted a reduction of wages by 10 cents because of the drop in the rubber price. For the same reason, the second submitted by the PAM called for a reduction to 40 cents for male and 30 cents for female workers. The third presented by the Central Pahang Planters Association not only called for a wage decrease but even questioned the very principle of wage fixation and the standard wage. The fourth was submitted by the Agent, Naidu, who felt that the inquiry was improper as it was instituted because of the state of the rubber industry. He called for a detailed, authoritative investigation into the position of the industry before any attempt was made to reduce or alter the standard wage rate. The Agent lambasted employers for not giving Indian labour its due share during times of prosperity, and the IIC for continuing to permit immigration under difficult conditions (FMS, 1930).

In the inquiry the Controller was unable to reverse a trend that was already set in motion—there was no choice but to reduce wages. This trend gained currency as the High Commissioner was generally sympathetic to planters' requests. As a result, it was announced on 5 August 1930 that the standard wage rates would be reduced as demanded by plantation interests. The rates prescribed effective from 5 October were 40 cents for men, 32 cents for women, and 16 cents for children above the age of 10 in districts like Province Wellesley, Kuala Selangor, Klang, and Kuala Lumpur (FMS, 1930). Slightly higher rates were prescribed for workers in less accessible areas like Pahang and Ulu Kelantan.

The decision to reduce wage rates proved meaningless. As the rubber price slid further after 1930, the IIC could do little to maintain the standard wages agreed upon. Bauer states that 'daily rates of wages outside key areas were being reduced, and the practice of paying only three-quarters of the daily wage for morning work became more and more widespread until by the end of the year it was universal'. The authorities had no choice but to reluctantly agree to the employers' proposal of paying 75 per cent of the daily wage for morning work. In July 1931 the Controller went to the extent of informing employers that no action would be taken against them for paying only 75 per cent of the wages.

Moreover, the authorities also did not insist on the employment of workers for 24 days. Although official reports maintained that employers paid 75 per cent of the standard wage rates, the actual rates were much lower. Bauer (1948: 225–6) estimates that wages in 1930 were about 40 cents, at the end of 1931 around 25–30 cents, in mid-1932 about 20–25 cents, and at the end of 1932 about 25–28 cents.

By 1933, with the upward swing in rubber price and the opening up of smallholdings and estates, wages began to rise—to about 30 cents. By the end of 1933 estate wages were generally around 30–35 cents for a morning's work. As a result, about 20,000 workers and their families were given assisted passage to Malaya in 1934. The Indian government allowed this immigration on condition that the Malayan authorities would allow repatriation if no employment was found for them (Bauer, 1948: 233).

Between 1934 and mid-1937 wage rates for Indian workers generally rose. For morning work the rate in 1934 was 35–40 cents, in 1936 about 40 cents, and in April 1937 it rose to 50 cents. However, by the end of 1937 another slump set in; in 1938 about 30,000 Indians, including minors, had to be repatriated. It was rumoured that Indian wages would be reduced. The Controller responded by warning employers that wage reduction would jeopardize Malaya's relations with India. Despite the warning, the UPAM on 30 March 1938 recommended that Indian labourers' wages be reduced by 5 cents from 40 to 35 cents, effective 1 May. This was the last straw for the Indian government, which, without consulting its Malayan counterpart, banned all forms of assisted emigration to Malaya in June 1938 (Parmer, 1960: 212).

Repeated appeals by the UPAM to India to lift the ban proved futile. In retribution and with the support of the RGA, the UPAM held a meeting to discuss the wage reduction now postponed to 1 August 1938. The UPAM wanted wages reduced to 40 cents while the RGA wanted them reduced to 35 cents (Bauer, 1948: 241). However, the Controller was very much against wage reduction. Given the deteriorating industrial situation in the plantations and mines between 1937 and 1938, it was feared that a wage reduction would further complicate the industrial situation. He warned the UPAM and the RGA against wage cuts and the possibility of a wage inquiry if wages were reduced. In the Labour Department Annual Report of 1938 he criticized the agency firms and London firms as the real obstacles in arriving at a decent wage structure in the plantation industry (Parmer, 1960: 214).

With the outbreak of war in Europe, rubber prices went up in 1939. On 1 October daily wages increased to 50 and 40 cents for male and female Indian labourers respectively. In January 1941 the UPAM urged its members to pay 5 cents per day as a cost of living allowance. Just before Malaya was drawn into the war, Indian labourers were paid 60 and 50 cents for male and female workers respectively. These wage rates were much lower than those paid to Chinese workers who were earning about \$1.50.

The sudden wage increases among Indian labourers in the late 1930s and early 1940s were a result of the interplay of a number of factors.

World demand for rubber and the need for labour, the difficulty of obtaining labour from India as a result of the ban, and the increasing consciousness by Indian workers of the necessity to fight for better wages were some of the principal factors that led to the wage increases.

Chinese Labour

Chinese labourers received higher wages than the Indians. In 1929 Chinese workers received around 85–90 cents compared to Indians who earned about 50–55 cents. However, during the Depression Chinese labourers who were denied repatriation suffered as much as Indians if not more. In 1930 wages for the Chinese declined to 50–60 cents, in 1931 to 30–40 cents, and in 1932 reached the same level as those of the Indians. Bauer (1948: 219) notes that in many instances Chinese workers were forced to accept work for food and lodging plus 5 cents a day. Given the high rate of unemployment, some substitution of Chinese for Indian labour took place in European estates between 1931 and 1932. However, the rise in the rubber price in 1933 and the consequent rise in Chinese wages to about 50 cents a day made large-scale replacement untenable.

In 1934 the wages of Chinese labour went up to 50–60 cents per day, whereas wages for Indians were only about 28–35 cents (Li, 1982: 145). By 1937 the earnings of Chinese labour rose to about 80 cents or \$1. It was in 1937 that Chinese labourers launched a number of strikes in Selangor and Negri Sembilan to demand higher wages. The labourers struck because they felt that improved rubber prices had not resulted in higher wages. Parmer (1960: 221) suggests that wages for Chinese estate workers rose sharply in the late 1930s because of the restriction on immigration. He argues that the restriction improved their bargaining position *vis-à-vis* the contractors. In the strikes that took place in 1937 the Chinese refused to permit the contractors to intervene on their behalf.

The reasons why Chinese labourers received higher wages than Indians are not clear. Li (1982: 144) proposes that high wages arose from a number of factors. First, they were based on piece-work and were not daily rated. Second, the Chinese worked longer hours and produced more. Third, they were hardier, more skilled, and more efficient. Bauer (1948: 219) concurs when he says 'Chinese wages were usually appreciably higher than Indians, as the Chinese worker is generally speaking stronger, more skilled and more careful'. To Parmer (1960: 221) the main determinant of Chinese wages was the 'relationship between supply and demand'. A factor that was of equal importance 'was the desire of the Chinese to obtain higher wages'. He adds further, 'The Chinese seem to have been far more aware of rubber prices and conditions in the industry than were [the] Indians.'

The three authors appear to believe that the Chinese received higher wages because they were superior labourers, possessed better skills, and had an incentive to work because their wages were tied to results. While at least Parmer touches on factors like the supply and demand and the

general awareness of Chinese labourers in explaining their higher wages, Li and Bauer tend to explain wage differentials in ethnic terms. Generally speaking they do not provide a clear assessment as to why Chinese labourers received higher wages than Indians.

A more accurate assessment of the wage differentials is provided by de Silva (1982: 336, 338), who rejects the ethnic argument: 'Wage labour is not a spontaneous creation but a very definite socio-economic process involving the subjection of the independent small producers to a capitalist employer. The resort to ethnic stereotypes fails to explain the objective circumstances which gave different social groups the option of alternative employment patterns.' According to him, the disparity in wages between the Chinese and Indians can be explained by considering the way 'the two categories of workers were recruited, organized and controlled'.

Chinese workers received higher wages because they bargained effectively. From the time of their recruitment from China they were organized and directed through secret societies. Their involvement in these societies gave them a strong sense of belonging and identity and in the long run even imbued them with anti-European sentiments. This explains why the British were not particularly fond of official recruitment of the Chinese. While the Chinese banded together in social organizations which were independent of colonial control, Indian labourers from the beginning did not have the same advantage. The Indians were recruited and controlled by official immigration machinery that placed a premium on subservience and docility.

In the plantations Chinese labourers, given their distrust of Europeans, normally preferred to work under their own headman or a contractor. The Chinese contractor was an independent operator who organized labour for a profit. During times of labour shortage and high rubber prices the contractor, by the skilful use of the labour force at his disposal, was able to command better wages for his men and better profit for himself. Indian labourers were organized within the plantation fold under the *kangani* system. They, unlike the Chinese, were not independent of the management; on the contrary, they were subject to management paternalism. The *kangani* was a paid employee of the management and the rubber price mattered little to him because his wage was normally fixed in the estates.

Chinese labourers received higher wages not because they were 'Chinese' but because they were independent, and therefore bargained more effectively. The effectiveness of their bargaining position was based on certain historical circumstances such as the manner of labour recruitment, organization, and control within the colonial economy. Indian labourers did not undergo the same kind of historical experience, resulting in divergent levels of consciousness that are atypical of a proletariat. In the plantations their bargaining position was weakened by a number of factors such as the paternal role of the management, the hierarchical organization of the social and production systems, and above all the existence of poverty.

Extra-economic Coercion

Indian Labour

In the early stage of Indian immigration, social control was established through contracts under the indenture system. Contracts enabled employers to retain labour for specified periods of time. Those found in breach of the terms of contract were severely punished. This form of retention was important for employers because of the general labour shortage. As pointed out by R. N. Jackson (1961: 63-9), labourers once bound by a contract had great difficulty in becoming free: 'Only a small minority of the labourers were in fact released at the end of three years.' This form of control also served to keep a tight lid on wages and placed workers perpetually in debt. The Principal Medical Officer of the SS noted that 'it is more likely the new cooly has nothing at all left from his pay at the end of the month and is probably in debt, with no surplus to buy anything with [*sic*]'. He also observed that employers had the habit of cutting wages for very minor offences.

In enforcing control employers were not averse to the use of violence. The 1890 commission appointed to investigate the conditions of indentured labour pointed out that labourers were beaten up in estates; but it put the blame on native supervisors and not European managers or their assistants (SS, 1890). The second commission in 1910 documented cases of assault by European managers against indentured labour (FMS, 1910). The indenture system was not a foolproof success. Desertion by workers were very common. In 1880 nearly 12 per cent of the total labour force in Province Wellesley deserted their place of employment. In 1883 and 1884 desertions increased. The Penang Police Report revealed that in 1888 nearly one-third of 'coolies from the sugar and tapioca estates in Province Wellesley were punished for offences against the labour law'. The high rates of desertion in Province Wellesley were also due to high wages and labour demand in other states like Perak and Selangor. The Protector of Immigrants wrote, 'The high wages given by the Perak Government are a likely cause of desertion and a heavy drain on the cooly population of the Settlement' (R. N. Jackson, 1961: 67).

The *kangani* system helped to check some of the gross abuses of the earlier system, but left much to be desired where giving labourers the necessary freedom and mobility in wage determination was concerned. The *kangani* not only recruited labour, he was an important element in establishing control, given his caste and kinship ties to the labourers. Both the *kangani* and labourers invariably originated from the same village or district in India. As pointed out by Selvaratnam (1983: 27), the *kangani* 'invariably came from the non-Brahmin and non-polluting, vanniari, kalhar and kaunder caste'. As a foreman, he used his caste and economic position to bond the labourers to him. Labourers depended on the *kangani* to arbitrate in their disputes, make representations to the management, and provide leadership in religious and cultural festivals. As noted by R. K. Jain (1970: Chapter 4), the *kangani* had a financial

interest in keeping the labourers in the estate. The money loaned to labourers was recovered either by deduction from their wages or by enrolling them in *cittue*.³

Order depended not only on the paternalistic role of the *kangani* but also on his application of systematic coercion. When paternalism did not bring the desired effect, the *kangani* was authorized by the management to mete out severe and drastic punishment to serve as a deterrent. During the first two decades of the twentieth century the *kangani* was even allowed in some cases to kill workers indulging in premarital sexual intercourse without fear of legal proceedings. Sometimes the *kangani* inflicted such severe beatings on the workers that injured workers sent to hospital died (R. K. Jain, 1970: 280). In deference to the Labour Code of 1912 some attempts were made by the management to regulate the administration of justice, but not surprisingly they failed to eliminate the power and authority of the *kangani* to inflict punishment on workers.

The occupational and social stratification in the plantations was another important element of control. In the hierarchical organization of production Europeans occupied managerial roles, educated Asians filled clerical and supervisory positions, and the South Indian Tamils constituted the labouring masses. This occupational differentiation linked to racial aspects reinforced the social distance between the various classes. Management paternalism in the form of estate shops, places of worship, toddy shops, and crèches, among others, created a dependent psychology among the workers. European managers and their assistants were often invited by labourers to grace their religious and cultural festivals. The degree of paternalism fluctuated with the need for labour; in times of acute labour shortage, as in the mid- and late 1920s, managers assumed the role of benevolent father figures. On the other hand, paternalism was less evident at times of labour abundance (R. K. Jain, 1970: 285).

The second echelon—the Asian supervisory staff—enjoyed social prestige and status second only to the Europeans. They lived in intermediate bungalows quite isolated from the labour lines and the residences of managers. Like the *kangani*, the Asian staff adopted both paternal and coercive attitudes towards workers. They intervened in family quarrels and also sometimes performed moneylending services. In the field they were expected to scrutinize the performances of the labourers and verify *kangani*'s complaints. In the afternoons at the estate office they assisted the assistant managers in settling disputes as well as meting out punishments to labourers. In their dealings with labourers they were careful not to displease their European bosses, to whom their loyalty verged on servility.

Chinese Labour

In the late nineteenth and early twentieth centuries the Chinese were retained through the indenture system after being procured through the services of a Chinese headman. Employers signed the employment contracts in the Chinese Protectorate Offices and then left the labourers

under the control of the headman. The wages for the labourers were paid to the headman, who would in turn distribute them among the labourers. The headman, by retaining labourers for a long period of time, made good profit; labourers were retained even after discharging their debts, as reported by the commission of 1890 (Blythe, 1947: 80, 82). The headman's control of the workers was facilitated by a number of factors like the operation of secret societies, the problem of opium smoking, and isolation in the *kongsi* (barracks).

In the early stages of immigration membership in secret societies was obligatory. In the plantations the headman was invariably a leader or an important person in a society by virtue of his economic power. The societies were utilized not only for their own protection but to discipline labour as well. This is why, according to R. N. Jackson (1961: 49), 'the Chinese employers did not feel the need (which the European planters constantly felt) for government legislation to enforce the terms of service under which their *sinkeh*s and other labourers worked'.

Opium smoking, prevalent among the labourers, served as another element of control and retention. First, extreme opium addiction inevitably made labourers indebted to their employers. This allowed the latter to re-indenture the former for a longer period. Second, workers' indulgence in opium made it possible for them to work long hours despite its injurious nature. Employers of Chinese labour believed that labourers who indulged in opium were better workers (R. N. Jackson, 1961: 54).

Another feature of control was the operation of *kongsi* houses. Under the indenture system, labourers were housed in the *kongsi* by the headman. According to the testimony of a contractor in 1910, 'The coolies are locked up after 6 p.m. They are let out to work at 6 a.m. The working hours are from 6 a.m. to 3 p.m.—9 hours a day.' The *kongsi* were fenced and guarded to prevent workers from escaping. According to the Assistant Protector of Chinese, Negri Sembilan, a worker would try to escape from the *kongsi* 'so he can earn 60 cents a day on the next estate as a *laukeh* (free labourer), instead of 5 cents and food as a *sinkeh*' (R. N. Jackson, 1961: 154).

The indenture system was abolished in 1914 and replaced by the contract system which was an improvement over the former in that it helped to check some gross abuses. But the element of extra-economic coercion was none the less retained to some extent. Under this system Chinese contractors found ways and means to retain their labour force. One familiar method was by getting the workers indebted. As the role of secret societies and the use of sheer coercion became less important from the 1920s onwards, contractors resorted more to linguistic, village, and family ties in retaining labourers.

Labour Legislation

How did the state regulate the relationship between labour and capital? In Malaya the first systematic attempt to do so was in the introduction of the Labour Code in 1912 in the FMS. Prior to the code, different

states had their own, though identical, enactments. After the formation of the Federal Council in 1909 the FMS took the lead in enacting labour legislation, followed by the SS with complementary legislation (Parmer, 1960: 119). With the establishment of the Labour Department in the FMS in the same year, the code incorporated all the labour laws that were already passed in the different states. The code contained 11 parts and 28 chapters. The head of the department, the Controller of Labour, was conferred the powers to enforce its provisions. There were 12 amendments to the code before a new code was introduced in 1923 to incorporate the suggestions made by the Indian government under the Indian Emigration Act of 1922. It was amended a number of times in the 1920s and 1930s (Parmer, 1960: 123, 127).

The PAM was not happy with some provisions of the 1912 code: 'Government's supreme concern has been the rights of the cooly, and at times during the period of transition we have gone through it has sometimes looked as if the rights of the planters would soon be reduced to the simple function of paying wages ...' (Parmer, 1960: 119). The PAM wanted strong measures to curb crimping or local recruiting, to rescind the prohibition on the practice of truck (employers' deductions from labourers' wages for goods supplied to them), and to limit the powers conferred on the Controller to remove labourers from places considered unfit for employment. The PAM sought the intercession of the RGA in London on its behalf. The RGA, on its part, met the Secretary of State to present the proposals and objections. Following the meeting the High Commissioner in Malaya was instructed by London to consider the concerns of the employers' bodies. Finally the High Commissioner agreed only to remove the prohibition on truck; no other concessions were granted to the PAM. But he assured the PAM that the government would be sympathetic to employers in the implementation of the provisions of the code (Parmer, 1960: 121). Employers felt that there was no need for the new code as the old one was quite adequate. It was also felt that the Indian government interfered too much in the internal affairs of Malaya.

From the mid-1930s to the outbreak of war, labour relations in Malaya could hardly be described as tranquil. Strikes and other forms of industrial strife occurred among workers in mines, factories, and plantations. The intensity of these occurrences were such that the police and the military were sometimes called out to control the crowds. It was in this atmosphere that colonial officials realized the need for some kind of legislation to contain the disputes. Thus, in 1940 the Federal Council passed legislation to establish industrial courts and to register trade unions. The legislation came into effect in June 1941, but implementation was delayed by the outbreak of World War II.

Responsibility for the implementation of labour legislation was entrusted to the Labour Department created in 1912 in the FMS. Before this period, labour administration in Malaya was left to a number of government officials of the Chinese Protectorate Office and the Indian Immigration Office. Once the Labour Department was established the person-in-charge was known as the Protector of Labour. After

the Labour Code of 1912 came into being the title was changed to Controller of Labour, with jurisdiction over both the FMS and SS. In 1925 labour administration in the UMS was brought under the control of the Labour Department. Following the strikes of Chinese workers in 1937 the Chinese Protectorate was brought within the fold of the Labour Department.

The important functions of the Labour Department were: supervision of Indian immigration and inspection of places of employment, health conditions, and conditions of employment; settlement of disputes between labourers and employers; collection of data in regard to immigrant arrivals and departures, the numbers employed in estates, births and deaths, and other relevant details; and, not the least, handling of relations between the government and employers in plantations (Parmer, 1960: 140).

What observations can be drawn about the nature of the relationship between officials of the Labour Department and employers? According to Parmer (1960: 143), generally colonial officials believed that the co-operation of employers was essential in resolving labour problems, even though they themselves had the powers to enforce decisions. In dealing with labour problems, officials functioned on the premise that employers were their friends. Although differences did develop between the two sides, these were, however, minimized. During the Depression the Controller's decision not to enforce the laws earned the praise of employers, particularly those in the PAM. In 1933 in the Federal Council the PAM praised the Controller for exercising wisdom during the Depression. When he retired in 1939, PAM members voted him an honorary member of their body.

Indian Labour Resistance

The earliest manifestation of Indian labour's disenchantment with capital was in the form of desertions from their place of employment. The only way labour could escape the harshness and brutality of the indenture system of labour exploitation was to simply run away. As noted earlier, desertions among Indian indentured labour were quite common in Penang and Province Wellesley in the late nineteenth century. These desertions were a form of protest against economic and social conditions in plantations (R. N. Jackson, 1961: 67).

The 1910 Labour Commission recommended the abolition of the indenture system (FMS, 1910). Desertions were quite common among Indian labourers in the FMS until 1915. R. N. Jackson points out that they constituted a big problem to employers in Negri Sembilan. According to the Indian Immigration Department Annual Report of 1910, 'The number of desertions was large: 1,728 on an average labour force of 8,690 or 19.88 percent...' For the FMS as a whole, the proportion of Indian labourers who left without notice was 28.45 per cent in 1913, 26.61 per cent in 1914, and 29.05 per cent in 1915 (R. N. Jackson, 1961: 24-5).

The first recorded major desertion leading to labour unrest took place

among the Indian workers of Rantau Panjang-Sungei Tinggi Estate, Selangor, in late 1912. On 7 December about 1,500 workers left their employment and started a protest march to Klang. The workers, mainly newly arrived indentured Telugu labourers, wanted to see the authorities to lodge an official complaint against the management for harsh treatment. However, before they could reach their destination, a police party arrested about 146 workers and their families and charged them with quitting the services of the estate under Section 229/30 of the Labour Code (SSF, 1912). The District Officer of Kuala Selangor felt that the workers had been instigated by certain ringleaders and described them as being 'in a dangerous state of excitement'. On those grounds he had wired for a strong armed police force to quell the unrest and to detain the leaders.⁴ The workers were later convicted and jailed.

In this dispute the main complaint of the workers was the non-payment of wages for six months. Also, a letter written jointly by three of the affected workers to the Superintendent of Indian Immigration in Penang pointed to the seriousness of labour exploitation in the estate. The letter also said that 'unlike other estates the Manager of this estate keeping a provision shop in his estate and used to price us the most rotten articles and provisions for our consumption and [indebted] us with the utmost value possible there are many more things to add, as it would disgust you to read we concluded here [sic]'.⁵

The Deputy Controller of Labour, who investigated the dispute, reported to the Resident of Selangor: 'I found that the complaint of the coolies as to the non-payment of the wages contained a very large element of truth, so much so that the responsibility for the disturbances must be assigned primarily to the management.' He further noted that the management's deduction of rice advances to the workers at an average of about 6 *gantang* totalling \$2.40 per month considerably reduced the wages of the workers, while further deductions for other expenses left the workers without any wages at all.⁶

The Deputy Controller felt that a grave injustice was being done to the workers and their families as they had not committed any crime, and that the workers should not have been charged under the 1912 code because the alleged offences were committed on 9 December 1912 when the code was not yet in force. Moreover, under the law (Indian Immigration Enactment of 1904) at that time in force, the management's failure to pay wages for one month automatically discharged the workers from their agreements. The damage already done, the Deputy Controller advised the management that the best solution was 'by writing off the whole of the outstanding debts'.⁷

A few months later another labour unrest occurred in Escot Estate, Tanjung Malim, Perak. On 15 April 1913 about 280 labourers, mostly Telegus, stopped work and marched in the direction of Tapah, taking with them their women, children, and possessions. The Controller's report (SSF, 1913) described the mood of the protestors: 'The labourers were one and all absolutely panic stricken, and said they wished to walk to their homes in India—to anywhere—to die on the road, but return to the estate they would not. The workers refused to listen to anyone—kept

on mentioning about their relatives and loved ones they have lost in the estate [sic].'⁸ It was only after the intervention of the Controller and promises were made to erect an estate hospital, improve the supply of water, and change the manner of labour recruitment that 191 of the workers returned to the estate.

The Controller in his report to the Resident of Selangor submitted the following reasons for the labourers' action: the estate had a high mortality rate and sick workers sent to government hospitals never returned; wages were rather inadequate despite all the promises made prior to recruitment; Telegu workers were discriminated against, whereas Tamil workers were given light work; no rice advances were given when the workers fell ill; and workers were constantly beaten for the slightest mistakes (SSF, 1913).⁸

The estate manager admitted to the Controller that he was not surprised that the labourers left the estate: 'I know there has been great dissatisfaction owing to ill-health on the estate...' He also admitted that the death-rate was high; in the second half of 1912 it was 195, and in the first quarter of 1913 it was 50. In April 1913 three Telegus—a *kangani*'s daughter and two other children aged three and four—died. According to the manager himself, he was very unpopular because he had stopped all advances to the workers. In regard to beatings in the estate he said, 'I once beat a Telegu cooly for bringing brandy into the lines... He was tied up by one of the Telegu kanganies in my presence and I hit him with a cane.'⁹

The manager put the blame for the strike on five men whom he regarded as the ringleaders. He sought the support of the Controller to arrest and detain the five but this was rejected on the grounds that the liberal wages (not to mention the fringe benefits) promised in India had not been paid,¹⁰ the labourers were not given a fair hearing, and no adequate provision for the treatment of the sick was made. In fact, the Controller warned the manager that if the alleged ringleaders were arrested, he would not hesitate to institute legal proceedings against him.¹¹

Unhealthy living conditions and harsh treatment of the workers caused some disturbances in Sepintas Estate, Sabak Bernam, Selangor, in 1915. In August over 100 labourers left the estate, unable to tolerate the conditions anymore. Their main complaints were the constant assaults by the manager, the endless work without a break from six in the morning to five in the evening, the inadequacy of the Chinese provision shop in the estate, the bad relationship with an estate conductor by the name of Subya, and the levy on the leader of the workers—the head *kangani*, Sinniah—of one month's wage of \$25 for stopping work without notice (SSF, 1915).

Following the unrest the manager was warned by the Controller not to employ Indian labour since neither he nor his assistants spoke Tamil. The manager was further warned that if labour trouble developed in the future, he would have to report to the Chief Secretary, saying that the estate was unfit for the employment of Indians. At the same time the Senior Health Officer ordered the manager to construct a hospital as

an interim measure, and to employ an estate dresser under Section 207 of the Labour Code (SSF, 1915).

Another significant feature of the early unrest was the role played by the *kangani*. In Sepintas Estate the unrest was related among other things to the dismissal of the head *kangani*. The Deputy Controller of Labour, in his report to the Controller, pointed out that the strike leader was the head *kangani*, Sinniah. He stated that the management's non-payment of wages to Sinniah had resulted in the work stoppage, and eventually under his influence about 75 per cent of the work-force left the estate. In the late 1920s a conflict took place between Palanisamy (Plate 2), the head *kangani*, and the management in Sogomana Estate, Ayer Tawar, Perak. It was alleged that the *kangani* was expelled from the estate for not removing his shoes in the presence of the manager. The *kangani* retaliated by moving a number of estate workers by night to Changkat Meranti Estate in Sitiawan, 15 miles away.¹²

There was a conspicuous lull in agitation in the 1920s. The absence of overt manifestations of class conflict was due to the general prosperity of the 1920s before the onset of the Depression. The pressure exerted by the Indian government and the incorporation of certain provisions under the 1923 Labour Code brought some improvements to Indian labour, such as the introduction of minimum wages for men and women, the stipulation of a minimum age for child labour, the requirement that employers provide 24 days' work in a month for labourers and others. In addition the good rubber price and the high demand for labour also helped to check labour-capital tensions.

The Struggles of the 1930s and 1940s

The general prosperity of the rubber industry in the 1920s was short-lived as the world-wide Depression set in between 1929 and 1932. The Depression had a devastating effect on the industry in general and on the labour force in particular. In 1929 about 258,000 workers were employed in the estates in the FMS and SS, but by 1933 this work-force was reduced to 160,000 (Bauer, 1948: 226). The great bulk of the unemployed were Indians who were repatriated to India. The repatriation was quite effective in cushioning the rubber industry against adverse labour problems. However, despite or because of the severity of the Depression, there is no official record of labour unrest or strikes waged by Indian workers.

From mid-1933 to 1937 the rubber price went up, thus encouraging the assisted immigration of Indian labour. It was during this period that a number of strikes among Indian labour were recorded in the FMS, SS, and UMS. The Labour Department Annual Report of 1934 indicates that eight strikes occurred in the FMS and two in Johore. In the FMS, Perak witnessed three strikes, two of which were in the district of Lower Perak; Selangor recorded four strikes; and Pahang one. At the same time a work stoppage among railway employees on the FMS Railways arose as a result of wage cuts on 26 April 1934 (FMS, 1935).

The Labour Department's report does not discuss the causes of the

eight strikes. It can be speculated that lack of employment, employers' non-adherence to the minimum standard wage of 40 cents in 1934, or even some form of employer victimization of labour could have been the immediate catalysts of the strikes. It is also possible that these strikes took place at a time when a large proportion of Indian labour was becoming more domiciled in Malaya: 'The experience of 1934 and of subsequent years revealed that a large proportion—about one-half according to the estimates of the Labour Department—of Indian estate workers in Malaya had ceased to consider India as their home, and had come to regard Malaya as a permanent domicile (Bauer, 1948: 234). This gradual loosening of ties with India, while not contributing directly to the strikes, could have influenced the thinking of Indian labourers on the need for self-initiative in the improvement of their socio-economic position.

In 1935 there were no recorded strikes or other forms of unrest in estates. The absence of unrest that year could have been related to some extent to the restrictions placed on Indian immigration to Malaya and the repatriation of about 6,000 workers to India. These actions were taken to reduce social tensions arising from unemployment following a reduced level of production in 1935 (Bauer, 1948: 236). That was a brief lull in 1935; unrest generally escalated from 1936 onwards to culminate in the Klang strikes of 1941.

According to the Labour Department Annual Report of 1936, strikes by labourers took place in three estates in Perak. One was in Melintang Estate where about 70 Indian coconut workers struck when they heard that one of the estate staff was practising witchcraft. The second was in Nova Scotia Estate where a work stoppage occurred as a result of the conduct of one of the subordinate staff. The staff member was later dismissed by the management and the workers returned to work. The third was at Selamat Estate where a minor dispute between two workers and a member of the subordinate staff at the muster turned into a riot. The workers involved were arrested and later dismissed (FMS, 1936).

Labour unrest was more frequent in 1937. In the SS on 7 June about 100 rubber tappers downed tools in Transkrian Estate, Nibong Tebal. They struck for six days over non-payment of overtime for cleaning latex cups, only returning to work after the Deputy Controller intervened. In the FMS (1937) unrests were recorded in Perak, Selangor, and Negri Sembilan.

In Perak a three-day work stoppage in Melintang Estate, Bagan Datoh, arose out of confusion over the conditions of employment. One division in Jong Landor Estate, Tapah, struck, demanding extra pay for cleaning the cups. According to the Labour Department report, 'the work stoppage was unreasonable and malicious' and the strikers were paid off by the management. The other major strike was at Sungei Palu Estate, Cameron Highlands. The dispute turned into a riot in which a labourers' line was burned down.

In Selangor on 29 January 1937 about 100 labourers assaulted the assistant manager in Belmont Estate. The incident was sparked off because the workers were punished for being late for the muster. In

March about 80 toddy tappers struck in Kuala Lumpur in sympathy with another strike in Negri Sembilan. In the same year there were strikes in Vimy Estate where 25 labourers were paid off, and unrest in Edinburgh Estate due to caste problems among labourers (FMS, 1937).

The unrest in Negri Sembilan was overtly multiracial in character. In March the Indian labourers in Johol Estate stopped work together with their Chinese colleagues to demand 60 cents a day in wages. The following month Chinese and Indian labourers—the latter were organized mainly by schoolteacher Thangiah—stopped work in Sua Betong Estate. The work stoppages in both estates were basically in support of those by Chinese labourers in Ulu Langat (*Malay Mail*, 23 March 1937).

There exists no record of overt expression of conflict between 1938 and the outbreak of the Klang district strikes in early 1941. This lull should not be interpreted to mean that all was quiet on the plantation front. Stenson (1980: Chapter 3) describes this period as one in which Indian labour was politically mobilized under the banner of Indian nationalism, one of the factors that led to the Klang district strikes in 1941.

The Politics of Indian Labour

In the 1920s Indian political associations, few in number, took very little interest in labour welfare. These associations were basically divided into two political camps: the English-educated élite who supported the Indian Congress Party and the Tamil-educated Indians who supported the Dravidian movement in Madras (Stenson, 1980). This division notwithstanding, the prominent role exerted by India on the lives of labourers and the appointment of an Agent to look after the welfare of Indian labour precluded the active intervention of other political associations in labour matters.

The English-educated Indian intellectuals were jolted by the impact of the Depression on the Indian community. The repatriation and retrenchment practised by employers, backed by the colonial authorities, evoked a deep sense of nationalism and anti-European sentiment. Labour exploitation gave rise to the impression that Indians were mere commodities to be utilized and eventually discarded. The extreme exploitation came at a time when Indian nationalism was on the rise. It was in this context that English-educated intellectuals regrouped on the advice of the Agent to form the CIAM in 1936 (Stenson, 1980: 45).

The formation of the CIAM superseded the activities of chauvinistic organizations like the Dravida Munnetra Kalagam. Hardly was the CIAM formed when Srinavasa Sastri's report on Indian labour in Malaya was circulated. The CIAM lambasted the report which painted a very favourable picture of the Indian labour situation, heaping praises on employers and government officials. The report was dismissed as nothing but an apologia for capitalists. N. Raghavan of the Penang Indian Association, later Chairman of the CIAM, described the Sastri report 'as a study of our situation shallow beyond compare' (Stenson, 1980: 47).

Unlike certain Indian-based cultural and religious organizations, the CIAM took a direct interest in the promotion of Indian welfare. Such an orientation made it an important suspect in the eyes of the colonial government. It was therefore not surprising that the government resorted to dividing the Indian élite by favouring the Ceylonese Tamils, appointing the latter to government councils. Not to be outdone, the CIAM was instrumental in facilitating the visit of Nehru, who, on his visit to Malaya in 1937, tacitly endorsed the association's stand in the promotion of Indian welfare. The decision by the Indian government to ban Indian labour emigration in 1938 was to some extent influenced by the CIAM.

Important publications by Indian nationalists, such as the *Indian, Tamil Nesan, Tamil Kody*, and *Jeyamani*, heightened the sense of nationalism among Indian intellectuals and it was only a matter of time before radical moves developed. The March 1937 strikes by Chinese estate workers and the concessions thus gained were not totally lost upon the CIAM leadership, who saw the effectiveness of the strike weapon. The obstinacy and intransigence of employers and government authorities inevitably pushed the CIAM, particularly the Selangor Branch, to adopt a radical posture in the resolution of Indian labour problems. By 1940 the Selangor CIAM had effectively organized *kangani* and labourers in many estates by adopting a radical nationalist stand.

The mobilization of estate labour by the CIAM stemmed from the uncompromising attitude of the colonial authorities. After the outbreak of World War II the authorities' main concern was to ensure that Britain's war effort proceeded uninterrupted. Labour demands such as wage increases were therefore accorded little importance. Also, the power to fix wages was transferred from estate managers to company representatives in London, making it difficult for labour to obtain wage increases in a reasonable period of time. Moreover, the companies' representatives refused wage increases on the grounds that the House of Commons had assured them 'that strong action would be taken against anybody who attempted subversive action to interfere with industry'. They grew even more obstinate when rubber was categorized as an 'essential service' (Stenson, 1980: 61).

Given the situation, the CIAM felt that concessions could only be gained by mobilizing labour for a general confrontation. Such a strategy became all the more necessary in the light of pressure to increase estate production between 1939 and 1941. The CIAM was infuriated that despite the rubber price increase of 37.53 cents from 1940 to 1941, there was no commensurate rise in the wages of Indian labour. During this period the per capita output of rubber estate workers increased by over 55.0 per cent and profit for rubber companies ranged from 10.0 to 27.5 per cent (Stenson, 1980: 62).

The Klang Strikes, February–May 1941

The UPAM's recommendation of a 5-cent increase for rubber tappers in January 1941 was dismissed by the CIAM affiliate, the Klang Indian District Union under the leadership of R. H. Nathan. After this

announcement strikes developed rapidly in the Klang district (see Wilson, 1981) due to the ease of communications, affecting an area of 1,500 square miles stretching from Klang to Sepang, and involving about 20,000 workers. The strikes underwent three distinct phases beginning in February and lasting until 17 May. According to Wilson (1981: 5), 'had the workers been better organized, with effective channels of communication to other concentrations of estate labourers, the strikes would have been pan-Malayan in scope'.

The first phase of the strikes from February to 8 April was orderly and free of violence. After a meeting between the CIAM and UPAM the latter announced a wage increase of 60 cents for male and 50 cents for female workers retroactive to 1 April. The concession did not go down well with employers, who felt that the Controller had forced them into giving the increase. Within a week of the announcement, a total of 28 strikes broke out between 15 April and 3 May to mark the second phase. These strikes sprang up as a result of the measures taken in reprisal by employers against workers engaged in earlier strikes, which measures included the deliberate cutting of the water supply and rice rations. The earlier wage concessions won by workers further emboldened them to fly Congress flags at entrances of estates and to wear Gandhi caps in open defiance of the management.

The arrest of Nathan by the police on the ground that he was the main agitator on 6 May sparked off the third phase in the strikes. Two days later several hundred workers gathered at the Office of the Controller to demand his release. The strikes spread rapidly to encompass the whole of Klang district and reached as far as Jeram, about 19 miles from Klang. Workers rode bicycles from one estate to another, spreading the news of the strike and calling for co-operation. The arrest induced much militancy among the workers, an element absent in the earlier strikes. Trees were cut down by the strikers to prevent the transport of goods from the estates and numerous clashes occurred between workers and the police who were called in by the employers. Telephone wires were cut to prevent contact between employers and the police. Thus, within three or four days after the arrest, the strikes reached such a magnitude that the police were unable to deal with them.

As the strikes became more intense and violent, the government decided to use force to quell the unrest once and for all. After failing to get the assistance of Australian troops stationed in Malaya, a battalion of Indian troops was brought in from Ipoh. By the time the troops entered the scene, practically every estate between Kuala Selangor and Sepang was on strike. The troops, once set loose on the strikers, made numerous baton charges and fired on workers' gatherings, resulting in numerous injuries and five deaths. Many key strike leaders were arrested. After the brutal assault and the arrest of many of the working-class leaders, the vast majority of the workers had no option but to return to work. By 17 May the number of strikes had declined; and by the end of the month production was restored in the estates. The crushing of the strikes resulted in 5 dead, 386 orders of arrest, 21 deportations, 95 voluntary repatriations, 49 detentions, and 186 dismissals from the district.

Nathan himself was deported to India on 19 May (Stenson, 1980: 67).

The Klang strikes received widespread attention, particularly from Indian officials in India. It was expected that the High Commissioner would order a public inquiry into the Klang disturbances. But the High Commissioner, fearing adverse publicity, felt that a public inquiry was not necessary, and in a telegram to the Colonial Office in London said that there were 'no alleged grievances worth mentioning' and whatever trifling complaints that existed had been settled by the estate managers. The Colonial Office was not satisfied and, under pressure from the India Office, told the High Commissioner to clear certain doubts that had been raised (Wilson, 1981: 24). However, the High Commissioner, with the support of the UPAM, delayed the inquiry, and because of other pressing concerns of the Colonial Office, a public inquiry was put off indefinitely.

Chinese Labour

Unlike the Indians, the Chinese labourers had the benefit of certain social organizations that performed a variety of functions from welfare to the resolution of labour disputes in the late nineteenth and early twentieth centuries. The operation of guilds and secret societies, although weighted in favour of capitalists, was none the less important in catering for the welfare of Chinese labour. It was through these organizations that Chinese employers or contractors fixed wage rates, holidays, and terms of service, thus reducing tensions between labour and capital. In European plantations Chinese labour was seldom employed directly as was the case with Indians. Chinese labour was employed by contractors who for all intents and purposes were their employers. In the 1910s and 1920s there were hardly any conflicts between Chinese labour and European employers. Even if there were, these were probably resolved within the Chinese community by reliance on certain social mechanisms as explained earlier. In the first half of the twentieth century there was a noticeable period of calm among Chinese labour in the plantations. However, between 1936 and 1937 there was a tremendous upsurge in unrest which underwent two distinct phases before culminating in the Ulu Langat district estates strikes of March 1937 (see Yeo, 1976).

The Politics of Chinese Labour

Economic grievances alone cannot explain the unrest among Chinese labour in late 1936 and in 1937. The Malayan Communist Party's (MCP) role amid political and economic changes among the Chinese community in the first quarter of the twentieth century must also be considered. The British attempt to control the Chinese through legislation and the establishment of the Protectorate weakened secret societies. The introduction of the Labour Code in 1912 and its reformulation in 1923 eliminated some labour abuses. Due to legislation enforcement Chinese labourers succeeded in reducing or even eliminating their debts and other obligations to employers and contractors. The passage of the

Aliens' Ordinance in 1933, although discriminatory, helped to increase the bargaining power and consciousness of labour as employers could not keep wages low by increasing the flow of Chinese. The other effect of the legislation was to permit the flow of Chinese female immigrants, which led to the establishment of a more settled labour force based on family units (Yeo, 1976: 38).

The loosening of social control over labour meant the freedom to choose one's employment and to bargain for better wages. Employment opportunities were sought in urban areas, particularly in Singapore and Kuala Lumpur. Due to general mobility the old Chinese guilds that operated on the basis of a particular trade, often based on a single dialect group, could not function. In the words of Gamba (1962a: 9): 'When the modern factory brought together different types of labour, a complete break-away from Chinese tradition was inevitable.' Eventually the ineffectiveness of the guilds in coping with modern types of employment gave rise to labour unions.

Chinese labour consciousness in Malaya in the 1930s was also related to the establishment of many labour unions in Singapore and Malaya by the communists who operated under the Malayan Revolutionary Council (MRC) within the Guomindang branch. After the split between the nationalists and communists in 1927 the MRC broke away from the Guomindang to form the Nanyang Communist Party. The party was dissolved in 1930 and in its place the MCP was established to devote more attention to Malayan affairs. Despite the crackdown by the Singapore authorities in the early 1930s, the party emerged unscathed to undertake united front work among the working class in 1934 through its Malayan General Labour Union (MGLU); party branches were established in almost all states in Malaya. At the Fifth Central Executive Meeting in September 1936 in Muar, the delegates endorsed the party's policy of a united national front among the various races. Towards this objective the delegates emphasized agitating workers for higher wages and better living conditions and merging the workers' struggle for economic betterment with the anti-imperialist and anti-colonial struggle (Hanrahan, 1971: 31; Yeo, 1976).

At Muar it was also decided that the party should be broken into two sections so as to prevent the British authorities from crippling the movement. Singapore and Johore would come under Southern Central, while Perak, Selangor, Malacca, and Negri Sembilan would come under Northern Central located in Kuala Lumpur. In December 1936 the MGLU was moved to Kuala Lumpur for the purpose of setting up trade unions and eventually bringing them within the fold of the MGLU. Two months prior to the move, two MCP figures, Chiu Tong and Chan Han, were dispatched to Selangor. Through their work, strikes were successfully organized in Malaya in 1937 (Yeo, 1976: 40-1).

