Chinese-Operated Tin Mining in Perak during the Late Nineteenth Century: A New Style of Labour Employment and the Problem of Absconding

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Then came the opening up of Kinta. The Larut coolies ran away in hundreds and began to work in smaller kongsis in Kinta under new towkays, at first under very similar conditions to Larut, but, as roads and bridle tracks were opened up and facilities for absconding became greater, under much easier circumstances than heretofore.  

Introduction

This research note discusses how the developing tin mining industry in Perak changed the industrial and community structures formed by Chinese immigrants there during the late nineteenth century. With the growth of tin mining and the rising demand for labour, operators in the newly developing area of Kinta lured workers by offering them more attractive conditions. Miners in Larut responded by absconding from their employers and headed for Kinta. This flow of labour put an end to the patronage system of labour organization that had been prevalent here, as well as in the wider Chinese community in insular Southeast Asia, during the nineteenth century. This system had enormously benefited the influential and wealthy Chinese (towkays) who controlled the kongsis upon which it was based. For the first time, immigrant workers in Kinta became free to shop around for the best employment opportunities available through a new system of payment (the tribute system). Although Chinese pre-eminence in labour intensive tin mining has been emphasized in previous studies, no one has yet discussed how the structure of production and social relationships among Chinese in the industry changed when a new mining area was opened up late in the century. But as I shall show, the shift from the dominant mining region along the Larut coast to the inland area of Kinta, during the mid-1880s “tin rush” era, was to have a significant impact on Chinese mining operations and immigrant society.

This general topic may be studied from two main approaches: that of economic history or of Chinese studies. The former has been investigated in the context of the British colonial economy. Wong Lin Ken, for example, has shown that the European capital intensive mining methods could not initially match Chinese labour