The revitalization of the MCP and the setting up of the Northern Central section and the MGLU coincided with growing signs of frustration and unrest among Chinese labour itself. In the first phase of the Selangor strikes in the mines in late 1936 the MCP's role was confined

to one of observation and study. On the basis of this study the MCP was able to involve itself in the second phase of the Selangor strikes that took place between early December 1936 and mid-March 1937 among engine drivers, rubber factory workers, pineapple cutters, shoemakers, mill workers, match factory workers, and others. The strikes that took place in Shum Yuk Leung Factory, Malayan Rubber Works, and Elkayes Match Factory in the Klang district were organized by the MCP (Yeo, 1976: 48-50).

By the time the strikes had spread to the rubber estates in the Kajang district the MCP was in a position to take full advantage of workers' grievances. Even before the formal entry of the MCP on the estate scene, the labour situation in the estates was quite volatile due to wage concessions won by workers in the earlier strikes. The MCP's intervention on behalf of the rubber estate workers was timely and appropriate. Without their intervention, major concessions would not have been won. The MCP set up the Kajang committee consisting of 12 men and later formed the RWU for Selangor and Negri Sembilan. It was through the committee with its base in Sungai Ramal that the MCP was able to extend the strikes to other areas—as far south as Malacca and Johore.

The MCP was able to organize strikes in estates in the Ulu Langat district because of the economic grievances among the workers there, grievances related to the manner in which the contract system operated (NSSF, 1937).¹³ A major defect of the system was in the allocation of tasks to labourers. The estate manager would inform the contractor how much a tapper should be paid; but in reality it was virtually impossible for the manager to know how much the tappers would be paid. Under normal circumstances the manager would leave it to the contractor to vary the tasks in a field. The manager would not be in a position to know how many tappers were assigned by the contractor in a particular field. For instance, the manager would not know if the contractor had put two men to three tasks, a practice very common under the contract system. The contractor could even ask a tapper to tap 500 trees instead of 400 as stipulated by the manager.

In the 1930s the contractor was not as powerful as he was in the 1920s; but he was nevertheless well positioned in the plantation system to exploit his labour force. The Depression in the early 1930s strengthened his position to some degree. The contractor, apart from the assignation of tasks, also found ways and means to underpay workers. The manager would pay the contractor 5 cents per pound for rubber brought in by tappers, but the contractor would pay only 4 cents per pound. In four days of tapping a tapper bringing in an average of 16 pounds of rubber per day would have been deprived of 64 cents. The system had other evils as well. Workers, by agreeing to buy goods supplied by the contractor, often became indebted to him. Workers who borrowed money from him had to pay exorbitant interest rates.

The frequent wage fluctuations following on changes in the rubber price were also responsible for alienating Chinese labour to some extent. The Depression between 1929 and 1932 contributed to the drastic

reduction of workers' wages and massive unemployment. While Indian labour was repatriated to India in large numbers, such repatriation was not extended to Chinese labour. Given the massive unemployment, Chinese labour was forced to accept substandard wages. At the end of 1929 their wages which had been in the region of 85–90 cents fell to 30–40 cents by the end of 1931. As noted by Bauer (1948: 232), 'There were also many instances of Chinese workers accepting work for food and lodging with perhaps 5 cents a day in cash.'

However, between 1933 and 1936, the rubber price rose, reaching its peak in 1936—a rise of 250 per cent—but this was not matched by a proportionate increase in wages to meet the increased cost of living. The wage concessions to labour were particularly inadequate. Rubber tappers in the Kajang district had their wages pushed up from 47 to 65 cents only. Employers, rather than looking seriously into the wage question, were more preoccupied with rehabilitating their businesses. According to one colonial official, the 'slump mentality' lasted too long among planters (Yeo, 1976: 45).

The Ulu Langat District Strikes, March 1937

In early March 1937 Chinese rubber tappers in a number of estates in the Ulu Langat district, such as Hawthornden, Wardieburn, Sungei Rinching, Connemera, and Bangi Estates, struck to demand better wages and more decent working conditions (SSF, 1937). These strikes were fuelled by developments in the Bolton Estate strike in Cheras. In a workers' gathering a police detective who had infiltrated the ranks of the workers was exposed and assaulted. On learning of the matter a police party was dispatched to Bolton Estate and about 60 workers were arrested, though the leaders escaped. Anticipating that the leaders would return to claim the bicycles they had left behind, four police detectives were stationed there. However, contrary to the expectation of the authorities, the Bolton Estate labourers, angered by the police action, organized a protest march to Kuala Lumpur to demand the release of the 60. On their march the four detectives were assaulted when they tried to prevent their progress (SSF, 1937).¹⁴

Subsequently 110 workers were arrested; the march was broken up; and those who were not gathered up into the police dragnet fled into the jungles and plantations. The police put the blame for the unrest on Chinese agitators. The police action further fuelled the strikes in the Ulu Langat district. In almost all the strikes one of the important demands was the unconditional release of the workers detained earlier. Those arrested received much sympathy and support from workers in Klang, Setapak, Sungei Besi, and Batu Arang (FMS, 1937; SSF, 1937; *Malay Mail*, 11–31 March 1937). At the same time the police, alerted to the possibility of strikes and protests spreading, foiled the attempt of about 10,000 workers to march to Kuala Lumpur from the Ulu Langat district (*Malay Mail*, 22 March 1937).

By late March an estimated 30,000 Chinese labourers were on strike in Selangor and Negri Sembilan, of whom 25,000 were employed in

rubber estates while others were employed in other sectors. The vast majority of the strikers were Chinese, but Indian and Javanese labourers took part to some extent. In Klang the factory strikes involved a sizeable portion of non-Chinese. In the Batu Arang coal mines nearly half of the work-force was Indian. Apart from the strikes spreading within Selangor and to Negri Sembilan about 400 Chinese workers in Simpang Empat and Alor Gajah, Malacca, went on strike. In Johore a few hundred workers struck (*Malay Mail*, 25, 31 March 1937).

The demands put forward by the strikers in the various estates were very similar.¹⁵ Although they agreed to negotiate with the management, they insisted that the detained workers be first released. Meanwhile the strikers grew more militant as the days passed; they engaged in new tactics to extract as many concessions as possible. One effective tactic was to get the managers or any government officials within a circle and then to physically press them for concessions.¹⁶ At Connemera Estate the workers, using this tactic of encirclement, were quite successful in obtaining some immediate concessions from the manager. While the strikes were in progress, the Chinese workers seemed to be very conscious of their involvement in the strikes. When one of the workers was questioned by the Acting Protector of the Chinese, his reply was: 'I bring in \$6 worth of rubber per day and I am only paid 60 cents for it.' In response the latter noted: 'This being true is rather devastating.'¹⁷

The strikes in the Ulu Langat district dragged on for more than a month without any solution in sight. The authorities were taken aback at what they saw as a highly organized labour movement with widespread influence. The similarity in the workers' demands gave rise to the suspicion that subversives and communists were at work to undermine the government. Negotiations arranged by the Chinese Protectorate Office failed to materialize because of the deep-seated antagonism between labour and capital. Finally the colonial authorities, fearful of losing their political grip in Malaya, resorted to force. In late March police raids were unleashed throughout the Peninsula and important working-class leaders were detained and banished. The strikes were broken by the police raid on Hawthornden Estate on 29 March and the arrest of 16 women and 234 men. With these raids the fate of the strikes was sealed. The Chief Police Officer, Selangor, remarked, 'The raid had an excellent effect—and destroyed completely the morale of the labour force.'¹⁸ In this atmosphere the workers had no alternative but to negotiate with the employers as arranged by the Chinese Protectorate Office. On 31 March at a meeting in the Merchant and Miners Club, Kajang, a number of concessions were obtained.¹⁹

The Aftermath of the Strikes

What were some of the important steps taken in the aftermath of the strikes? The government was concerned but too embarrassed to undertake a public inquiry as requested by certain quarters (Yeo, 1976: 70). The High Commissioner felt that such an inquiry would embarrass the government and employers. Yet he believed that colonial officials had

not understood the Chinese community well; and if they had, the March strikes could have been avoided. In order to resolve this dilemma the High Commissioner appointed W. L. Blythe, a Chinese Protectorate official, to conduct a comprehensive survey of the conditions of Chinese labour in Malaya. The Blythe Report (1947) was dispatched to Whitehall in November 1938 and finally published in 1947. The report is one of the best accounts of the history of Chinese labour in Malaya.

The High Commissioner felt that the 1937 strikes could have been averted had the various departments fully informed the government as to the exact situation of Chinese labour. He rejected the request for social legislation but emphasized that 'inspection is in my opinion the prime need' to prevent disturbances in the plantations. In fact, the High Commissioner advised the Residents in the respective states to adopt a similar approach to that contained in a circular sent by the British Resident in Pahang to all district officers in the state. In this circular the Acting British Resident of Pahang, J. V. Cowgill, argued that the government must be kept informed of developments in the labour scene. Since the Office of the Chinese Protectorate was not fully staffed, district officers had a role to play in the inspection of estates (NSSF, 1937).²⁰

It was also felt in high circles that the March strikes could have been avoided had employers and the government had more consultation and co-ordination between them. In an effort in this direction a Malayan Advisory Committee was set up in April 1938. The committee, chaired by the Controller of Labour, met from time to time to discuss labour matters; but without statutory power it was ineffective. Furthermore, labour was not represented. As stated by Yeo (1976: 71), 'The recurrence of large scale Chinese labour strikes between 1939 and 1940 and the absence of a positive wage policy towards Chinese estate labour presumably indicate that the committee made unimpressive progress to December 1941.'

The impact of the March 1937 strikes on employers and the government gradually faded away as the labour situation returned to normal. Plantation employers, having granted some concessions to labour, remained adamant against periodic review of wages. Although the rubber price reached its peak in April 1937, it could not be sustained, falling to its lowest point in May 1938. Consequently the UPAM lowered the wages of both the Chinese and Indians. It was this decision that forced the Indian government to impose a permanent ban on Indian immigration in June 1938. The whimsical and arbitrary policies of employers and the inability of the government to deal with the situation gave rise to intermittent strikes in the late 1930s and early 1940s. As discussed earlier, the most significant unrest in 1941 took place in the Klang district.

1. See 'Letter from the Secretary to the Government of India to the Chief Secretary of FMS, 8 February 1926', in FMS (1927).
2. This protest was contained in 'Letter from the Secretary to the Government of India to the Chief Secretary of the FMS, 8 February 1926', in FMS (1927).
3. *Cittue* is a savings group in which participants make fixed contributions at intervals for a specified time period, and the contributions are distributed to each in rotation.
4. See 'Wire from the District Officer of Kuala Selangor, 10 December 1912', in SSF (1912).
5. See 'Letter from Ramayah, Mallan and Latchumiah to the Superintendent Indian Immigration, Penang, 13 December 1912', in SSF (1912).
6. See 'Letter from the Deputy Controller of Labour, E. W. F. Gilman, to the Secretary to the Resident, Selangor, 30 December 1912', in SSF (1912).
7. *Ibid.*
8. See 'Report Submitted by the Controller of Labour', in SSF (1913).
9. *Ibid.*
10. See 'Pamphlet on the Escot Estate', in SSF (1913).
11. See 'Report Submitted by the Controller of Labour', in SSF (1913).
12. Interview with Thevanai and others, Ayer Tawar, Perak, August 1989. Thevanai is the sister-in-law of Palanisamy.
13. See 'Estates Inspections in Negeri Sembilan: Observations and Conclusions by David Gray, Acting Protector of Chinese, Negeri Sembilan, 5 April 1937', in NSSF (1937).
14. See 'Report on the Bolton Estate Protest March and Attack on Detectives by Deputy Commissioner of Police, Chief Police Officer, Selangor, to the Secretary to Resident, Selangor, 18 March 1937', in SSF (1937).
15. See 'Report by N. Grice, Acting Protector of Chinese, Selangor and Pahang, on Strike at Connemara Estate, Semenyih, 9 March 1937', in SSF (1937).
16. See 'Report on the Wardieburn Estate', in SSF (1937).
17. See 'Report by N. Grice on Strikes in Rubber Estates, 16 March 1937', in SSF (1937).
18. See 'Letter from the Chief Police Officer, Selangor, to the Commissioner of Police, FMS, 8 April 1937', in NSSF (1937).
19. See 'Report on Ulu Langat Rubber Estates by the Protector of Chinese, 31 March 1937', in SSF (1937).
20. See 'Memo by the High Commissioner on Chinese Labour to the Secretary to Resident, Negeri Sembilan, 1 April 1937'; 'Letter from the Acting Secretary FMS to the Secretary to Resident, Negeri Sembilan, 19 August 1937'; and 'Circular Letter by British Resident, Pahang, to District Officers', in NSSF (1937).

4

The Labour Struggle, 1945-1948

IN the immediate post-war era the labour struggle in the plantations was a much more intense and well-coordinated effort waged by the MCP to undermine the British colonial system. The first part of this chapter discusses the background to the struggle. The second part will examine the actual nature of the struggle in the plantations—its overt manifestations, the unions involved, and the demands and concessions obtained. The third part will analyse the failure of the struggle.

The Background

A series of military defeats suffered by Britain at the hands of the Japanese in Malaya led Whitehall to extend its co-operation to the MCP. A direct result of this decision was the formation of the Anti-Japanese Mobilization Committee, which later organized the Dalforce for the defence of Singapore (Hanrahan, 1971: 57). In addition the British released all left-wing political prisoners and accepted the MCP's offer of guerrilla resistance against the Japanese.

After a secret meeting (Short, 1975: 21) both sides agreed to set up a resistance force. The MCP was to select and supply Chinese trainees for the 101 Special Training School while British officers would provide the training. It was also agreed that the British would use the trainees in ways they thought fit. Altogether, the school trained about 165 graduates, who later provided the leadership in the Malayan People's Anti-Japanese Army (MPAJA). By March 1942 five independent forces of the MPAJA were established in different states under the Central Military Command of the MCP.

For the first 18 months of its operations the MPAJA led a precarious existence. Raids were ill-prepared; hasty operations resulted in heavy casualties. The lack of a mass base and food hindered guerrilla operations (Hanrahan, 1971: 69). However, by mid-1943 a number of factors had contributed to its consolidation. The most important was the increased recruitment of young, able-bodied Chinese youths who had fled the Japanese to escape annihilation and open discrimination. The flight of many pre-war Chinese leaders from Malaya on the eve of the Japanese occupation and the involvement of certain Chinese leaders in the Japanese-sponsored Overseas Chinese Association served to alienate the traditional leadership from the rank and file. The leadership void

was filled by young militants in the MCP/MPAJA (Cheah, 1987: 21).

The MPAJA's growth was also boosted by the support it received from Indian estate workers. The Japanese attempt to revive estate production by elevating Asian staff to managerial level alienated labour. To gain favour with the Japanese the staff exerted maximum pressure on the workers. As stated by R. K. Jain (1970: 302, 304-5), 'the more tyrannical a kirani was the more successful he became with the Japanese'. The cruel treatment meted out to labourers was compounded by forced recruitment to the Siam Death Railway. Many labourers, fearing this, enlisted in the Indian National Army (INA) in late 1942. 'For the estate workers, the sole justification for joining the INA lay in the guarantee of a more honourable end in the cause of one's country, as against the ignominious death of a forced labourer in Siam.' Others, however, turned to the MPAJA to seek 'deliverance from the rule of tyranny'.

Apart from the MPAJA the other significant development was Japanese encouragement of Indian participation in the Indian independence movement through the Indian Independence League (IIL) and the INA. Although Japan had no plans to invade India, it decided for strategic reasons to foment anti-British sentiments among Indians in South-East Asia through the IIL in Tokyo under Rash Behari Bose. Two months before the invasion Major Fujiwara conducted intelligence work in anticipation of winning the loyalty of Indian troops based in Malaya. During the invasion itself he followed closely behind to establish rapport with captured Indian troops, recruiting them in the first INA under Captain Mohan Singh (Ramachandra, 1970: 2; Lebra, 1971).

The Indian independence movement underwent two phases. In the first, it came under the leadership of the former CIAM élite. Although the movement made a good impression then, conflicts between it and the Japanese developed. When a number of leaders resigned from the IIL, Rash Behari Bose took over the movement temporarily until the arrival of Subhas Chandra Bose. With Bose's arrival on 2 July 1943, the movement entered its second phase. On 21 October Bose announced the formation of the Provisional Government of Azad Hind and its declaration of war on Britain and the United States. The Azad Hind declaration and Bose as the President contributed to a phenomenal political resurgence among Indians in the country. Thousands were recruited to camps set up for military training. Meetings and training sessions in the camps exerted a strong radical influence on the participants. Stenson (1980: 96-7) speaks of the camps as 'filled with a ferment of ideas deriving not merely from the teaching of nationalist and revolutionary history or the inculcation of anti-imperialist attitudes but also from the spontaneous exchange of views about all sorts of political ideas from Dravidianism to socialism and communism'.

From the constant calls and exhortations by Bose, funds in the region of \$55 million were collected, and by July 1944 its membership rose to 350,000 (Ramachandra, 1970: 224). The mass enthusiasm for the movement reached its peak between February and May 1944 during the Imphal campaign. The INA's debacle at Imphal dashed the hopes

of the Indians for the liberation of India. Indians became frustrated for other reasons as well. First, the occupation did not benefit workers; the real beneficiaries were educated Indians. The forced recruitment to the Siam-Burma Railway by league officials—usually educated Indians—served to alienate them from workers. In fact, many plantation workers joined the INA merely to avoid going to Siam. Second, the financial exactions imposed by the league were oppressive. When funds did not flow into its coffers, the Japanese *kempetai* was used to coerce the Indian poor (Stenson, 1980: 99). Third, news and information of the INA's role in Burma, restrictions imposed by the Japanese, inadequate supplies, and the death of INA soldiers gave grounds for suspicion and hostility about the true intentions of the Japanese.

Whatever the limitations of the occupation, its sponsorship of the Indian independence movement was important in two respects. First, it gave rise to unprecedented nationalist feeling among Indians of different classes. Such broad, radical, nationalist sentiments were later effectively channelled by the MCP and its affiliates to challenge British rule. Second, Indian participation in the INA exposed them to military training and discipline, and gave them the opportunity to handle arms, to lead and organize, and in the process to gain self-respect. Such exposure proved particularly useful to Indians who later participated in radical trade union activities. It is no coincidence that many Indian leaders in the trade union movement were ex-INA members and officers (Stenson, 1980: 101).

On the eve of Japan's defeat the MCP adopted the moderate united front strategy of extending their co-operation to the British and agitating for reforms. At the Eighth Enlarged Plenum of the Central Committee held between 22 and 27 January 1946 the policy was officially adopted. Lai Tek, its leading advocate, argued that the colonial question could be resolved in two ways: through a bloody national liberation struggle; or by the application of a broad united front strategy. He stated that conditions in Malaya were not favourable for the first option and that the second should be adopted. The Central Committee outlined the three basic goals of the party: to establish a Malayan democratic united front; to bring about the spirit of a new democratic struggle; and to strengthen the organ of international peace—the United Nations (Hanrahan, 1971: 93).

By 15 September 1945 British forces had occupied the country and the British Military Administration (BMA) was instituted in Singapore. The BMA's decision to conduct military operations in anticipation of Japanese resistance ran into conflict with the left because of the former's failure to resolve social and economic problems. The BMA's uneven rice distribution policy, based on expediency rather than justice, was cause for grievance. The rationing system for rice, sugar, and salt was based on the outmoded Japanese system. The supply of food was marred by corruption and mismanagement. The monopoly of food staples was allocated to British firms and denied to the Chinese. BMA officials participated directly in private business and derived handsome profits therefrom (Daud Latiff, 1977: 123; Khong, 1984: 42).

The BMA, instituted as an interim measure in the restoration of law and order and the rehabilitation of essential industries, adhered conservatively to pre-war policies. The inflated prices of essential supplies were not considered. Its decision to retain the 1939 basic wage level for government employees and the limited increase given to labour in the private sector alienated a large section of the work-force. The disillusionment with the BMA was also due to three other reasons. First, the non-recognition of the Japanese currency was particularly insensitive to the needs of the poor. Second, the BMA's prosecution of Japanese collaborators was conducted in an arbitrary manner and special courts often dismissed cases for lack of evidence. Third, the use of Japanese prisoners of war (POWs) in rehabilitation projects with ample supply of army rations for these POWs was an affront to Malaysians. Furthermore, the use of POWs to replace strikers showed that the BMA wanted to stave off wage increases.

Conflict between the British and the MCP arose when the former introduced measures to curb the activities of the latter. The use of troops to break up left-wing strikes and demonstrations in October and November 1945; the arrest of the staff of two newspapers; the arrest and conviction of Soong Kwang, the head of the Selangor MPAJA on charges of criminal intimidation; and the disbandment of the MPAJA infuriated the left (Stenson, 1970: 76).

The turning-point in the MCP's relationship with the British came with the 15 February incident. The party, to embarrass the government, sought permission to celebrate the fall of Singapore and to inaugurate the Pan-Malayan General Labour Union (PMGLU). Although the British refused, the party went ahead with its plans. On the day in question the BMA responded with force. In Singapore the police clashed with more than 250 demonstrators, resulting in 24 persons arrested, 2 shot dead, and 19 injured. On the mainland 17 were killed and 48 injured (Morgan, 1977: 167).

Following this incident the MCP abandoned its moderate policy and adopted a new policy of labour organization and agitation. To give substance to its change in policy MCP offices were closed, and the PMGLU was pushed to the forefront. The party's link with the PMGLU was downplayed in public, and in the months of March and April 1946 the party gave discreet support to the PMGLU in laying the organizational groundwork among the working class based on their immediate grievances and aspirations.

The MCP's moderate strategy could not be sustained because of certain constitutional developments. The Malayan Union government inaugurated on 1 April was opposed by the left because it represented a continuation of the old colonial policy and because no attempt was made to prepare the people for self-government. The strong conservative challenge mounted by the United Malays National Organization (UMNO) caused the British to abandon the plan. Eventually the federation plan was evolved through the deliberations of a Working Committee. The left formed a coalition to oppose the plan and presented its own proposals. Despite support for the coalition, the British

took no heed, excluding left-wing forces from the committee. This was one sore point in the relationship between the British and the MCP that led the latter to abandon its earlier plan of co-operation (Donnison, 1956: 136).

Even before the change in strategy, the MCP had set up organizations such as the various People's Committees, women's organizations, the New Democratic Youth League (NDYL), the General Labour Unions (GLUs), and in December, following the disbandment of the MPAJA, the MPAJA Ex-Comrades Association, and the Malayan Democratic Union. The GLUs were created to organize and consolidate the MCP's strength among the Malayan working class. As early as September 1945 the MCP took the initiative to form labour unions. These were established by small groups of MCP or MPAJA members, who set up offices in almost all major towns. The development of trade unions was more rapid in Singapore. On 18 September a preparatory committee was set up to constitute the Singapore Various Races and Various Trades Workers United General Labour Union. On 25 October the Singapore General Labour Union (SGLU) was officially inaugurated and principal office-bearers and executive committee members were elected (Stenson, 1970: 63; Morgan, 1977: 166).

The establishment of GLUs on the mainland was not as rapid as in Singapore, but proceeded along the same lines. The setting up of GLUs basically involved replacing the MCP or MPAJA signboards in all major towns with those of the GLU or the NDYL. Once the various GLUs were established they soon proved to be the most effective labour organizations. Workers enrolled in the GLUs because these were the only ones which could offer protection, food, and leadership. The GLUs were established in many states by December 1945 and plans were formulated for the formation of the PMGLU, which was officially inaugurated on 15 February 1946 with Lam Swee as its Acting General Secretary. Later the PMGLU was accepted as a member of the World Federation of Trade Unions (*Ming Sheng Pau*, 23 July 1946).

Before the change in party line a number of strikes had taken place in Singapore. With the revision, labour agitation became much more intense. From 1946 until the first quarter of 1947 labour militancy was at its peak in Singapore, gaining substantial concessions from employers. In July 1946 over 3,000 men of the Singapore Harbour Board walked off their jobs because of government reluctance to review wages. In the same month 15,000 naval base workers went on strike because of the management's interference in union activities, and 20,000 men and 5,000 women packers of 28 rubber factories struck to demand the introduction of labour insurance, maternity leave, and payment for rest-days.

In early September, in a victory parade organized by the MCP and its associates to mark the end of Japanese terrorism, full attention was focused on the labour situation and slogans like 'More rice for people' and 'Back pay for government municipal servants' appeared. By the beginning of the first quarter of 1947 a number of strikes had occurred in Singapore either directly or indirectly under the influence of the MCP. The major ones were those by 2,000 drivers of Chinese

bus companies, 7,000 workers at the Singapore Harbour Board, and about 6,000 municipal workers on 22 January, and employees of the Singapore Traction Company in February. Overall in 1947 a total of 492,708 man-days was lost in strikes and work stoppages (Gamba, 1962a: 180, 209-10).

On the mainland strikes organized by the GLUs occurred as early as September 1945 in protest against the shortage of rice and other essential items. Clashes between the BMA police and demonstrators erupted in Ipoh, Taiping, and Pahang. The biggest strike was the 23-day strike by about 2,000 Sentul Railway workers in January 1946. This was followed by the dock workers' strike in Port Swettenham early the same year. Before 1946 ended important strikes had occurred among employees of the Penang Soap Factory, a cigar factory in Kuala Lumpur, and at the Malayan Tin Dredging Company.

Labour militancy peaked in the first quarter of 1947. The strike by workers of the Batu Arang Malayan Collieries between 18 January and 13 March 1947 almost brought coal production to a halt. Another major conflict was the one among employees of the Perak Hydro-Electric Company in February. In mid-1947 Indian labourers of the Penang Municipality struck. This was followed by the Sago employees' strike in Kedah. The situation in tin mines was no better; workers in over 120 mining firms presented their demands. In August about 2,000 workers, many of them Malays, walked out of the Sentul Railway workshop in support of their demands (Gamba, 1962a: 224-36).

It was in the midst of the growing influence of the MCP that the British authorities moved to introduce legal provisions to curb the GLUs. After Japan's surrender John Brazier of the British Trade Union Council was sent to Malaya in December 1945 as the Trade Union Adviser of Malaya (TUAM) to enforce government regulations on unions. In Singapore he was assisted by S. P. Garrett, the TUA there. On arrival Brazier concluded that the growth of moderate and pro-British unions would not be possible without the destruction of the communist-controlled unions, particularly the SGLU and the PMGLU. Towards this end he turned to the weapon of trade union registration. He advised the Registrar of Trade Unions of the need for compulsory registration of all trade unions. On 1 July 1946 the Trade Unions Ordinance No. 12 was passed, requiring compulsory registration of trade unions (Malayan Union, 1947).

Following the passage of the legislation the SGLU changed its status to the Singapore Federation of Trade Unions (SFTU), as the SFTU would not be required to register but its affiliates would. On Brazier's advice the PMGLU also changed its status to the Pan-Malayan Federation of Trade Unions (PMFTU). But action against the PMFTU and the SFTU was delayed until June 1948 because of the fear of strikes, the possible reaction from the British government, and very importantly the need to introduce major amendments to existing trade union legislation as required by the British government (Stenson, 1970: 139).

Before the legislation could be implemented the Malayan government had to exclude a number of items in the legislation that were deemed

retrogressive on the basis of the model ordinance sent by London. Brazier opposed the removal of a number of restrictions as suggested by the ordinance. He therefore proposed the acceptance of the ordinance with certain restrictions to shelter the infant trade unions from communist domination. Having secured the compliance of the British authorities, Brazier turned against the communist unions (Stenson, 1970: 140–2). With the introduction of the Trade Unions (Amendment) Ordinance on 12 June 1948 as well as further amendments on 19 July, the SFTU and the PMFTU (with its 11 state federations) ceased to exist. It was no coincidence that Emergency Rule was also introduced around the same time to deal with the communists. This declaration forced the MCP into the jungle to begin a long, protracted guerrilla war.

Unrest in the Plantations

Labour unrest in the plantations in the immediate post-war period was not purely spontaneous but a well-coordinated and directed political movement spearheaded by MCP organizations like the PMGLU, which was able to organize the multiracial plantation labour force because it exploited the immediate and pressing economic and social conditions in the plantations.

The estate population was considerably reduced in 1946 in comparison with 1941 (Table 4.1). Indian employment was nearly halved, and Chinese employment registered a reduction of about 10,000 workers. This was mainly due to the dislocations caused by the Japanese occupation. Indian and Chinese workers had suffered under the Japanese regime, and according to Gamba (1962a: 257), 'large numbers of labourers had never returned to the estates'. Although the labour population was restored to near the pre-war level in 1947, the general problems of labour shortage in 1946 gave much bargaining power to labourers. With Japan's defeat, estate labour was generally happy to see the return of their European managers in optimistic anticipation of improved conditions under them. However, this welcome did not imply 'that estate labourers, still shaken by the experiences of the past three and a half years, could accept a reconstitution of the old system of authority on unchanged terms' (R. K. Jain, 1970: 310). But then, to the disillusion-

TABLE 4.1
Malaya: Estate Labour Population, 1938–1947

	1938	1941	1946	1947
Indians	214,323	209,871	137,027	221,240
Chinese	57,897	61,257	51,651	87,434
Malays	15,230	18,474	21,258	26,663
Javanese	8,699	10,215	8,680	18,638
Others	1,221	293	235	719
Total	297,370	300,110	218,851	354,694

Source: Gamba (1962a: 256).

ment and frustration of labour, European managers reimposed their old order without regard to the changed political situation.

When the Europeans returned to their estates after the war, they tended to praise the Asian staff for their positive contribution in saving the estates from total ruin. Within a short time, the staff adapted once again to serve their former masters. Estate labourers who had suffered much under the staff during the occupation were infuriated to see how hypocritical the European managers' attitude was towards them and the staff. It was in this atmosphere of strained relations that labour shied away from the managers and staff. When an attempt was made to incorporate workers into the All Malayan Estate Asiatic Staff Association, the *Indian Daily Mail*, a pro-Congress English daily, criticized the move as an attempt to sabotage estate workers who were slowly being united by the PMGLU (Gamba, 1962a: 253).

The most important reason for the unrest was the gross inadequacy of wages. This attempt to deny wage increases must be examined in relation to Britain's post-war economic policy. As stated by Purcell, 'without Malaya the sterling system as we know it could not exist' (Morgan, 1977: 156). In the post-war period foreign exchange earnings from Malaya were crucial in the financial reforms promised by the Labour government in Britain, and also in repaying Britain's foreign debts. Britain, with this in mind, paid scant attention to the question of political independence and was aware that such a move, if initiated, would only benefit the communists.

The Malayan Union plan was clearly designed to protect Britain's economic and strategic interests. Although the plan was later abandoned in favour of the federation concept, the latter concept was formulated in such a way that it did not jeopardize British interests either. The survival of the British economy predisposed the colonial authorities in Malaya towards facilitating the quick revival of production in the rubber and tin sectors. The emphasis on production necessitated the application of a wage squeeze together with certain social controls.

Under the BMA, Indian labourers were paid the 1941 wage rate. During the transition from a military to a civilian government in early 1946, wage rates went up slightly in the plantations. By March wages paid to Indian labourers stood at 65 cents for males and 55 cents for females, but in April there was an increase of 5 cents for male labourers. The wage restraint policy adopted by the UPAM created discontent for two important reasons.

First, the restraint policy was not uniformly applied, as high profits and labour shortages created a situation where many employers, particularly the Chinese, were prepared to pay wages higher than UPAM rates. Such differences did not take place in isolated areas but throughout the country. In July the UPAM recommended that Indian labourers should get \$1.10 for males and \$0.95 for females. But these rates were not implemented evenly (Gamba, 1962a: 271).

Wage discrimination was the second source of discontent. In 1946 Indian labourers were paid in the region of 70 cents for males and 65 cents for females, while Chinese labourers engaged in the same

kind of work obtained \$2.00–3.50 per day. In the estate strikes that developed this issue was repeatedly raised by workers. The UPAM defended the disparity on the grounds that the Chinese were better workers than the Indians. The low wages of the Indians were justified because they received free accommodation and other social amenities. This did not convince the Indian government representative in Malaya, S. K. Chettur, who played a leading role in upbraiding the UPAM over its policy of wage discrimination (*Indian Daily Mail*, 24 April 1947; Chettur, 1948). Not surprisingly Chettur was very unpopular with the European planting community and its supporters, particularly the *Straits Times* (Netto, 1961: 75).

Chinese workers too had their grievances. In 1946, as a result of the labour shortage, the Chinese felt that existing wage rates were inadequate. They not only wanted higher wages but also hospitalization, maternity, and free transport benefits. When employers refused to accede to these demands, the workers took strike action. The decision by the UPAM to impose a 20 per cent wage cut in the contract tapping rates in May 1947 prompted a nation-wide protest by Chinese workers, especially those organized within left-wing organizations. Indian estate workers also protested in solidarity against the wage cut.

The unrest was also related to the operation of the contract system of employment, as suggested by Gamba (1962a: 290), who wrote: 'The contractor system was still another factor in many cases fostering labour unrest.' Additional factors were the lack of educational facilities, union-busting tactics by employers, the application of the law of trespass, and the denial of registration for unions formed by workers.

Left-wing Labour Unions

The PMGLU's organization of plantation labour proceeded at four levels: first, the creation of small, individual estate unions; second, the state Indian labour unions which mainly catered for Indian workers; third, the larger state rubber estate labour unions consisting of workers of different ethnic origins; and fourth, the GLUs encompassing workers of all races, occupations, and industries (Gamba, 1962a: Chapter 5). The MCP-sponsored GLUs or state federations came to play an important part in the labour struggle. They were also very successful in influencing many unions that had been created independently, but not with those that had close ties with the TUAM. This came as a result of the considerable bargaining power exhibited by the PMGLU in dealing with employers. Some independent unions realized that without the support of the PMGLU, it was difficult to exact concessions from stubborn employers.

It can be ascertained that in 1947 the vast majority (about 53,000) of union members belonged to the MCP-sponsored FTUs (Table 4.2). Workers' participation in the FTUs was most prominent in Selangor, Negri Sembilan, and Johore. Trade unions independent of the FTUs and supported by the TUAM had only 7,527 members. Trade unions of doubtful status had a membership of 7,706. According to the Regis-

TABLE 4.2
Rubber Estate Workers' Membership in Trade Unions, 1947

	FTUs	Independent	Doubtful
Selangor	12,351	–	3,680
Perak	4,722	2,626	–
Negri Sembilan	11,079	3,358	197
Kedah	1,500	1,543	2,769
Penang	766	–	–
Johore	17,028	–	3,874
Malacca	5,190	–	–
Kelantan	486	–	–
Total	53,122	7,527	7,706

Source: Malayan Union (1947).

trar of Trade Unions, workers' membership in trade unions of doubtful affiliation was either 'indirectly or strongly supported by the FTUs' (Malayan Union, 1947).

The PMGLU had 11 state federations (FTUs). In the unrest that developed the most active federations or GLUs were those located in the west coast states of the peninsula, such as those in Kedah, Perak, Selangor, Negri Sembilan, Malacca, Pahang, and Johore. The GLUs were under multiracial leadership, while Indian participation in the various Rubber Workers Unions (RWUs) was particularly conspicuous. Although the PMGLU sought to bring as many unions as possible under its umbrella, at the same time it preferred to de-emphasize its relationship with certain labour organizations. The formation of the All Malayan Rubber Workers Council (AMRWC) in early 1947 was basically a creation of the PMGLU for the purpose of obtaining formal representation for estate workers. In the course of its negotiations with the authorities the PMGLU deliberately downplayed its links with it.

The PMGLU was not as tightly organized as the SGLU; it sometimes had to depend on local organizations to facilitate the organization of labour. In Kedah and to some extent in Johore and Selangor the PMGLU relied on the Indian Youth Corps, Thondar Padai, an organization started by A. Samy in Kedah. Because the Thondar Padai was effective in organizing workers and holding strikes, it was extended to areas with large Indian majorities. Stenson (1970: 118) states that in Kedah, Chinese leaders of the GLU found it useful to rely on the Thondar Padai in organizing workers.

The Struggle

Strikes Commence, 1946

As a result of the effort of the GLUs, strikes commenced in early 1946. It appears that these commenced as soon as European managers arrived in Malaya to take up their former posts. In April, 6 strikes took place as

a result of the workers' grievances against the estate *kirani*. In May there were 12 strikes in Perak and 2 in Negri Sembilan. In June strikes generally escalated throughout the country. There were a number of strikes in Kedah, 7 in Perak, 2 in Johore, 2 in Negri Sembilan, and 1 in Pahang. In July there were 25 strikes in Perak, 37 in Selangor, 6 in Pahang, 2 in Negri Sembilan, and 4 in Johore (Malayan Union, 1946).

Between April and July 1946 the main demands were for wage increases and more rice rations. Because of the rise in the cost of living by 352 per cent in 1946, estate workers wanted employers to increase the rice rations. The rise in the cost of living was partly due to rampant black marketeering under the BMA administration. In April the price per 8 pounds of rice was \$1.80 but rose to \$3.60 in July and to \$5.20 in December. During the July strikes estate workers in Kedah demanded a 50 per cent wage increase and an increase in rice rations to 5 *gantang* (40 pounds) per worker. Also, in Perak during the July strikes an estate manager and his assistant were held captive by workers in support of their demands (Malayan Union, 1946).

Table 4.3 is an abstract of strikes that took place in estates in August 1946. In Kedah labour officers who visited Harvard and Dublin Estates found that the strikes there were caused by workers' unhappiness with their working and living conditions. It was also reported by these officers that the strikes had the support of workers who were members of the Kedah GLU. In Perak the main reason behind the strikes was the lack of wage increase and rice rations. In Sungei Samak, Sedang, and Gedong Estates the workers were assisted by the Perak Indian Labour Association, an affiliate of the Perak GLU.

Although the large majority of strikers in August were Indians, there

TABLE 4.3
Abstract of Strikes in August 1946

<i>State</i>	<i>Estate</i>
Kedah	Dublin, Harvard
Perak	Nova Scotia, Dalry, Sungei Samak, Sadang, Strathisale, Chemor, Chemor United, Kamuning, Changkat Salak, Heawood, Dovenby, Plang, Kamini, Phin Soon, Elphil, Sungei Rayle, Sungei Krudden, Gedung
Pahang	H. Royal, Sungei Kawang, Lai Chong, China, Chew Yew Fei, Tanjung Sekawan, Lipis
Malacca	Kemuning
Johore	Ayer Manis, Fraser, Lambak, Kulai Young, Yong Peng, Mount Austin
Selangor	Jalan Acob, Sungei Pelek, Nigel Gardener, Sungei Tinggi, Bukit Daruh, Hong Kong, Buta, Bedford

Source: Jeff (1946: Appendix A).

was also considerable Chinese involvement. The strikes by the Chinese were particularly prominent in Johore and Pahang. In the Sungei Kawang Estate strike in Temerloh, Pahang, Chinese workers demanded a wage increase. Because of the Pahang GLU's assistance in the strike in China Estate, Kuala Lipis, workers at a victory meeting decided to give two days' pay to the GLU. At the strike in Sagil Estate, Johore, Chinese tappers wanted an increase of 3 cents for 1 pound of rubber and an extra 3 *gantang* (24 pounds) of rice (Malayan Union, 1946).

At a meeting held from 10 to 11 September 1946 estate workers' representatives of the Selangor GLU listed 18 demands and 3 resolutions for the consideration of employers and the government. Among the important demands were provision of foodstuff, Sundays to be observed as holidays, double pay for Sunday work, wages and allowances to be increased, relief for the families of those who died in Siam, schools to be built in estates, proper estate quarters with sanitation, and toddy shops to be abolished. The 3 resolutions stated that teachers should be recruited from India to teach in estate schools; living conditions of estate schoolteachers should be improved; and a message of gratitude should be sent to the World Federation of Trade Unions (Gamba, 1962a: 493-4).

Increasing Intensity of Strikes, 1947

As 1947 approached, the tempo and intensity of strikes in the plantations increased considerably. While wage concessions were made on an *ad hoc* basis by individual estates in view of the strikes, the planting community represented by the UPAM proved adamant in its stand. The UPAM considered the strikes and work stoppages as the work of political agitators and pressed the government to take appropriate action. The intensification of strikes in the plantations and elsewhere in 1947 can also be related to the political situation. The colonial authorities' move to introduce the Malayan Union plan and the subsequent presentation of an alternative political formula to appease the conservative Malay aristocracy was opposed by left-wing political parties represented in the All-Malaya Council of Joint Action.

KEDAH AND PERLIS

Even before the introduction of the 20 per cent wage cut among contract rubber tappers on 20 May, estate strikes reached their peak in the early months of 1947. The nation-wide strikes involved many estates. In Kedah and Perlis in January, strikes occurred in Kuala Ketil, Henrietta, Sungei Puntar, Kim Seng, and Padang Meiha Estates. In February strikes spread to Sungei Toh Pawang, Sungei Tawar, Glugor, Junum, Bukit Sembilan, Thonghurst, and Pelam Estates. The strike in Henrietta Estate was connected to the rivalry between the Malayan Indian Congress (MIC) and the FTU. The strike in Thonghurst Estate was related to a notice of dismissal given by the manager to five workers and the ensuing assault on the manager. Other than these two incidents the others were all related to the wage factor. The Deputy Commissioner of

Labour for Kedah and Perlis reported that labour unrest in the two states arose from the fact that wages were far below the UPAM rates (C of L, MU, 1947b).

Labour conflict in Kedah was nowhere more intense and sharp than in Bedong, Bukit Sembilan, and Dublin Estates. On 28 February 1947, the police, reinforced by the military, forcibly broke up a peaceful demonstration staged by the local union in Bedong to discourage workers from drinking toddy. As a result of the force used, one worker died and about nine were injured. Twelve Indian labourers were arrested and later sentenced to three months' imprisonment. The second incident, in Bukit Sembilan Estate, was a premeditated move by the police and the management to demoralize the estate work-force. When one worker, Balaya, was not produced by the workers before the police, an intensive search was launched; a number of workers were beaten up, and about 66 workers were arrested. The third incident occurred at Dublin Estate on 24 April. Here the manager, knowing in advance that the local union was holding a meeting to discuss the May Day celebrations, brought in the police to break up the meeting. From the ensuing violence unleashed by the police, one worker, Low Teik, was shot dead (*Indian Daily Mail*, 6, 10, and 13 September 1947).

Police action in these three incidents was apparently designed to teach the labourers a 'lesson'. In fact, the same police personnel were used in the three incidents. Haines, the Commissioner of Police, in addressing a meeting of the UPAM, justified the use of force to deal with political agitation. That no public inquiry was undertaken to investigate the causes of the above incidents strongly suggested that the government and the police worked closely together to suppress the workers. A subsequent inquiry by the MIC pointed to 'a degree of cooperation that amounts to collusion between the vested interests on the one hand and the government executive, the police, on the other for the purposes of suppressing fundamental rights of the largest class of people in this country, namely, Labour' (*Indian Daily Mail*, 6 September 1947).

PERAK¹

In Perak between January and May 1947 the number of estate strikes far exceeded those in Kedah, probably because there were more estates in Perak than in Kedah. In January strikes occurred in coconut estates in Lower Perak. About 180 workers struck at Teluk Buloh Estate and about 20 days later workers struck at Strathmashie Estate. In February there was a strike among Chinese and Indian labourers at Brussels Estate, Bidor. The strikes later spread to Gapis Estate, Padang Rengkas, Sungei Estate, Sungkai, Chemor Estate, Chemor, Strathisla, Ulu Bernam, and Sanglop Estates, Kota Bharu, Degong Estate, Teluk Anson, and Hamilton Estate, Bidor. By mid-May labourers had also struck at Changkat and Sogomana Estates, Ayer Tawar.

The strikes by coconut estate labourers at Teluk Buloh and Strathmashie were basically over the wage question. At the former place the labourers wanted \$2.00 instead of \$1.50 for plucking 1,000 coconuts.

Rather than accede to the increase, the management allocated 2 acres to each plucker at the rate of \$2. The workers ultimately accepted the offer but none the less vented their anger on one estate staff, Rajoo, for his mistreatment of the workers. At Strathmashie labourers wanted compensation for a tom-tom burst by the manager, increased wages for digging *lallang*, \$4 per chain for removing silt and clearing drains, as well as wages for strike days.

In the strike at Brussels Estate, Bidor, on 3 March, Indian and Chinese workers demanded a tapping bonus and overtime benefits. Indian workers demanded that overtime benefits be paid before Thaipusam. Labour unrest at Gapis Estate, Padang Rengkas, emanated from labourers' unhappiness with a conductor. At Sungei Estate, Sungkai, Indian labourers who were members of the Perak Estate Employees Union (PEEU) were unhappy with wages and wanted the local PEEU removed because of financial mismanagement.

The strikes at Chemor and Strathisla Estates near Ipoh developed at the same time. It was predominantly Chinese labourers who demanded that the cost of rubber per pound be increased from 10 to 13 cents and scrap rubber from 5 to 9 cents. At Strathisla the demand was that the 10 workers dismissed earlier be unconditionally reinstated and the two months' wages that were held back be paid as well as maternity benefits for the female tappers. The strikes in these two estates and the reluctance of the Central Perak Planters Association to concede to the demands proved worrisome to the authorities. The Assistant Commissioner of Labour, Perak, feared that the strikes might spread to nearby estates.

Indian labourers struck at Ulu Bernam Estate in mid-March. The strike was over the management's dismissal of a shopkeeper involved in the Thondar Padai, the Indian Youth Corps. At Sanglop and Degong Estates the involvement of the PEEU created problems between its supporters and those in the GLUs. On 24 March about 65 per cent of the labour force at Sanglop Estate went on strike over the manager's dismissal of workers suspected of indulging in communist activities. On the intervention of the PEEU the workers were paid off and the union made arrangements for them to leave the estate. In most of the European estates in Perak the PEEU was looked upon as an ally of employers. K. P. C. Menon, the President of the PEEU, often made fiery speeches to impress estate workers, but unknown to many, Menon was consistently assisted by Brazier, who saw in him an example of a trade unionist best suited to the industry.

JOHORE²

The effective organization and mobilization of labour in Johore by the Johore Federation of Rubber Workers' Union (JFRWU) led to a number of strikes between January and mid-May 1947. Strikes at Yong Peng, Sedenak, Harimau, Paloh, Sri Gading, Pagoh, Tangkak, Fortrose, Chan Mo Sun, Sungei Senarut, Sagil, and Kempas Estates were significant, and involved Chinese, Indians, and Javanese. Chinese labourers struck

at Sedenak Estate on 19 February and demanded the following: increased tapping rates of 4 cents per pound; full pay for those hospitalized; maternity benefits; and free transport to the workplace. At Harimau Estate, Kota Tinggi, Javanese labourers struck to demand: a daily wage of \$1.50 plus bonus of 12 cents per pound; \$1.50 per day plus overtime for weeders; and \$2.00 per day and overtime at 30 cents per hour for factory workers.

In a strike that involved both Chinese and Indian workers at Yong Peng Estate in mid-February, it was apparent that the Batu Pahat Rubber Workers' Union (BPRWU) was behind the unrest. The labourers forwarded the following demands: tappers to receive \$1.50 plus 10 cents per pound of rubber; store and factory labourers, \$2.00 for 8 hours' work and 50 cents per hour for overtime; lorry drivers, \$75.00 per month plus overtime; and field male and female labourers, \$1.30 and \$1.20 respectively. At the strike in Sri Gading Estate similar demands were presented.

The BPRWU was clearly the instigator of the unrest in the Batu Pahat district. At Paloh Estate the Indian labourers went so far as to detain the manager and his assistant until the arrival of the police. Later 10 labourers were arrested and charged with illegally confining them. V. Muthu, the President of the BPRWU, intervened on behalf of the labourers. The left-wing RWUs were clearly behind the unrest at Sedenak and Fraser Estates in Kulai district. Although different phraseology was used in articulating their demands, they were very similar to those in other estates. Thus, given the close co-ordination between labourers of different estates in Johore, it was no surprise that the estate managers themselves began to adopt very similar procedures in dealing with the strikes.

Not only did the employers start forming combines to counter labour demands but attempts were made by the various Labour Department offices throughout the country, through the office of the TUAM, to wean labourers away from left-wing trade unions. During the Pagoh Estate strike in mid-February the Johore Labour Department became very suspicious of Royal Jose, the General Secretary of the North Johore Indian Labour Union (NJILU). Although the NJILU was first established by conservative trade unionists, the union took on a radical posture when Jose and his friends assumed office. The Johore Labour Department was so distrustful of the NJILU that P. P. Narayanan of the Negri Sembilan Indian Labour Union (NSILU) was specially invited to Pagoh Estate to divert the allegiance of the labourers from the NJILU. According to the Assistant Commissioner of Labour, Muar, Narayanan 'is by far the best union leader whom I have so far come across—speaking excellent English, well briefed, conciliatory but firm'.

In the Kulai district strikes spread from Sedenak to Fraser, Kelan, and Kulai Besar Estates within a few days. By March 1947 the Johore Labour Department was convinced that it had to support employers in quelling labour disturbances. In reporting about the Sedenak Estate strike the Deputy Commissioner of Labour, Johore, wrote, 'I have not tried to do very much in this case as the hooligan element is at the bot-

tom of it and I feel we must support the managers willing to make a stand against that.'

The militancy exhibited by the labourers and the involvement of the NDYL in the Kulai district was cause for official concern. On 23 March the NDYL held a concert in the district during which employers and the government were ridiculed and mocked. It was also reported that cars belonging to managers and Asian staff were damaged by stones, pepper, and salt put into the petrol tanks.

Although no strike took place in Kelan Estate, the Indian labour force—the largest in South Johore—displayed a high degree of militancy. In recognition of this an Indian section of the Johore Baru District Rubber Workers Union was established in the estate and Vengadapathy was elected President, Thambiah Secretary, and Govindasamy Assistant Secretary. Soon after the branch was established, the Thondar Padai was formed. It was reported that communist badges were found in the possession of some labourers in the estate.

In the Kluang district the Thondar Padai was particularly active in aiding the labour struggle. In the case of Paloh Estate, already mentioned, members of the Thondar Padai, dressed in uniforms, took an active part in the enforcement of the strike. The Thondar Padai functioned closely with the Paloh Rubber Workers Association (RWA). Other than enforcing the strike the Thondar Padai also held court and meted out punishment to those who disobeyed the union's orders. It was also reported that in the same estate six labourers were beaten up for defying the warning to refrain from drinking toddy. The militant activities of the Thondar Padai were naturally of grave concern to the authorities, as reflected in the words of the Deputy Commissioner of Labour, Kluang: 'The position in Paloh closely resembles that which arose in Kedah and indicates strong and prompt police action to deal with intimidation and the suppression of uniformed bands.'

The 10 labourers arrested in Paloh Estate for the alleged mistreatment of the manager and his assistant had their fines (levied by the Magistrate's Court) paid by the union. In the meantime the Johore Planters Association requested that the authorities send a trade union officer to the estate to diffuse the strike. Brazier, the TUAM, sent one of his deputies, Dharmalingam, who lectured the labourers on proper union procedures and the manner in which negotiations should be conducted. Dharmalingam achieved some success and about 50 per cent of the workers returned to work. The 10 workers told to leave the estate left with about 60 of their relatives. The TUAM Office's effort to break the strike was therefore only a partial success; the remaining 50 per cent of the workers continued striking. At a meeting at the end of March they affirmed their loyalty to the PMGLU by taking Thondar Padai salutes.

By early March it had become amply clear that estate employers in consort with the authorities had begun to take the initiative in dealing firmly with the strikers. In fact, many of the strikes that began in Johore and elsewhere were catalysed by management's victimization of labour. For instance, a strike in the Ayer Panas division of Tangkak Estate was due to the manager's dismissal of union leaders. The Assistant Commissioner

of Labour, Muar, admitted in his report that the dismissal of five men at the end of February on the charge of stealing coconuts

is a comparatively minor incident itself. The Manager, however, like so many in the neighbourhood, is fed up with the continued petty troubles brought up by the Labour Union and this occasion presented him with an excellent opportunity for getting rid of the local trouble makers—the President and Secretary of the Estate branch of the labour union are amongst those served with the notice of dismissal.

Given the strong opposition from the labourers to the dismissals, it was feared that the strike might spread to Sagil Estate where the Thondar Padai and other MCP affiliates were active.

In solidarity with the labourers of the Ayer Panas division, labourers from the Blumang and Kebun Baru divisions of the same estate demanded in a letter to the Assistant Commissioner of Labour that the manager of the estate be removed before any settlement was reached. The labourers asserted that 'the presence of Mr Parker in Tangkak Estate is against the interests of labour in general and we therefore demand that the said Mr Parker to [*sic*] be removed from Tangkak Estate and repatriated to England immediately'. The seriousness of the situation and the prospect that the disorder might spread to neighbouring estates led the TUAM Office to dispatch Dharmalingam to resolve the matter.

As it turned out, the efforts by the authorities to contain the strike within Tangkak Estate failed. The PMFTU and its affiliates proved too independent and militant to follow the dictates of the TUAM Office. By the beginning of May 1947 labourers from Sagil Estate who had become involved in the strike forwarded 14 demands, one of which concerned the removal of Parker. Some of the demands submitted by the RWA of Sagil Estate were 8 hours' work regardless of sex or race, overtime rates of 70 cents per hour, lines to be whitewashed and drained, a mandore's monthly wage to be \$90, 1 May to be declared a public holiday, medical benefits, and compensation to be paid to families of labourers who had died in Siam.

SELANGOR³

As in the other states, Selangor witnessed a number of strikes in the plantations in the first quarter of 1947. In February strikes broke out in Teluk Piah, Rasa, Dusun Durian, and Athlone Estates. The 2-day strike by Indian labourers at Teluk Piah Estate ended with two advances given for the Thaipusam festival. In Rasa Estate the Chinese labourers demanded an increase in the rate paid for scrap rubber, and about 40 Chinese labourers struck in Castlefield Estate, Puchong, to demand an increase in the tapping rate. In the same month labour disputes also took place at Highlands Estate, Klang, Sydney Estate, Kajang, and Bukit Jalil Estate, Puchong. By end February or early March employers had made a number of concessions to striking labourers in Selangor.

Generally speaking, by the end of February employers' victimization

of estate labourers, particularly those associated with left-wing trade unions, had become frequent. At Dusun Durian Estate, Klang, a strike resulted from the dismissal of 19 Indian labourers. Some of the labourers who were paid off were members of the Selangor Estate Workers Trade Union (SEWTU), which had representation in about 240 estates. Following the dismissal of the 19 labourers an agreement was reached among the members of the district planters association that they would refrain from engaging labour in their estates unless the labourers came with certificates from their former employers. At about the same time the arrest of union leader, Muthan, who had 'told off' the manager of Athlone Estate, Klang, led to a strike and a demonstration in Klang.

By early March employers emboldened by the Kedah incidents began to restrict the concessions granted to striking labourers and to take systematic steps to rid their estates of those whom they considered troublesome. Minor concessions were granted to strikers at Chang Tian Fook, Semenyih, Bukit Jalil, Puchong, Glenmarie, Klang, Sungei Way, and other estates. At the same time employers took the opportunity to dismiss the main agitators. These dismissals often led to further strikes. At Ebor Estate, Klang, the dismissal of Chinese tappers caused a strike. The management's attempt to replace Chinese with Telegus in Madingly Estate, Kajang, resulted in the whole labour force going on strike.

In comparison with other districts in Selangor the Klang district was the most militant due to the active role of the Klang Estate Workers Trade Union (KEWTU). At Bukit Jelutong Estate the manager was encouraged by the Assistant Commissioner of Labour, Klang, to take action against Sellamuthu, Sinniah, Karuppan, and Kandasamy—all prominent members of the KEWTU. At Sungei Way Estate four Indian trade unionists and members of the KEWTU were convicted and later dismissed for allegedly beating and tying up a conductor who had mistreated the workers. In April a strike developed on Highlands Estate following the dismissal of Kuppan—he had been elected Pre-sident the day before—whom the workers described as a dedicated trade unionist.

Despite the offensive embarked on by employers to weaken labour, Chinese estate labour engaged in a few successful strikes. At Midlands Estate, Klang, 62 Chinese tappers struck to demand a wage increase, whereupon the manager was forced to look into the matter. At Bute Estate, Kuala Langat, labourers submitted about seven demands on 18 March and the employer promised to accept their wage increase demand. At the end of March Chinese labourers struck at Hawthornden Estate, Kajang, to demand payment for scrap rubber. Settlement was reached on 28 March. At Bukit Hitam Estate, Puchong, the contractor's reluctance to pay proper wages resulted in a strike. Later the contractor agreed to make the increase.

By April the labour situation had become much more tense due to the suggestion by the planting community that wages would have to be reviewed because of the fall in the price of rubber. In May, because of

the depreciation in the price by 20 per cent, the UPAM recommended to all district planters associations that a 20 per cent cut be imposed on the tapping rates of contract workers. Even the Asian-owned estates, predominantly owned by Chinese *townkay*, normally less vocal than their European counterparts, came out in support of the UPAM's decision. However, the trade unions affiliated with the PMGLU were convinced that the UPAM's decision was motivated less by the fall in the rubber price than the calculated attempt to reduce the wages of Chinese labour to the level of Indian labour (Gamba, 1962a: 296).

The All Malayan Rubber Workers Council

The decision by the UPAM to impose a wage cut of 20 per cent prompted the PMGLU to establish the All Malayan Rubber Workers Council (AMRWC), headed by S. V. K. Moorthi, the President of the SEWTU. The AMRWC was established to oppose the wage cut and at the same time to present the demands of Chinese and Indian labour in a more unified and systematic manner. Morgan (1977: 180) remarks, 'As a result of the cut Indian and Chinese workers became even more unified in their opposition to UPAM.'

The AMRWC, apart from intending to present demands on a collective basis, sought also to be a representative negotiating body of the estate labourers in Malaya accepted by the government and the UPAM. However, the government and the European planting community tried every means to deny negotiating rights to the AMRWC. Instead of negotiating directly with the council the government often gave the excuse that the creation of a Wages Council to resolve the main problems faced by plantation labour would be adequate (C of L, MU, 1947f, 1947h).

Shortly after the wage cut the AMRWC called an All Malayan Rubber Workers' Conference. The conference delegates adopted a resolution supporting the demand for a 100 per cent wage increase for Indian workers and protested against the UPAM's wage cut. It also called for negotiations with the UPAM on a tripartite basis to discuss the cut and warned that over 100,000 labourers would be forced to take steps to defend their interests. It even offered to take over the running of estates so as to rectify the injustice (C of L, 1947f; Gamba, 1962a: 299).

To the thousands of labourers the 20 per cent wage cut showed that employers did not care about their welfare. When the UPAM refused to rescind its earlier decision, opposition erupted on a pan-Malayan scale. Opposition first developed in the Bahau-Rompin and Ulu Langat areas. Posters and slogans were widely disseminated bearing such messages as 'Protest against the Chinese Associations agreeing to accept low wages and thereby humiliating workers'; 'Children are suffering from hunger'; and 'Request Government to increase rice ration'. In June about 1,770 labourers took part in strikes, resulting in a loss of about 13,600 workdays in the districts of Bahau, Negri Sembilan, and Ulu Langat, Selangor (C of L, MU, 1947f).

Kedah

More than 2,000 Indian labourers in South Kedah struck for almost a week (Gamba, 1962a: 299). In June Chinese labourers staged a week-long strike at Chong Meng Estate, Selama, Kedah. In mid-August about 80 Chinese labourers of Dublin Estate division III downed tools in protest against the wage cut. During the same period about 22 Malay workers struck at Tiang Bee Estate when their wages were reduced from 13 to 10 cents. The workers returned to work only after obtaining 12 cents. Meanwhile, as the unrest worsened, attempts were made to weaken left-wing trade unions. Caddick, the Trade Union Adviser for Penang, at a meeting of the Kedah Planting Association (KPA), called for the creation of individual estate unions that would rely on a welfare fund administered by individual estate managers rather than on subscriptions (C of L, MU, 1947b).

Johore

In trying to resolve the problem of the wage cut, some local unions affiliated with the AMRWC endeavoured to negotiate with the planting community. In Johore a meeting was held between the representatives of the Kluang and Batu Pahat Rubber Estate Employees and the Central Johore Planters Association. To their dismay they were bluntly told that the association had no authority to decide on wage matters. The GLUs in other districts were also disappointed over the attitude of employers, and in protest a 26-day strike was waged in estates in the Senai-Kulai area (C of L, MU, 1947c).

The Kota Tinggi RWA proved very active in its campaign against the cut. S. R. Vadivellu, a member of the union who was denied entry into Ulu Tiram Estate, proceeded none the less to address the labourers on about 15 demands. He reportedly said,

Workers, the Manager is afraid of the Labour Union in as much as to say that the Union will instil into your head to demand better wages and better living conditions. Look at your houses, what are they? Mere replicas of pig-stys? Workers, why must you suffer so. This world is not for the capitalists, who number a mere fraction against countless hoards of workers.

Following the above incident one Govindasamy was sacked by the manager for allegedly intimidating a worker (C of L, MU, 1947c).

By early August it became clear that the UPAM had no intention of rescinding the cut. At a meeting held between 7 and 9 August, the Johore State Rubber Workers Association (JSRWA) reaffirmed its support for the AMRWC and planned to intensify the struggle. The JSRWA gave full authority to the AMRWC to hold negotiations with the UPAM, supported the AMRWC's demand for a 100 per cent wage increase for Indian workers, and protested against the cut.⁴ In order to consolidate and further heighten the struggle in Johore the JSRWA set up a committee composed of Hassan Ahmad, Ong Keng, V. Muthu, Sinniah, and Soo Pok. It then prepared detailed guidelines for conducting strikes in the plantations.

Selangor

The wage cut affected a number of estates in Selangor. Strikes in Cheras, Kajang, Kerling, and other estates were organized in protest against the cut. At Galloway Estate, Dengkil, the union representative wanted the cut deferred until 31 July, but the manager refused and a strike ensued. There were a few strikes in the Batang Berjuntai area due to the cut. The area most affected in Selangor was the Ulu Langat district; more than half the entire labour force in this district was on strike. The breakdown in negotiations between the SEWTU and the UPAM and the latter's announcement in early August—on the advice of its London offices—that it would not recommend any wage increase nor the withdrawal of the cut intensified the unrest in the plantations (Gamba, 1962a: 299).

The General Strike of 25 August 1947

The reluctance of the UPAM to withdraw the wage cut, the dismissal of union leaders, and the attempt to promote moderate trade unionism convinced the PMGLU and the AMRWC of the need to further confront capital. On 22 August the President of the AMRWC announced a Malaya-wide strike on 25 August. The President in his letter to R. G. D. Houghton, the Commissioner of Labour, Malayan Union, argued that the UPAM's attitude was the main factor behind the call to protest. The Commissioner, instead of taking concrete steps to diffuse the tense situation, merely reminded the AMRWC that it should wait for passage of the the Wages Council Ordinance, which would provide a democratic means of settling the terms and conditions of employment (C of L, MU, 1947f, 1947h).

The nation-wide strike called by the AMRWC was heeded in almost all estates in the country. The one-day general strike was most effective (about 90-95 per cent) in Selangor, Kedah, Malacca, and Johore, about 70-75 per cent effective in Pahang and Negri Sembilan, and about 50 per cent effective in Perak and Province Wellesley. In Malacca about 95 per cent of large European estates were affected. The success of the strikes in Malacca must certainly be attributed to the work done by the Jasin and Macap RWUs, whose representatives visited almost all estates in Malacca before 25 August. The organizational work done by Karupanan, leader of the Indian section of the Jasin RWU, certainly bore fruit among Indian estate labour (C of L, MU, 1947h).

Kedah

By the conservative estimate of the Deputy Commissioner of Labour for Kedah, the general strike affected only about 61 estates in Kedah, involving a labour force of around 14,000 (C of L, MU, 1947b). However, the report submitted by the Kedah Federation of Rubber Workers Union (KFRWU) estimated that the total labour force involved was about 26,000 (C of L, MU, 1947h). Not surprisingly the AMRWC in Kedah did not receive the co-operation of in-house plantation-based

trade unions like the Bedong Rubber Estate Employers Union and the Rubber Estate Labour Unions in Titi Panjang and Sungei Lallang. Even the Deputy Commissioner commented that the in-house unions, given their small membership, were completely overwhelmed by the militant left-wing trade unions (C of L, MU, 1947b).

Johore

In comparison with the other states the 25 August general strike was no less successful in Johore (Table 4.4). The strikes were particularly effective in the districts of Johore Bahru, Kluang, Segamat, and Kota Tinggi. The strike was 98 per cent effective among all races in estates situated along the Johore Bahru-Pontian road. During the strikes slogans written in Chinese were prominently displayed: 'Fellow Workers! Let us use the strength of united action to smash the UPAM's entry [*sic*] for wage cut and retrenchment of employees'; 'Hold firmly to the demand of Indian workers for a 100 percent increase for wages'; and 'Support with determination the call of the All Malaya Rubber Workers United Committee' (*Ming Sheng Pau*, 1 September 1947; translation from Labour Department, Muar, 1947c).

Selangor and Perak

The general strike was particularly effective in Selangor. In the district of Klang 90 per cent of UPAM estates were affected. In the Ulu Langat and Kuala Lumpur districts the strike affected about 85 per cent of all estates but was only about 60 per cent effective in the Ulu Selangor area. In the UPAM estates in Selangor the Tamil labour force turned up in full force to adhere to the strike directive. The general strike was less effective in Perak as a whole, but none the less effective in certain districts such as Ipoh, Sungei Siput, Parit, and Tapah. The PEEU, given its pro-management sympathies, refused to co-operate with the AMRWC and stated that 'this Union shall not intervene or unde

TABLE 4.4
Johore: Estate Strikes, 25 August 1947

<i>Districts</i>	<i>Number of Estates</i>	<i>Number of Strikers</i>
Tangkak	2	3,579
Batu Pahat	9	2,230
Johore Bahru	17	5,264
Kluang	41	10,070
Segamat	26	7,616
Muar	14	2,507
Kota Tinggi	46	6,782
Pontian	5	340
Total	160	38,388

Source: *Ming Sheng Pau*, 1 September 1947 (Arkib Negara, Kuala Lumpur).

take any responsibility regarding this strike that is not in keeping with the roles and regulations of the Union' (C of L, MU, 1947f, 1947h).

Although the AMRWC was very successful in organizing protests, it however failed to obtain any wage increases. The offensive launched served only to harden the employers and government's stand that they should not give in to the workers' demands. At a conference of Labour Department officials in November it was unanimously acknowledged that workers were generally satisfied and union demands were either 'frivolous' or 'unreasonable'. It was also noted that the relationship between officials and non-officials (meaning employers) had improved to the extent that it was no longer necessary for employers to send delegations to the Governor (Morgan, 1977: 181). The Labour Department's view that workers' demands were unjustified and that they were being manipulated by unions gave much support to plantation employers.

In October employers were further emboldened as a result of the ruling by Sir Harold Willan, Chief Justice of the Supreme Court, setting aside the order by the Deputy Commissioner of Labour, Selangor, that the action of a Chinese estate employer in dismissing three women tappers was legally justified because they had broken their contracts by absenting themselves from work. The Willan judgment gave legal sanction to employers who refused to re-employ workers who had taken part in strikes. The PMGLU described the judgment as having 'reduced trade unionists to a state akin to disarmed soldiers'. The state and employers' offensive was further strengthened when the AMRWC was refused recognition by the Registrar of Trade Unions in February 1948 (Morgan, 1977: 181).

The unrest from late 1947 until the Emergency declaration basically arose in reaction to the state-employer offensive. In January 1948 K. Manivellu, Secretary of the KFRWU, was arrested and charged with criminal intimidation because he sought reinstatement for the 14 workers sacked at Pelam Estate, Kedah, in September 1947. In early 1948 strikes were quite frequent in the estates in Lower Perak. The main organizer of the strikes in this district was R. G. Balan. Although Balan did not hold any formal position in the PMGLU, he was acknowledged as one of the prominent officials of the MCP. Through his RWU, Balan emerged as the powerful organizer of labour in Socfin-owned estates in Lima Blas, Klapa Bali, Slim River, and Bagan Datoh (Rajeswary, 1981: 53). Strikes by about 12,000 labourers broke out in Klapa Bali and Lima Blas estates in early 1948. Until his arrest in May 1948 the PEEU under Menon, and promoted by Brazier, had great difficulty making inroads in the estates in Lower Perak.

In June, just before the Emergency was declared, police baton charged strikers at Chan Kang Swee Estate, Segamat, Johore. The entire work-force, although dismissed by the management, refused to leave the estate. Subsequently they took control of the estate after expelling the management staff. About 100 policemen were brought in to deal with the situation. Without firing a shot, the police baton-charged the

TABLE 4.5
Man-days Lost in Strikes and Work Stoppages in Plantations, 1946-1949

1946	1947	1948	1949
372,341	696,036	370,464	5,390

Source: Gamba (1962a: 288).

workers. The outcome was seven workers dead and numerous others injured (Gamba, 1962a: 339; Morgan, 1977: 184).

The state's final offensive against the left-wing trade unions came with the passage of restrictive amendments to the Trade Unions Ordinance of 1946 and the declaration of the state of Emergency in June 1948. These two instruments were applied to cripple the left-wing labour movement in Malaya. In terms of man-days lost, labour unrest, which peaked during late 1946 and early 1947, gradually declined in 1948 and 1949 (Table 4.5).

The Failure of the Labour Struggle

The PMGLU's success in organizing and mobilizing the estate labour force in its confrontation with capital reached its peak in April 1947. After this date the movement gradually declined, although a few significant strikes took place up until early 1948, particularly in the Lower Perak district, as a result of Balan's work. According to the Commissioner of Labour, protests against the wage cut were clearly receding by September 1947. In the same month strikes throughout the country were limited to some estates in Kedah, Lower Perak, Tanah Merah district, Negri Sembilan, and the Mentakab area in Pahang. In October strikes and disputes in estates were few in number and no longer considered serious by the authorities. In Johore and Pahang there were only three or four strikes, in Perak and Negri Sembilan a few disputes, and the trouble in Malacca was confined to the Macap area (C of L, MU, 1947f). In early 1948, with the exception of a few strikes in certain areas, the struggle declined.

The PMGLU's success in 1946 and early 1947 was to some extent made possible by the vulnerable position of employers. Chinese estate owners, unable to defy the MCP's authority, granted generous concessions to labour. By the end of 1946 Chinese employers, conscious of efforts by the authorities as well as European employers to curb labour agitation, resisted the PMGLU by sponsoring secret societies and youth corps. The revival of the Guomindang and its youth wing, the San Min Chu I Youth Corps, was designed to provide political and even physical protection to the *tokay* (Stenson, 1970: 149). In late 1946, encouraged by the authorities, the San Min Chu I grabbed the opportunity to confront the unions affiliated to the PMGLU (Malayan Union Secretariat, 1946c).

Like their Chinese counterparts, European employers were particularly vulnerable in 1946. They returned to take over their estates only after the BMA had imposed its authority over the peninsula. Their most important task was to rehabilitate the rubber industry. Given the priority placed on rehabilitation and economic stability, the PMGLU was in an advantageous position to gain concessions through strikes. As it turned out, the PMGLU's effective representation of labour was rather short-lived.

By the end of 1946 employers in the UPAM were convinced that strong and concerted action was needed to curb left-wing unions. The numerous strikes and labour agitations that year were simply interpreted as the work of agent provocateurs. At a meeting with the Under-Secretary of State for the Colonies the representatives of the leading agency houses suggested the following measures be taken: the non-recognition of the FTUs, the application of the Secret Societies Ordinance to all unregistered groups, the banishment of subversive elements, strengthening of police power, the use of the military when necessary, and the introduction of an arbitration mechanism (Stenson, 1970: 156-7).

Employers came to depend on Brazier, the TUAM, to break the PMGLU by setting up rival unions. The attempt of the TUAM to form individual estate unions with the co-operation of employers was reported in October 1946 in Sungei Buloh Estate, Selangor (Labour Department, Selangor, 1946a). By early 1947 the establishment of estate-based unions was actively pursued by employers with the blessings of Brazier. In Kedah, Caddick, the Trade Union Adviser of Penang, took an active part in the formation of estate-based trade unions. In early August Caddick in his speech to the KPA called for the establishment of individual estate unions that would be administered jointly by labourers and estate managers (C of L, MU, 1947b). Although estate-based trade unions never became a real threat to the PMGLU, their establishment showed the close collaboration between the government and employers (Federation of Malaya, 1948).

The first important indication that employers had succeeded in convincing the government of the communist threat was revealed in the way the Kedah strikes were dealt with by the police between February and April 1947. Morgan (1977: 179) very aptly comments, 'The Kedah incident marked a decisive turning point in the class struggle in post-war Malaya. In future, the Government did not hesitate to join employers in denouncing all labour unrest as the work of "agitators".' Police action against workers in three estates—Bedong, Harvard, and Dublin—was justified by Haines, the Commissioner of Police, in his address at a meeting of the UPAM. Haines claimed that 'the present situation is not due to the question of wages, but is mainly the outcome of political agitation and illiberal organizations' (*Indian Daily Mail*, 10 September 1947).

The UPAM's refusal to accord recognition to the PMGLU in wage negotiations proved a major stumbling block to the latter's progress. Soon after the Kedah incidents Houghton, the Commissioner of

Labour, Malayan Union, applied pressure on the UPAM to begin negotiations with the PMGLU. But the UPAM was not interested in negotiations with the PMGLU and used all kinds of delaying tactics (Stenson, 1970: 182-4). Moreover, to pre-empt negotiations with the PMGLU, the UPAM declared in May that the fall in the price of rubber gave it no choice but to recommend a 20 per cent wage cut for contract tappers. To left-wing unions this move amounted to side-stepping the issue of negotiations. Although negotiations were carried on between certain unions and employers at state level, the UPAM's non-recognition of the PMGLU made it difficult for any conclusive agreements to be reached (C of L, MU, 1947c). When the PMGLU pressured the UPAM for negotiations, the latter advised the former to be patient until the UPAM was regrouped under the Malayan Planting Industry Employers Association (MPIEA) and the government's Wages Council was established (C of L, MU, 1947f).

Even the Commissioner, who initially appeared quite sympathetic to the demands of the SEWTU, had moved to the side of employers by August 1947. Houghton was convinced by a letter published in the *Malay Mail* ('Token Strike on Estate', 27 August 1947) in which the 25 August general strike was criticized by Pillai, the legal adviser and one of the organizers of the NSILU, as a token one led by agitators and false leaders. He declared that the strike was unreasonable because Indian workers had been made use of by the RWU. This denouncement pleased Houghton, who in a subsequent message to all Deputy Commissioners of Labour in the various states, said, 'There is [a] strong element of truth in Mr C. M. P. Pillai's article . . . and hope it gets a good deal of publicity.' Pillai's words influenced the thinking of the authorities and indirectly strengthened the position of employers in regard to the strikes.

The formation of the MPIEA in September 1947, and the arrival of C. D. Ahearne as the Executive Secretary, gave a tremendous boost to employers in their fight against labour. Stenson (1970: 186) argues that the MPIEA was formed to counter the demands of left-wing unions. The MPIEA's relationship with government officials generally improved after Ahearne assumed his post in the MPIEA. Ahearne, as a former Controller of Labour and Federal Secretary in the pre-war administration, enjoyed a good reputation with planters. In fact, many post-war government officials had been his subordinates earlier. With Ahearne at the helm of the MPIEA, the relationship between employers and government officials 'improved to such an extent that it was no longer necessary for employers to send delegations to the Governor'. With Ahearne on their side, employers adopted a hard line towards left-wing unions. Stenson (1970: 163, 186) thinks that Ahearne, through his close relationship with Houghton, convinced the authorities that a Wages Council was not necessary. As soon as this was done, Ahearne turned his attention to the AMRWC. In a letter to the Registrar of Trade Unions he questioned its legal status. Subsequently in February 1948 the Registrar denied registration to the AMRWC without giving any reasons.

From the beginning employers in the UPAM and later the MPIEA refused to come to terms with left-wing unions in establishing a uniform wage rate throughout the country. Nor was there any attempt to reduce the wage disparity between Chinese and Indian labour. Once the AMRWC was denied registration the MPIEA proceeded to negotiate with individual unions like the SEWTU, bypassing the FTUs in an attempt to undermine them. To weaken the PMGLU the MPIEA even tried to form 'estate committees'. In Perak the MPIEA, with the assistance of John Emmanuel of the PEEU, embarked on the formation of the Panchayat system (a council of five, composed of representatives of the management and labourers) in the estates (C of L, MU, 1947i).

Efforts by the state and employers to weaken the left-wing movement were helped to some extent by problems within the MCP itself. The MCP had provided clear directives to the PMGLU in 1946 to carry out labour organization and agitation based on local grievances, but the party was in a dilemma in 1947. That year it was preoccupied with factional problems and was not able to provide crucial political leadership to the PMGLU. The PMGLU made very impressive progress in 1946. Labour agitation reached its peak in late 1946 and early 1947, with workers winning a number of concessions from employers. Without this labour umbrella, concessions would not have come easily. In 1946 opposition from the state or employers was not strong, their preoccupation with the rehabilitation of the economy taking up much of their time. However, by early 1947 and after the Kedah incidents, both the state and employers began taking more stringent measures to fight the left. The PMGLU could not just rely on its earlier tactics; new ones had to be formulated to deal with the changing situation. Unfortunately the MCP, plagued by internal rivalry between moderate and revolutionary factions, was ill-prepared to guide the PMGLU at a time when guidance was most necessary.

The PMGLU, deprived of firm political guidance from the MCP, was not able to counter the strategy adopted by the state and employers in 1947. For example, in 1946 the PMGLU and its affiliates never gave primacy to the question of government recognition. They had a good deal of support from workers; on the basis of this strength concessions were exacted. But in 1947 the PMGLU seemed to have lost its political direction. With the formation of the AMRWC, the question of recognition became a serious concern. The PMGLU projected the AMRWC in such a way as to impress the authorities that it was a 'bona-fide' representative body of plantation workers and had no links with the communists. The government, however, was not convinced. Employers refused to negotiate with the AMRWC because they, in 1947, were in a position to refuse the demands of the PMGLU. Ultimately it was on the advice of the MPIEA that the government refused registration to the AMRWC.

The PMGLU's preoccupation with registration and recognition in 1947 was indicative of the state of confusion within the organization in expanding and consolidating its control over labour. Instead of moving from one level of struggle to another, it seemed to lack vision. Under

these circumstances the PMGLU leadership could only respond rather feebly and hesitantly in a rapidly changing situation that required dynamic leadership with a firm political commitment. Its emphasis on the need for government recognition for its affiliates like the AMRWC was actually the outcome of a policy that was confused, naïve, and politically disastrous.

It is unclear why the PMGLU or the MCP considered the registration issue of great importance. It should have been clear to the PMGLU in 1946 that registration of trade unions was geared to weaken trade unions affiliated to the MCP. In July when the government made a ruling that all trade unions had to be registered, the PMGLU changed its name to the PMFTU. With this move, the PMFTU, following the example of the SFTU, would not seek registration but its 11 state affiliates would. The PMGLU followed the advice of the TUAM without realizing the consequences. When the Registrar of Trade Unions announced in October that the state unions had to disaffiliate from the PMFTU, the latter could only protest. Even though immediate action was not taken against the PMFTU and its affiliates, the government none the less bided its time.

In the initial period of struggle in plantations the PMGLU was able to forge some degree of unity among Indians and Chinese. This unity enabled the PMGLU⁵ to exact concessions from employers. However, in 1947 and 1948 sustaining this unity presented difficulties to the movement. In 1946 plantation workers, whether they were Indians or Chinese, participated in the activities of the movement. Given the social and economic problems during the BMA period, the movement was well poised to exploit these problems. The gains made showed that it was an effective organization that delivered the promised goods.

In 1947 the social and economic situation was stabilized to some extent in the plantations. Certain sections of the plantation labour force that had once participated in the activities of the PMGLU went back to their old ways. The management's reassertion of authority after the Kedah incidents meant reliance on old forms of labour organization such as the contract and *kangani* systems. These systems, once revitalized, led to the emphasis on ethnicity or other forms of primordial sentiments as these were invariably invoked in the labour control process.

For the PMGLU, sustaining and developing racial unity further to meet new challenges that cropped up in 1947 and 1948 was difficult. The establishment of splinter unions in plantations in Perak, Negri Sembilan, Johore, and Malacca led to a situation where these unions began championing workers on the basis of their race. An important demand of Indian workers affiliated with the PMGLU unions was the levelling of their wages with the Chinese. However, it was not successful in its quest. The PMGLU's failure could have been a sore point for many Indian workers. Pro-British trade unions like the NSILU and the PEEU were able to capitalize on this issue in trying to wean Indian workers from left-wing unions. These unions probably did not have much success in 1947, but the fact that they existed and were supported by the colonial authorities was a potential threat to left-wing unions.

In spite of the many problems that beset the PMGLU in 1947 and early 1948, it was still a formidable organization in the labour front. It was probably the biggest affiliate and the main fund-raiser for the MCP. The very survival of the MCP depended on the PMGLU and its 11 state federations. To the colonial authorities left-wing organizations could not be broken without resorting to extreme measures. Thus, in June 1948 restrictive amendments were introduced to the trade union legislation of 1946, denying registration to the 11 federations. A few days later Emergency Rule was declared for the country as a whole to deal with what the authorities described as a 'communist subversion'.

Under the Emergency, the government was given virtually unlimited powers to legislate and administer the country as it saw fit. Strikes became illegal, stiff penalties were introduced for those who instigated strikes, and provisions were introduced to evict workers from estates if they were found to be communist sympathizers. It is estimated that by September 1948 about 185 trade unionists were arrested and imprisoned. In May 1949 S. A. Ganapathy, the former President of the PMGLU, was hanged for possession of a revolver (Morgan, 1977: 190). In the same month the Vice-President of the PMGLU, P. Veerasenam, was shot dead by security forces in an anti-communist raid (Stenson, 1980). The Emergency-induced environment of police and military repression also enabled the government to deport about 10,000 people from Malaya.

The application of the Trade Unions (Amendment) Ordinance of 1948 under Emergency Rule meant that the PMGLU and its 11 federations were denied the avenue of registration. Moreover, a great number of plantation unions that were registered and affiliated with the communist state federations were deregistered (Federation of Malaya, 1948). According to the government, between April and September 1948 trade union membership fell more than 50 per cent from 154,434 to 75,504. This is probably a conservative estimate because it did not take into account the membership in non-registered unions. In the same period the number of trade unions fell from 289 to 162. By December 1949 membership fell to 42,228, and there were about 169 unions, mostly pro-government unions (Morgan, 1977: 191).

1. The details in this section are largely gleaned from C of L, MU (1947a).
2. The information in this section is largely culled from C of L, MU (1947c).
3. The details in this section are largely taken from C of L, MU (1947d, 1947e).
4. Translation of a Tamil document that came into the possession of the Deputy Commissioner of Labour, Johore, entitled 'Decisions of the Committee of the Johore State Rubber Workers Union held from 7.8.47 to 9.8.47' (Labour Department, Muar, 1947c).
5. Although the PMGLU had changed its name to PMFTU in 1946, it was still commonly known as the PMGLU, and is therefore referred to as such in the rest of this book.

5

Moderate Trade Unionism

The Beginnings of Moderate Trade Unionism

IN the promotion of moderate or pro-government unionism, estate unions were John Brazier's obvious choice. First, the PMGLU's dominance was marked in the plantation sector where labour struggle took on a very militant form. Since the strength of the PMGLU was foremost in the mind of Brazier, it was only logical that he chose the plantation sector as his base. Second, given the importance of the rubber industry to the British economy, it was of paramount importance that left-wing dominance of labour in plantations be weakened and if possible replaced with compliant trade unions. Third, the sector offered a convenient springboard for Brazier because these trade unions were led by English-speaking individuals whom Brazier considered amenable to government regulation.

The plantation unions with which Brazier eventually developed a good relationship were the NSILU under the leadership of P. P. Narayanan, the PEEU under K. P. C. Menon and later John Emmanuel, the NJILU under Rayal Jose and Govindan Nair, the Malacca Estate Employees Union (McEEU) under T. Subbiah, and the Alor Gajah Labour Union under Dawood. By the time of their amalgamation in 1954 as the National Union of Plantation Workers (NUPW), the NSILU had changed its name to the Plantation Workers Union of Malaya (PWUM), the NJILU became the Johore State Plantation Workers Union (JSPWU), and the PEEU was the Malayan Estate Employees Union (MEEU).

These five unions that amalgamated in 1954 were led by individuals opposed to left-wing unions. They were English-educated and either middle or lower-middle class in their origins; none came from working-class backgrounds. Narayanan was a clerk in an estate before he joined the NSILU. Similarly Jose was a clerk before he became the General Secretary of the NJILU. Govindan and Dawood were businessmen prior to joining their unions. Emmanuel, who succeeded Menon, was a schoolteacher before he was instigated by Brazier to join the PEEU.

Until the introduction of the Emergency, Brazier had little success in the promotion of unions rivalling the left-wing ones. Brazier, despite having the government machinery on his side, was incapable of penetrating the mass-based trade unions organized under the PMGLU. In such a situation he was forced to rely on certain union leaders (such as

those mentioned above) who had little influence at the grass-roots level. As Stenson (1970: 148) puts it, the effectiveness of independent unions as alternatives or rivals to the FTUs 'was obviously potential rather than actual in 1947' but that 'this potential existed was of real importance as it provided a base upon which Brazier was able to build on'.

It would be wrong to assume that Brazier only began his work after the FTUs ceased to exist. Although Brazier had limited success as long as the FTUs remained, he was none the less able between 1946 and 1948 to make important contacts with certain union leaders. It was the slow but sure cultivation of these ties that enabled him to identify union leaders who would in the long run head the union movement in plantations in conformity with British interests. Brazier was a prominent trade unionist in Britain and one would assume that he would in principle be opposed to the notion of organizing workers along communal lines. But in the Malayan situation he subordinated his principles so as to promote unions along ethnic lines as long as they were opposed to the FTUs. Even Gamba (1962a: 112) admitted that although Brazier outwardly supported non-communal trade unions, he secretly encouraged communalism; but then he apologetically states that Brazier's sacrifice of trade union principles was due to the assassination of High Commissioner Sir Henry Gurney, his strong ally.

*Perak*¹

In Perak as early as March 1947 Brazier took an interest in PEEU activities. This pro-employer union was not popular with the workers in estates like Sungkai, Kinta Kellas, and Gapis.² At the Sanglop Estate strike the manager was very impressed by the way the PEEU defused the tense situation, moving affected workers out of the estate. After studying the various reports by estate managers Brazier began to cultivate Menon's friendship.

In the Gapis Estate industrial strife Menon depended on Brazier to resolve the dispute. However, when Brazier learned that Menon had made some fiery speeches, he admonished him, asking him to refrain from making such speeches. After this rebuke Menon appeared to tone down his speeches, and in league with the management moved about 162 striking workers to other estates. While Brazier might not have developed a working relationship with Menon, he nevertheless considered the union as a whole sound and with the potential to develop. When the opportunity arose, Brazier chose Emmanuel, an English-speaking schoolteacher, to replace Menon. Stenson (1980: 139) believes that the replacement was a calculated move engineered by Brazier and the police, particularly the Special Branch.

*Johore*³

In Johore as elsewhere the strikes and disputes fomented by the GLUs proved worrisome to planters. From time to time Brazier, with the consent of planters, sent one or two of his subordinates to help defuse the situation. For instance, one of his subordinates, Dharmalingam, was

entrusted with the responsibility of explaining proper trade union procedures to estate labourers. Dharmalingam, after his visit to Paloh Estate, wrote to Brazier about Chen Kang, the President of the Johore Federation of Trade Unions: 'I think I can with his assistance, bring about an end to the unfortunate strike on the Tangkak estate.' Later the Kluang Labour Officer informed Brazier that Dharmalingam's visit to several estates in Johore was very useful.

Sometimes Brazier also procured the help of Narayanan and Jose. In the Pagoh Estate labour dispute both men were present to defuse the situation. The Assistant Commissioner of Labour, Muar, who was at the estate, said, 'Narayanan . . . is by far the best union leader whom I have so far come across—speaking excellent English, well briefed, conciliatory but firm.'

Brazier showed keen interest in communal unions because they remained independent of the FTUs and could be developed as alternatives. In Johore Brazier cultivated amicable ties with NJILU leaders, Jose and Govindan. The NJILU caught his attention because it was favoured by employers in Johore. The manager of Sagil Estate wrote to the Deputy Commissioner of Labour, Johore, that the Sagil Estate union should come under the wings of the Segamat-based union. The Deputy Commissioner in turn commented, 'The Manager was of the opinion that he would have much less trouble in the future if his estate labourers were under this Segamat Union.' After observing the NJILU the Muar Labour Officer concluded, 'The NJILU is definitely better run and more reasonable and moderate in their attitude as a whole.'

While the NJILU won the confidence of planters and Labour Department officials, it was none the less an ineffective and unpopular union with workers who were mostly organized by the various GLUs. In 1948, with the encouragement of the authorities, the NJILU tried organizing workers in Sagil Estate 'but met with stones and sticks from Tangkak R.W.A. supporters'. There was also another good reason why the union was distrusted. Corruption and financial mismanagement were quite rampant among certain union officials. The former General Secretary, Karuppan Chettiar, was dismissed for allegedly tampering with union funds. In 1949 Melville Estate workers, although members of the NJILU, refused to contribute to the union because funds collected before the Emergency were not properly accounted for.

After the dismissal of Karuppan Chettiar, Jose, a former clerk in Voules Estate, became the General Secretary. Following his election tensions developed between him and Narayanan. Jose believed that Narayanan had signed an agreement with the MPIEA without consulting other unions. He felt that Narayanan took advantage of the fact that the other union representatives were non-English-speaking and incapable of putting across their views. As a result of this alleged betrayal, the NJILU sent a protest memorandum to the MPIEA and called for public meetings in eight estates in Johore to discuss the new wage rates endorsed by the NSILU.

The animosity that developed between the NJILU and Narayanan over the MPIEA's proposed new wage rates was of concern not only to

planters but also the TUAM Office. Planters sided with Narayanan and labelled Jose an agitator simply because he questioned the new agreement. What angered planters most was the NJILU demand for a minimum wage of \$3.50 for labourers. This sudden turn of events caused much anxiety in official circles, especially when only a short time before the NJILU was identified and praised as moderate and reasonable.

The militancy of the NJILU and Jose in particular was short-lived. The combined police and military repression of the workers in North Labis Estate on 3 December 1950 put a damper on the NJILU. Following this incident the NJILU did not embark on any radical activity. But still Jose was intimidated by the Special Branch on a number of occasions. In one meeting with the Special Branch he complained that his union received little support from the workers and if the situation did not improve he would have to dissolve it. The pressure and intimidation on Jose must be understood in the larger context of the endeavour initiated by Brazier to introduce a single national union in the plantation sector spearheaded by Narayanan.

*Negri Sembilan*⁴

In comparison to other moderate unions Brazier forged the closest ties with the NSILU and its General Secretary, Narayanan. It was on Narayanan that he placed much hope in providing the much needed leadership for the development of alternative unions in the plantation sector. Narayanan, a staunch anti-communist like Brazier, had been unable to organize estate workers into his union because of the FTUs. He realized that without British official assistance his union faced the prospect of failure.

Narayanan, a former INA member, had teamed up with some of his friends like Arunachalam, H. K. Choudhury, Palanisamy, Krishnan Mandore, and Ponnusamy to form the NSILU on 27 January 1946. The NSILU was perhaps one of the earliest unions formed in Seremban which was independent of left-wing influence. It was a general union established to give protection to Indian labourers working in the government service, mines, and plantations. It was deliberately set up as a communal union because the leadership felt that until the wage disparity between Chinese and Indian workers was resolved, the union would have to fight for the rights of Indian workers. As shall be seen, even European planters who had a deep-seated hostility to unions of any kind came to admire Narayanan for his ability to control the labour force.

A month after the formation of the NSILU a strike took place at the Seremban Railway Station. Captain Forewell, the Assistant Commissioner of Labour, sent for Narayanan, who on arrival at the scene informed the workers that he had Forewell's assurance that their grievances would be looked into, following which they returned to work. Later Narayanan remarked of Forewell, 'He praised me for achieving what he could not achieve in spite of his many years of experience in the rubber industry pre-war in this country.' Forewell was so impressed with Narayanan that he subsequently arranged a meeting with Brazier, who

had just arrived from England. At the meeting Brazier disclosed his duties in Malaya and assured Narayanan that he could count on his help. This signalled the beginning of a long friendship between the two.

After the war employers adopted an attitude of hostility to labour and labour organization. They looked upon unions with suspicion and regarded organized labour as the product of communist subversion. The NSILU was not spared either, and until the arrival of Brazier, it made very little impact on workers. Narayanan had a difficult time initially in convincing European planters that his union was different from others, and that it was non-political and preferred to negotiate rather than to wage strikes. It took some time; but with the full backing of Brazier, it succeeded in convincing quite a number of planters that it was indeed in the long-term interests of the rubber industry that the NSILU should be accorded the necessary recognition. For instance, even a hot-headed planter like Farquarson, the manager of Kirby Estate, was convinced that Narayanan's union was no threat to the industry. When a strike took place in Bahau Estate, Negri Sembilan, Narayanan approached Brazier, who arranged an interview with Carey, Director of Dunlops, Malacca. After some discussions with Carey it was agreed that some concessions would be given to the workers. The strike ended and Narayanan reflected: 'Union leaders should look for ways of cooperation and compromise...'

In seeking accommodation or compromise with employers, Narayanan had no qualms about admonishing recalcitrant workers. When one *kangani*, Nathan, was dismissed from Seremban Estate, Narayanan intervened to reinstate him. However, Nathan's reinstatement was only temporary for the management found some other excuse to dismiss him again. Narayanan refused to intervene the second time and even chided him: 'Nathan's dismissal after reinstatement served as a grim warning to other misguided workers and union members. To win over the management the union must first discipline its own members. No employer will surrender his managerial rights...'. Trade unionism for Narayanan essentially consisted of getting concessions from cooperative employers. Contrary to calls by left-wing unions to strengthen workers' solidarity, Narayanan emphasized the power and might of employers.⁵

However successful Narayanan was in the eyes of Brazier and planters, he was unable to organize workers effectively because of the strong presence and dominance of the left-wing unions. Meanwhile, in order to project Narayanan's image and to prepare him for his future role, Brazier dispatched him to a number of states to undermine left-wing trade unions. Narayanan was sent to Johore, particularly to the Pagoh Estate strike, to Kedah, and to Malacca. Narayanan's visit to Malacca was for the purpose of investigating corruption. In Alor Star, Kedah, it was to help with the formation of a government workers' union (C of L, MU, 1947c).

The Malayan government and in particular the TUAM Office strongly backed Narayanan's brand of unionism which they believed, given sufficient time, would replace left-wing unionism. It was also realized

that while political backing was important, it was not sufficient. To fill this gap Narayanan was nominated a member of the Federal Legislative Council and the State Council, Negri Sembilan in 1948. In the Federal Council Narayanan was appointed the labour representative for 11 years. He was also offered numerous overseas invitations to speak on trade unionism.

Whatever support and political backing the authorities gave to Narayanan and other leaders of pliant trade unions in the plantation sector would, however, have been meaningless had the government not taken steps to outlaw left-wing trade unions. Thus, it was only in the context of severe repression that unions such as the NSILU could emerge as alternatives. Following the Emergency declaration in June 1948 Brazier wasted no time in pursuing his goal of amalgamation of the various trade unions in the plantation sector.

The Formation of the NUPW

The repression of the MCP-backed GLUs enabled Brazier to create trade unions in the plantations that would be amenable to government regulation. Such unions had little grass-roots support in the days before the Emergency, but in the eyes of Brazier, they had leaders who could speak English and accommodate British interests. The state of Emergency with the full application of trespass laws, the enhancement of the power of the police and the military, and the exercise of arbitrary arrests and detention created an atmosphere in which left-wing and militant trade unions could no longer function.

Although the repressive and undemocratic atmosphere was conducive to the growth of government-approved unions, Brazier was far from satisfied. His own experience in the field in dealing with various unions gave credence to his suspicions that without a move towards federation or even amalgamation, these disparate unions with their internal bickering and financial mismanagement would collapse if left to themselves. The demise of left-wing unions alone was not the solution. A move towards integration would certainly resolve some of these problems or at least contribute towards financial stability through the pooling of resources. Integration of the various unions under one umbrella was imperative if labour was to be guided along a responsible and non-political path.

In addition integration would enable Narayanan to assume the mantle of national leadership. It was only in Narayanan that Brazier had full confidence. It was feared that without integration Narayanan might not be accepted by the other unions. Finally Brazier hoped that the establishment of a moderate plantation union would reduce the heavy financial burden incurred by the British government in combating communism.

Before the process of integration could begin the TUAM Office and in particular Brazier had to rid certain unions of GLU influence. The PEEU—the first union targeted—which had probably come under

GLU influence during the time of Menon, was swayed to the side of the authorities by the use of a number of tactics including the Special Branch (Stenson, 1980: 139). Emmanuel, an English-speaking school-teacher, was coaxed by Brazier into accepting the post of President. Under Emmanuel the union changed its name to the MEEU (Gamba, 1962b: 25). Similarly in Malacca, according to Subbiah—later Chairman of the NUPW Malacca branch—he and Menon, both of whom had no connections with plantation workers, were persuaded to accept leadership positions in the McEEU. The Alor Gajah Labour Union, which had remained under the control of the GLUs for some time, shed its radical image and succumbed to the dictates of Brazier when Dawood was made its President (Gamba, 1962b: 25).

The process towards the eventual integration of the various moderate unions was not as smooth as Brazier had expected. Under the Emergency environment of employers' hostility towards labour, Brazier had a difficult time convincing employers that the existing unions were moderate and responsible. However, as the unions made it generally known that they had no desire to exploit the Emergency situation to embarrass employers, the latter generally became less hostile. At the same time Brazier also felt that integration without recognition of unions by employers might not be fruitful. Thus, before integration could be pursued, it was of utmost importance that employers gave recognition to the unions on the question of labour representation. In 1950 about 26 trade unions, on the advice of Brazier, appointed a committee, the Pan-Malayan Rubber Workers Union (PMRWU), to negotiate with the MPIEA (Gamba, 1962b: 39, 40). That the MPIEA agreed to negotiate with this committee on matters pertaining to labour was welcomed by Brazier.

In order to commit the various unions at least in principle to some kind of co-operation prior to full integration, Brazier succeeded on 2 February 1950 in getting the PWUM (formerly the NSILU), the Alor Gajah RWU, and the McEEU to sign an agreement of co-operation, that is, each union would call a delegates' conference to explain the merits of amalgamation (Gamba, 1962b: 41). Notably absent in signing this agreement were the JSPWU (formerly the NJILU) and the MEEU (formerly the PEEU). The absence of these two unions raised a number of questions about the integration process itself and the manner in which it was pursued by Brazier.

At the outset the move towards uniting the disparate unions in the plantations was very arbitrary. Brazier, in his zealous pursuit (perhaps with the tacit understanding of Narayanan of the PWUM) of integration, never explicitly made known to the other unions the exact form integration would assume. However, there is evidence to indicate that Brazier made it informally known that integration might take the form of a federation (see Gamba, 1962b: 46). He argued that such a federation would be able to safeguard to some degree the autonomy of the affiliates. But, as the move towards this objective got under way, it became apparent that Brazier, in league with the leaders of the PWUM,

was primarily interested in pursuing amalgamation rather than federation. When unions like the PEEU and the JSPWU realized this, they felt uneasy and were reluctant to sign the preliminary agreement.

Both unions had their own reasons for opposing amalgamation. Apart from the fact that Brazier was trying to push the idea a little too fast, the JSPWU leadership was unhappy with the PWUM leadership and with Narayanan in particular. From an earlier discussion it was known that Jose of the JSPWU and Narayanan were not on good terms. The enmity stemmed from the latter's action in signing an agreement with the MPIEA without consulting the other unions. Furthermore, when the integration process got under way, Jose knew very well that the move towards amalgamation reflected the PWUM's desire to ultimately assume the national leadership. At a meeting called by Brazier in Kuala Lumpur in 1951, Govindan of the JSPWU accused Narayanan of sabotaging his union, and a violent quarrel ensued.⁶

The British authorities and in particular Brazier came to realize that the JSPWU's reluctance to amalgamate was solely due to the stand of its General Secretary, Jose. It must also be remembered that Jose's conflict with Narayanan and his subsequent stand on the wage question—he demanded a minimum wage of \$3.50 per day for tappers—proved worrisome to planters in the vicinity of Segamat. Although the JSPWU finally agreed to amalgamate in 1954, this decision was taken only after Jose's removal. Brazier, who single-mindedly pursued his objective of amalgamation, used all means at his disposal, including the Special Branch, to render Jose's role ineffective (Labour Department, Muar, 1947b). His removal paved the way for Brazier to cultivate strong ties with Govindan and eventually persuade him to accept amalgamation.

In Perak the clash of personalities between the PWUM and Perak MEEU leaders made integration problematic. However, the MEEU leadership made it known that even if they agreed to some form of integration, they would prefer it to be along the lines of a federation, decided on the basis of a secret ballot. The PWUM, which by this time had already established six state branches, felt confident enough to reject Perak MEEU's proposal. By 1953 a number of small unions like the Carey Island Estate Workers Union, the Bangsar Estate Union, and the Caledonian Estate Workers Union had merged with the PWUM (Gamba, 1962b: 47–50, 53). The Perak MEEU found itself standing alone in the battle against merger.

The situation for the MEEU was made worse when the British authorities openly supported the PWUM in its drive towards amalgamation. For instance, the newly arrived High Commissioner, at the Annual Delegates Conference of the PWUM in 1953, praised the PWUM leadership:

Your union is one of the oldest in the Federation. You have come a long way since the Negeri Sembilan Indian Workers Union was formed in January 1946. It has not always been an easy way; nor, I am sure, did any of you expect it would be, for the growth of a young Union, like any venture whether of organization or of commerce, is a process which demands from all its members hard work, vigilance and faith. But you have overcome the first difficulties of estab-

lishment; you survived the Communist attempt to penetrate your Union and turn it to their own ends in your early years; and, today, you find yourselves the biggest Union in Malaya, with an organization which extends through most of the Federation. I offer you my warm congratulations . . . (Gamba, 1962b: 53).

In the end a number of factors forced the Perak MEEU to agree to amalgamation. Among the most important were, first, the growing membership strength of the PWUM, 49,000 by 1953. Fear was expressed within the MEEU leadership that the PWUM might totally eclipse the MEEU in its own state. Second, British officialdom openly threw its weight behind the PWUM. In other words the colonial authorities did not look upon other unions with favour if they opposed the move towards amalgamation.⁷ Third, the support and encouragement given to the amalgamation process by international organizations like the International Confederation of Free Trade Unions (ICFTU) was not lost upon the MEEU (Gamba, 1962b: 54). Finally, the announcement of the Taylor Award in early 1954 and the imposition of a wage cut for workers induced much concern and anxiety among trade unions and labour. Narayanan's call for a strong and united trade union movement to oppose the arbitrary policies of employers could not be ignored by the MEEU leadership. As Narayanan himself asserted later, the Taylor Award 'was one factor needed to get all of the estate workers into one single, national union' (Gamba, 1962b: 73).

The Taylor Award accepted the MPIEA's argument for the need to slash daily wages—a cut of 25 cents for tappers and 15 cents for field workers—in view of the fall in the rubber price (*Straits Times*, 26 June 1954). The award provided an ideal opportunity for Narayanan (who held out to union leaders the spectre of employer-government hostility) and others to push the idea of amalgamation. Narayanan in his tour of a number of estates convinced workers that without a single, national union, their interests and rights might be jeopardized by the arbitrary policies of employers (Gamba, 1962b: 73).

Narayanan's message to workers was strongly backed by the ICFTU, whose South-East Asian representative, Tom S. Bavin, fully endorsed amalgamation and the PWUM's role in spearheading this drive. Gamba (1962b: 54, 74) gives four reasons as to why PWUM leaders were *personae gratae* to the ICFTU: the militant anti-communism of the PWUM; their attempt to exert control over labour; their mild socialist views; and Narayanan's personal ability. Bavin proved his deep interest in the matter by addressing a number of pro-amalgamation meetings in Perak and Johore.

In June 1954 the five plantation-based unions—the PWUM, McEEU, JSPWU, MEEU, and the Alor Gajah RWU—reached a tentative agreement on amalgamation. The agreement notwithstanding, the Perak and Johore groups were still wary of the plan. They were worried that amalgamation might result in the domination of the centre over the affiliates and the possibility of state leaders losing their status, privileges, and funds (Gamba, 1962b: 76).

On 29 September the National Council of the PMRWU (formed in 1950 as a co-ordinating body of all estate-based unions to negotiate with

the MPIEA) notified all state secretaries of estate workers' unions that a meeting would be held to elect the *pro tempore* committee of the NUPW of Malaya. At the delegates' conference held on 1 November in Kuala Lumpur, five decisions were taken: Malacca and Johore would have a single state organization; the Batang Melaka branch would amalgamate with Negri Sembilan; the administration of all state branches would be taken over by the new national body; financial control would be established by the centre over state branches; and the first Executive Council meeting of the new body would be held on 30 November (Gamba, 1962b: 96). On the second day of the conference the NUPW of Malaya came into existence.

The inaugural conference was opened by the High Commissioner, who declared, 'By my presence I want you to know how welcome is [*sic*] this important step you have taken.' The other important representatives at the opening ceremony were R. H. Oakley, the Commissioner of Labour, Brazier, the TUAM, Mustapha Albakri, Member of Industrial and Social Relations, the Malayan Legislative Council, Bavin, the ICFTU representative, and T. M. Walker, the President of the MPIEA (*Straits Times*, 3 November 1954).

The formation of the NUPW brought within its fold about 80,000 members. The NUPW administration at the national level was composed of the president, three vice-presidents, the general secretary who was the chief executive officer, three assistant general secretaries, and the financial secretary. The assistant general secretaries were also known as regional officers. The plantations in Malaya were grouped into three zones—north, south, and central (Gamba, 1962b: 87). Each assistant general secretary was given responsibility over one zone and at the same time he liaised with the branch secretaries and estate secretaries. By the time of the third delegates' conference in 1959 the NUPW had eight branches throughout the country. With the exception of the secretary, the branch administration consisted of elected members from the various estates. At the estate level the NUPW administration was in the hands of the elected estate secretary assisted by committee members.

The main decision-making body of the NUPW was the Executive Council, assisted by the working committee. In 1959 the Executive Council comprised 30 members including the president, three vice-presidents, general secretary, deputy general secretary, financial secretary, and deputy financial secretary. It was in the council that important discussions were held and policy decisions adopted in regard to the role of the union. To facilitate the work of the council, the union between 1956 and 1959 established a number of departments including the research department which undertook research on wage negotiations, the public relations department which engaged in propaganda work in facilitating the flow of new membership, and the industrial relations department which handled labour disputes.

The NUPW and Plantation Labour: Towards Collective Bargaining

The formation of the NUPW was fundamentally encouraged by the colonial authorities for the purpose of disciplining and leading labour along a responsible path. A responsible path meant in part that the NUPW and particularly its leadership would imbue its rank and file with the values of moderation, co-operation, and negotiation. Such an objective was made very clear in the NUPW's Report of 1956–9: 'After the formation of the NUPW, the Executive Council laid out a policy that the union should, as far as possible, try to reduce tension in the industry by close collaboration with progressive employers.'

Collective Bargaining Prior to the NUPW

The seeds of collective bargaining had been gradually sown even before the formation of the NUPW. To tackle the arbitrary nature of wage reductions in the plantation industry, six so-called responsible unions under the leadership of the PWUM, with the support of Brazier, met the MPIEA in June 1949 to discuss wage rates. The negotiations failed and the unions asked the government to set up an arbitration board. The Rubber Industry Arbitration Board (RIAB) I, following the devaluation of the pound, could not grant an award but none the less made some recommendations. Out of these, workers obtained a small increase in wages. The RIAB I in its recommendations also set a bad precedent by giving quasi-official recognition to the linking of wages to rubber prices. This was quickly seized on by estate employers to reduce wages whenever the price went down. Unfortunately no corresponding increase was given when the price went up unless pressure was exerted on employers (Gamba, 1962b: 37–9).

During the Korean war the price of rubber registered phenomenal increases, but workers could only extract a meagre increase of 12 per cent. In view of the rubber boom the PWUM, along with other plantation unions, submitted a demand for a minimum wage of \$3 per day; but negotiations broke down. In October 1950, 26 plantation-based unions in the PMRWU asked for a living wage and favourable conditions of employment. Again the negotiations failed due to employers' hostile attitude to labour.

The PMRWU then appealed to the government to set up an arbitration board to review the wage structure. The government acceded and the RIAB II, in its award made in 1951, conceded liberal concessions to the unions. It granted wage increases to three grades of workers and at the same time expressed the opinion that 'close linkages of wages to price is unsuitable for the rubber industry'. On the basis of this award the PMRWU and the MPIEA signed a collective agreement on 19 June 1951. But then, to the dismay of the unions, some member organizations of the MPIEA refused to abide by the Board's decision (Gamba, 1962b: 39–42).

The MPIEA accepted the decision of the RIAB II with reluctance. In 1952, however, the MPIEA, citing the low price fetched by rubber,

announced wage cuts. The PMRWU, unable to negotiate with the MPIEA, urged the government to appoint another arbitration board to resolve the wage issue. Once again the government set up a board (RIAB III), which awarded the unions higher wage rates, but the MPIEA rejected the award. The MPIEA argued that the board had erred in calculating the cost of living figures. It was only after the board revised its award, taking into consideration the different price zones, that an agreement was eventually signed between the unions and the MPIEA in June 1953 (Gamba, 1962b: 50-2).

Only a few months after the June 1953 agreement the MPIEA announced that it would have to reduce wages due to the fall in the price of rubber. As usual the PMRWU failed in its negotiations with the MPIEA and was forced to refer the matter to the government. The RIAB IV under the chairmanship of Justice Taylor announced the award on 25 January 1954. The Taylor Award, which contained wage cuts of 25 cents in daily wages for tappers and 15 cents for field workers, was a shock to the unions in the PMRWU. Furthermore, Justice Taylor made uncalled for references to the unions, referring to them as 'a minority seeking privileges' and 'ruthless union leaders'. Moreover, he questioned the legality of the PMRWU and whether or not this body had any mandate from workers (*Straits Times*, 26 January 1954).

The PMRWU had in its earlier submission argued that any wage reduction would weaken the unions and imperil the future of collective bargaining. When the Taylor Award was announced, the PMRWU, fearing adverse reaction from estate workers, did its utmost to suppress the publication of the award, but this move was rejected by the High Commissioner, Sir Gerald Templer. Narayanan, Secretary of the PMRWU, announced that despite the unions' disappointment, the award would be accepted pending a secret ballot. Plantation workers throughout the country were notified of the award and its negative implications. The response from the rank and file was overwhelming to say the least. About 98 per cent of estate workers rejected the award and authorized the PMRWU to take whatever action necessary to resist the wage reduction, including the option to strike (*Straits Times*, 27 January, 2 and 26 February 1954).

The PMRWU, in its campaign against the Taylor Award, received the support of fraternal organizations and noted individuals. For example, Bavin, the ICFTU's South-East Asian representative, criticized the award for trying to weaken the trade union movement. The Pan-Malayan Labour Party threatened to quit the Federal Legislative Council if it was not withdrawn. The Malayan Trades Union Council wrote to the Secretary of State for the Colonies, urging him to appoint an independent commission to review the award. Finally Professor T. H. Silcock, a noted economist at the University of Malaya in Singapore, although he had told the unions to accept the award, felt that the people behind the rubber industry in London should be blamed (*Straits Times*, 27 January and 16 February 1954).

The MPIEA, which was more than pleased to accept the award, was soon confronted with the prospect of a nation-wide strike and the

adverse publicity by organizations supportive of the PMRWU. To prevent irreparable damage to the rubber industry the MPIEA agreed to open negotiations with the PMRWU (*Straits Times*, 26 February 1954). Both parties, after a few rounds of negotiations, signed an agreement on 11 June 1954, which provided for an automatic increase in wages following an increase in the price of rubber in the second quarter of 1954. It seems likely that without the rise in the rubber price, it would have been difficult for the unions to obtain the wage increase.

The controversial Taylor Award, including the harsh comments levelled at unions, and the secret ballot taken by workers in rejecting the award were of great concern to the colonial authorities, who realized that the stable industrial relations prevailing in the plantations prior to the award might be jeopardized. The authorities also realized that the docility of workers under the patronage of the NUPW could not be taken for granted and there existed the real possibility that the union might lose control of its members. It was in this context that the government suggested the creation of a Joint Consultative Council (JCC) in the planting industry, which could be utilized by both employers and labour to discuss matters pertaining to the industry. It must be remembered that although the introduction of the JCC was conceived in the early 1950s, its actual implementation was delayed; but the Taylor Award and the controversies surrounding it were a major impetus to the introduction of the JCC.

When the government proposed a JCC, the NUPW was in a quandary as to whether to accept its role. In fact, the union was inclined towards a Wages Council through which a minimum wage could be determined for plantation workers. But on realizing that employers were against this idea, the NUPW did not pursue the matter further. In the end the NUPW agreed to participate in the JCC and even gave up the right to speak on important issues such as the nationalization of the rubber industry and the amalgamation or merger of estates. The only saving grace was that negotiations would still be carried on between the NUPW and MPIEA independently of the JCC.

While the NUPW reluctantly participated in the JCC, the MPIEA welcomed it for two reasons. One, it was realized that wage improvements for plantation labour could be delayed by prolonging discussions in the JCC as matters discussed were not binding on the parties. Second, the NUPW, under pressure from the government, had assured that certain matters pertaining to the rubber industry would not be raised in the JCC.

The NUPW's Role in Collective Bargaining

After the formation of the NUPW the first collective agreement with the MPIEA was signed on 27 November 1954. The agreement fixed tappers' and field workers' wages at \$2.40 and \$2.05 per day respectively, inclusive of the cost of living allowance at the 65-70 cents price zone. The only other benefit was the provision of three days' paid holiday in a year. At the same time the agreement abolished wage differentials according to sex (NUPW, 1967: 7).

A few months after the conclusion of the first agreement the NUPW urged the MPIEA to introduce some form of wage stability in the plantation industry. Specifically the NUPW argued that a minimum wage independent of the rubber price should be introduced. It was argued that a minimum wage would stabilize labour conditions in the industry. Its demand for a minimum wage was reiterated at the Plantation Workers Conference in Kuala Lumpur on 29 September 1955. It was pointed out by one delegate that a Malayan tapper was grossly underpaid compared with those in other South-East Asian countries. A few months after the conference the NUPW forwarded a memorandum to the MPIEA which included the case for a minimum integrated wage. The NUPW asserted that rubber estate workers, who were most essential to the economic well-being of the country, were the most underpaid of all estate workers. It was also pointed out that rubber companies made large profits from the industry and capital was constantly being repatriated to England, but rubber estate workers continued to lag behind other types of workers. The union demanded a minimum wage structure for rubber estate workers to cover their basic subsistence needs (Gamba, 1962b: 140–54).

The MPIEA, however, rejected the NUPW's memorandum on the grounds that the union's proposal of a new minimum wage of \$3.25 would raise the industry's wage bill from \$300 million to \$500 million. The union also made it generally known that if the industry refused to accept the proposals, it would have no option but to initiate some form of industrial action. Meanwhile the union began receiving a number of complaints from estate committees that certain rubber estates were resorting to arbitrary measures in reducing wage rates, and that some estate managers were not willing to discuss workers' problems with estate committees. On 27 March 1956 the MPIEA announced that wages for tappers and field workers would be reduced by 20 to 40 cents from 1 April because of the fall in the price of rubber (Gamba, 1962b: 161–5).

By early April the NUPW and the MPIEA had reached a deadlock in negotiations. Although the NUPW warned employers of industrial action, it was reluctant to make good on its threat. The NUPW leadership gave every indication that it preferred negotiations, but the employers' obstinacy made these impossible.

Meanwhile the NUPW state branches in Selangor, Pahang, and Malacca wanted immediate action to resolve the dispute. The NUPW national leadership faced a dilemma—to compromise or to heed the call of the rank and file for immediate industrial action. The leadership was in no position to compromise, what with the obstinacy of the MPIEA. At the same time it was not prepared to launch a nation-wide strike because the Emergency was still in force. It had no intention of embarrassing the government under such a situation. In the end it opted for a go-slow—a decision that may not have been very popular but would nevertheless be acceptable to members (Gamba, 1962b: 166).

The NUPW decided that the go-slow would be launched on 15 May and that its members would take a voluntary rest every Friday. The go-

slow was timed in such a way that the first Friday coincided with a public holiday; the NUPW subsequently reported that 250,000 workers failed to report for work that day (Gamba, 1962b: 168–9). However, Houghton of the MPIEA disputed the NUPW's claim, stating that since the first Friday was a public holiday, it was not a fair test. Whatever the motive of the NUPW in starting the go-slow on a public holiday, the rank and file seemed more than eager to heed the union's call. While the NUPW would only endorse the go-slow, members in some estates staged lightning strikes and demonstrations in response to employers assaulting workers, cutting off water supplies, and using blacklegs. While the first Friday was a poor gauge of workers' response to the go-slow, the succeeding two Fridays clearly showed that workers were rallying behind the union's call (*Straits Times*, 13, 14, and 15 May 1954).

The go-slow and workers' militancy expressed in the form of wildcat strikes was of great concern to the government. The Chief Minister of Malaya, Tunku Abdul Rahman, warned workers to eschew violence and the NUPW in particular to discipline its members. The NUPW leadership, which had assured workers that there would be no official interference, was taken aback by the Tunku's warning. The NUPW was further surprised when the MPIEA announced on 22 May a further wage cut on the ground that the rubber price had fallen again (*Straits Times*, 12, 15, and 23 May 1954).⁸ This counterattack from the MPIEA was a heavy blow to the NUPW, especially when it was in the midst of an industrial action. The NUPW was caught in a difficult position—to proceed with the go-slow or to abandon it.

Thus, by the end of May 1956 the NUPW decided to end the go-slow as the odds were clearly stacked against it. The decision was certainly a great blow to the expectations of thousands of workers who had rallied behind the NUPW. Furthermore, the retreat clearly indicated the ideological and political limitations of the NUPW in championing the interests of plantation labour. It also came at a time when the Minister of Labour was making overtures to both the NUPW and the MPIEA to begin negotiations to end the hostilities.⁹

The NUPW more than readily accepted the government's role in mediation; as a result, three meetings were fixed with the MPIEA for 15–17 June in the JCC (*Straits Times*, 3 June 1956). The meetings concluded with the NUPW and the MPIEA signing a collective agreement on 23 June (NUPW, 1967: 9). The new agreement was very disappointing for plantation labour. The award merely increased tappers' wages by 20 cents and field workers' by 55 cents in comparison with the previous agreement in 1954 (Table 5.1). These marginal wage increases sprang more from the rise in the rubber price rather than the goodwill of the MPIEA. In terms of non-wage benefits paid holidays were increased from 3 to 10 days and in principle the MPIEA accepted the notion of 6 workdays in a week.

To the thousands of estate workers throughout the country the go-slow only brought about minimal benefits. A minimum guaranteed wage, the main item on the go-slow agenda, was denied to workers. While workers did not make any significant gains, Gamba (1962b: 182)

TABLE 5.1
Estate Workers' Wages Based on NUPW-MPIEA Collective Agreements, 1954-1965

	1954	1956	1959	1962	1964	1965
Rubber price zone (cents/pound)	65-70	60-80	60 and above	60 and above	60 and above	60 and above
Wages (per day)						
Tappers	\$2.40	\$2.60	\$3.00 ^a	\$3.05	\$3.55	\$3.55
Field workers	\$2.05	\$2.60	\$2.60	\$2.90	\$3.10	\$3.10

Source: Compiled from NUPW (1967).

^aFrom 1959 onwards the earnings of a tapper contained a guaranteed wage factor. For instance, the factor in 1959 was \$2.20.

believes that the NUPW leadership considered the action a useful experience:

In taking stock of the situation, the NUPW was able to view the go-slow as a valuable experience. It had given the leaders an opportunity to find out how the employers would react, pressed by industrial action, and what the attitude of the Government would be.... The membership were made more aware of their Union and of the character of their employers ... in future negotiations.

For instance, Narayanan felt that the go-slow 'has served as an eye-opener to the employers and the country as a whole, and has also proved that given proper leadership and good objectives, Malaysians can think and act ...'.

On 16 November 1957 the NUPW notified the MPIEA of its intention to cancel the 1956 agreement and called for fresh negotiations to settle the various anomalies in tappers' and field workers' wages. The union demanded a guaranteed wage of \$4.40 for tappers and \$3.80 for field workers. The other items that the union wanted were an 8-hour workday, pregnant female workers be given ground tapping, and a production incentive for tappers and others.

Another reason why the NUPW wished to open negotiations with the MPIEA was the growing industrial tension between labour and capital in the plantations. The arbitrary nature of wage calculations and payments had resulted in a number of work stoppages held independently of the union. By early 1958 the tempo and intensity of wildcat strikes had increased in Perak, Negri Sembilan, Kedah, and Perlis where workers refused to accept wages. Gamba (1962b: 214) estimates that about 70,000 workers staged protests 'not directly organized by the NUPW Headquarters'. It seems safe to assume that the union's call for fresh negotiations was basically to stem growing industrial tension.

On 13 January 1958 the NUPW submitted a memorandum to the MPIEA and subsequently held about 20 official meetings with the latter to push the idea of a basic wage independent of the rubber price. For more than a year the MPIEA delayed signing a new agreement, giving all kinds of excuses. Finally the NUPW approached the Minister of Labour and through his intervention the MPIEA agreed to resume negotiations. On 7 February 1959 a new agreement was signed; it came into effect in June (Gamba, 1962b: 220-1).

The 1959 agreement differed from the one in 1956 in that for the first time the NUPW had obtained a basic guaranteed wage of \$2.20 for tappers (see Table 5.1). With the guaranteed factor, the average wage of tappers now went up to \$3.00. Furthermore, an incentive factor was added to tappers' wages. For every 10-cent increase in the rubber price in excess of 60 cents per pound, a tapper would earn 14 cents extra (Table 5.2). In comparison with tappers, field workers in estates did not receive a guaranteed wage. Moreover, the average earnings of a field worker registered no increase according to the 1959 agreement except a half-hour lunch break and the official recognition of an 8-hour workday.

The NUPW, having achieved such minimal benefits for workers, said

TABLE 5.2
Estate Workers' Non-wage Benefits Based on NUPW-MPIEA Collective Agreements, 1954-1965

Benefits	1954	1956	1959	1962	1964	1965
Paid holidays per year	3	10	10	16	19	19
Hospital benefits	14	14	14	60 ^a	60 ^b	60
Weekly rest			1 day after 6 worked days			
Price bonus (cents)	-	-	14 ^c	2 ^d	2	2
Late tapping (cents)	-	-	-	2 ^e	2	2
Wash-out days (cents)	-	-	-			
Application of stimulants (cents)	-	-	-		guaranteed wage factor	
Housing allowance (cents)	-	-	-		varying rates	50 ^f

Source: Compiled from NUPW (1967).

^aAt half-pay in a year.

^bHalf-pay for a maximum of 3 months; and for TB a maximum of 9 months; and a maximum of 28 days' certified sick leave by any registered medical practitioner.

^cFor every 10-cent increase in the rubber price in excess of 60 cents.

^dFor each 1-cent increase in the rubber price in excess of 70 cents.

^eExtra payment at 2, 3, and 4 cents for fields categorized as A, B, and C.

^fPer workday for male workers without accommodation on the estate.

in one of its report that 'we are aware that now [the] rubber wage question has been solved'. However, to the thousands of workers the small gain of a guaranteed wage was merely a toehold in their long struggle for a wage structure consonant with their contribution to the plantation industry. In the 1960s the NUPW signed three more agreements with the MPIEA after protracted discussions (NUPW, 1967). But, like the earlier agreements, these hardly increased wages for both tappers and field workers (see Table 5.1). In regard to non-wage benefits some gains were made (see Table 5.2).

The 1962 agreement provided for a mere 5-cent increase to \$3.05 for tappers while field workers' wages registered an increase of 30 cents to \$2.90. In 1964 tappers' wages increased to \$3.55 and field workers' to \$3.10. However, no increase resulted from the 1965 agreement. In other aspects paid holidays were increased to 16 days in 1962 and 19 days in 1964. There was no increase in paid holidays in 1965. In 1962 hospital benefits were increased to 60 days per year at half-pay. In 1964 there were some changes in terms of hospital benefits. Workers were given a maximum of 3 months' sick leave at half-pay for a year, 9 months for those suffering from tuberculosis, and 28 days certified by any registered medical practitioner. The hospital benefits did not undergo any change in 1965 (Gamba, 1962b: 105).

There were some improvements in regard to price bonus, late tapping, wash-out days, and application of stimulants in 1962 in comparison with 1959. In 1962 price bonus was paid to tappers for each 1-cent increase in the rubber price in excess of 70 cents per pound. This incentive was retained in 1964 and 1965. Late tapping incentives were given at the rate of 2, 3, and 4 cents according to fields categorized as A, B, and C. The same rates were maintained in 1964 and 1965. On rainy days (wash-out days) workers were paid the minimum guaranteed wage in 1962, 1964, and 1965. In the three collective agreements signed in the 1960s, workers were also given incentives for the application of stimulants to rubber trees. A housing allowance was only incorporated in the 1964 agreement. Workers were given 50 cents per day if they were not provided accommodation on the estate. The same rate was also incorporated in the 1965 agreement.

Workers' Welfare and Industrial Relations

The NUPW's representation of plantation labour in the 1950s and 1960s cannot be interpreted narrowly. Its functions went beyond negotiations and the reaching of collective agreements with employers. To maintain the loyalty of its members the NUPW performed a number of important functions, including attempts to obtain permanent land settlements for retired estate workers and to introduce an insurance scheme for its members, its intervention in the estate fragmentation issue, and not the least, its attempt to resolve labour disputes.

Land Settlement Schemes

After amalgamation the NUPW brought up the issue of settling retired workers in permanent land schemes since many retired workers had no permanent place in which to live. In 1955 Narayanan suggested that labourers' lines and the roads leading to them could be converted into public property. Additionally small plots of land could be granted to the workers permanently. He argued that such a scheme if implemented would resolve the problems faced by estate workers on retirement. Furthermore, it would lessen the burden of employers in building and maintaining housing lines in estates.

The NUPW's proposal of a land scheme for retired workers did not get the support of either employers or the government. First, when the NUPW broached the plan in the mid-1950s, it was not in a strong position to push it fervently. The NUPW was then more concerned with wage negotiations and its membership drive. In other words the land scheme was not high on its priority list. Second, the major opposition to this scheme came from employers. Under the Emergency the plan would limit their role in averting strikes or labour unrest. The trespass law that gave them the power to evict undesirable persons would have no meaning if estate housing was constituted as public property. Finally, top government officials were not prepared to antagonize employers in the plantations, especially when the Emergency was in force and they needed their support to fight the communists.

Retirement Benefits Scheme

In the 1950s after the various unions were consolidated under the NUPW, the union raised the subject of old-age benefits for workers. Since there was no social benefits legislation in Malaya, the union requested that employers introduce some kind of retirement benefits scheme for workers. But the response from employers was bitterly disappointing. The MPIEA, acting on behalf of proprietary interests, replied that social security was not the concern of 'individual employers, but it is a clear responsibility of the state' (Gamba, 1962b: 109). The NUPW, realizing that the government would not support its request, embarked on its own insurance scheme in conjunction with the Great Eastern Insurance Company in 1958. The scheme which provided endowment policies also made available accident benefits and free medical aid for affected workers.

The scheme, which operated on a group basis, was marked by failure from the beginning. Not surprisingly the target group—low wage earners—was hardly in a financial position to contribute steady payments to make it a success. In the course of time several thousand policies lapsed when workers were unable to make steady and consistent payments. The NUPW in its Second Triennial Report admitted the failure of the scheme—a scheme that had even promised monetary incentives and commissions for employers if they agreed to deduct monthly premiums through checkrolls.

Estate Fragmentation

In the late 1950s the NUPW became involved in the estate fragmentation or subdivision issue. The fragmentation of estates, mainly in the west coast beginning in the late 1950s and reaching its peak in 1967, rendered thousands of workers and their families without employment. These estates were sold because of the high price offered by speculators, who subdivided these estates into small pieces of not more than 4 or 5 acres and sold them for profit. The process of subdivision enabled speculators to reap high profits, sometimes four or five times the original cost. Between 1957 and 1960 over 300 rubber estates comprising about 230,000 acres were converted into smallholdings. By 1967 subdivision had risen to about 324,000 acres (Gunawan and Raghavan, 1977: 22).

For some years the Malayan government took no action to stop this fragmentation. Its inaction stemmed from its belief that subdivision basically involved the redistribution of foreign-owned estates to petty commodity producers. From the government's point of view this process should be welcomed for it contributed to the economic stability of the country. However, the publication of a report on subdivision by Professor Ungku Aziz of the University of Malaya served to dispel the myth that subdivision was creating a class of peasant proprietors in the country. Indeed, Ungku Aziz (1962) commented that subdivision was creating absentee ownership of land, which was undesirable in terms of economic development.

The fragmentation of estates caused much suffering to affected estate workers, particularly to Indian labour. Subdivision rendered thousands unemployed and many were forced to return to India. Hard-earned social facilities like hospitals, dispensaries, crèches, and schools were abandoned. Workers ceased to be NUPW members after the estate was subdivided. As Arasaratnam (1979: 156) comments, 'None of the wage rates and service conditions that had been negotiated for them with planters of the MPIEA now applied. As every new estate came up for sale, the transaction left a trail of doom to its Indian labour force.'

The NUPW made a number of appeals to the government to intervene in the indiscriminate subdivision of estates that only benefited property speculators. Specifically the NUPW pressed for legislation that would control the change in ownership of estates of more than 100 acres. It urged the government to follow the example of Ceylon, which passed the Tea and Rubber Estates (Control of Fragmentation) Act of 1958 to prohibit subdivision (Arasaratnam, 1979: 157). However, the government paid no heed to the appeals. Until 1969 the government made no attempt to control the subdivision of estates.

The NUPW, as a moderate and responsible union, could not go beyond appeals to the government in championing the plight of workers affected by subdivision. It clearly lacked the muscle to initiate industrial action to prevent the process. Yet the union leadership became embroiled in a conflict with the National Land Finance Cooperative Society (NLFCS) spearheaded by V. T. Sambanthan, the President of

the MIC and a Cabinet Minister, on the land fragmentation issue.

The NLFCS was formed in 1960 by Sambanthan and his MIC colleagues to alleviate the problems of landlessness and unemployment faced by workers affected by estate subdivision. The society had the government's blessing and the 'advantage of publicity and popularity that its sponsors were able to secure' (Arasaratnam, 1979: 158). The movement leaders hoped that workers, through the buying of shares, could accumulate funds to purchase rubber estates that were being offered for sale. To participate in the society as a member, the worker had to purchase a share worth \$100, which he could pay for in instalments of \$10 a month.

The NLFCS quickly became a very popular movement. By August 1961, through the personal appeals of Sambanthan, the society obtained the participation of 15,000 members with capital amounting to over \$1 million. In the same month the society acquired its first rubber plantation—Bukit Sidin Estate—consisting of 2,900 acres for \$3 million. By the end of 1967 the membership rose to about 54,000 and it had acquired 12 estates with a total size of over 30,000 acres (Arasaratnam, 1979: 156).

In spite of the fact that the NUPW itself had not taken concrete measures to resolve the problem of subdivision, it belittled Sambanthan's efforts in launching the society. When the NLFCS was officially launched in 1960, the NUPW ridiculed the movement, dismissing it as irrelevant.¹⁰ However, when the movement drew overwhelming response from estate workers, the NUPW became worried. The NUPW leadership and Narayanan in particular was concerned that the NLFCS would pose a threat to the very survival of the NUPW. Specifically the NUPW was afraid that the movement might wean workers' loyalty from the union. Thus, it was in this context that the NUPW leadership's relationship with Sambanthan became very strained, with the former engaged in a systematic campaign to denigrate the efforts of the latter. The union commented that 'one has to be very careful in giving recognition to such a body' (*Union Herald*, December 1962). Sambanthan, on his part, was bitter with the union leadership for trying to discredit his movement. In 1965 he was able to take his long-awaited revenge—by helping to register a rival plantation union to the NUPW in Seremban (see Chapter 6).

Resolving Labour Disputes

The NUPW's reputation as a moderate and responsible union depended to a large extent on how it managed industrial relations in the plantations. It is not unreasonable to assume that employers and the government in the Emergency and post-Emergency periods expected the NUPW to play a meaningful role in moderating and containing labour conflicts so that they were not manifested along militant lines. How did the NUPW manage industrial relations in the plantations in the 1950s and 1960s?

As discussed earlier in this chapter, the go-slow initiated by the NUPW in May 1956 was forced upon it by the uncompromising atti-

tude of employers. Their refusal to negotiate with the union and the announcement of further wage cuts for tappers and field workers in March had put the union in a dilemma. Although the union ruled out the strike weapon, it none the less had to initiate some kind of action to show that it had the support of its members. The go-slow was the answer to employers' obstinacy that year.

The go-slow was a tremendous success not in terms of material concessions from employers but in terms of the support the union received from workers. Unfortunately, a moderate union like the NUPW could not sustain this action over a long period of time. The government's warning to the NUPW not to exploit the Emergency situation and fear on the part of union leaders that the go-slow might give rise to militant actions led to its abortion by the end of May.

Gamba (1962b: 180) in writing about the go-slow portrays the whole incident in a favourable light—as a positive contribution of the NUPW. He fails to see that the abrupt manner in which the action was terminated and the pittance conceded to labour in the June 1956 agreement added further tensions to the rubber industry. This is suggested in the NUPW Triennial Report (1956–9), which states that disputes between labour and management arose due to 17 reasons. The most important areas of grievances among labour were unfair dismissals, transfer of workers, differences in the interpretation of the June 1956 agreement, and conflict between labour and estate staff. Furthermore, the report lists 13 reasons for unofficial strikes. However, there is no discussion of the number of unofficial strikes and their consequences. Not surprisingly the NUPW is proud that it supported one official strike between 1956 and 1959 which took place at Semanthan Estate, Mentakab, Pahang, for a period of 77 days. According to the report, the strike broke out due to a miscalculation of wages. The report, in typical fashion, puts the blame on the workers for not being united.

A glance at the report indicates that the NUPW abhorred strike action by workers. The report urges that workers 'as far as possible, [should] try to reduce tension in the industry by closer collaboration with progressive employers'. In line with this objective and to maintain intact its image as a moderate and responsible union, the NUPW discouraged industrial action by workers. The NUPW felt that the stability and prosperity of the plantation industry as a whole should not be disturbed in any way. There is also evidence to indicate that the NUPW in certain instances more than discouraged militancy in the plantations. In 1956 at Kurau Estate, a division of Soon Lee, Taiping, trouble brewed between the workers and the management over the question of wages. Balakrishnan, an estate worker who was a local union committee member, succeeded in obtaining arrears of wages with the support of the workers. Within a very short time, Balakrishnan was regarded as a hero by the workers. The estate management, afraid of his growing popularity, sacked him from the estate. This abrupt action caused a strike and the workers only returned to work on 30 May following a settlement. However, this settlement was reached on condition that the NUPW, Taiping, remove the vocal and militant committee members of the estate

and institute a new committee. Emmanuel, on behalf of the NUPW, gave his assurance to the manager that he would personally see that 'responsible' members were elected to the Kurau Estate committee (Labour Department, Taiping, 1956).

The NUPW's (1962) Second Triennial Report states that there were 39 unofficial strikes in 1959-62 in the plantations and 29 reasons were given. But the report does not explain why the union did not endorse or support all the strikes. According to the report, the union only supported six strikes during the period: one in Selangor, one in Johore, three in Kedah, and two 'lock-outs' in Perak. The most publicized industrial dispute was a lock-out at Seremban Estate, Seremban, Negri Sembilan, in 1960. An examination of this dispute in some detail enables one to draw some conclusions about the role of the NUPW.

The Seremban Estate Labour Dispute

The antagonism between the workers of the Sungei Gadut division of Seremban Estate and the management which had dragged on for some time erupted into open conflict on 16 March 1960 when the workers handed a letter to the management stating that they would have no alternative but to consider all Sundays as rest-days unless job opportunities were made available to the wives and children of the workers. The estate manager refused this demand and took high-handed action by dismissing a *kangani* and 17 other workers who were not entitled to take Sundays as rest-days. Relations were further strained when on 28 March the entire work-force of the division except Muslims was dismissed.

The arbitrary dismissal and the ineffectiveness of the NUPW in tackling the problem led to more serious strikes including those at the New Seremban and Rantau divisions. It is estimated that the strike involved more than 500-600 families.¹¹ The entire episode in Seremban Estate lasted 103 days, and for the major portion of the period the initiative and leadership were provided by the local union committee comprising leaders like Sinnakannu and Ramasamy. The NUPW's role in the dispute was minimal and its efforts to defuse the situation was not successful. As the dispute intensified, owing to the management's tactic of hiring blacklegs, the NUPW's role was reduced to one of rendering financial assistance and publicity.

Early in the morning of 27 June some members of the strike committee ambushed three lorries carrying blacklegs into the estate. In the ensuing fight the leader of the blacklegs was killed, and 17 others, mostly blacklegs, were injured and taken to the Seremban hospital (*Straits Times*, 28 June 1960). The workers' resistance to the use of blacklegs further strengthened the spirit of the strikers. Unfortunately the violence provided the opportunity for the police to intervene in the dispute. The real beneficiaries of the police intervention were the estate management and the NUPW national leadership.

Following the fight between the workers and blacklegs, the police, aided by the Federal Reserve Unit (FRU), launched a repressive attack on the strikers. A house-to-house search was conducted by the police

force and 10 estate workers were arrested on the charge of murdering Wong Chee Fong; a number of female workers were arrested and charged with disobeying police orders to disperse. As to be expected, the police crack-down and arrest of a number of workers provided an opportunity for the NUPW central leadership to seize the initiative in the dispute. The demoralization of the workers made it possible for the NUPW to seek the assistance of the Deputy Minister of Labour, V. Manickavasagam, to bring about a speedy solution to the conflict (*Straits Times*, 28 and 29 June 1960).

The police intervention coupled with the arrests of the militant workers deprived the labour struggle in the estate of its crucial leadership component. In such a situation the NUPW central leadership, relegated to a minor role during the struggle, came to the forefront. Needless to say, the prominent role of the NUPW proved conducive to the re-establishment of managerial authority over the estate. In the negotiations held between the NUPW and the management, the interests of the rank and file were sacrificed. More importantly the NUPW gave in to the management's insistence that it would not grant employment to 100 workers and their families. Consequently about 225 workers, both male and female, had to leave the estate.

In the labour dispute the NUPW failed to resolve the problems faced by the workers. What was more, it caved in to the management over the eviction of more than over 100 families from the estate. This was a heavy blow to the workers who had spent years in the estate. Despite this failure, the union had the temerity to blow out of proportion its role in the dispute. For example, in its Second Triennial Report the union gave an impressive picture of financial assistance to the strikers. It was also reported that the union even presented each female worker who had been jailed with a saree length.

The NUPW's passive role in another dispute in an estate near Batu Tiga, Seremban, which resulted in the death of a pregnant woman, led to much disenchantment among the workers.¹² It is not surprising therefore that major opposition to the union emerged in the Seremban area in the 1960s, culminating in the formation of the Malayan Estate Workers Union (MEWU) and later the United Malayan Estate Workers Union (UMEWU) (see Chapter 6).

Throughout the 1960s one could hardly describe the industrial situation in the plantations as cordial, despite the presence of a union like the NUPW that basically eschewed militancy in industrial relations. According to the NUPW General Report, between 1965 and 1968 there were 84 strikes in the country, of which 19 were in Selangor, 18 in Perak, 14 in Johore, 16 in Kedah, 6 in Malacca, 7 in Negri Sembilan, 2 in Pahang, and 2 in Kelantan. In the words of the report, 'most of the stoppages were the result of sudden provocation of the workers concerned by the supervisory staff'. The NUPW only sanctioned eight official strikes, including those at Thye Seng Estate, Kedah—where 27 workers were told to leave the estate—Bukit Rajah and Pamol Estates, Johore, and Arumugam Pillay Estate, Kedah.

1. The details in this section are largely drawn from C of L, MU (1947a).
2. At Kinta Kellas Estate, the President of the PEEU was charged with outraging the modesty of a woman. Furthermore, union subscriptions from estate labourers were misused (see C of L, MU, 1947g).
3. The details in this section are mainly culled from C of L, MU (1947c) and Labour Department, Muar (1947b).
4. The details in this section are largely taken from Morais (1975: 18, 20-1, 27-8, 38-41, 45-6).
5. An anonymous article circulated in trade union circles in the early 1980s, entitled 'Dr. P. P. Narayanan—Trade Unionist or Traitor?', brands Narayanan as a traitor of the working class.
6. In early 1951 the JSPWU submitted a number of complaints against the PWUM for unfairly organizing workers in Johore. There are reasons to believe that Narayanan was at first opposed to the creation of a single Malayan Plantation Workers Union as suggested by Brazier. Narayanan said privately to various people that he would prefer to see the government help him develop his South Malayan Plantation Workers Union to cover the whole of South Malaya. It was on this matter, and coupled with the fact that Narayanan's union was unfairly penetrating Johore, that a quarrel ensued between him and Govindan (see Labour Department, Muar, 1947b).
7. Interview with T. Subbiah, Malacca, 19 May 1987.
8. That contract tappers would get 35 cents less a day, checkroll tappers 25 cents less, and field workers 15 cents less (*Straits Times*, 23 May 1954).
9. The go-slow was called off by the union after the Minister of Labour intervened. In fact, the MPIEA insisted that the NUPW call off the go-slow before any negotiations could be entered into (*Straits Times*, 3 June 1956).
10. Interview with A. Angamuthu, Mambau Estate, Seremban, 5 April 1987. Angamuthu, who was very much against the NUPW, was a strong supporter of the NLFCS project.
11. Interviews with A. Velumurugan and V. Muthamal, New Seremban Estate, Seremban, 24 December 1988. The latter was one of the participants in the estate strike. During the strike she was arrested and spent a few days in the police lock-up at Mantin. Her husband R. Marimuthu was bound over. See also NUPW (1962: 38-9).
12. Interview with M. Thanabalan, A. Angamuthu, and others, Seremban, April 1987.

6 Alternative Unions*

The Pan-Malayan Chinese Rubber Workers Union

OPPOSITION to the NUPW began as early as 1956 among Chinese estate workers in Selangor, Negri Sembilan, and Malacca. In January 1956 a circular jointly issued by the MPIEA and the NUPW informed estate workers to expect a cut in wages due to the fall in the rubber price in the last quarter of 1955. Within a week of the notice, tappers' wages were reduced from 34 to 28 cents. This reduction, condoned by the NUPW, angered Chinese workers. As a result, tappers in four Chinese estates in Tebong, Malacca, threatened to strike (*Straits Times*, 18 and 21 January 1956).

Chinese workers had been unhappy with the NUPW since its formation because of its preoccupation with Indian labour. When the NUPW endorsed the wage reduction proposal of the MPIEA, Tan Tuan Boon, a trade unionist and Chairman of the Selangor division of the Labour Party, sought to form the Pan-Malayan Chinese Rubber Workers' Union (PMCRWU). In early February Tan announced that such a union was necessary because the NUPW had neglected Chinese workers. He pointed out that the NUPW did not have a Chinese in its Executive Council. Nevertheless, he said that despite its name, the PMCRWU's membership would be open to all races (*Straits Times*, 2 February 1956).

At the PMCRWU's pro tem gathering in February, Tan was elected Secretary-General, Law Chan President, and Low Sow Fah Vice-President. By the time the union sought registration, it had a membership of 10,000. However, the application for registration was rejected by the Registrar on the basis that it would be used for unlawful purposes. The union then appealed to the Minister of Labour, V. T. Sambanthan, but the Registrar's decision was upheld. Finally the union took the matter to court, but the latter held that the Minister had 'acted judicially in rejecting the union's registration' (*Straits Times*, 20 June 1957).

In early 1956 when the NUPW was alerted to the fact that a rival union was being formed among Chinese labour in the plantations, it tried to bring more Chinese members within its fold, but without much success. A large number of Chinese workers, unhappy that they were

* Much of the information in this chapter is based on interviews with workers and former union officials. For details see note 1 at the end of the chapter.

not represented by a union, refused to co-operate with the NUPW when it launched the go-slow in May. In a number of estates the Chinese labour force defied the NUPW's directive (*Straits Times*, 31 January and 14 May 1956). The authorities' refusal to register the PMCRWU alienated Chinese plantation labour to some extent. Frustrated and disillusioned, they took hardly any interest in the NUPW, which they regarded as an unresponsive union. However, with the emergence of unions rivalling the NUPW in the 1960s, Chinese estate labour perked up.

The Malayan Estate Workers Union

In the late 1950s a small group of workers, members of the NUPW in the Seremban district, were inspired to form a rival union to the NUPW. They were S. Suppiah, A. Angamuthu, M. Thanabalan, P. Murugasu, R. Palaraman, Lee Chooi Lam, Goh Kim Tong, Mok Su Lam, Lau Lam, Harun, Abbas, and K. G. Maniam, among others.¹ Most of them had once been members of left-wing RWUs. Their acquaintance with each other had begun with their work in left-wing unions. Their experiences in the NUPW, their frustrations and disappointments in the way the union was run, and the union's failure to bring material and social improvements to the lives of plantation workers were common grounds for them to come together. It was the teamwork of these individuals with common experiences and the commitment to improve the lot of workers that propelled them to form a rival union—a union that would be run by workers for workers. Why were they unhappy with the NUPW?

After the formation of the MEWU in 1961 its Tamil newsletter outlined a number of reasons why the union was formed. First, the NUPW brought no benefits to estate workers; as a result workers were badly treated by estate employers. The NUPW did not safeguard the rights and dignity of workers. In such a vacuum a union orientated towards workers was needed. Second, estate workers were not given proper health and medical facilities; as such, their health and life-span was affected. Third, the MEWU founders felt that, given the job insecurity and arbitrary dismissals by employers, only a strong and effective union could prevent abuses by employers. Lastly, there was a pressing need to establish a union that would not only cater for rubber and oil palm estate workers but also those in cocoa, tea, and coconut plantations; and at the same time bring within the union's fold mandores, drivers, office peons, weeders, lorry cleaners, sprayers, fruit carriers, factory workers, drain diggers, and others.

Apart from the above reasons it is also important to consider the personal experiences of some founder members. When Suppiah was a member of the NSRWU, he had a conflict with a top official of the NSILU over an incident in which the official allegedly cheated a woman worker of \$100. Apparently this official took the money from her, promising to retrieve her valuables which she had deposited with an estate manager. Suppiah confronted this official over the incident while

the latter was addressing a workers' gathering. Since he became a member of the NUPW in the early 1950s, he had never been happy with the union. In the late 1950s he resigned from the union over the matter of financial mismanagement in the Negri Sembilan branch.

Goh Kim Tong of Sungei Sendayan Estate, like Suppiah, was disturbed by financial mismanagement and the lack of accountability on the part of branch officials. Realizing that it was not possible to dislodge the officials, he resigned from the union with some of his friends.

Angamuthu of Mambau Estate, later to become the General Secretary of the UMEWU, became disillusioned with the NUPW over an incident in which a woman was killed in an estate near Batu Tiga, Seremban, in 1960. When the matter was brought to the attention of the NUPW, it expressed little interest. According to Angamuthu, one senior official even remarked that such incidents were necessary for the growth and publicity of the NUPW.

Murugasu of Jemima Estate, Seremban, was not only the NUPW Secretary for the estate's A division between 1954 and 1960 but also a member of the NUPW Central Working Committee and the Executive Council in 1959 and 1960. Due to a long-standing conflict with S. P. S. Nathan, President of the NUPW, Murugasu was often ignored. The articles he wrote from India for the union's magazine were denied publication by Nathan. When Murugasu contested the post of branch Chairman, his election was declared null and void. Murugasu believes that some of the proposals he forwarded to the NUPW were not to the liking of the leadership, proposals such as the need to restructure the union along multiracial lines and to provide sufficient protection for unionists in the estates where they were often victimized by employers.

With the coming together of these members and others, a campaign was launched to mobilize estate workers in Seremban to register a new union, the MEWU. Plantation workers from estates in the Seremban district like Mambau, Jemima, Labu, Ulu Sawah, Sengkiang, Bhutan, Seginting, Tanah Merah, and Sungei Sendayan were mobilized. Once the leaders had garnered sufficient support for the new union, a meeting was held in 1959 to elect a pro tem committee. At the meeting the following were elected the principal office-bearers: President Lee Chooi Lam, Vice-President Suppiah, General Secretary Goh Kim Tong, Treasurer Mok Su Lam, and three committee members, Lau Lam, Harun, and Abbas. An important objective of this meeting was to show that the composition of the office-bearers reflected the multiracial character of Malaya. Perhaps this explains why members like Thanabalan and Angamuthu who had worked hard to establish the union declined to be in the committee in the initial stage.

After the pro tem committee was set up a delegation approached the Minister of Labour, Bahaman bin Samsuddin, to seek his help in the registration of the union. At the meeting the delegation explained the reasons why another union was needed in the plantation sector. Specifically he was informed that the proposed union did not seek to compete with the NUPW, but sought rather to complement it by organizing

non-unionized workers in the industry. It was during the discussion with the Minister that his Deputy Minister told the delegation that another union for estate workers was not necessary as one already existed, namely the NUPW. At this juncture a member² of the delegation became annoyed and told the Deputy Minister that he should not interfere in the matter.

After much discussion and persuasion the Minister said that he would look into the matter. Finally, and despite the opposition of the Deputy Minister, the union was formally registered on 6 January 1961 with its headquarters in Seremban. Within a few months of the MEWU's registration, its membership swelled to about 1,500. Most of the workers came from the estates around Seremban. The participation of workers from Jemima, Sungei Sendayan, and Mambau Estates was particularly impressive. This is not surprising as some MEWU organizers came from these estates. According to Murugasu, in the initial period the majority of union members were Chinese.

With the assistance of V. David, the Secretary of the Transport Workers Union (TWU) of Malaya, an Annual General Assembly was held in Kuala Lumpur in December 1961 (Plate 3). In a matter of 2-3 weeks following the assembly the Registrar deregistered the union. In a subsequent meeting with the Registrar union leaders were told that deregistration arose because of a petition of complaint sent by some of its members. It is quite probable that the Registrar's cordial ties with the NUPW were the main reason why the union was deregistered. The fact that many left the NUPW to join the new union was a source of considerable resentment on the part of NUPW leaders towards the MEWU.

The United Malayan Estate Workers Union

Within a month of deregistration, officials of the former union held a series of discussions, out of which emerged the determination that another union be formed to cater for workers who had earlier participated in the MEWU. Help was solicited from the Minister of Labour, V. T. Sambanthan, who had replaced Bahaman. Sambanthan promised to do his best after being approached by Angamuthu and his friends, who felt that he was quite sympathetic to their cause.

Sambanthan, of course, had his own reasons for assisting Angamuthu and his group. As noted in the previous chapter, he welcomed the idea of an alternative union because he had been irritated and offended by the NUPW leaders' criticism of his sponsorship of the NLFCS. The extent to which Sambanthan put his weight behind the creation of a new union is not certain, but Angamuthu feels that he played an important role.³ In contrast Stenson (1980: 200) says that the UMEWU was formed in 1963 with the help of V. Manickavasagam, a Cabinet Minister and Deputy President of the MIC. Stenson's interpretation seems unlikely as a later discussion will show that it was Manickavasagam who ultimately sealed the fate of the union.

After much painstaking effort on the part of former committee members of the MEWU, a new plantation union called the UMEWU was

created. It was registered on 19 April 1963 with its headquarters in Seremban (Plate 4). The Executive Council consisted of President M. S. Muthu, Vice-President Thanabalan, General Secretary Angamuthu, Assistant Secretary A. R. Annamalai, Treasurer P. Arumugam, and the committee members, R. Ganesan and K. Krishnan, while Murugasu and Tong Kin Sai were appointed the organizers. With the exception of Annamalai, Arumugam, Ganesan, Krishnan, and Tong, the rest of the council members had been active in the MEWU.

When the union was first established in April, it had only about 160 members from the estates around Seremban. In order to attract more members the union had to publicize its aims and objectives. In a lengthy pamphlet the UMEWU promised to struggle for basic and fair wages for oil palm harvesters, rubber tappers, tea estate workers, estate mandores, drivers, and others. The union regretted that even though 60 per cent of the country's population was dependent on rubber for their livelihood, estate workers were in the unfortunate situation of poverty. Workers were denied their basic rights as human beings and were arbitrarily transferred from estate to estate or sacked without recourse to justice. It was also mentioned that children in the plantations were denied basic necessities. The denial of the basic rights of workers and the misery of their children were, it said, the result of poor representation by the NUPW. It claimed that when workers were sacked, NUPW leaders hardly showed their face at the scene to resolve the problems. Finally the UMEWU called on workers to fight for their basic rights as human beings; one way of doing this was by joining and supporting the struggle of the UMEWU. If workers were to give their support and loyalty to this newly established union, the union would effectively serve them. Unlike the NUPW, the UMEWU would engage in straightforward negotiations without betraying the trust workers had placed in it (UF, 1963a).

Having explained the aims and objectives of the UMEWU, the Executive Council then embarked on the organization and mobilization of workers at the state level. It was decided in a council meeting that N. Vasagam would cover estates in Johore, M. Paramasivam in Malacca, R. Palaraman in Negri Sembilan, and R. Muniandy in Perak; these states had a large number of estates (UF, 1963b).

Johore

Prospects in Johore seemed especially good. Vasagam, a former NUPW member in Kapar, Selangor, and a Labour Party activist, organized workers in the Kota Tinggi district, which was given priority over the other districts because of the large number of estates there. Moreover, invitations had been received from workers in the district for UMEWU leaders to organize them. In due course an office was opened in the town itself (UF, 1964b).

Organizational work proceeded rapidly in the Kota Tinggi district. However, after a few months problems cropped up. Angamuthu, the General Secretary, received a confidential letter from R. Parasuraman of

Pelepah Estate, Kota Tinggi, complaining that the organizer and his friends were neglecting union activities by misusing union funds. When Parasuraman questioned the organizer, the former was threatened with removal from the union. In his letter the complainant urged Angamuthu to investigate and take immediate action so as to restore confidence in the union among members (UF, 1964i). Angamuthu's investigation showed that the allegations were true and the organizer was immediately removed. Angamuthu stayed on to consolidate the union's position. In due course workers were organized in such estates as Pelepah, Kota Tinggi, Harimau, R.E.M., and Tai Tak. Within a year of the union's presence, about 600 workers became members.

Angamuthu speaks of the support the union received from non-members like taxi and bus drivers who gave both material and moral support to the union. The UMEWU's Johore branch was officially opened in Kota Tinggi in May 1964. However, given the shortage of union personnel, it was decided in the council meeting of 17 February 1965 that the Johore branch would be merged with the Malacca branch. Later it was decided that a branch would be opened in Segamat. By the time Angamuthu left Kota Tinggi for Seremban, a woman had been appointed the union's organizer in Kota Tinggi (UF, 1965c).

Negri Sembilan

Given the union's home base in Negri Sembilan, organizational work, mainly by Palaraman, Tong, and Murugasu, proceeded much more rapidly in this state than in the others. The state branch was set up a few months after the registration of the union. Workers from such estates as Jemima, Labu, Mambau, Bhutan, Majorie, Siliau, Kupas, and Komudai joined the union. The branch committee formed in June 1963 comprised Chairman Tong, Secretary Palaraman, Treasurer Letchumanan, while the committee members were Lee Woke Yoke, M. Arjunan, See Kin Son, Low Kui Tak, Siew Yoon (Labu), G. V. Maniam (Majorie), V. Krishnan, V. Kandasamy (Siliau), Ong Sin Sin (Kupas), Rasu (Komadai), Tam You, K. Panchaiyat, and C. K. Ayappan (Jemima) (UF, 1965d).

Perak

In Perak the union's work was carried out by R. Muniandy in the estates around Sabak Bernam and Teluk Anson. Recruiting new members to the union proved difficult because of strong opposition from employers. Vice-President Thanabalan, who was invited by Muniandy to open a branch at Sungei Samak Estate, was nearly assaulted by thugs. On one occasion the estate manager confronted Thanabalan and even tore the union's file. Thanabalan in turn challenged him to stop the union from carrying out its activities. The Perak branch was opened on 2 January 1965 by Lok Salleh, a ruling party Member of Parliament for the Sabak Bernam district. At the opening ceremony Thanabalan, who had by then resigned as Vice-President, spoke of the difficulties encountered by

the organizers and praised them for their devotion to the workers' cause. At a meeting in Sungei Samak Estate the next day, a number of resolutions were passed, one of which criticized the NUPW for betraying the workers (*Tamil Nesan*, 11 and 25 January 1965).

Selangor

The inaugural meeting of the Selangor branch was held in Puchong on 6 March 1966. By this time the headquarters had been moved to Kuala Lumpur and a number of political activists from the Labour Party and Parti Raayat (People's Party) had been absorbed into the union. At the meeting, 84 members and representatives from other trade unions were present, including S. T. Gamany, the union's legal adviser, and V. David and Zainal Rampak from the TWU. The General Secretary in his address traced the origin of the union and related his own experience with the NUPW which inspired him to form the MEWU and later the UMEWU. David and Gamany spoke on the need to effectively represent plantation workers (UF, 1966a).

Obstacles Faced by the UMEWU

The absorption of Labour Party and Parti Raayat activists was related to the difficulties encountered by the union in organizing estate workers. By early 1965 the union's leadership realized that unless the union was handed over to outsiders, it faced the prospect of collapse. The biggest stumbling block to the UMEWU's organization of workers was its non-recognition by plantation employers' associations, notably the MPIEA. Recognition from employers was an important prerequisite for providing effective representation for its members. It would enable the union to negotiate directly with employers on labour matters. Above all, recognition, it was realized, would bestow legitimacy on the union in the eyes of the workers.

Shortly after its formation the General Secretary wrote to employers' agencies such as the MPIEA requesting recognition for the new union. Along with the letter, information on the union's paid-up membership of 15,000 was submitted. In July 1964 the MPIEA dropped a bombshell, asserting that it was not in a position to recognize the union because its 15,000 membership could not be considered representative of the 200,000 workers under its management. When the union requested an appointment with the body, it was also rejected (UF, 1963c, 1963d, 1964a, 1964c, 1964d, 1964e, 1964f, 1964g, 1964h, 1964j, 1965b).

Finally the union wrote to Dunlop Estate Limited, which was not a member of the MPIEA. Recognition was sought on the basis of the union's work in Jasin Lallang Estate, Jasin, Malacca. The union stated that more than 70 per cent of the workers in this estate had been organized, and that on 10 August 1965 these workers had sent a letter affirming their support for the UMEWU. The reply from Dunlop was another disappointment to the union. The company stated that it had

always recognized the NUPW as the sole body representing plantation workers and that it had no intention of departing from this position (UF, 1965e, 1965f).

Apart from the problem of non-recognition the union was beset by other problems. One was the lack of funds, which Angamuthu says made it difficult for the union to organize and expand its activities. Although the union received many enquiries from workers, it was unable to respond because of financial constraints as the receipt of membership dues was irregular. In some estates workers were against joining the UMEWU. The union could not recruit more members because without recognition workers were reluctant to participate in the union's activities.

The lack of funds also prevented the employment of full-time officers. The Executive Council members were all estate workers. The time they could devote to the union was limited as they had to earn a living as well. Angamuthu worked full time for the union for a while, but by 1965 had to go back to work as a *kangani* in Mambau Estate. Thanabalan, the Vice-President, could not serve full time for long. He lamented that the allowance he received was just not enough to support his family. He left in 1965 to work in an estate in Bahau. Similarly officials like Murugasu and Palaraman had to give priority to earning a living to support their families and children.

The decision to hand the union over to political activists was also influenced by problems that had developed between the union and the NUPW. Angamuthu, Thanabalan, and Murugasu believed that the NUPW made things difficult for the union. They alleged that the NUPW was unable to accept an alternative union. NUPW officials, afraid that the UMEWU would pose a threat, created all sorts of problems for it. The NUPW's publication, *Sangamani*, was utilized to launch a propaganda campaign against the UMEWU. Workers were told to be careful in participating in the new union. NUPW officials argued that the UMEWU would not be able to represent workers because it would not be recognized by employers. Workers were constantly reminded that the new union would not last long and that they should not waste their time with it.

The problems of the UMEWU were compounded by the close scrutiny it was subjected to by the Registrar of Trade Unions. According to Angamuthu, the Registrar very often sent his officers to conduct surprise checks on the union. Even for minor mistakes, he would issue a severe warning. On two occasions the leaders were asked to show cause why the union should not be deregistered. The tight surveillance of the union had a demoralizing effect on union personnel.

Leadership Change in the UMEWU

According to the UMEWU's constitution, pro tem officers elected on 27 November 1962 were to hold office until a subsequent election to be held not later than 30 September 1963 (UF, 1964j). But the difficulties placed in its path by the Registrar forced the union to hold its first General Assembly only on 26 December 1964. By this time some lead-

ership changes at the national level had already taken place. Thanabalan and committee member K. Krishnan had submitted their resignations. Later Krishnan withdrew his resignation at the request of the Executive Council (UF, 1964b). Thanabalan, however, refused to withdraw his resignation despite pleas by some members. As the sole breadwinner, he could not take care of his family by just concentrating on union work. At the same time Thanabalan was also quite critical of some union leaders. He felt that when he was dispatched to Sabak Bernam, he received very little moral support from them. He none the less remained a member of the union and later participated in the opening of the union's Torkington branch, Sabak Bernam, in 1965.

The first General Assembly was held at the Chinese Assembly Hall, Seremban (Plate 5). More than 200 representatives from plantations in different states as well as observers attended the assembly. A number of resolutions were passed, including the need for a law to protect workers wishing to join unions of their choice, and the demands that the government pass legislation against employers discriminating against trade union officials, that employers' associations should recognize the UMEWU, and that employers should provide land for workers (*Tamil Nesan*, 5 January 1965).

At the assembly the principal office-bearers elected were President Tong, Vice-President A. Raju, General Secretary Angamuthu, Assistant Secretary Mohammed Supar bin Bajuri, Treasurer P. Arumugam, and committee members S. Subbiah, N. Ramasamy, and R. Ganesan. The Executive Council elected was much more representative of the peninsula geographically compared with the earlier one. The Assistant Secretary was from Sabak Bernam, the Vice-President from Malacca, and one of the committee members from Johore (*Tamil Nesan*, 5 January 1965).

Once the new council was elected the problems faced by the union were discussed (Plate 6). It was agreed that the union would be handed over to a suitable person or organization (UF, 1965h). At first the union, through its Negri Sembilan organizer, Murugasu, made contact with Dr Jeevaratnam, a PAP (People's Action Party) member in Seremban. On his advice the officials contacted Devan Nair, the PAP Member of Parliament for Bangsar, Kuala Lumpur, who, however, rejected the offer as he was not prepared to offend the NUPW leadership. Then V. David, the General Secretary of the TWU and a member of the Labour Party, Bangsar branch, was approached. David agreed to take over the union when he realized that it could be used to expose the NUPW's misdeeds and at the same time bolster his own image.

David asked R. Ratnavelu, a Labour Party activist, whether it was possible for him and his friends to manage the union. Ratnavelu in turn contacted lawyer S. T. Gamany, a member of Parti Raayat, and another Labour Party member, S. N. Rajah. In a meeting between the three it was agreed to take over the union. Subsequently Angamuthu was advised to appoint Gamany as the union's legal adviser, Ratnavelu main organizer, and Rajah Executive Secretary. The entry of these individuals marked a new phase in the development and orientation of the union.

For the first time the union came to be infused with radical political objectives consonant with those of the political parties concerned.

The Labour Party of Malaya, which was a merger of state-based labour parties in 1954, became increasingly militant and socialist in the early 1960s following the replacement of English-educated leaders by the Chinese-educated. It was in this atmosphere of radicalization that existing workers' organizations were utilized to garner support for the party's programme for the eventual creation of a Malayan socialist state.

The Parti Raayat was formed in 1955 under the leadership of Ahmad Boestamam, former General Secretary of the Malay Nationalist Party. The party, in line with the Indonesian ideology of Marheanism, favoured nationalization of major industries, distribution of goods on a wider scale, and allowing the state a much larger role in the economy. Although the party generally discouraged the Chinese from joining it for fear that the racial balance might be upset, it still allowed the entry of some left-wing members, mostly non-Malays of the National Union of Factory and General Workers, which was banned in April 1958. These members had a close relationship with the Labour Party and some of them became involved in the UMEWU (Vasil, 1971: 93-182).

By the time the council met on 10 December 1965 left-wing elements of the parties had taken complete control of the union. At the meeting it was decided to move the headquarters from Seremban to Kuala Lumpur. At the Annual General Assembly held on 31 July 1966 a new Executive Council was elected. Tan Aik of the Parti Raayat was elected President, Angamuthu Vice-President, Lim Joo of the Parti Raayat General Secretary, and Siow See Lin of the Labour Party Treasurer. Rajah was appointed Executive Secretary, Ratnavelu organizer, and Gamany legal adviser (UF, 1965g).

Even before the formal establishment of left-wing control of the union, the work had begun. Ratnavelu, given his close contact with workers in the Sabak Bernam area, tried to revive the old committee set up in Torkington Estate by R. Muniandy. In a short time about 300 estate workers joined the union. The estate management, disturbed by the inroads made by the union, took abrupt action, dismissing a few active trade unionists.

In protest against these dismissals the UMEWU organized a demonstration against both the management and the NUPW for not taking up the issue (Plates 7a-b). During the demonstration many estate workers in the vicinity of Sabak Bernam gave both moral and financial support to the union. The active involvement of the UMEWU in Sabak Bernam moved many employers in the area to hire extra guards to keep union personnel off their estates. Ratnavelu remarked that security measures were so tight that they found it necessary to use wedding ceremonies and temple festivals to publicize the union.

While the UMEWU was active in the Sabak Bernam area, pamphlets and newsletters were produced and distributed throughout the country, particularly to the various estate union secretaries. The publicity was fruitful. The union received many requests from workers either asking for more information about the union or inviting union officials to visit

their respective estates. It was during this time that a group of people came from Malacca to see Ratnavelu and Rajah about a problem in an estate (see the next section).

In early 1966 the UMEWU was not only interested in organizing tappers but those employed in rubber factories. In this respect the union succeeded in organizing the factory workers of the H & C Latex in Petaling, Selangor, and Batu Enam, Johore. The workers who signed up were former members of the NUPW. They joined the new union because the NUPW took little interest in their welfare, causing them to lose benefits like bonus and cost of living allowance. When the workers joined the new union, two of their leaders were dismissed. The management alleged that the two were damaging factory machinery but the union's own investigation showed that they were victimized for being ardent union supporters. When the union requested a meeting with the management, the latter refused on the basis that the union was not recognized by the MPIEA.

When the union referred the matter to the Minister of Labour for arbitration, it was also rejected on the grounds that the dismissals were justified. Having no other alternative, the union exerted pressure on the management by taking a strike ballot. However, the strike was preempted by the Registrar who ruled that factory workers could not be represented by the UMEWU. Subsequently Rajah met the Registrar, who informed him that the organization of factory workers was not provided for in the UMEWU constitution. The Registrar, however, declared that the NUPW's constitution was broad enough to cover factory workers. When Rajah appealed to the Registrar that the UMEWU's constitution be amended so as to bring within its fold factory workers, this was not granted (UF, 1966b).

The Bukit Asahan Dispute

According to Ratnavelu, in 1965 while the UMEWU was active in the Sabak Bernam area, a delegation from the NUPW Malacca branch consisting of Chairman Nadarajan, Secretary M. Subbiah, and committee member Maran came to see him in Kuala Lumpur. The delegation was introduced by Tangasamy, a Labour Party member from Malacca. At the meeting Subbiah spoke generally about a retrenchment problem in an estate in Malacca, without mentioning its name. It was suggested that since the NUPW leaders had taken no interest in the matter, the UMEWU might take it up. Subbiah extended his invitation to Ratnavelu and Rajah to visit him in Malacca so that more discussions could be held.

The invitation was of interest to Rajah and Ratnavelu as they realized that this was a good opportunity to expand the union's activities, what more when it was offered by NUPW officials themselves. When both individuals visited Subbiah, the latter did not reveal the whereabouts of the estate. Finally only after two or more visits to Malacca, both were taken to the problem estate—Bukit Asahan Estate, about 33 miles from Malacca, managed by the Guthrie Agency.

At the estate the two were briefed on how the management had retrenched about 43 workers as part of a reorganization plan. Among those dismissed, eight workers had more than 15 years of service, three 10 years, five about 5–9 years, and the rest 1–2 years. Of the 43, 22 were Indians, 14 Chinese, and the rest Malays. The majority of the dismissed workers had large families and dependants. Later, as a result of the entry of the UMEWU, more workers were dismissed, making a total of 73 workers (UF, 1967a).

Rajah and Ratnavelu visited the estate a second time without Subbiah to ascertain why he had approached them. The NUPW local committee members revealed that Subbiah had conflicts with the NUPW leaders, particularly with its President. As a result, he had been ordered to transfer to the branch in Pahang. By bringing a rival union like the UMEWU into Bukit Asahan Estate, Subbiah thought that he could delay his transfer or even have it cancelled. While Subbiah narrated his conflicts with the NUPW President and explained why he was given the transfer, he did not comment on why he had brought the UMEWU to Bukit Asahan Estate. According to Nadarajan, a member of the delegation that had first met Ratnavelu, after Subbiah had exhausted all internal avenues within the NUPW to have his transfer cancelled, he invited the UMEWU into some estates in Malacca, hoping to use it to oppose the NUPW if his transfer still held. However, when the workers grasped Subbiah's true intentions, NUPW local committee members warned the national leadership in Kuala Lumpur that if he was not transferred as planned, they would join the UMEWU.

A year before the retrenchment issue cropped up, a new committee had been elected in the estate, including Chairman Muniretnam, Secretary Esaiah, and committee member Thangasamy. When the 43 workers were dismissed in 1965, the resolution of this problem became the top priority. Given the seriousness of the issue, the NUPW local committee took scant interest in Subbiah's personal problem. Since the NUPW national leadership did not accord much importance to the dismissals, the committee decided to join the UMEWU, whose presence was already known to the workers.

Organization

In the mid-1960s Bukit Asahan Estate had three divisions—Home, Air Takka, and D divisions. Of the total work-force of about 800, 50 per cent were Indians, 40 per cent Chinese, and 10 per cent Malays. While Indian workers lived in the lines, many Chinese and Malay workers resided in nearby villages. When the UMEWU made its appearance in the estate, only Indians in the Home and Air Takka divisions expressed enthusiasm for joining it. Those in the D division, being strong supporters of the NUPW, refused to join the new union until very much later. The Chinese and Malay workers did not show any interest in the union initially; the presence of Rajah and Ratnavelu only served to confirm their suspicions that it was another Indian-based union like the NUPW which would in no way bring about significant changes to their lives.

The vast majority of the Chinese workers lived in villages near the town of Asahan. According to Goh Ah Kow, a Labour Party branch was opened in Asahan as early as 1961 through the efforts of Phang Chow Meng, who was later detained under the Internal Security Act (ISA). Because Phang was a well-respected party cadre in Malacca, he influenced many Chinese, especially of working-class background, to become branch members of the party in Asahan. When the UMEWU appeared in Bukit Asahan Estate, the party's local committee was not aware of its political affiliation.

Rajah and Ratnavelu also said that initially the union was not accepted by the Chinese. They felt that the lack of endorsement from local Chinese Labour Party cadres prevented the Chinese from supporting the union. The Chinese attitude towards the union changed with two developments. One was the meeting Ratnavelu had with Phang; following which, Phang sent a letter to the party branch in Asahan, instructing Chinese workers in Bukit Asahan Estate to join the union. The other development was the union's Annual General Assembly in Kuala Lumpur. Following the election the composition of the Executive Committee (including important Chinese officials like Tan Aik, the President, Lim Joo, the General Secretary, and Siow See Lin, the Treasurer) instilled confidence among the Chinese in the new union.

In the beginning Malay workers were reluctant to participate in the new union; most were not even members of the NUPW. But with the inclusion of Parti Raayat members in the union, such as union organizer Abdul Razak Khalifah, there was some good response. The formation of a Malay section within the UMEWU Bukit Asahan committee under Ibrahim Jantan encouraged Malay workers to participate readily in the union. Later when Ibrahim was detained, Hamzah bin Mat Isa took over the chairmanship.

By mid-1966, 80 per cent of the Bukit Asahan work-force was organized under the UMEWU. Consequently, the NUPW membership was drastically reduced, leaving only about 100 members in the D division. The consolidation of the union also saw the election of new office-bearers. The union's Bukit Asahan committee was broken up into Indian, Chinese, and Malay sections, with Goh Ah Kow, M. Esaiah, and Ibrahim elected Chairman of the respective sections. Yap Ah Heng, another Labour Party member of Asahan who was dismissed from the estate, was elected the state organizer for Malacca.

The Struggle

Once the UMEWU got involved in the retrenchment issue, workers identified as supporters of the new union were dismissed. By early 1967 a total of 73 workers had been dismissed. In an effort to resolve the issue amicably the union called on the management to negotiate on the basis that about 80 per cent of the workers were its members. The management rejected the request on the grounds that the membership did not embrace the majority of the workers in all Guthrie-managed estates in the country. Many were the union's attempts to engage the management in negotiations, but all ended in failure.

The union then approached the Minister of Labour, Manickavasagam, who suggested that the union demonstrate its strength so as to bring the management to the negotiating table. The issue was also reported to the Malacca Labour Department, but nothing positive resulted. The intervention of Tan Ai Kooi, the Malayan Chinese Association (MCA) State Assemblyman for Asahan, also proved unproductive (UF, 1967b). On 21 November 1966 a demonstration was organized against the management (Plate 8), resulting in the dismissal of workers Esaiah and Muniretnam. Two days later Malacca Chief Minister, Ghafar Baba, and the United Malays National Organization (UMNO) Member of Parliament for Asahan, Karim Abu, came to look into the problem (Plate 9), but as usual nothing concrete resulted (*Tamil Daily*, 22 November 1966).

In December the union's representatives met the Acting Minister of Labour, Sambanthan, and urged him to intervene on behalf of the workers. Sambanthan in turn directed Thamboo, a Malacca Labour Department official, to investigate the matter. However, no progress was made as a result of his investigation. Two weeks later in a telephone conversation with Sambanthan, the workers' representatives were advised to wait until Manickavasagam returned from his overseas trip; as the Acting Minister, he could do very little.

The management's refusal to negotiate compelled the union to adopt other measures to resolve the workers' plight. In a pamphlet entitled 'Dismissals' the problem of plantation workers was highlighted. It argued that dismissals of workers by employers represented nothing more than a gross victimization of workers, especially those who were active in trade unions. Since these workers had no experience of employment other than plantation work, dismissals left them with no choice but 'to collect the EPF contributions and sail for India, only to be pauperized further'. Re-employment after dismissal was quite impossible.

Whether they are from India or are indigenous to this country once they are dismissed from one of the plantations they will find it impossible to get a similar job in another estate. His credentials will be asked and John will tell Jack what a dossier this man has. Once Ali or Ah Kong get [*sic*] the sack in an estate he will not get another job in another estate. And this is the plight of all the workers in all estates covering an area of not less than 1.6 million acres and totalling not less than 300,000 workers and including their dependents [*sic*] will total to a population of half a million. One cannot but recall the feudal system without having these people in mind. The lords of the manor are the Managers and their juniors—the Senior staff mostly Asian [*sic*] who in turn are sat upon by the Managerial class (UF, 1967a).

By early 1967 the union realized that the management was really not interested in resolving the dispute. Each time the union called for negotiations the management would trot out the excuse of insufficient union membership. Faced with the prospect of more dismissals and prolonged socio-economic hardship among the workers, the union felt it had no option but to further heighten the struggle. The affair was to go through three stages before it was resolved in the workers' favour. By that time, however, the union itself was deregistered and many of its leaders were detained under the ISA.

Protest in Kuala Lumpur

The first important stage in the struggle was a month-long picket by 40 affected workers and their families in front of the Ministry of Labour in Kuala Lumpur beginning on 3 January 1967. With the support and assistance of the Labour Party, Parti Raayat, and other fraternal organizations, tents were pitched to accommodate the workers and their families, including about 20 children. Posters and banners with exhortations such as 'Employ Our Parents for Our Food and Milk' were put up (*Straits Times*, 4 January 1967). During their month-long stay the workers and their dependants were fed by organizations sympathetic to their struggle. While the picket was in progress, other workers were brought from the estate to demonstrate in front of Guthrie headquarters. In the estate itself workers adopted go-slow tactics to complement the protest in the federal capital. When the management sacked more workers, work completely ceased for a day or two.

In Kuala Lumpur the union had a number of meetings with Ministry officers (Plate 10). Finally two meetings were held with the Minister, Manickavasagam. At the second meeting the Minister again told union officials that the workers should display their strength to the management if the problem was to be resolved in their favour.

The General Strike

The second stage began with a general strike in the estate on 25 February 1967. At a meeting in the Asahan Town Hall about 90 per cent of the workers, through a secret ballot, supported the call for a general strike. The workers in Kuala Lumpur were told to return to the estate for the proposed general strike. A general strike was called because the Minister had failed to resolve the dispute. Furthermore, he himself had told the union on two occasions to reveal its strength in order to bargain effectively with the management. Before the strike commenced a 2-week grace period was extended to the management to resolve the matter. The grace period passed without any response from the management.

On the first day of the strike only workers of the Home and Air Takka divisions were involved; workers in the D division at the instigation of the NUPW did not participate. That first day itself, local NUPW leaders tried to break the strike by threatening and intimidating the workers. UMEWU supporters who went to D division on the morning of the strike were warned to leave by the general manager, Murdoch. The support for the NUPW among D division workers posed a problem to the UMEWU. Without their participation, the union realized that the morale and unity of the struggle would be affected. On the evening of 25 February a fight broke out between NUPW local leaders of the D division and UMEWU supporters. Two NUPW local leaders were injured. A UMEWU supporter, Perumal, was arrested and charged with assault in the Magistrate's Court in Jasin and fined \$200. After this incident the number of D division workers who did not report to work

increased. None the less, there remained a small number of workers in the division who did not heed the UMEWU's directive.

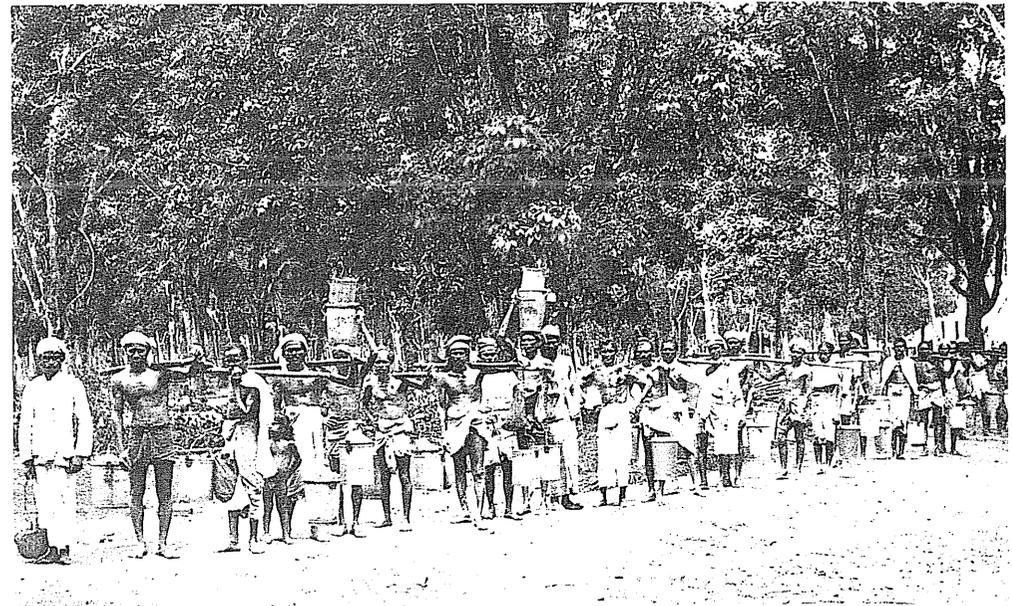
Although the estate management was not serious about resolving the dispute, a few measures were taken to defuse the tense situation. Murdoch was transferred within a week of the strike. In his place the Guthrie Agency sent another Briton, Lewis. According to some workers, Lewis was more acceptable than Murdoch because he was polite and quite sensitive to their problems. Lewis told them that the resolution of their problem needed the approval of the agency and his role was limited because he was on temporary assignment. A few days after his arrival Lewis was assaulted at a meeting. This was an unfortunate incident that arose from the workers' impatience with the management. In the matter of the assault the police arrested Lee Ban Chien and the General Secretary, Lim Joo.

Lee was one among the many Chinese students who had been expelled from Nanyang University in Singapore for left-wing activities. After their expulsion some spent time organizing pineapple estate workers in the Pontian district, Johore. When the UMEWU organized the general strike, a number of them came to the estate to assist the union. It is probable that the assault on the general manager involved some of these left-wing students. After a 2-week stay some of them proceeded to organize workers in Triang Estate, Pahang. Later they played an important role in getting workers to participate in the protest march of the Bukit Asahan Estate workers in April 1967.

While the union addressed the immediate dismissal issue, it did not neglect its political objective. During the strike a number of left-wing unionists were invited to address workers' gatherings so as to boost their morale and confidence. In the speeches expressions such as 'the working class', 'capitalists', and 'reactionary government' were used to hammer home the message that the union was not only fighting the Guthrie Agency but also capitalists and the state in general. Pamphlets, newsletters, and leaflets were distributed condemning capitalist exploitation of the working class. In the nights dramas and other theatrical performances were staged to sustain the workers' morale. 'Patriotic' and revolutionary songs were sung by the workers to imbue and inculcate solidarity and unity in facing their enemies.

The involvement of left-wing political parties in the estate was of deep concern to the government. A month before the strike the Minister of Home Affairs, Tun Dr Ismail, warned in Parliament that the communists had penetrated the Labour Party and that party members had to be detained from time to time (*Straits Times*, 24 January 1967).

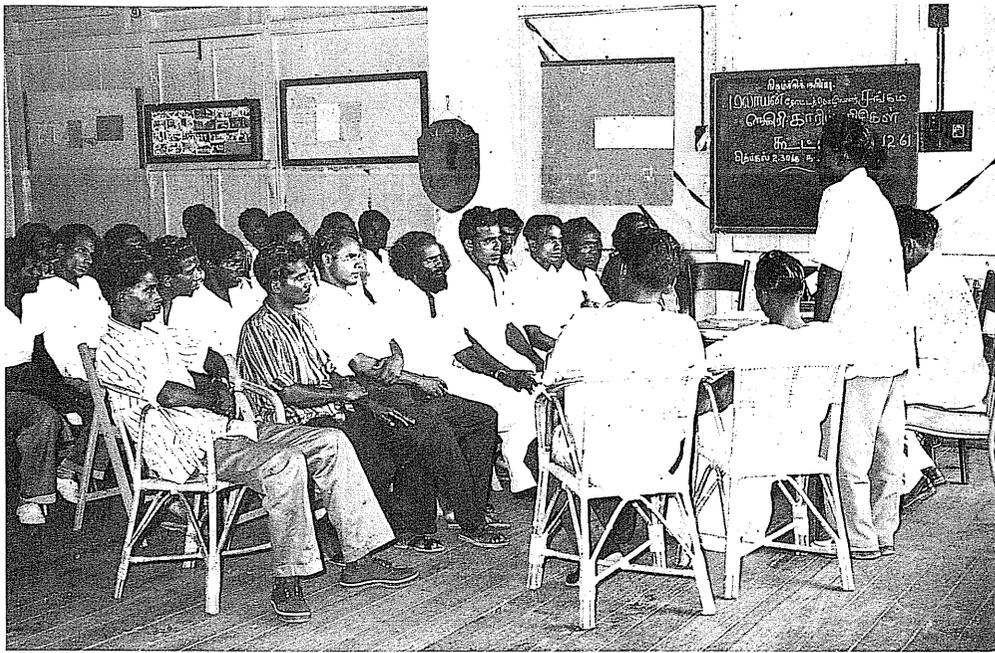
On the first day of the strike a component of the police force—the FRU—camped near the site. For about three weeks it was mainly concerned with psychological operations. On 26 March the commander of the unit told the strikers to disperse or face the consequences. When the order was defied, the troops charged at the workers with batons and tear-gas. Whoever stood in their way was attacked, including old men, women, and children. To escape the noxious gas, workers fled in all



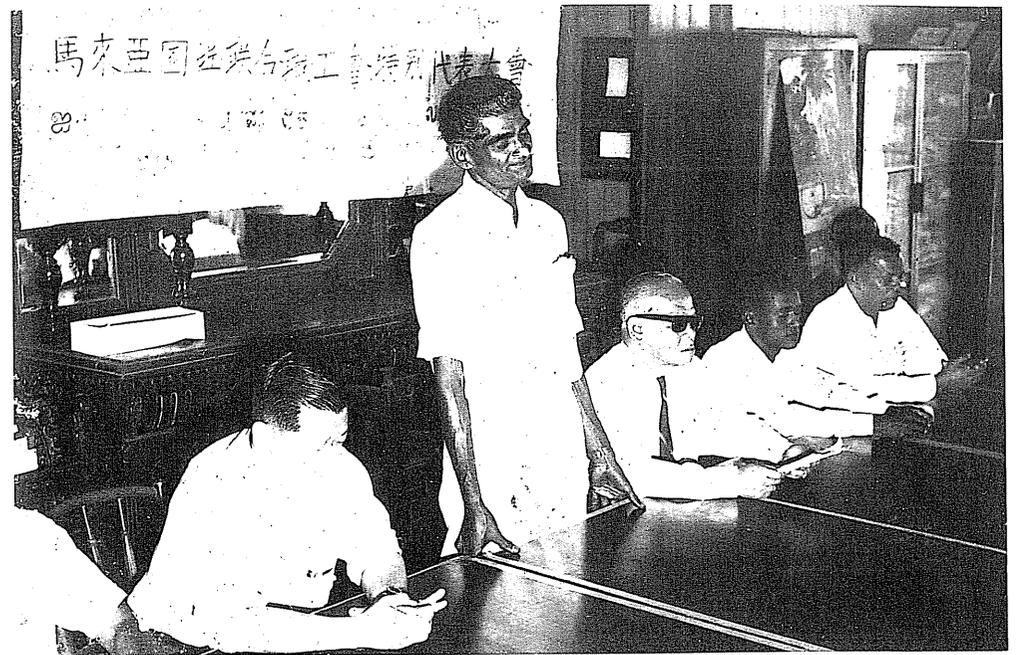
1a-b Indian labourers bringing in latex in the 1920s. (Courtesy Workers' Organization of Malaysia)



2 K. Palanisamy, the head *kangani* at Sogomana Estate, Ayer Tawar, Perak, who in the 1920s retaliated against the management by moving his labourers out of the estate by night.



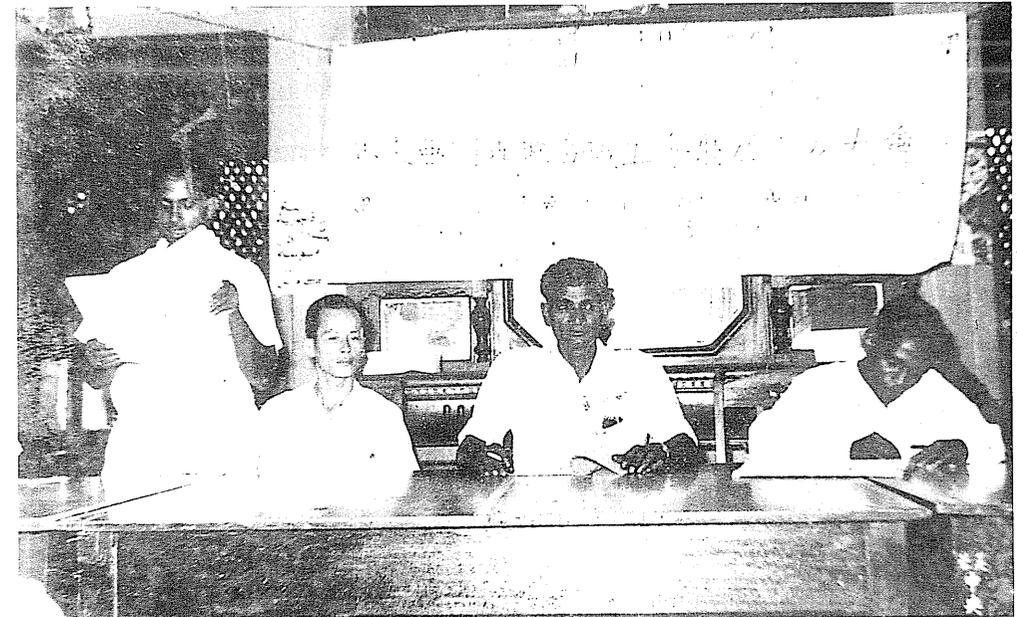
3 A. Angamuthu addresses the MEWU Annual General Assembly in the TWU building in Kuala Lumpur in December 1961.



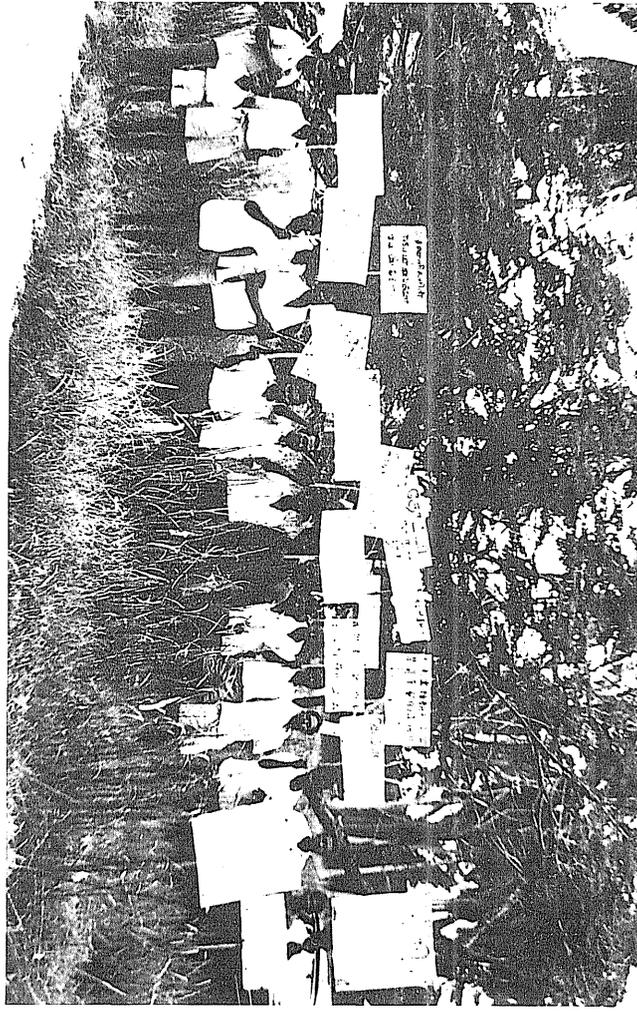
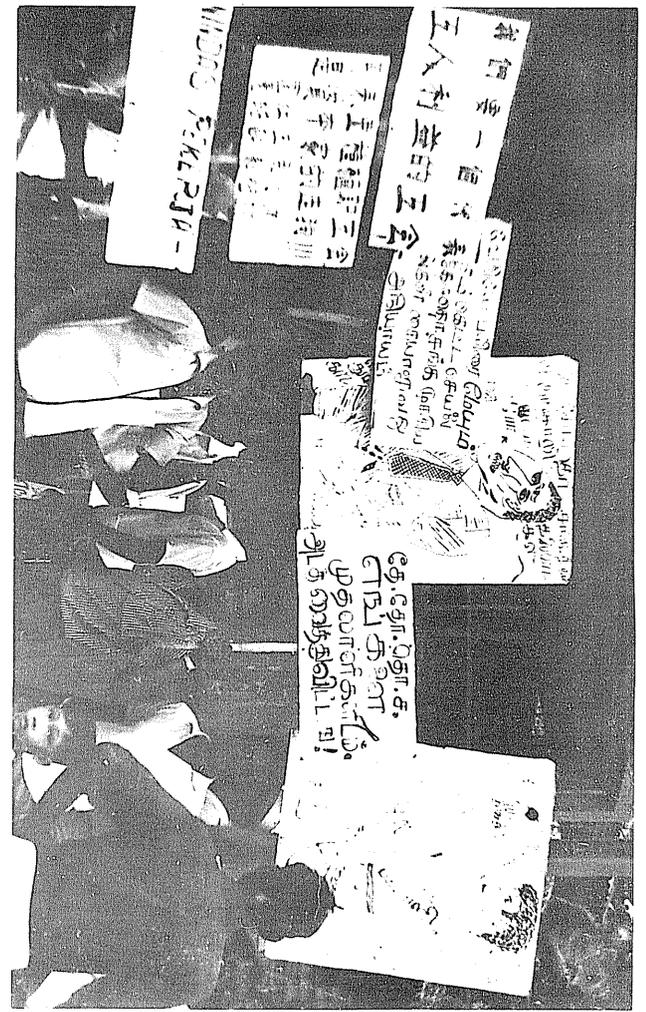
5 M. S. Muthu, the Chairman, speaks to the UMEWU Annual General Assembly at the Chinese Assembly Hall, Seremban, on 26 December 1964.



4 The UMEWU office on the first floor of 17, Jalan Tun Sheikh, Seremban.



6 A. Angamuthu, the General Secretary, addresses the the UMEWU Executive Council in Seremban in 1964.



7a-b A protest organized by the UMEWU against the employer and NUPW leadership in Torkington Estate, Sabak Bernam, Perak, in 1965. One Tamil poster accuses the NUPW of selling out its members to the employer.

Berjalan kepada jalan2
Mengangkat Tinggi Bendera Perjuangan.

邁步走向街頭



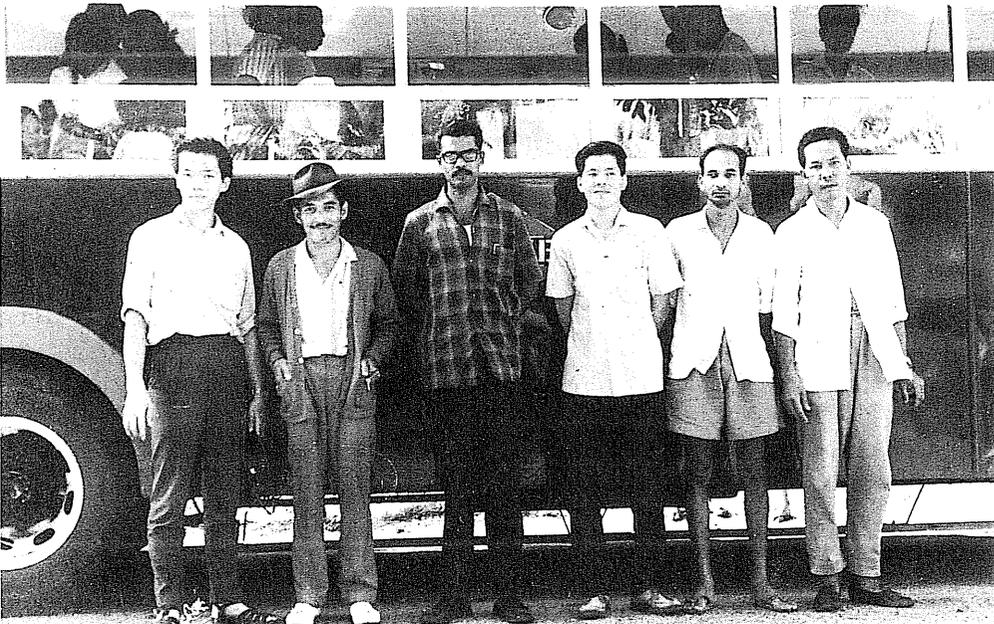
高舉鬪爭大旗

தொழிலாளர்களின் போராட்டத்தை துவக்குவோம்
நமது போராட்டக் கொடியை
உயர்த்திப் பிடிப்போம்

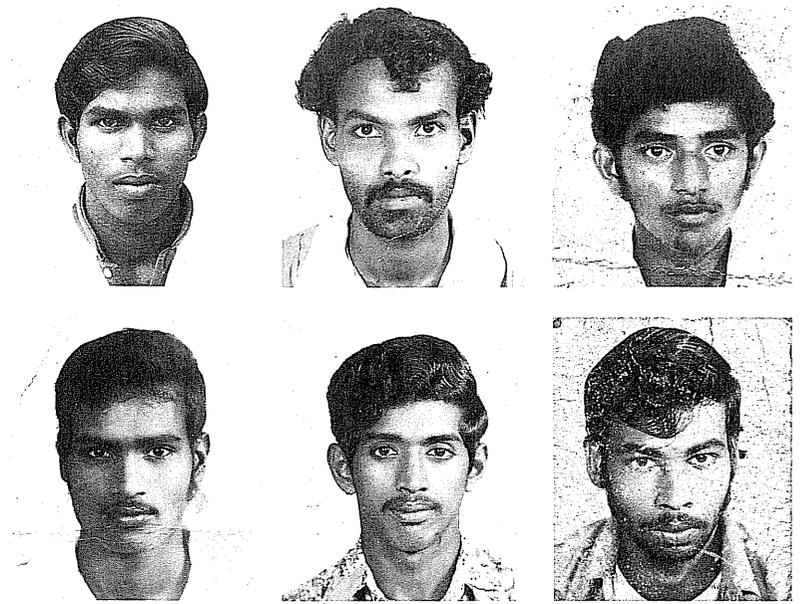
8 First open demonstration against the Guthrie management by Bukit Asahan Estate workers organized by the UMEWU in 1967. The workers carrying banners marched from the union's office in Asahan to the estate. First row from right: Ibrahim Jantan, Goh Ah Kow, and Esaiah.



9 Ghafar Baba, the Chief Minister of Malacca, visited Bukit Asahan Estate during the strike in 1967. In the front row to the right are workers Ibrahim Jantan and Muniretnam of the UMEWU.



10 A photograph taken before Bukit Asahan Estate workers left for Kuala Lumpur to protest in front of the Labour Ministry in 1967. UMEWU officials (from left): Yap Ah Heng (Organization Secretary), Ibrahim Jantan (Chairman of the Strike Committee), S. N. Rajah (Executive Secretary), Lim Joo (General Secretary), Nagaraju (Committee Member), and Ahmed (Vice-Chairman of the Strike Committee).



11 Six of the nine Cheroh Estate workers who were detained in March 1981 under the Emergency Ordinance of 1969.
Top row, L to R: M. Ganapathy, M. Paneerselvam, D. Muniandy.
Bottom row: M. Subramaniam, R. Subramaniam, K. Ramaiyah.



12 Work stoppage at Batu Arang Estate in October 1985 against both the estate management as well as the top NUPW leadership.



13a-b Contract workers of the Selanchar Empat Felda land scheme who were victimized by the contractor.
Below, the workers' quarters.



directions. About 28 workers, including union leaders like Rajah, were arrested and detained for two weeks at the Malacca Central Police Station. One worker, Muniretnam, who escaped to Muar was later arrested and detained at the Jasin Police Station. Those who fled into the nearby jungle only emerged when the police discontinued their search.

After the police attack the strike site was empty for a while. Karam Singh, a lawyer and Member of Parliament who had been involved earlier in the MEWU, and Veeran, a Labour Party activist, were brought in to assist the workers. As the union's legal adviser, Karam together with others endeavoured to revive the strike. They went around the estate urging the workers to take part in the strike again. About two weeks after the attack a number of workers and union officials who had been released from the Malacca police lock-up participated in the strike once again.

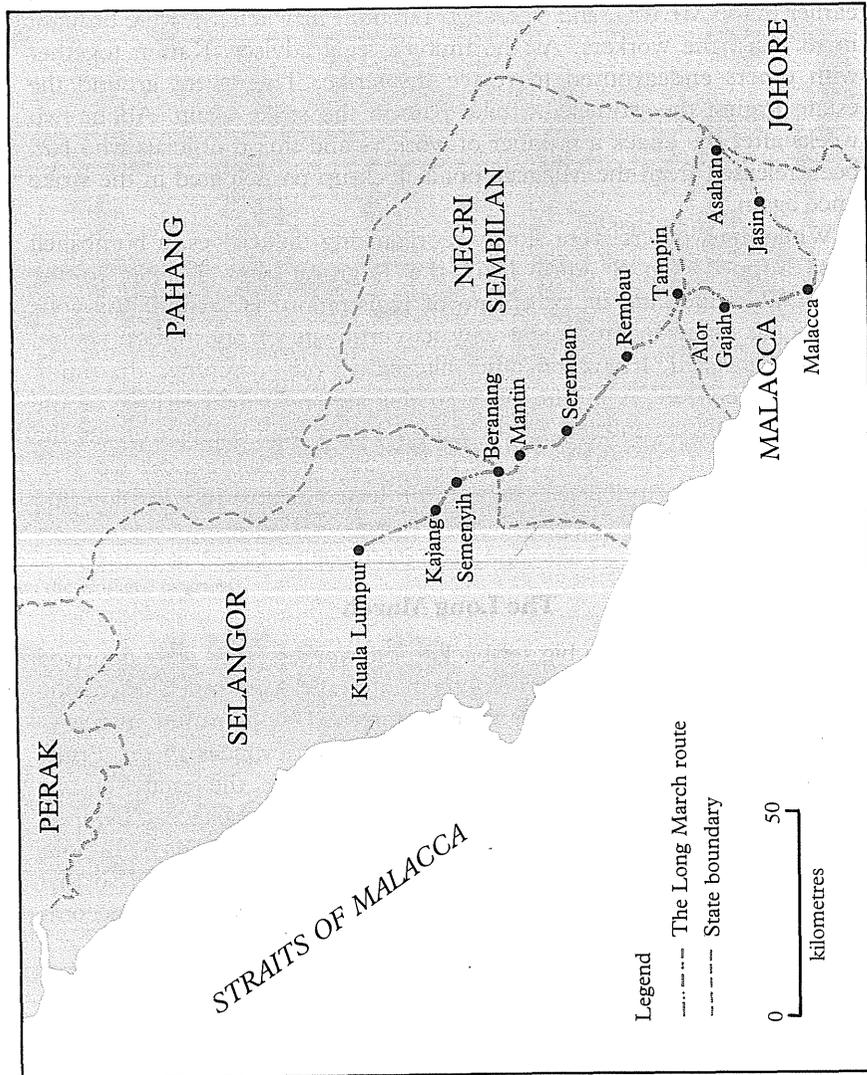
While the workers were slowly reorganizing themselves, a bombshell was dropped. On 8 April 1967 the Registrar sent a letter to the UMEWU cancelling its certificate of registration. He wrote, 'As your union has failed to satisfy me why its certificate of registration should not be cancelled, I have no other alternative but to remove the union from the register.' A month prior to this action he had written to the union 'that in the interest of the non-monthly paid estate workers the NUPW should continue to be the only union representing the workers' (*Straits Times*, 9 April 1967). Karam protested against the decision in a 25-page letter, but the Registrar stuck to his decision.

The Long March

The deregistration was a big set-back to the workers; they were deprived of a formal organization to protect their interests. After much discussion it was proposed that the struggle be intensified by a protest march to Kuala Lumpur to present their demands and grievances to the Prime Minister himself. About 300 workers would leave the estate on the morning of 14 April and walk to Kuala Lumpur via Malacca, Tampin, Seremban, and Kajang, a march that would last about six days. Labour Party and Parti Raayat branches along the route were notified so that they could provide the necessary support as well as meals and accommodation for the workers on the long march (Map 6.1).

On the fateful morning the workers started off towards Malacca, 33 miles away. The walk to Jasin, a town midway between Asahan and Malacca, was incident free. However, when the workers reached Bukit Kajang 8 miles further on, the road was blocked by FRU troops. The workers were told that they were taking part in an illegal march and that they should abandon it or face the consequences. When the workers continued walking without paying any heed to the warning, tear-gas was fired and 14 including 4 officials of the deregistered union were arrested (*Straits Times*, 15 April 1967). Fortunately the tear-gas did not take full effect because of a sudden downpour. None the less, the police road-blocks were maintained, and marchers unable to proceed further

MAP 6.1
The Bukit Asahan Estate Workers' Long March, April 1967



spent the night at a Hindu temple in Bukit Kajang. The same night more workers were brought in by cars from Bukit Asahan Estate to join the march the next day.

When information was relayed to Manickavasagam about the long march, he stated that the government would take action against those unionists misleading the Bukit Asahan workers, who he said were retrenched because of reorganization by the Guthrie management, an explanation the government was quite satisfied with. He warned that 'the government cannot be intimidated by any section or groups or people to achieve their own ends. We know that the workers are led by irresponsible elements' (*Straits Times*, 15 April 1967).

The 14 people arrested at Bukit Kajang spent the night in the lock-up at the Malacca Central Police station, and the next day were produced at the Malacca Magistrate's Court for disorderly behaviour at 4 p.m. at the 10th mile, Jasin-Malacca road. When Magistrate Hakkam Singh Gill came to the bench, the detained workers shouted, 'Down with Narayanan. We don't want any other union!' The Magistrate rejected the application for bail and remanded them for two weeks (*Sunday Times*, 16 April 1967).

The rest of the marchers left Bukit Kajang at 4 a.m. on 15 April for Malacca with their legal counsel, Karam. About 3.5 miles from Malacca town they were intercepted by the police, and a magistrate issued a warning to them to disperse. When they refused, 4 people were detained and another 34 agreed to be taken back to the estate. But 23 others, including 5 girls and 1 old woman, who ran through a swamp to Ujong Pasir, refused to return to the estate and were detained. On the same day Malacca Labour Party State Assemblyman, Koh Kay Cham, was arrested for trying to mobilize support for the marchers; he was later released.

Karam criticized the police for arresting the marchers when there was no law to prevent people from walking peacefully. In anticipation of support from Labour Party and Parti Raayat members, armed police assisted by the FRU patrolled the streets of Malacca. Meanwhile in Kuala Lumpur, Labour Party and Parti Raayat members discussed the detentions. They decided to hold protest marches of their own as well as send a protest letter to Tun Dr Ismail on 17 April.

About 100 workers who escaped arrest reached Malacca town and left for Tampin at about 10.30 a.m. In the march the workers walked in pairs about 15 yards apart in a peaceful and orderly manner. About 2 miles along the Malacca-Tampin road, near Bachang, armed police stood by. The whole march was so peaceful and orderly that even a police spokesman commented that the police had no objections to the walk. Despite the midday heat, the workers managed to cover about 12 miles in 5 hours. Meanwhile in Malacca out of 58 people arrested, 10 were released on 16 April; the police said they had nothing to do with the illegal procession. The next day 16 were remanded and 32 were produced in court. At the same time Malacca police raided the Labour Party branch headquarters in New Market Road and removed three banners hung outside the building.

The marchers reached Tampin on the night of 17 April and spent the

night at a Hindu temple. It was while the workers were at the temple that a police party arrived to detain some of them. When the police moved into the temple premises, they were stopped by Karam, who questioned their right to come into a place of worship. He threatened legal action against the police for violating the sanctity of the temple. His warning worked and the police officer apologized and led his men away.

Meanwhile 32 workers, including 5 women, were charged in the Malacca Sessions Court on 17 April for holding an illegal procession at the 3rd mile, Malacca-Kundang road. The workers, who all pleaded not guilty, were released on \$200 bail each and hearing was fixed for 15 June. Karam appeared for the workers and bail was posted by Koh, the Malacca State Assemblyman. Once released on bail the workers left Malacca at 1.30 p.m. on foot for Tampin, from where they took a bus to Seremban to join their colleagues.

In Seremban the ranks of marchers swelled with the addition of 150 workers from Triang Estate, who had come to Seremban by bus. On Wednesday 19 April the workers left Seremban for Kuala Lumpur. Their spokesman said they would reach Kuala Lumpur on Thursday. Some of the workers would then picket the British High Commission. As the workers neared their final destination, the police in both Negri Sembilan and Selangor were alerted. In Seremban the police maintained a close surveillance of the Labour Party office. In Kuala Lumpur a police spokesman warned that the police would use their wide powers to prevent public disorder. He added that 'indications are that when these workers arrive in Kuala Lumpur they will be met by other communist-penetrated trade unions and will try to celebrate the communist festival of May Day'.

The workers left Seremban at 4 a.m. on 19 April. When they reached the 19th milestone, Kuala Lumpur-Seremban road, 3 miles south of Kajang, the police intervened. The officer in charge of the Kajang district, Assistant Superintendent E. J. Magness, warned the workers that their procession was illegal and ordered them to disperse. They ignored the warning and continued their march into Kajang town. Near the Kajang police station, 35 people were detained. A police spokesman defended the action, saying that 'the walkers were marching too close and from a distance it looked as if they were in a procession'. The remainder of the workers spent the night at the Kajang Labour Party building prior to leaving for Kuala Lumpur the following morning.

In the Aftermath of the Long March

On Thursday 20 April Karam was arrested and detained under the ISA when he was at the Kajang police station to post bail for the 35 detained workers. According to the Malaysian Police Secretary, P. Alagendra, Karam was detained because 'since his return to Malaysia at the beginning of October last year after his deportation from India for subversive activities, [he] has acted in a manner prejudicial to the security of the country and to the maintenance of public order'. Later the government levelled 11 charges against Karam to justify his detention under the ISA.

The workers who escaped detention in Kajang reached Kuala Lumpur in the evening of 20 April. The next day a protest demonstration was held in front of the British High Commission at the Police Cooperative Building. Before they could march into the compound 26 workers and officials were arrested for illegal assembly. However, the police allowed four of their colleagues to hand over the petition of protest. Those arrested were later taken to the High Street Police Station. At a meeting on 22 April the workers resolved not to return home until a reasonable settlement was reached. A resolution was also passed to demand the unconditional release of Karam and Teo Cheng Hai, one of the union's organizing secretaries, and to condemn the illegal use of the ISA.

Meanwhile over 100 people, mostly members of the Labour Party and Parti Raayat, took to the streets in Muar, Johore, on 23 April in support of the striking workers of Bukit Asahan Estate as well as to condemn the illegal detention of union officials. The demonstrators walked around the town for 30 minutes distributing pamphlets. The police arrested 31 demonstrators, including 12 women, a town councillor, and the Vice-Chairman of the Johore Labour Party, Tan Kok Chee.

On 24 April the workers sent a telegram to the Prime Minister, Tunku Abdul Rahman, in Kedah, seeking his intervention in the matter. In the telegram the workers also protested against 'unjustified, arbitrary and unwarranted police repressive action against the peaceful workers'. Due to the publicity created by the long march and the arrests, the Prime Minister met the workers' representatives and assured them that he would look into their grievances in three days' time. Within the stipulated time, the Tunku again met with the representatives and promised to send the Minister of Labour to the estate to resolve the matter. Subsequently on 4 May a workers' delegation met the Minister and submitted their proposals which, among other things, called for the unconditional reinstatement of the dismissed workers and the re-registration of the union. At the meeting the Minister stated that he would be in Asahan on 5 May to look into their problems.

Manickavasagam duly arrived that day and had a dialogue with the management. After a lengthy discussion the management agreed to unconditionally rehire all the dismissed workers. Manickavasagam also promised that some workers would be given jobs in other Guthrie-managed estates except for the 10 who had left the estate and found jobs elsewhere.

The detention of the workers and union officials was denounced by a number of organizations. V. David, the General Secretary of the TWU, argued that the workers had the right to walk to draw the government's attention to their plight. David also accused the Minister of Labour of 'openly supporting the management in its action in victimizing a large number of workers'. D. R. Seenivasagam, Member of Parliament and leader of the People's Progressive Party called on the government to publish a White Paper to justify Karam's arrest under the ISA. He said, 'In the absence of such a disclosure, whatever Karam Singh's political beliefs are, the people of Malaysia condemn the use of the ISA on him.'

Furthermore, 'if Mr Karam Singh broke any known law in this connection, the proper cause would be to charge him in open trial under our law and not use the ISA'.

Seenivasagam's call was supported by the Parti Raayat Chairman, Ahmad Boestamam, and by the United Democratic Party, whose Secretary-General, Ong Boon Seong, argued that 'the arrest and detention of Karam Singh caused some suspicion in the minds of the public'. Support for Karam also came from a group of lawyers who called on the Bar Council of Malaysia to look into the circumstances leading to his arrest. The proposal was submitted at a meeting attended by lawyers like Chooi Mun Sou, K. L. Devaser, Richard Talalla, Victor Oorjitham, D. P. Xavier, Ronald Yeo, R. P. S. Rajasooria, Sothi Nathan, Ang Chu Lai, and R. Ponnudurai.

Despite the protests and appeals, Karam was detained at the Batu Gajah detention centre for 4 years until his release in 1971. Around the same time one of the union's organizing Secretaries, Teo Cheng Hai, was also detained under the ISA. Two months after the resolution of the dispute a number of prominent Labour Party activists in Asahan such as Goh Ah Kow, Yap Ah Heng, and Lee Kai Chow were also detained under the ISA and held at the Muar detention camp. Yap was detained for three and a half years and Goh for four years. Similarly some of the active trade unionists of the Triang Estate, including Lee Ban Chien, were detained under the same law. Lim Joo, the Secretary-General of the deregistered UMEWU, was detained under the ISA in 1969 and spent about 11 years at the Batu Gajah detention centre. The union's Executive Secretary, Rajah, was detained in 1970 under the ISA, three years after the incident. Rajah spent about 11 years at the Batu Gajah detention centre and was only released in 1982.

1. Much of the information in this chapter is based on interviews with the following:

Abdul Razak Khalifah, Kuala Lumpur, 4 April 1987
 A. Angamuthu, Seremban, 5 April 1987
 M. Esaiah, Asahan, Malacca, 19 May 1987
 Goh Ah Kow, Asahan, Malacca, 17 May 1987
 Goh Kim Tong, Seremban, 8 April 1987
 Hamzah bin Mat Isa, Asahan, Malacca, 29 April 1987
 P. Murugasu, Seremban, 9 April 1987
 V. Nadarajan, Asahan, Malacca, 17 April 1987
 R. Palaraman, Seremban, 8 April 1987
 K. Perumal, Merlimau, Malacca, 10 May 1987
 S. N. Rajah, Kuala Lumpur, 14 May 1987
 R. Ratnavelu, Kuala Lumpur, 14 May 1987
 M. Subbiah, Malacca, 8 April 1987
 S. Suppiah, Seremban, 5 April 1987
 M. Thanabalan, Seremban, 5 April 1987
 Yap Ah Heng, Asahan, Malacca, 29 April 1987.

2. Although Maniam did not directly participate in the union, he was of great help in its formation.

3. In the early 1960s Angamuthu was also a member of the MIC. Through his work with the NLFCS, he developed a good relationship with the President of the MIC, Sambanthan.

The NUPW and Plantation Labour

THE deregistration of the UMEWU in 1967, following an industrial dispute in Bukit Asahan Estate, Malacca, and the subsequent arrest and detention of a number of its leaders, removed from the plantation scene a significant challenge to the NUPW. Had it not been for government intervention, the UMEWU had the potential to eclipse the NUPW as the dominant plantation union. The NUPW emerged from the whole episode visibly shaken and thankful to the government for coming to its rescue at a crucial moment. Once again the NUPW remained the sole representative of plantation labour in the country.

The NUPW, despite regaining its position as the sole trade union in the plantation sector, has not achieved any major advances since then for plantation labour. The union, by closely accommodating the interests of capital and the state, has failed to bring about economic and social advancement for plantation labour. Although it is acknowledged that capital is the major obstacle in the socio-economic progress of plantation labour, the union, by adopting a conservative approach towards industrial relations and functioning under the constraints imposed by the state, has tended to neglect plantation labour.

The NUPW: A Large Union

The NUPW has today become the largest trade union in the country. By the early 1980s the union had about 215 full-time employees, of whom about 74 were in the headquarters and the rest distributed throughout the eight state branches (NUPW, 1985: 1). In terms of organizational set-up the triennial delegates' conference constitutes the supreme decision-making body of the NUPW. It is through the triennial conference that important office-bearers are elected at the national and branch levels. At the national level there is a president, three vice-presidents (one representing each major race), a general secretary, a deputy general secretary, a financial secretary, a deputy financial secretary, and a number of Executive Council members. The council meets once every three months but urgent matters are discussed by a number of working committees, whose members are elected from the council (Sielaff, 1978: 44, 90-2).

Each state branch is run by a branch committee consisting of a chairman, two vice-chairmen, a secretary, a treasurer, and between 7 and 13

committee members, depending on the size of the branch. The members of the branch committees, except for the secretary and treasurer, are elected at the branch triennial general meeting. The two officials not elected are appointed by the general secretary himself. At the national level the union also conducts monthly branch secretaries' meetings.

It is the duty of the state branch to organize workers at the estate level and to form committees consisting of a chairman, a secretary/collector, and 7–13 committee members. The principal office-bearers at the estate level are elected at their biennial meeting. The estate secretary is responsible for the collection of union dues which are submitted to the branch treasurer and he or she is given a 7 per cent commission from the total collection. The estate committee attempts to resolve grievances, but if it fails, the branch is notified and an industrial relations officer is sent to the estate. If the branch fails, the matter is brought to the national level.

The terms and conditions of employment, negotiations with employers, and the conclusion of agreements come under the jurisdiction of the national leadership (Sielaff, 1978: 90–2). To facilitate the conclusion of different agreements pertaining to the different aspects of the plantation industry, various technical committees have been established. By 1988 eight such committees had been set up. The chief executive of the union is the general secretary and under him are the various departments with their own full-time staff. These are the departments of industrial relations, education, general administration, research, publication, finance, and others. The department of industrial relations handles disputes and engages in collective bargaining; the department of education plans and executes workers' educational programmes; and the department of publication puts out the union's two publications (NUPW, 1989: 28–33).

In comparison with the other trade unions in the country the NUPW has an impressive organizational set-up. The union has the largest number of full-time staff, and owns an impressive building in Petaling Jaya called *Thotta Malligai* (literally Plantation Palace) that houses its headquarters and a number of buildings at the state level. It is roughly estimated that the union has about 80,000 members in the estates and each member contributes a subscription of \$5 per month. In a month the union thus collects about \$400,000. It is without question the largest and one of the richest unions in the country with assets of about \$10 million (Azam, 1985).¹

The funds derived from subscriptions have enabled the union to purchase and own properties on a substantial scale. Almost all the premises occupied by the union at the national and branch levels are owned by it. Apart from these buildings the union owns and rents out to students two hostels, one in Petaling Jaya (the P.P.N. Hostel) and the other in Kelantan. It is estimated that these properties are worth more than \$3 million. Furthermore, the union has shares in Bank Buruh, United Asian Bank, and United Oriental Assurance Company worth more than \$2 million (NUPW, 1983). The union, through two wholly owned investment arms—Syarikat Kijang Sdn Bhd and the Great Alonioners

Trading Corporation (GATCO)—owns three plantations, one each in Kelantan, Selangor, and Perak. It was through GATCO that the NUPW embarked on a land settlement scheme—NUPW Village—in Bahau, Negri Sembilan, with a loan of \$3 million in the late 1970s. The union's involvement in this scheme will be discussed later in this chapter.

Not only is the union rich in terms of the properties it owns, it also pays substantial salaries and fringe benefits to its top officials. In 1989 a Malaysian daily newspaper, the *Star* (28 April 1989), revealed that 75 per cent of the subscriptions collected were utilized to pay the salaries and allowances of NUPW executives and the 180 staff. The executive secretary's annual salary amounts to \$77,000 and the annual salaries of the general secretary, deputy general secretary, and financial secretary are \$60,000 each. In addition to their salaries top officials of the NUPW also receive substantial allowances. The executive secretary for instance obtains a \$500 monthly entertainment allowance. According to this newspaper report, out of the \$4.5 million collected for the year ending March 1989, \$3.2 million was disbursed for the salaries, expenses, and allowances of the executives and staff of the union.

The accumulation of substantial funds through membership dues has furnished top union officials with air-conditioned offices, expensive chauffeur-driven cars, and other fringe benefits. Complementing these facilities are the frequent overseas visits and tours enjoyed by top officials. According to the union's General Report 1982–5, in April 1982, 15 members of the Executive Council took a 10-day study tour of ASEAN countries; in March 1983 the President and one of the Vice-Presidents went on a 10-day tour of Australia; in November 1983 the President and the Deputy Financial Secretary embarked on a 12-day study tour of South America; and in February–March 1984 about four members of the Executive Council took a 10-day study tour of the United Kingdom. It is common knowledge that the general secretary spends more time overseas than in Malaysia (NUPW, 1985: 4–5). The expenses incurred for these frequent trips are phenomenal and are borne by the union.

While the NUPW can boast about being one of the richest unions with assets worth millions, an impressive organizational set-up, and the comfortable lifestyles of its top officials, it cannot, however, say that it effectively represents its members. It is estimated that there are about 250,000 estate workers in the country, of whom only 32 per cent are union members. In other words about 68 per cent of the plantation workers in the country are not organized. In fact, the membership in the NUPW has gradually declined over the years because of a variety of factors. One important factor is the shrinkage of land due to development. Plantation land bordering big towns or cities has been sold either to private developers or to the government for projects such as housing schemes. Consequently workers have been displaced from employment and therefore from being members of the union (Loh, 1988). Another important factor is members' dissatisfaction with the union's performance. Although there is not much investigation of this matter, it is none the less acknowledged by individuals familiar with plantations that

workers' unhappiness and frustration with the union have resulted in many leaving the union.

Despite the NUPW's efforts, plantation workers remain the most exploited and deprived segment of society. They continue to subsist on meagre wages and to live in deplorable housing conditions without basic amenities like water and electricity. Their children are poorly equipped to take advantage of the education system.

The Wage Question

The most important item on the NUPW's agenda in its representation of plantation workers is the wage question. The economic and social progress of workers depends to a large extent on how much they earn. But the fact that capital in the plantations allows only meagre wage increases from time to time makes it difficult for the NUPW to tackle the wage question effectively. While capital is a definite obstacle in the way of workers getting better wages, the union is not above criticism either.

The union has signed a number of collective agreements with the Malayan Agricultural Producers Association (MAPA) and other employer bodies to cover its members in the different branches of the plantation industry. These agreements have provided for a basic guaranteed wage, cost of living allowance, special relief allowance, productivity bonus, and price bonus. The basic guaranteed wage constitutes only a very small component of the overall wage of an estate worker. By and large the wages of workers in the industry are still pegged to productivity and the price of commodities in the international market. This vicious linkage imposed by employers has never been seriously challenged by the union. Even the demand for the introduction of the monthly wage system in the early 1980s, as shall be seen, did not produce anything concrete.

For instance, between 1960 and 1980 the productivity of tappers more than doubled, from an average output of 2 247 to 5 083 kilograms per month—a rise of 126 per cent. After correcting for inflation the daily wage of a tapper in 1960 was \$3.40, and in 1981 was only \$3.37. Although the money wages of tappers have increased, their real wages have remained almost constant. Thus, despite an increase in the productivity of tappers by 126 per cent, there has been no commensurate increase in real income. Furthermore, data obtained from the Rubber Research Institute shows that there has been in fact a major reduction in the ratio of wages to the gross revenue of plantation companies, from 25 per cent in 1967 to 14 per cent in 1981 (Nayagam and Abdullah, 1981; Insan, 1989: 8).

It seems obvious then that despite the increased productivity of workers, their wages did not register any real increase over a 20-year period. At the same time capital has been the main beneficiary of the increased productivity of plantation workers given that the ratio of gross revenue to wages has registered a marked increase. It can be concluded then that capital's tight hold on the plantation economy was still very

much in evidence in the early 1980s. While extra-economic coercion might not have been as effective as in earlier periods due to changed political and social circumstances, capital in the plantations still had the opportunity to exercise control over wages.

The NUPW, despite its efforts, has been unable to bring about an improvement in real wages among plantation workers. In the industry wages are determined by the NUPW and employers through negotiations and the signing of collective agreements for different branches of the industry. It is in concluding these agreements that the NUPW has failed to assert itself in bargaining effectively with employers. According to a former government industrial relations officer who was quite familiar with the union's method of negotiations, the union always lost out to employers in marshalling facts and figures to support its case. The union, by relying on old and outdated figures, often had to give in to employers, who supported their arguments with current figures.

As noted earlier, the union is by no means a poor union. It has considerable funds at its disposal and is certainly in a position to employ professionals to engage in research and investigation before entering into negotiations with employers. The union has indeed engaged professionals, but their talents are seldom channelled into the most crucial areas. There is very little orientation on the part of the union towards research and investigation. While it might not be fair to expect the union to bring about radical changes, it is surely not unreasonable to expect some significant changes for labour within the ambit of the existing industrial relations system. It is in this respect that the union's role leaves much to be desired.

For the rubber industry the union signed its last collective agreement with the MAPA in 1979. The agreement provided for an increase in the guaranteed wage from \$3.60 to \$4.30. At that time the average tapper's daily earnings was \$9.69. Although the basic guaranteed wage was increased, it was still less than 50 per cent of his daily earnings (NUPW, 1983: 94). Before the expiry of the agreement at the end of 1982 the NUPW, instead of asking for an increase in the guaranteed wage, embarked on what it termed a radically new formula—a monthly wage to replace the existing daily wage system.

The Monthly Wage Issue

The NUPW felt that before the expiry of the 1979 agreement with the MAPA, it had to present a new wage system to be adopted by the latter. It was also felt that since tappers constituted the largest membership group, this new system should first be applied to them and later extended to the others. The union's new formula called for a basic monthly wage for tappers independent of the price factor. The union also submitted claims for other categories of workers for wage increases, price bonus, incentive bonus, and cost of living allowance. It was estimated that the monthly wage system would cost the MAPA an increase of \$37 million for tappers alone (Ramasamy, 1986).

The NUPW's proposal to the MAPA did not make any headway so

the matter was referred to the Director-General of Industrial Relations for conciliation. When conciliation failed, the matter was referred to the Minister of Labour for compulsory arbitration. Finally on 5 February 1985 the Minister referred the dispute to the Industrial Court under Section 26(2) of the Industrial Relations Act of 1967.

The Industrial Court rejected the NUPW's monthly wage claim on 28 March after about 35 days of recording evidence and 3 full days of submission. When the court rejected the claim, the NUPW discharged its two lawyers and refused to participate in subsequent proceedings on the remaining matters on the agenda. The court proceeded on its own and on 30 April it awarded a wage increase of 10 per cent to plantation workers and increased the monthly housing allowance from \$30 to \$50 (M of L, 1985: 3).

The Industrial Court, being a conservative establishment, rejected the monthly wage claim for a number of reasons. First, the court argued that the introduction of the monthly wage system had the potential to destabilize the plantation industry in particular and the country in general. Second, it felt that the NUPW did not put forward a convincing case as to why workers should be paid on a monthly basis. Specifically the court felt that the union had not elaborated on the performance of the 3 per cent of tappers whom the union argued were paid on a monthly basis in some of the estates. Third, and most importantly, the court was of the opinion that 'NUPW members did not believe in their own case'. In the course of various testimonies it was revealed that the NUPW through its two wholly owned subsidiaries owns two estates—Channing Estate, Kelantan and Dovenby Estate, Perak. It dawned on the court that before the monthly wage system could be accepted by others, the NUPW should implement this system in its own plantations: 'If the type of monthly rated system proposed by NUPW is good, why is it not adopted in any estate at all' (M of L, 1985: 34).

It could be argued that had the court decided in favour of the monthly wage system it would have been a significant victory for the union and workers. It would surely have given the union some sense of pride and purpose in its representation of workers. The financial gain would have been significant, with workers in the rubber industry earning an additional \$37 million in wages. While the decision might not have solved the problems faced by plantation labour, it would have been a step forward in its struggle against poverty and low wages. Needless to say, the rejection of the monthly wage system was a big disappointment and a disillusionment to thousands of plantation workers who had waited eagerly for a positive outcome.

While the NUPW was obviously disappointed, it could not put the blame entirely on employers or the court. It had to shoulder part of the blame for its failure. Although the union spent a large sum of money engaging the services of two lawyers to present its case, it was not able to win the case. As pointed out by the court, while the union wanted employers to agree to a monthly wage system, it was not, however, willing to implement it in its own estates. This was hypocrisy on the part of

the union. Employers on their part got full mileage out of this contradiction.

Even if the union had implemented a monthly wage system in its own estates, this would not have guaranteed victory over the MAPA employers. But because the union was ill-prepared, employers were able to take advantage, presenting convincing arguments that the industry as a whole could not meet the financial burden if a monthly wage system was introduced. The court's decision was in some measure a recognition of employers' ability to marshal convincing evidence to support their case.

The verdict was a blow to the NUPW and its General Secretary, Narayanan. It was believed by some quarters that Narayanan was depending on a positive outcome to refurbish his image as the 'Father of Malaysian workers' after which he could retire gracefully from the trade union scene. The case was of such personal importance to him that when the court rejected the proposal, he showed his displeasure and disappointment by discharging the two lawyers so that they could not proceed with the other items on the agenda. Furthermore, it seems he secretly instigated union members throughout the country to launch a 1-day strike to vent their anger. NUPW members, disenchanted by the court's decision, heeded the union's strike call, which was a success throughout the country. But the overwhelming response by union members apparently frightened the NUPW leadership into issuing a press statement denying the union's role in the strike (Vargham, 1986).

Neglect of Labour in Non-MAPA Estates

Although the NUPW is the sole plantation-based trade union in the country, its interest and concern for labour is mainly confined to estates that are managed by the MAPA. It is estimated that more than 40 per cent of estates in Peninsular Malaysia do not come under the MAPA. Therefore workers in these non-MAPA estates are not covered by the NUPW/MAPA agreements on various labour matters (*New Sunday Times*, 14 February 1982). Although the union has tried to conclude agreements with non-MAPA employers on a one-to-one basis, it has not been very successful. The absence of one central body to represent the various non-MAPA estates has made it difficult for the union not only to organize estate workers but also to bring the benefits of collective agreements to them.

It must be pointed out that the vast majority of union members work in MAPA estates. These estates are larger in terms of acreage, employ more workers, and generally have managements which are quite tolerant of union activities. Organizing and sustaining union membership in these estates is not a problem for the NUPW. In sharp contrast non-MAPA estates are usually located in the interior, are smaller in terms of acreage owned and workers employed, and the management is typically quite intolerant of union activities. Workers in these estates are worse off economically and socially than their counterparts in the bigger and well-managed MAPA estates.

In relation to non-MAPA estates the NUPW faces two problems which are openly admitted to by its leadership. One is the problem of organizing workers in these estates, and the other, related to the first, is how to extend the benefits enjoyed by workers in MAPA estates to those in non-MAPA estates. There are very few workers in non-MAPA estates who are members of the NUPW. Although it is difficult to obtain the relevant figures, the fact that the union has a very small membership in these estates is no secret. According to former NUPW members, the union's membership in these areas may even be on the decline.

The major obstacle in the way of unionization of workers in the smaller non-MAPA estates is the employers. Employers in these estates, not as well-established and financially less secure than those of MAPA estates, generally fear that workers' involvement in the union might affect them economically. Thus, to pre-empt 'excessive demands' from workers, they not only discourage them from participating in the union but also at times intimidate and sack workers. The case of the Raub Oil Mill in Pahang serves as an example of employers' attitudes towards union formation in small establishments and the extent they will go to prevent it.

While employers constitute the main impediment in the NUPW's organization of workers in non-MAPA estates, the union is also partly responsible for this state of affairs. The NUPW, despite its constant rhetoric on the need to organize workers, takes little interest in actually organizing workers in non-MAPA estates. The NUPW's preoccupation with the collection of subscriptions has meant that its interest and concern are directed at estates with large union memberships. Over the years the union, because of the lack of accessibility to non-MAPA estates, has tended to neglect workers' welfare in these estates. Apart from these problems the union also finds it difficult to collect subscriptions from these workers because of the intimidation by employers and their difficulty in making steady payments because of poor wages. These problems, of course, are not insurmountable if a union has the welfare of workers at heart. Unfortunately the NUPW has lost its true sense of purpose, tending over the years to neglect workers in small estates. The case of the Raub Oil Mill is an illustration of not only employers' hostility to unions in their estates but also the NUPW's reluctance to organize unions in small establishments.

The Raub Oil Mill Dispute²

In the early 1980s about 30 workers at the Raub Oil Mill had problems with the management. This palm oil extracting mill was owned by a prominent Chinese lawyer, who was also an MCA member. According to some workers interviewed, the relationship between the management and workers deteriorated for several reasons, including the management's disinclination to improve safety conditions, the arbitrary transfer of workers from one section to another, the threat of dismissal for the slightest infringement of the rules, and the withholding of pro-

motion. It was to overcome these difficulties that the workers sought to register a local committee under the NUPW.

According to K. Navaneetham, the former Secretary of the NUPW Raub Oil Mill local committee, the workers' attempt to affiliate with the NUPW proved to be a very difficult process. Without the knowledge of the management, the workers met and formed a pro tem committee. A number of letters were then sent to the Pahang branch and to the headquarters requesting union officials to visit the mill to finalize the formation of a union. For almost a year union officials at the branch and national levels took no interest. When the letters proved ineffective, the workers themselves visited the branch office in Temerloh to meet the officials. Only after this visit did the NUPW register the local committee and give the principal office-bearers union authority cards.

When the management realized that the workers had formed a union, it began to exert all kinds of pressure to force them to give up the union. In the beginning the management promised to look into their grievances if the union was disbanded. The workers were promised quick promotions, more overtime benefits, and extra holidays. When the workers refused to dissolve the union that had taken so long and required so much effort to be formed, the management issued an ultimatum that if they insisted on keeping the union, it had no option but to dismiss them all. Finally the workers, without help from NUPW officials, caved in to the management. In a letter prepared by the manager and sent to the NUPW headquarters, the workers stated that they were voluntarily surrendering the union, since it had served them no purpose.

Once the workers had signed the letter giving up their union, the management resorted to its old tricks. Whatever had been promised was denied. Furthermore, according to workers like Navaneetham, Krishnan, and Ramasamy, the management started discriminating against workers who had taken the lead in the formation of the union. The manager threatened to get the police to arrest them under the Emergency Regulations that provide for detention without trial. When the situation worsened, Navaneetham lodged a police report against the manager for intimidation (RF, 1983). At the same time the matter was reported to the office of the Labour Department in Raub by Krishnan.

The two reports did not deter the management from further intimidating the workers. Neither the police nor the labour office investigated the complaints lodged by the workers. Thus, when no help was forthcoming from the authorities, the workers themselves decided that some drastic action had to be taken to highlight their problems. It was in this context that about 17 workers went on a 3-day strike on 8 March 1984. Following the strike the management held an inquiry on 4-5 April 1984 and terminated the services of 10 workers who were considered 'troublemakers', while the remaining 7 were suspended for two weeks (RF, 1984a).

The management's decision to dismiss the 10 and suspend the 7 was influenced by a development subsequent to the strike. Following the work stoppage the workers realized that their old union should be

revived: a union was needed to safeguard their rights and interests. Thus, some workers accompanied by Insan (Institute of Social Analysis) personnel once again approached the NUPW Pahang branch in Temerloh.

At the branch office the workers had a pleasant surprise. They were told by the newly appointed branch Executive Secretary, Athapan, that they need not register a new union because the old one had not been rendered defunct despite their resignations. The Secretary regretted that the branch, caught up with other problems, had not notified the workers that they were still union members. When told of their problems with the mill management, the Secretary promised to look into their grievances.³

The next day the workers informed the manager that they had a registered union of which they were all members. The local union Secretary, Navaneetham, also told the manager that the union wanted an early appointment to discuss the pressing problems faced by the workers. The manager was quite perturbed over the news. It was only after this development that the management held an inquiry into the workers' participation in what was deemed an illegal strike.

The dismissal of the 10 was brought to the attention of the NUPW Pahang branch, which then notified its headquarters. NUPW national officials tried to resolve the problem by conciliation, but the management would not concede. Then the matter was referred to the Minister of Labour for compulsory arbitration. However, the Minister made no decision for a year. After a year-long fruitless wait, the dismissed workers tried to apply pressure. With the help of social groups, the workers' plight was highlighted in the local newspapers. Finally the workers wrote to the Minister saying that if their problems were not resolved, they would have no option but to resort to more extreme action (RF, 1984b). It was in this context that the employer, the NUPW, and ministry officials met to discuss the issue. In the end the 10 were reinstated not in the mill but in a nearby estate owned by the management, and they received total compensation of \$60,000.

In the Raub Oil Mill it was entirely on the initiative of the workers that a union was first established. But NUPW officials provided no back-up service to the workers. Only after the workers were dismissed did the NUPW step in to represent the workers. In the final resolution of the problem the initiative had come from the 10 workers themselves while the union's role was only a formality.

The NUPW's aversion to organizing workers in small estates was reflected in proposed amendments to its constitution in 1989. At a delegates' conference the union proposed that workers from estates smaller than 40 hectares (about 100 acres) could not become members. Trade unionists, critical of the NUPW, pointed out that it was wrong in principle to adopt such retrograde clauses which might be conveniently utilized by employers to further divide labour. The Electrical Industry Workers Union's General Secretary pointed out that the 40-hectare limitation clause would have serious ramifications for union plantation

workers: 'What happens if the management of a large plantation divides it into smaller estates of less than 40 ha and claims each as a different entity?' He added that trade unions like the NUPW should encourage workers to join unions and not bar them (*Star*, 28 and 30 April 1989).

The NUPW's proposed amendments were rejected by the Director-General of Trade Unions, S. Sivagnanam. In a letter to the NUPW he said that the proposed amendments 'would appear to reduce [the] existing benefits of the membership'. Therefore the amendments would have to receive the sanction of members in accordance with Section 38 of the Trade Unions Act of 1959, which states, 'Any alterations of the rules which decreases the benefits to which members are entitled shall not be approved unless more than one half of the members entitled to vote have voted in favour of the proposed amendments' (*Star*, 3 May 1989).

The union's neglect of workers in non-MAPA estates has meant among other things that it is not in a position to extend the benefits it has brought to workers in the bigger MAPA estates. While it is relatively easy for the NUPW to cater for the majority of its members by reaching collective agreements with the MAPA, it is, however, unable to do so for workers in non-MAPA estates. The difficulty in signing collective agreements with each individual employer has basically discouraged the union from catering for workers in non-MAPA estates. For example, a survey undertaken by the union in the early 1980s showed that more than 100,000 workers in non-MAPA estates were living below the poverty level. Several non-MAPA estates did not provide incentive rates for tappers who brought in more than 450 grams of latex and some non-MAPA estates did not provide workers with cost of living allowances. The survey, covering about 100 estates, revealed that 7 did not provide any cost of living allowance, and about 37 only a fraction of the MAPA rates. (Under the MAPA rates those who earn below \$300 a month are given a special allowance of \$30, while those earning between \$300 and \$400 receive \$20, and those who earn above \$400 are paid \$15 (*New Sunday Times*, 14 February 1982).)

The House Ownership Scheme

The NUPW's preoccupation with the wage question has led to the neglect of the other important aspects of plantation workers' lives. One such area is in the development of a house ownership scheme for its members. Except for a very few estates in the country, workers continue to live in houses provided by employers. These quarters or lines lack basic amenities like piped water and electricity. Furthermore, workers on reaching the age of 55 have to vacate these quarters. The NUPW, since its formation in 1954, has not taken up the issue of house ownership very seriously with employers or the government. Paradoxically it was the government which initiated the house ownership scheme by setting up a task force in 1973 (M of L, 1973).

The task force initiated by the Prime Minister, Tun Abdul Razak,

was set up to co-ordinate and implement house ownership schemes in estates and mines. It consisted of representatives from the various government bodies as well as representatives of employers' associations, particularly from the estate and mining sectors. By 1989 the task force had implemented the scheme in only a few estates. This is in spite of the fact that 51 plantation companies gave undertakings to build houses in their respective estates. In fact, only three schemes have materialized. These are the 110-unit scheme (excluding eight shophouses) in Tennamaram Estate, Batang Berjuntai, Selangor; the 230-unit project in Batu Pekaka Estate, Kuala Ketil, Kedah; and the 108-unit scheme in Sungei Siput Estate, Perak (Soh, 1982: 22).

The task force set up to co-ordinate and implement house ownership schemes in plantations and mines has been a failure. In 1982 the Deputy Labour and Manpower Minister, Zakaria Abdul Rahman, on his visit to Tennamaram Estate, told reporters that progress on the project was extremely slow and disappointing (Soh, 1982: 22). The failure of the task force can be attributed to a number of factors. First, the government never gave top priority to the scheme and the revolving fund of \$10 million was grossly inadequate. Second, the bureaucratic delays in land conversion and the lack of co-ordination considerably slowed the scheme. Many estate companies which had agreed to the concept became frustrated by the bureaucratic bottlenecks (Editorial, 1988). Third, companies like Sime Darby, Harrisons Malaysia, and Highlands and Lowlands saw the whole idea differently. They preferred to alienate landholdings near major towns in commercial housing projects rather than participate in the scheme envisaged by the task force which might not be lucrative (Loh, 1988). Fourth, although the NUPW was not directly involved in the task force, it could have but did not mount a campaign to prevent the project from fading into oblivion.

The Case of the Cheroh Estate

The NUPW's lack of interest in house ownership for its members is reflected in the case of Cheroh Estate, Pahang. In 1976 nine youths, members of the NUPW Cheroh Estate, succeeded in taking control of the local union committee. These nine unionists were very popular with the workers because they strove against management injustices. In the late 1970s the committee, composed of these youths, successfully fought and won a case in the Industrial Court against the management's refusal to pay the special relief allowance. The decision forced the management to pay about \$100,000 in arrears. Between 1976 and 1980 among the benefits secured by the committee were the provision of double pay on public holidays, supply of electricity to workers' quarters, and the provision of a football field (*Mimbar Sosialis*, June-July 1982).

According to the former NUPW Cheroh Estate Secretary, R. Subramaniam, the committee was able to secure a number of benefits for the workers because committee members were dedicated and had the support of the workers. When the management proved obstinate, the committee had to call for a number of work stoppages to back its

demands. Subramaniam also spoke about the numerous visits committee members made to the NUPW Pahang branch office in Temerloh and to its headquarters in Kuala Lumpur. During these visits the committee applied pressure on branch and national officials to look into the problems faced by their workers. It was because of the pressure exerted that NUPW officials had to intervene in the problems faced by the workers.

In 1980 the committee, having sorted out some pressing problems faced by the workers, turned its attention to a more fundamental issue—house ownership for workers. In order to obtain the compliance of the management the committee invited K. Pathmanaban, the Deputy Minister of Labour and Manpower, to visit the estate for a dialogue with the workers and management. During his visit the Deputy Minister persuaded the management to agree in principle to the implementation of the house ownership scheme for the workers. Following the visit the Raub Labour Department also advised the management to recognize the union's demand and to proceed with the construction of the houses (CF, 1980). Unfortunately the management delayed construction. The committee, after waiting six months, issued a warning to the management not to delay further. But the warning fell on deaf ears; the consequence was a strike call.

On 17 March 1981, following the strike, the nine committee members (Plate 11) of the NUPW Cheroh Estate were arrested and detained by the police on five charges under the Emergency Ordinance of 1969.⁴ Sworn affidavits and depositions taken from more than 50 workers in Cheroh Estate in late 1982 and early 1983 by university-based researchers paint a picture of the nine as honest, sincere, and dedicated trade unionists (CF, 1983). Some affidavits also strongly suggest that the arrests stemmed from the collaboration between certain mandores, the management, and the police. The sworn affidavit by worker S. Rama Sandran on 30 October 1983 has this to say about the arrests:

Before the nine detainees were arrested, I know five people in this estate who went around getting signatures from various people. The document that was circulated by the five was really a petition against the nine detainees. However, many of those who signed the document were illiterates. The signatures were obtained on the pretext that they were meant to obtain a taxi permit. The five people who were responsible for this petition against the nine detainees are: V. Marimuthu, V. Krishnan, M. Muniandy, A. Ananthan and G. Annamalai.

Following the arrest of the nine detainees and a week before they were sent to Pulau Jerejak, the above five came and took me to Raub resthouse. We went by Krishnan's car—a Datsun WA 2309. On the way to Raub, I heard the five talking about how much money that they should give to Police Inspector S. Chelvarajan of the Kuantan police. On arrival at the Raub resthouse I saw Inspector Chelvarajan with Cheroh estate manager Tan Peck Soo. At the resthouse I saw the five counting about \$4,000 and then putting the money on the table.

Another worker, M. Munusamy, said in his sworn affidavit that the 'nine were arrested because a certain rival group was jealous of them. I believe that this group worked closely with the estate management to bring about their arrest and detention without trial.'

The arrest and detention of the nine workers and committee members was a big blow to the confidence and dignity of the workers. Their removal provided an opportunity for the management to abandon the house ownership project. The land that had been set aside for the project was converted back for agricultural purposes. The police action against the nine was utilized by the management to intimidate the rest of the workers. Following the arrests the management and supervisory staff warned the workers not to create 'trouble' or else they would meet the same fate. A number of appeals were made by the workers to the NUPW national leadership to secure the release of those detained. But the leadership took no interest in the matter on the grounds that it was a police case. Nor did the NUPW leadership take the initiative to revive the house ownership project begun by the nine.

For the first 60 days after the arrests the nine were kept in the Raub police lock-up. After that the workers were sent to Pulau Jerejak, a small island off Penang, on a 2-year detention order. However, a vigorous petition drive by the workers in support of the detainees and the support of certain government agencies and social groups led to the case being reopened within a few months. As a result of the investigation of the Ministry of Home Affairs, six were released within a year while the other three had to await the expiry of the 2-year period. Although the ministry did not admit any wrongdoing on the part of the police, the release of the six within a year indicated that the police had erred in arresting the workers.

The case of Cheroh Estate serves as a good example of how the NUPW leadership let workers down in times of need. Moreover, it also illustrates the total lack of sensitivity on the part of the leadership to initiatives from the workers themselves. Had it not been for the arrests, Cheroh Estate could well have been the first non-MAPA estate to implement the house ownership project in the country. The credit surely would have gone to the nine dedicated unionists and the workers. The NUPW preferred to 'play safe' rather than take up the cause of local members.

The Third Party Contract System

The failure of the NUPW to effectively represent its members can also be seen in its inability to prevent the institution of the third party contract system in the plantations—a move adopted by a number of employers to shirk their responsibility to labour.

The utilization of the contract system has gained prominence in the plantations since the late 1970s. A contract system is established when an estate management enters into an agreement with a contractor whereby the latter undertakes to perform a particular task for a certain fee. On the basis of an agreement the contractor hires the required number of labourers and maintains them by paying wages, fringe benefits, and at the same time making the compulsory deductions required by law. Plantation managements prefer this system mainly because it cuts costs and at the same time absolves the principals of responsibility

towards labour. In practice third party contract systems in the plantations have been misused.

The contract system is not new to capital in the plantations. In the early twentieth century capital in the plantations relied on the contract system in the employment of Chinese labour. In capital's viewpoint the system was cost-effective because the payment and maintenance of the labour force was the responsibility of contractors and not principal employers. Unlike Chinese labour, Indian labour was employed directly by employers, although the role of the *kangani* served to ensure the docility of labourers.

In the 1980s the contract system was no longer confined to Chinese labour alone; it was extended to Indian labourers, although the majority are still directly employed. It is speculated that capital, concerned with the gradual loosening of ties between the *kangani* and the Indian labourers and the consequent increasing independence of the latter, might well have been prompted to adopt certain measures to control the bargaining power of labourers. The vested interest of capital in the contract system could be a response to its concern with the operating cost and the need to lower this cost.

The Case of the Batu Arang Estate

The contract system has therefore become an important aspect of the overall plantation system in Malaysia. The NUPW's opposition to this pernicious system has been confined to occasional press releases. No systematic attempt has been made at the national level to expose the real motives behind the system. The case of Batu Arang Estate, Batu Arang, Selangor, serves to illustrate the incapacity of the NUPW to resolve the problems of contract workers.

A former Universiti Kebangsaan Malaysia researcher concluded on the basis of his study of the Batu Arang workers that the introduction of the contract system by Socfin (a French multinational company) was a bid to avoid its obligations towards labour welfare. He pointed out that the system was a very convenient method by which the principal—Socfin—and the three contractors made it difficult for the workers to voice their grievances due to the complexity in the structure of authority (Johari, 1985: Chapter 3).

With the imposition of the system, workers were denied overtime benefits, housing allowances, hospitalization benefits, and maternity allowances for female workers among others. Furthermore, Employees' Provident Fund (EPF) deductions from wages were never remitted to the fund. Workers who questioned contractors were either threatened or dismissed. When the workers notified the Socfin management about the arbitrary practices of contractors, the management replied that the matter did not come under its purview because responsibility for the workers lay with the latter.⁵

In the late 1970s a small group of workers, appalled by the working and living conditions in the estate, tried to register a union through the NUPW. They were unsuccessful because, first, the NUPW did not lend

any assistance and, second, contractors harassed the leaders, leading to some being dismissed, including Sidek, Seroja, and Nadarajan. Another member, Perumal, who was apparently a collaborator of one of the contractors, and who had revealed the attempt to unionize, was promoted to the position of mandore.

In the early 1980s the situation in the estate did not improve. In 1983 a second effort was made to register a union. This time the workers solicited the assistance of social organizations. With their help, the NUPW reluctantly allowed the formation of a union committee in Batu Arang Estate on 24 March 1984. The estate committee consisted of Chairman Selamat Samsuri, Vice-Chairman Sawreetas, Secretary Govindasamy, Assistant Secretary Sivasamy, and committee members Palany, Muniandy, Abraham, Kau Yu Lah, and Amuni.

In the first meeting between the committee and the NUPW Selangor branch, the former were advised by the latter not to bring up any problems during the first six months. Naturally the committee had difficulty understanding the attitude of branch officials and proceeded forthwith to submit a list of 18 grievances. The list spelled out the problems of housing and crèche facilities, the non-payment of EPF and SOCSO (Social Security Organization) contributions, the late payment of wages and bonuses, and the lack of medical facilities. However, no action was taken by branch officials to resolve them.

Meanwhile the contractors, disturbed by the emergence of a union among the workers, started resorting to union-busting tactics. Threats of dismissals and suspensions were constantly invoked for the slightest infringement of the rules to intimidate workers, usually active union members. On 22 May 1984 the local committee lodged a police report against the contractors for discouraging 15 workers—through intimidation—from paying their union subscriptions. Committee member Muniandy was assaulted by goons hired by a contractor for defying his orders. In July 1984 contractor Cyril Chin suspended 18 workers for two months for alleged high consumption of bark while tapping. This matter was reported to the NUPW and to the Labour Department office in Rawang, but no action was taken.

Under the contract system, housing was a serious problem in Batu Arang Estate. Out of more than 100 families only about 50 were housed in the old coal miners' quarters in Bukit Nenas, Batu Arang.⁶ In 1981 the Selangor government called upon the Socfin management to cooperate with it on a joint house ownership programme for the workers. The management, however, rejected this suggestion on the grounds that it had its own programme. Thus, to pre-empt the state government or the workers from bringing up the issue of the house ownership project, the management built about 40 workers' quarters deep in the interior. These were completed in 1985 and the management selected about 30 families to move into them. The local committee, however, rejected this move and insisted that they wanted workers to own houses and not to continue living in estate quarters. When the 30 families refused to move into the quarters, the management, following a warning, removed the crèche facilities in Bukit Nenas on 1 October 1985.

The closure of the crèche facilities made it impossible for the workers

to report for work. The committee had no option but to call for a general work stoppage (Plate 12). When the stoppage took place on 2 October, the response from the NUPW leadership was not encouraging. Alarmed by the sudden stoppage, the NUPW leadership requested that workers return to work, but this was rejected. The committee insisted that the workers would only go back to work when the management restored the crèche facilities and took action to meet their other grievances. On 17 October the three contractors terminated the services of the workers for taking part in an 'illegal' strike.

Once the workers were terminated and with no support from the NUPW, they had no alternative but to turn elsewhere for advice and support. Only much later, as a result of the publicity given to the work stoppage, did the NUPW refer the dispute to the ministry, which in turn referred it to the Industrial Court for compulsory arbitration. However, before the dispute came up for hearing the Registrar of Trade Unions ordered the NUPW to strike out the names of those involved in the stoppage (BF, 1986). The directive forced the NUPW to withdraw from representing the workers in the dispute.

The case of the Batu Arang Estate contract workers is a reflection of the little interest the NUPW takes in the well-being of contract workers. The NUPW has not only failed to mount a systematic campaign to oppose the introduction of the contract system but has also neglected to represent the workers victimized by this system.

The Case of the Selanchar Empat Land Scheme

The ugly and exploitative nature of the third party contract system was exposed earlier in a plantation in Selanchar Empat, Pahang, owned by the Federal Land Development Authority (FELDA) (Plates 13a–b). The incident, brought to light by the government's Legal Aid Bureau and Insan, gave rise to a public outcry in July 1983. The subcontractor in this estate had not paid his workers for years, supplied only minimum rations, often assaulted and intimidated them, encouraged them to drink *samsu* (rice wine), and ill-treated their children (*Far Eastern Economic Review*, 28 July 1983).

The NUPW was one of the first organizations to strongly condemn the contract system and its abuses in the FELDA oil palm estate in Selanchar Empat. The NUPW's Deputy General Secretary, K. Maria-soosai commented on the plight of the workers: 'The despicable system of bonded labour operating under the guise of contract labour is a serious blemish on the good name of Malaysian labour practice' (*Star*, 12 July 1983). While the NUPW's stand on the scandal was commendable, it has not, however, taken a positive role in opposing the introduction of this system in other plantations. According to figures obtained from the Ministry of Labour, in 1984, 12 per cent of total estate employees were contract workers. In terms of the types of estates, contract workers constituted 5 per cent of the labour force in rubber estates, 17 per cent in coconut estates, 20 per cent in oil palm estates, 4 per cent in tea estates, 16 per cent in pineapple estates, and 27 per cent in cocoa estates (M of L, 1985).

A Capitalist Union

While the NUPW takes little interest in the welfare of its members, it has over the years shown deep enthusiasm for business ventures and investments. The funds accumulated from membership dues are often channelled into business ventures without proper consultation or procedures of accountability. The union's assets, worth around \$10 million in the mid-1980s, have hardly benefited its members who remain one of the poorest segments of Malaysian society. The real beneficiaries seem to be top union officials.

The NUPW owns a number of buildings worth more than \$3 million. Moreover, the union has shares worth more than \$2 million. In addition the union, through its investment arms like Syarikat Kijang, GATCO, and the Multi-Purpose Cooperative Society, has moved into the plantation business. Channing Estate, Kelantan, is owned by Syarikat Kijang, Lapan Hutan Estate, Selangor, by the Multi-Purpose Cooperative Society, and Dovenby Estate, Perak, by GATCO. It was through GATCO that the NUPW embarked on a land settlement scheme in Bahau, Negri Sembilan, in the late 1970s.

The NUPW, by buying and operating properties like plantations, has shown that a union can also be an employer. It is not certain why the NUPW purchased estates and ventured into land settlement schemes. One would, however, surely expect that workers in these establishments would enjoy a good standard of living, receive good wages, and live in proper quarters. Above all, the estates would serve as models to other establishments. Amazingly this is not the picture that emerges from an examination of the union's establishments, particularly the estates.

An Insan investigation into the working and living conditions of labourers in Lapan Hutan Estate, Kuala Selangor, Selangor, in 1983 revealed certain shocking truths.⁷ Insan researchers found that conditions in the estate were no better than in many non-MAPA estates. The families lived in dilapidated quarters built many years ago. While the workers were theoretically union members, they were not represented by a union committee. Basic amenities such as piped water, electricity, and proper toilets were absent in the estate. The children had no transport facilities (*Tamil Osai*, 26 August 1983).

It would not be far wrong to generalize that conditions in other NUPW estates or establishments are no different. It is difficult to comprehend why the union treats its own workers in such a shoddy manner. Conditions in Lapan Hutan Estate are no different from those in other estates, particularly non-MAPA estates. In other words the NUPW as an employer is no different from other estate employers in the country, as was shown earlier in the embarrassing case of its failure to implement the monthly wage in its own estates.

Of all the NUPW's ventures the most ambitious and controversial was the land settlement scheme undertaken by GATCO in the late 1970s in Bahau, Negri Sembilan. This project was undertaken on the basis of an understanding between the Negri Sembilan government and the

NUPW, whereby the former agreed to lease over 4,000 acres of land in the district of Bahau to the latter for the setting-up of a sugar-cane co-operative plantation. The NUPW through GATCO agreed to bring in estate workers as settlers. The NUPW, excited by this venture, advertised the scheme to its members, and in one of the booklets issued, outlined the procedures by which workers could become settlers who would receive a house on 1 acre of land and 10 acres of cultivable land. To qualify as settlers, members had to make a down payment of \$7,600. The first batch of about 200 settlers arrived in 1979, but before the second batch could be brought in, the sugar-cane plantation collapsed following the closure of the sugar mill owned by the state government (GF, 1986). The GATCO management converted the scheme to rubber planting with Dunlop providing consultancy services. Funds totalling about \$13 million were obtained from the United Asian Bank (UAB), Netherlands Finance Company (FMO), and from an unidentified source through the mortgage of land titles.⁸ By virtue of these mortgages both UAB and the FMO were represented in the GATCO Executive Council and hence in the decision-making process (GF, 1984).

More than a decade has passed since the first batch of settlers arrived, but there has been no meaningful development of the scheme. The settlers are seriously indebted to the Malaysia Building Society (MBS) for the purchase of houses. It is estimated that each settler owes the finance company an average of \$20,000–25,000.⁹ The numerous warnings issued by the company to foreclose their properties notwithstanding, the jobless settlers find it difficult to continue making payments.¹⁰

The settlers do not have jobs because GATCO has not properly developed the plantation. It is estimated that the plantation only covers about 2,000 of the total of over 4,000 acres. The remainder is overgrown with weeds. Workers are forced to take jobs outside the scheme and to travel 40–50 miles daily to work in other agricultural settlements like FELDA. GATCO provides employment opportunities for only a very few people who are hired on the basis of their loyalty to the company or the NUPW.

The vast majority of the settlers are not sure about their future. To this day they have not been allocated the 10-acre cultivable land that was promised. Furthermore, they do not possess titles to their houses and repeated requests for information from the GATCO management have been fruitless. In 1985, after exhausting all avenues, the settlers set up an *ad hoc* committee for the purpose of seeking outside assistance. Subsequently they engaged a Seremban law firm to represent their interests. A court order was sought, declaring themselves the legitimate and bona fide settlers.

The NUPW land settlement scheme in Negri Sembilan is a major failure. Estate workers who sold their property and jewellery to participate as settlers have been left in the lurch. Apart from the presence of a small token staff the NUPW has basically abandoned the scheme. The settlers have completely lost faith in their union and are wondering what has

happened to the millions borrowed by GATCO to develop the scheme. They want the NUPW to declare its accounts, especially the expenditure incurred in the development of the scheme. In May 1989 the settlers' *ad hoc* committee highlighted their problems at a press conference. Two weeks later a report was lodged against the NUPW and GATCO at the Air Hitam Police Station, Negri Sembilan, for financial fraud and misappropriation.

GATCO, unable to settle debts of \$26 million owing to UAB and the FMO went under receivership in late 1987. The settlers then requested the state government's assistance that they be absorbed into one of the federal land schemes, such as FELDA. However, this did not work out satisfactorily. In August 1992 the Bank of Commerce (formerly UAB) appointed Arthur Andersen & Co as the receiver and management agent of the scheme. At the time of writing, the company is negotiating with the settlers to work out a solution.

The Question of Democracy

When the *Star* (28 April, 2, 3, 16, and 17 May), an English daily, highlighted the fact that the bulk of the NUPW's subscription fees were used to pay the salaries, allowances, and expenses of executives and other staff, the union's Executive Secretary, A. Navamukandan, replied that there was nothing unethical in the way the union maintained its accounts. He added that all accounts and expenditures were audited by internal auditors who were elected by the triennial delegates' conference, and examined by the union's financial committee and the Executive Council. In other words the union's decisions on all matters were democratically sanctioned by its supreme authority—the triennial delegates' conference.

His statement perhaps cannot be disputed in a formal and legalistic sense. It is true that NUPW policies have to be approved by its delegates who meet once in three years to review the union's past experience, adopt the various reports, elect the principal office-bearers, appoint members to the various committees, and do other necessary things in the interests of the union. The by-laws (rules and regulations) of the delegates' conference require that delegates be informed in advance of the agenda, thus giving them the opportunity to propose changes or amendments.

But democracy exists in the NUPW only in the formal sense. Past experience has shown that delegates to triennial conferences contribute little towards the major decisions adopted. They basically gather to approve the items on the agenda and to elect office-bearers whom they have been instructed to vote for; there is no debate, discussion, or lively exchange of ideas. Such enthusiasm is frowned upon by the NUPW leadership and the delegates meekly follow the instructions issued to them.

It is true that the union's financial accounts are approved by the delegates' conference as asserted by the Executive Secretary. What is not certain is whether the delegates truly enjoy the freedom to exercise their vote democratically. It seems, at every triennial gathering, the accounts are presented in such a way that the delegates have to adopt them with-

out raising questions. Those who query the accounts are considered 'undesirable elements' and are unlikely to be re-elected delegates. In any case it is almost impossible for the delegates to query the accounts simply because they do not have the educational background or training in finance to scrutinize the accounts prepared by qualified accountants hired by the union. The delegates are estate workers after all, and the majority of them can only read and write in Tamil at a very elementary level.

It is not surprising therefore that the accounts were not queried by members but by the Registrar of Trade Unions in September 1984. The Registrar in particular queried the \$200,000 loaned to 45 union executives and staff when union rules prohibit loans to members (of this amount, \$60,000 was lent to the General Secretary Narayanan, Financial Secretary A. Simon, and Deputy Financial Secretary N. Maniam); the revision of the salaries and allowances of the Executive Council and Narayanan's pension after 1 April 1983; and the position of Navamukandan as the National Executive Secretary and his salary.

At the time of writing the outcome of the Registrar's queries about the NUPW's accounts is still not known, nor is the NUPW's response to the queries. However, it can be speculated that the Registrar's query of the union's accounts did not amount to anything serious. The union probably furnished an explanation that was quite acceptable to the Registrar. Even if it was not acceptable, the Registrar, despite his wide powers, was not in a position to move against the union. The NUPW was no ordinary union. The state had a vested interest in keeping the NUPW intact in the plantation sector. The very basis of the industrial relations system in the plantations depended to a large extent on the NUPW. While the union might have broken some trade union laws, politically the state was not in a position to move against the NUPW without at the same time jeopardizing the 'stable' relations prevailing in the sector.

It does not make sense to talk of democracy in the NUPW when there exists a wide gap between the income and education levels of ordinary workers and top union officials. In such a situation it is inevitable that the latter will dominate the former. This domination can only be prevented or reduced if union leaders are committed, honest, responsible, and above all are or have been workers themselves. But some important leaders behind the NUPW have never been manual workers. They come from middle-class backgrounds with attitudes and perceptions that are quite different from those of workers. This partly explains why the union has distanced itself from the workers over the years. Past experience has shown that NUPW leaders have taken advantage of the docility and weaknesses of members to further their own interests. The high salaries and allowances, frequent overseas trips, and chauffeur-driven cars have been accumulated by leaders through their manipulation of the rank and file.

NUPW leaders like Narayanan and Mariasoosai held on to their posts for four decades without any serious challenge. It had become virtually impossible to dislodge them from their positions; past challenges to Narayanan for the post of general secretary have failed. In 1974 the

President, S. P. S. Nathan, was removed after he questioned the powers of the general secretary. Narayanan then used his influence to amend the union constitution so that the presidency became an appointive post rotated among NUPW branch chairmen. While Narayanan retired in 1992, many other top leaders have been holding their posts comfortably for more than three decades.

In February 1989 during the Twelfth Triennial Delegates Conference, Narayanan was challenged by R. Arjunan, a palm harvester from Kedah. After the elections the NUPW withheld the results for the posts of general secretary and financial secretary on the grounds that there were problems. Although it was agreed that the matter be arbitrated, the NUPW none the less submitted the results to the Director-General of Trade Unions for registration without resolving the dispute. The successful candidates were the incumbents, Narayanan and Simon.

Arjunan's contest for the post of general secretary shook the NUPW leadership. To forestall future challenges, the leadership proposed an amendment stipulating that those vying for the post of general secretary had to have 10 years' continuous service in the Executive Council. It was to be ratified later by the delegates. The proposal gave rise to a public outcry against the NUPW leadership for being undemocratic. About 300 workers from 10 estates in Baling district, Kedah, met and unanimously rejected the amendment. The Director-General of Trade Unions subsequently rejected the proposal as improper.

Even at the state level it is almost impossible to contest and win the top posts without the backing of the NUPW national leadership. In May 1989 elections were held for the top posts in the NUPW Selangor branch. An estimated 14,000 workers from 188 estates in Selangor voted. For the first time in the history of the NUPW, a woman general worker, Vanathama, from Elimina Estate, Batang Berjuntai, contested the post of chairman. The incumbent was K. Selvaraju, favoured by the NUPW national leadership. Vanathama lined up six others to contest the committee posts.

Vanathama contested the top post in the NUPW Selangor branch because she felt that the incumbent leadership had failed to represent workers effectively. She wanted a union run by workers so that it could be responsive to their needs. Even though the odds were clearly against her, the national leadership was not too sure. Thus, to ensure her defeat, they placed obstacles in her way. In estates where they suspected strong opposition, they fixed the polling time at 2.30 p.m. Many workers, especially in oil palm estates, could not cast their votes because they could not come to the polling station on time. Vanathama told a reporter, 'I believe there must be some ulterior motive in picking this time.' There were also complaints from workers that many were not informed of the balloting date, time, and venue. Although Vanathama lost, the entire affair showed workers that the whole NUPW election machinery was unjust and undemocratic.

1. The richest union in the country is the National Union of Bank Employees, with assets worth about \$30 million. Trade unions in Peninsular Malaysia increased their assets from \$5 million in 1975 to \$42 million in 1983.
2. The information in this section is mainly derived from interviews with the following:
V. Krishnan, Raub, Pahang, 26 April 1986
K. Navaneetham, Raub, Pahang, 27 April 1986
N. Ramasamy, Raub, Pahang, 20 May 1986
R. Vengadachalam, Raub, Pahang, 22 May 1986.
3. The author also discussed the matter with the NUPW Pahang branch Executive Secretary, Athapan, over the telephone.
4. The nine committee members were charged with assault with dangerous weapons, fighting with dangerous weapons, destroying estate property, being members of an illegal Indian gang (Gang 360), and collecting protection money for gang activities.
5. See the *New Straits Times*, 28 October 1985; *Malay Mail*, 5 November 1985; *Tamil Nesan*, 30 November 1985; and letter to the *New Straits Times*, 23 December 1985.
6. Batu Arang Estate workers were located in three places: about 50 families in the Bukit Nenas area, about 20 families in a nearby village, and about 30 families in a place called Kundang. In 1985 the author visited these places a number of times.
7. Insan's report on Lapan Hutan Estate was published in the *Tamil Osai*, 26 August 1983. The NUPW rebutted the contents of the report in the *Star*, 3 September 1983.
8. GATCO's land title for Lot 774 was charged to the FMO and UAB and for Lot 775 to MBS for the construction of houses for the settlers.
9. The settlers signed the Sales and Purchase Agreement with MBS in September 1978. The society in a letter dated 13 November 1982 informed settler K. Kullen that he owed the society \$19,666.22. It was also brought to the attention of the author that some settlers owed more than \$20,000.
10. The author was also shown warning letters sent by the society, threatening legal action against the settlers if the loans were not repaid.

8

The State and Capital in the Plantations

ON the basis of the previous discussion, what can be said about the role of the state and capital in the evolution of the plantation system in Peninsular Malaysia? Can it be concluded that the state, by promoting plantation agriculture, was an instrument of the plantation capitalist class, that is, in line with the thesis expounded by Miliband? Or was the state relatively autonomous, promoting plantation agriculture as part of its larger strategy of capitalist development? In regard to capital, what was its relationship to plantation labour, and what extent can it be labelled 'merchant' in form, that is, in line with de Silva's theory?

The State: Autonomous or an Instrument of Capital?

In the formation of the plantation system the role of the state cannot be reduced to one of pandering to the immediate interests of the plantation capitalist class. While it is true that the state took a number of measures to facilitate the flow of European capital into the country and even went to the extent of protecting the rubber industry during times of economic crises at the expense of the peasantry, these actions do not really confirm that it was an instrument of capital.

Rather, the state promoted plantation agriculture because it was committed to the development of capitalism. The state had a certain degree of autonomy from the capitalist class. But this fact was not readily discernible because the state itself was committed to capitalist development. Many actions of the state in promoting capitalist development were also in the interests of the capitalist class. This is not to deny the fact that the state had sympathy for capital in the plantations. The state considered capital the most important component in the development of the plantation industry; but the industry's interests were not submerged below those of capital as can be seen in its handling of labour matters.

Labour Recruitment

Although the state made arrangements for capital to procure labour from India, it was, however, opposed to capital obtaining labour from China through official channels. When Chinese labour did flow into Malaya through voluntary agencies, the state passed legislation to regu-

late this flow. At the same time it took measures to safeguard the welfare of these labourers. Capital was opposed to the state's attempts to regulate the flow of Chinese labour, but the state refused to yield on this issue: these two bodies were at odds over the use of Chinese labour. From the state's viewpoint the unregulated flow of the Chinese was not conducive to race relations and had the potential to impair capitalist development.

The state extended official support to capital in recruiting labour from India. At the same time the Indian colonial state imposed certain conditions on the recruitment of labour. Capital had to satisfy the state that labourers were recruited without compulsion. In Malaya legislation was enacted to ensure labour's welfare. In the early twentieth century one of the commissions appointed by the state to investigate the conditions of indentured labour revealed ill-treatment of workers by employers. The establishment of the IIC, and through it the Tamil Immigration Fund, also took into consideration the welfare of labourers from India. Employers who refused to contribute to the fund were fined. Capital was opposed to the fund but lacked the muscle to have it abolished. The acceptance of Indian officials in the IIC and the establishment of the Labour Department in the 1910s were also steps taken by the state to protect labour from the worst abuses of capital. The colonial state in Malaya could implement these measures to protect labour because it had some degree of autonomy *vis-à-vis* capital.

Wage Determination

It has been established that in labour relations the state clearly favoured the capitalists in the plantations. The artificial regulation of labour supply in the case of Indian labour was one factor that prevented the improvement of wage rates. The state by itself would not have been involved in wage determination through the IIC had this not been insisted on by the Government of India. It can be argued that the Malayan state capitulated to the Government of India's demand for wage determination mainly to protect the plantation industry as a whole. Given the fact that labour was an important component in the industry, it was feared that non-adherence to India's request might jeopardize the flow of labour into Malaya. In this respect the state was more concerned with the survival of the industry as a whole than with responding mechanically at the behest of capital.

In the mechanics of wage fixation the state often sided with employers, particularly those represented in the PAM. The Agent of the Government of India had a very difficult time getting his views accepted, compounded by the state's bias towards employers. During wage negotiations in the IIC between 1924 and 1930, the state only acted contrary to the desires of employers on the intervention of the Government of India. When the Government of India criticized the IIC for improper wage fixing in the coastal districts in 1925, the state acted to rectify the matter by ordering a wage inquiry for these districts in 1928, despite vehement opposition from employers.

During Difficult Times

The state's attitude towards capital was ambiguous during the 1920s, especially when demand for labour outstripped supply. During the Depression, however, it was not possible to sustain this argument. The drastic drop in the price of rubber caused thousands of workers to lose their jobs and be repatriated to India in accordance with the Labour Code of 1923. In times of labour abundance and high unemployment the Government of India's influence was restricted; India was no longer in a position to dictate terms to Malaya. During slump periods the state was accommodating towards capital. This was to lessen the dislocations on labour (caused by the Depression) by appealing to the goodwill of capital.

The last wage inquiry held in 1930 was called by the state at the request of capital following the decline in the rubber price. The outcome was that standard wage rates were reduced. The state accepted capital's argument that without the reduction more labourers would have to be retrenched. Although the standard rates were reduced, in actual practice employers were only paying 75 per cent, or even less, of the prescribed rates. The state could do little to enforce the prescribed rates. Furthermore, it announced that no action would be taken against employers who paid less than the prescribed rates.

What can be said about the exact nature of the role of the state during the Depression years? It would be over-simplistic to conclude that the state was an instrument of the dominant class in the plantations. Indeed during these difficult years the state had to give priority to the preservation of the plantation industry as a whole. This entailed minimizing social tensions and dislocations exacerbated by the fall in the price of rubber. The only way to achieve the goal of preservation of the industry was to accommodate the interests of capital on such matters as wage reduction, repatriation of labour to India, and the employment of Chinese labour at very low wages.

It was during the Depression that the officials of the state emphasized the importance of maintaining cordial relations with employers in labour relations. The High Commissioner candidly admitted the state's impotence in the enforcement of standard wage rates during difficult times without the support and co-operation of employers. In 1933 the Controller of Labour told the PAM that during difficult times the co-operation of employers was essential in the implementation of government policies.

The state's close identification with the interests of capital changed with improvements in the price of rubber in the mid- and late 1930s. By the time India banned the emigration of labour to Malaya in June 1938, the wages of Indian labourers had generally risen. The same Controller, who advocated close ties with the PAM as the basis for sound labour relations in 1933, warned employers not to reduce wages in 1938. Employers were warned that if they did so, he would have to hold a wage inquiry. The state's exertion of some degree of independence in the late 1930s shows that it was not a mere instrument of employers.

When political and economic conditions improved from the mid-1930s onwards, the state's position was strengthened. The strikes in 1937 in the plantations, mines, and elsewhere were a reminder to the state that low wages were still a grievance of labour. The state's concern with the general maintenance of the system as a whole in the late 1930s was the main reason why the Controller issued a stern warning to employers not to reduce wages.

Limited Autonomy

The case for the limited autonomy of the state can be strengthened by considering its role in the introduction of labour legislation. The Labour Code of 1912 contained some provisions that were opposed by employers. Because the Malayan authorities were firm in their stand, employers sought the intervention of the RGA, which resulted in only the provision on truck being removed; no other concessions were granted. When certain amendments were made to the code at the request of the Government of India, PAM employers could only register their protests and no more.

The Labour Code of 1923 and its various amendments brought some benefits to labour in general. Again this legislation was opposed by employers on the grounds that there was no need for new legislation. The introduction of legislation in 1940 to establish industrial courts and to register trade unions was clearly dictated by the imperative to maintain the capitalist system. From the state's viewpoint legislation was important to maintain the longevity of the system as a whole, rather than to satisfy the narrow interests of certain factions of capital.

The limited autonomy of the state did not mean that it was pro-labour. While it distanced itself to some extent from capital, it also condoned certain anti-labour practices. Even though there were provisions in the Labour Codes of 1912 and 1923 that could have prevented the problem of indebtedness among estate labourers, the state's enforcement of the law was far from satisfactory. In regard to Chinese labour the state took little interest in their welfare by condoning opium smoking and the activities of secret societies because these served to discipline and control labour in the interests of capital.

The state's role was one of limited autonomy in relation to labour struggles in the early twentieth century. In the Rantau Panjang-Sungei Tinggi, Escot, and Sepintas Estate disputes in the 1910s the state was critical of capital over its labour practices. In the three disputes the state through its labour arm—the Labour Department—felt that the management of the estates was mainly responsible for the unrest. The department cited non-payment of wages and ill-treatment of workers as the important factors leading to the disorder.

The Labour Department's role in the disputes was not accepted by certain departments of the state. In the Rantau Panjang-Sungei Tinggi Estate the police and the Kuala Selangor District Office asserted that the unrest was instigated by certain ringleaders. Despite pleas from the Labour Department, the police, under the instruction of the District

Officer, arrested and charged the workers with desertion. In Escot Estate the manager, in the belief that the police would intervene on his behalf, requested the permission of the Controller of Labour to arrest the ring-leaders. However, permission was not granted.

In dealing effectively with the Ulu Langat district strikes the state as a whole was united. There was little difference of opinion among its various branches, particularly between the Labour Department and the police. Differences arose only over the explanation of the causes of the strikes. While the employers and police were confirmed in their view that the strikes were communist-instigated, the Chinese Protectorate Office—a unit within the Labour Department—felt that economic exploitation of the workers was at the heart of the problem. However, when the strikes became widespread and more militant, the different branches of the state closed ranks to resolve the crises. Even the Labour Department, which had the reputation of often being at loggerheads with employers, began to advise them not to give in to the demands raised by the strikers.

The state and capital acted as one not only in identifying the main cause of the strikes but also on how to end them. Labour militancy during the strikes, the occurrence of widespread sympathy strikes, and the similarity of demands in various estates more than convinced both the state and employers of communist involvement in the unrest. Since the communists were assumed to be involved, there was a general fear that if the strikes were not checked, the political and economic stability of Malaya would be endangered. This fear lent legitimacy to the use of the coercive apparatus of the state in eventually crushing the strikes by force.

There was commonality of interests between the state and capital; both saw the strikes as being communist-instigated. Both wanted the strikes forcibly crushed so as to prevent repeat occurrences. This close identity of interests in a special circumstance, as in the Ulu Langat strikes, does not mean that the state acted on behalf of the capitalists; nor was it their instrument. The strikes were put down because the state wanted to protect the capitalist system as whole. In other words the state basically assumed an autonomous position in regard to capital.

In the Klang strikes the state performed a similar role. Initially, before the commencement of the strikes, there developed differences between the Labour Department and the police in their perceptions of the CIAM and its leaders. While the Controller of Labour felt that the CIAM should be consulted on labour matters, the police, like employers, suspected that the CIAM was composed of troublemakers and ardent Indian nationalists. Following the intervention of the High Commissioner in support of employers, whatever little sympathy the state had for the CIAM vanished. In the strikes that developed soon after, workers' militancy and the relative ease with which the strikes spread to neighbouring districts confirmed the state's view that the workers were troublemakers. Once the state perceived the strikes as a danger to the system, maximum action was brought to bear on the strikers.

The State and Plantation Unions

The colonial state's repression of labour was the crucial factor in weakening and ultimately defeating the struggle waged by the working class in the post-war period. The Trade Unions (Amendment) Ordinance of 1948 resulted in the deregistration of a number of left-wing unions for failing to comply with statutory regulations. Specifically the deregistration of the 11 omnibus state federations made it impossible for the PMGLU to function within the legal framework. Even before the PMGLU leadership could decide on its next course of action, Emergency Rule was declared. This measure gave the state unlimited powers to check and to ultimately weaken the communists. The arbitrary arrests, detentions, evictions, and deportations that arose with this measure made it impossible for the MCP or its affiliates to function openly. They thus went underground to wage a long protracted guerrilla war against the British colonial regime.

The state's adoption of a highly repressive policy towards the left did not mean that it had no other options. It was the failure of Brazier, the TUAM, in promoting the growth of moderate and pro-government unions that forced the state to take a hard line towards left-wing forces. Brazier found on his arrival that the situation in the country was hardly conducive to the consolidation of trade unions independent of the PMGLU, whose influence over labour was very strong. He convinced colonial officials that the destruction of the PMGLU had to precede the creation of an alternative labour movement. For various reasons, despite the introduction of compulsory registration, the state was unable to act against the left in 1946. By the end of 1947, after resolving the administrative problems associated with the Malayan Union plan and amending trade union legislation, the state adopted a much more coherent policy towards the left.

Following the British reoccupation of Malaya the main concern of the state was the revitalization of the economy. Rebuilding the economy and propelling it towards further growth required this state to set up the appropriate political framework. Radical opposition from the communists was the main stumbling block in realizing this objective. The state felt that the MCP's main base—the working class—would have to be weaned away from the left towards state-sponsored labour unions. This was not an easy task for the state. Ultimately the coercive option was utilized to break the hold of the left over labour. The numerous restrictions provided for in trade union legislation and the declaration of Emergency Rule provided the environment for the defeat of left-wing forces.

The state was not inherently against labour. After the imposition of Emergency Rule in 1948 the state, particularly the Labour Department, took the initiative to create an alternative labour movement in the country. In the plantations the NUPW was formed under the patronage of the state. Its leadership was composed of conservative English-speaking individuals. The TUAM had full confidence in these individuals to guide the labour movement along a pro-government path. Once the NUPW was formed its leaders made it generally known to workers that

the union would not engage in politics but would pursue industrial relations along the lines of negotiation, collective bargaining, and compromise. Moreover, the union would discourage labour militancy to ensure that the rubber industry and the economic well-being of the country would not be jeopardized. The union's posture led to a situation where industrial relations in plantations were weighted in favour of employers. The result was the sacrifice of workers' welfare.

With the formation of the NUPW in 1954, the state was confident that the union would be able to discipline labour and guide it along a responsible and non-antagonistic path. Prior to the formation of the NUPW, unions organized within the fold of the PMRWC received the sympathetic consideration of the state. When employers refused to hold wage negotiations with these unions, the latter turned to the state, which in response introduced wage arbitration boards. After the Taylor Award it was the state that persuaded the NUPW to participate in the JCC, to bring about stable management-labour relations. Since the state had certain expectations of how the NUPW should function, the latter made sure that these were fulfilled. It gave an undertaking that during the Emergency it would not embarrass the government by resorting to militant actions. In 1956 the union resorted to a go-slow rather than a strike, although the latter was the preferred choice of its rank and file. When it was realized that even the go-slow might embarrass the government, it was halted. In return the state sought to protect the NUPW's pre-eminence over potential rival unions.

The formation of the PMCRWU in 1956 by some members of the Selangor division of the Labour Party was the first attempt at challenging the NUPW's monopoly of labour in the plantations. Although support for it was good, the state did not permit its formation on the grounds that it might be used for an unlawful purpose. The real reason why the PMCRWU was not registered was the state's protective role of the NUPW. The NUPW was in existence barely two years when there emerged a rival union. It can be speculated that the state wanted to provide a non-competitive environment for the NUPW to consolidate its position. As such the legalization of a rival union might not be conducive to this objective. The state's allegation that the PMCRWU might be used for unlawful activities is debatable. There is no evidence to suggest such a potential as the Labour Party led by English-educated individuals in the mid-1950s was anything but radical left-wing.

In contrast to the PMCRWU the state permitted the setting up of the MEWU in 1961, five years later. The state's protective role of the NUPW had changed in response to circumstances. Political independence in 1957, the replacement of British personnel by locals, the growth of the NUPW, and the end of the Emergency in 1960 were among the factors that led the state to perceive that it had brought some measure of stability to the country. It is possible that even some high-ranking members of the Malayan state like Bahaman bin Samsuddin, the Minister of Labour, believed that an additional union for plantation labour would in no way destabilize industrial relations. Some founder MEWU members believe that they were able to convince the Minister of the real need for

an additional union. It is also possible that the Minister himself could have seen the merits behind the formation of a new union and how it could complement the activities of the NUPW. Alternatively he may have felt that a new union could strengthen his hand in dealing with the NUPW leadership.

The MEWU survived a year before it was deregistered as a result of a complaint lodged by the union's legal adviser. There is no evidence to suggest that employers had exerted pressure. Rather the pressure seems to have come from the established labour organization, the NUPW, whose perception of the new union as a potential threat led it to influence the Registrar to take the drastic action. The fact that the state enjoyed a degree of autonomy enabled groups and organizations to cultivate good ties with officers of the state and subsequently seek favours from these officers. The deregistration of the MEWU could be seen from this angle.

Just as the NUPW was able to influence the Registrar, officials of the deregistered MEWU were able to gain favours from the Minister of Labour, Sambanthan, in organizing a new union. The Minister had his own reasons for agreeing to the new set-up. His conflict with the NUPW over the NLFCS had angered him to the extent that he was prepared to assist in the formation of a rival union. This was a realization of his long-awaited revenge over the NUPW for its earlier ridicule of his work with the NLFCS.

The UMEWU was formed in 1963. Before it was taken over by left-wing elements it did not have major problems with the state. The minor problems that it had with the Registrar did not threaten its survival. Although the state was aware that the new union was constituted as a rival to the NUPW, it did not foresee a threat. The post-independent industrial relations system was stable and the activities engaged in by the new union did not endanger the *status quo*. Moreover, the NUPW with its large membership and relatively efficient bureaucracy could not be easily displaced by a union whose membership was limited and its officers handicapped by a lack of finance.

The conflict between the state and the UMEWU first began when the latter was taken over by left-wing forces, following which the union's objectives and goals became consonant with those of the socialist Labour Party and Parti Raayat. Consequently the state became very concerned with the activities of the union because they challenged the very basis of capitalist development. The post-colonial state, like its predecessor, was very much committed to capitalist development; any group or organization that represented a challenge to the system became a natural suspect in the eyes of the state.

The first conflict between the state and the UMEWU was in the H & C Latex industrial dispute in Petaling, Selangor, and Batu Enam, Johore. The union's attempt to organize the workers in these two places was thwarted by the Registrar on the basis that its constitution did not permit it to organize factory workers. The union's desire to amend its constitution to incorporate factory workers was rejected by the state. The state, however, defended the NUPW's right to organize these workers

because its constitution was broad enough to allow it. The real reason for not permitting the UMEWU to organize factory workers was therefore politically motivated.

In the Bukit Asahan dispute in 1967 the state went on an offensive against the UMEWU, resulting in its deregistration and the arrest of a number of workers and union leaders under the ISA. The state did not try to resolve the dispute because the workers were represented by a union of which the state did not approve. Numerous meetings with officials of the state were unfruitful. Furthermore, capital's reluctance to negotiate with the union forced the latter to adopt militant actions to highlight the problems faced by the workers in the estate.

That the UMEWU was under the control of left-wing political parties was not taken lightly by the state. By the time of the 25 August general strike the state was convinced that action had to be taken against the union; otherwise events might get out of control, jeopardizing the survival of the system as a whole. Under these circumstances the state acted in the interests of the capitalist system as a whole and not so much at the behest of the capitalist class.

In the 1980s and early 1990s the relationship between the state and the NUPW has not dramatically changed in comparison to the 1960s and 1970s. The state still looks upon the union as an important ally in maintaining 'stable' industrial relations in the plantations. Although no unions have emerged to challenge its dominant position, it is unlikely that the state would allow this. The close relationship between the state and the NUPW should not be interpreted in a mechanistic fashion. It is also subject to contradictions and problems. In the final analysis the state's concern with the maintenance of the system and the NUPW's conservative approach to labour relations as well as its understanding of its limited role make accommodation between both parties possible. The state therefore has an interest in preserving the position of the NUPW.

From the late 1960s onwards the state has striven to regulate the relationship between labour and capital through compulsory arbitration as provided for in the Industrial Relations Act of 1967. The Act introduced the Industrial Court through which major differences between labour and capital could be resolved by compulsory arbitration. In the monthly wage debate the state had to refer the matter for compulsory arbitration because labour and capital could not reach a compromise.

The Industrial Court's decision to reject the monthly wage claim was a disappointment to the union; but the court's rejection of the claim did not render it an instrument of capital. If the union had won, this would not have made the state an instrument of labour either. At the same time neither was the state a neutral arbiter between labour and capital. The state was above all a capitalist state. A review of the history of the court's decisions in the 1970s and 1980s clearly indicate that not all of them were in favour of employers; labour also made some gains. This indicates that the state is not the instrument of employers or the dominant economic classes. In Malaysia the state has its own character determined by the general development of society which in turn partly determines the development of society itself.

Further empirical evidence can be adduced to establish the autonomy of the state *vis-à-vis* plantation capital in the 1970s and 1980s. In the Raub Oil Mill, although the state was unresponsive to the problems faced by the workers, it did not simply act in the immediate interests of capital. Only after the dismissals did the state make it possible for the union and employer to negotiate, and when this failed, the matter was referred for compulsory arbitration. When there was a delay in arbitration, the workers took the initiative, warning the state that if no decision was made, they would resort to extreme action. Under these circumstances the matter was resolved. While the state can be accused of delaying the resolution of the mill problem, it none the less opened the avenue for the final settlement.

Because the state's role was generally autonomous, it could not be categorized as pro-capital. In the monthly wage issue and in the Cheroh and Batu Arang workers' problems it was quite hostile to labour; it gave the impression that it was pro-capital. In the Raub Oil Mill it adopted a very low profile by facilitating negotiations between labour and capital. In setting up the task force for the house ownership programme and in opposing the NUPW amendment to deny representation to workers in smaller estates, the state adopted a positive attitude to labour.

Plantation Capital—Merchant Capital?

Plantation capital could not maintain a low wage policy without resorting to social controls. The low wage structure for Indians was complemented by capital's use of extra-economic coercion. Under the indenture system of labour retention labourers had to sign contracts, through which capital maintained a hold over their freedom. Indebtedness and the use of violence by employers worked against labour. The *kangani* system was a slight improvement over the indenture system; but social control was still exercised. The *kangani*'s hold over his labourers through caste and kinship ties, his own financial interest in keeping intact the labour force within the plantation, and his managerial authority derived from the employer served the interests of capital.

The Wage Issue

Employers' reluctance to concede wage increases prompted the Indian government to establish a mandatory standard wage rate for workers. Capital was opposed to the idea of wage fixing on the grounds that the plantation industry could not afford it. Even when wage fixing took place through the IIC, the benefits accruing to labour were minimal. The vehement opposition mounted by capital reduced the effectiveness of the Agent of the Government of India in presenting arguments in favour of labour. During the Depression the standard wage rate for labourers was rendered meaningless because capital arbitrarily reduced wage rates. Whatever wage increase gained by labour was due to the increase in the price of rubber. In the post-Depression period the Indian government's unhappiness with capital's wage policy resulted in its ban on labour migration in 1938.

It was established that Chinese labour received higher wages than Indians because they were recruited, organized, and retained independently of European capital. This, however, does not mean that no extra-economic coercion was placed on them. Under the indenture system labourers were retained by headmen working for European employers through secret societies, *kongsi* houses, and opium smoking. Under the contract system, which replaced the indenture system in 1914, labourers were not really free. Chinese contractors also resorted to a number of measures to retain their labour force. One popular method was to get labourers into debt and thereby prevent their leaving without first discharging their debts.

It was acknowledged that Chinese labour not only received higher wages but was more independent and difficult to control. Chinese labour was employed in the plantations not so much because of the labour shortage but because capital in some plantations paid some attention to labour's use-value (concern shown to labour welfare in terms of improving its productivity). The fact that Chinese labour was more productive was probably not lost upon capital. Of course, this productivity was related to the way they were recruited and organized within the plantation framework.

Capital's exploitation of Indians was much more severe in comparison with that endured by Chinese labour. Under the indenture system labourers unable to withstand the extreme harshness and brutality of exploitation simply deserted their workplaces. Under this system employers applied the maximum squeeze on the labour force. Sometimes wages were not paid, rations were inadequate, and living and working conditions were deplorable. Consequently the mortality rate among the labour force was high. In the early period of plantation life labour's protests against capital's exploitation took the form of mass desertions.

Following the abolition of the indenture system capital's ability to exploit labour was reduced to some extent; for example, the struggle of Indian labour from the mid-1930s to the early 1940s was dominated by the wage question. With the ending of the indenture system and the passage of certain labour laws in favour of labourers, capital could not utilize the same mechanisms to suppress the labour force it had earlier. While extra-economic coercion was not totally dispensed with, capital turned its attention to wage reduction. The low wage structure and capital's reluctance to raise wages when the rubber price went up were among the causes of labour-capital conflict. The Klang district strikes in 1941 were mainly sparked off by capital's refusal to give in to wage demands.

There is very little evidence to show that Chinese labour in the first three decades of the twentieth century suffered labour-capital conflict. It has been argued that social and welfare organizations in the midst of the Chinese community partly reduced tensions between labour and capital. This does not mean that capital did not exploit Chinese labour at all. However, from the mid-1930s onwards, labour unrest among Chinese labour became widespread, culminating in the famous Ulu Langat district strikes.

The main factor behind the Ulu Langat district strikes was capital's exploitation of Chinese labour through the contract system, an important feature of capital's control of labour in the 1930s. Although the system functioned quite independently of European control, it was nevertheless an integral part of the plantation system. Capital favoured this system because first, it was cost-saving, and second, it gave capital access to a steady supply of labour. Chinese contractors in the service of capital employed a number of devices to keep a stronghold on their labour force.

Labour unrest in the plantations in pre-war Malaya thus emerged in the context of capital's exploitation of labour. Capital's application of extra-economic coercion on Indian labour and to a limited extent on Chinese labour showed that it had certain merchant characteristics. Capital's application of extra-economic coercion would seem to be more a consequence of its location in the plantations in the early twentieth century than a defining feature of its role. Capital's application of social controls featured less prominently in labour grievances in the 1930s and 1940s in comparison with the 1910s and 1920s.

In the 1950s and 1960s capital had shed many of its social control features. Even when these qualities were maintained, they were less harsh and less dehumanizing towards labour. The fact that capital accepted the reality of trade unions and that it negotiated with the NUPW showed that it had taken cognizance of the social and political developments among labour. Capital, even if it wanted to, could not impose the old forms of controls of the pre-war days. This is not to say that there were no social controls at all. Social controls were there, but their imposition on labour was checked partly by labour's own development.

Capital's acceptance of the reality of a trade union—the NUPW—in the midst of plantation workers did not mean that labour was less exploited. Indeed labour was an exploited group and the NUPW which sought to represent labour only brought minimal benefits to them. While capital had shed some of its social control features in the 1950s and 1960s, it none the less paid serious attention to production costs. In the pre-war days capital used both extra-economic coercion and wage controls to lower production costs, but in the post-war period it tended to apply the wage squeeze. This change in capital's strategy was conditioned by its specific historical role rather than a choice between alternatives. The fact that capital showed more interest in production costs, especially on wage matters, indicates that its earlier preoccupation with the exchange sphere (buying and selling) had changed somewhat.

The plantation's social structure remains relatively underdeveloped. The persistence of underdevelopment—low wages and poor working and living conditions—appears to be the direct result of capital's reluctance to concede material and social benefits to labour. It is in this regard that the NUPW's role in representing labour leaves much to be desired. Of course, it must be admitted that over the years there have been some improvements in the working and living conditions of plantation labour, but these have been minimal.

In the early 1990s capital remains the main obstacle in the socio-economic advancement of plantation labour. It is not possible to sustain the argument that capital's exploitation of labour is related to its merchant characteristics. In the empirical discussion it was shown that capital in the 1970s and 1980s had few merchant qualities in its relationship to labour and the NUPW in particular. Even if capital had some merchant qualities, these were not crucial in its relationship with labour. Today capital places more emphasis on the wage question than on any other matter. Union-busting tactics and the use of the third party contract system are not sufficient in themselves to prove that capital is merchant in form. Although these measures are used to deny material improvements to labour, their use seems to be more the exception than the general rule.

If capital in the 1970s and 1980s were to be described as merchant in form, how are we to account for the fact that productivity among plantation labour has increased since the 1960s or 1970s? This is sufficient evidence to refute de Silva's argument that plantation capital was essentially of the merchant variety. As pointed out, de Silva argues that capital's concentration in the exchange sphere predisposes it to depress the social structure. The fact that plantation labour in Malaysia has increased its productivity shows that capital does not totally neglect improvements in labour conditions. In other words capital does pay some attention to labour's use-value.

Social Controls

It can be argued that social control in plantations in colonial Malaya gives some credence to de Silva's argument. However, it is not possible to determine the capital form on the basis of an investigation of the social structure alone; an economic analysis of the plantation production system is also required. Nor can the nature of the capital form be determined a priori on the basis of certain social or economic characteristics. Rather, an analysis of capital should be made on the basis of its concrete historical context. In colonial Malaya it makes sense to speak of capital being located under primitive conditions of underdevelopment. The social controls exercised by capital on labour in the colonial period seem more a consequence of capital's operation in a situation of underdevelopment. Marx's argument that merchant capital can survive under the most primitive conditions is thus relevant to the analysis. Contrary to de Silva's assertion, capital's relationship with labour should be examined in the light of historical conditions and not on the basis of certain given characteristics. If capital had to place social controls on labour, then these controls could have been necessary in order to retain the labour force given the particular historical conditions and not simply as a result of capital being merchant in form.

An understanding of capital by scrutinizing its specific historical location does not invalidate the crucial theoretical differences between merchant and productive capital. Capital that took root in the plantations in Malaya in the nineteenth century was an early form of capital which organized production on a simple basis in order to market commodities.

Buying and selling constituted the primary activities. Profit was not really derived from the production process but from exchange. This capital form, as Marx says, can survive under the most primitive conditions as free labour was not an essential component of its function. In the final analysis while it cannot be categorically stated that capital was merchant in form, it can be maintained that this capital had certain crucial merchant characteristics.

The mere labelling of capital as merchant makes it difficult to explain why capital undertook certain measures that were inconsistent with its supposedly merchant character. For example, the *kangani* system was chosen not because capital had an interest in labour welfare but because the industry as a whole preferred a healthier, relatively free labour force. The indenture system of labour control was unsuitable because it placed too many curbs on labour. Thus, capital did pay some attention to labour's use-value. In other words it was in the interests of capital to liberalize the social structure to improve production. While plantation capital might not have paid as much attention to use-value as productive capital, it none the less paid some attention to this aspect. Of course, while capital placed emphasis on the exchange sphere, it did not neglect the production aspect altogether. Needless to say, the finding that capital did pay attention to use-value goes against the general argument advanced by de Silva that merchant capital pays no attention to labour's use-value because of its preoccupation with exchange.

De Silva's concept of merchant capital, applied in the study of the plantation social structure, seems to be very mechanically invoked. It conjures up an image of capital's extreme exploitation of labour and an unchanging social structure. Specifically his theory fails to take into account labour resistance to capital. While there was extreme labour exploitation in the plantations, this did not render labour submissive; under certain political, social, and economic conditions labour took the initiative to exert itself against capital. Plantation capital in colonial Malaya did not function on a predetermined basis. On the contrary its role was in part shaped by its constant interaction with labour.

It cannot be denied that capital's role in the immediate post-war period had certain merchant characteristics. The imposition of pre-war forms of social controls such as the *kangani* system on Indian labour, the contract system on Chinese labour, and the utilization of trespass laws to control labour mobility showed that capital used extra-economic coercion. As argued in the earlier chapters, the mere presence of social controls did not in itself render capital as merchant. Alternatively it should be borne in mind that in the immediate post-war period social controls were introduced to revive production in the plantations. In other words British capital that re-established itself in the plantations after the war introduced social controls not because it operated on a predetermined basis as merchant capital, but because of its specific historical context. It was this context that determined capital's relationship with labour.

Capital's post-war forms of managerial authority differed very much from the pre-war days. Social controls were much less harsh and less dehumanizing in comparison with the pre-war period. This shows that

capital did pay some attention to labour's use-value in reorganizing production after the war. Moreover, the fact that labour had been politically mobilized during the war was not totally lost upon capital. While capital might have anticipated some problems, it, however, did not anticipate that labour in the immediate post-war period would go so far as to challenge the system as a whole.

The theory of merchant capital as advanced by de Silva, while quite useful in explaining certain features of plantation capital, is not sufficiently dynamic. It also fails to explain the interactive aspects between capital and labour. Specifically de Silva, guided by an a priori notion of plantation capital, fails to see that capital-labour relations assume different forms under different historical circumstances. Capital's role in the post-war period did not proceed on a predetermined basis, and what is more its attempt to exploit labour was to some extent checked by labour itself. In this period labour's resistance to capital took on a radical nature under the MCP. Without state intervention to protect the system as a whole, labour could have posed a fundamental challenge to capital.

It can be generally concluded that de Silva's theory of merchant capital is of little relevance in understanding the role of capital in the plantations of Peninsular Malaysia in the 1960s, especially in its relationship with trade unions. Capital hardly exhibited any merchant characteristics in its relationship with radical trade unionism. This shows that extra-economic coercion of labour had been considerably reduced in the post-war years. Furthermore, capital's protective role of the NUPW in warding off challenges from the MEWU and later the UMEWU showed that it had come to accept the reality of trade unions among the plantation working class. Unions like the MEWU and the UMEWU were not accorded recognition because capital feared that they had the potential to make heavy demands on it, and thereby disrupt the industrial relations system in the plantations.

Conclusion

The state's role *vis-à-vis* capital in the last two decades has continued to be one of limited autonomy. Because it was relatively autonomous, it was able to pursue labour policies that were not constrained by the immediate requirements of either capital or the unions. The state saw labour differently from capital and the NUPW. When the preservation of the system required the state to take action against labour, it took them. The state also tried to promote 'harmonious' industrial relations by making available various mechanisms for the resolution of labour-capital disputes. At times the state itself played a role in the promotion of labour welfare. All these actions, although apparently contradictory, were the manifestations of the state imbued with autonomy in the promotion of capitalist development.

Capital in the plantations cannot be simplistically defined as merchant in form as it does not operate on a predetermined basis. Its constant interaction with labour and the state has brought some benefits to labour in general. Although these benefits may not be crucial in lifting labour

from poverty and exploitation, they none the less show that capital pays some attention to labour's welfare. This is not for labour's sake but with the aim of improving productivity in general. If plantation workers today are socio-economically disadvantaged in comparison with other segments of Malaysian society, this does not make plantation capital merchant in form. Alternatively an investigation of the underdevelopment of plantation workers must not only deal with capital, but also with the tripartite relations between labour, capital, and the state in a concrete historical situation.

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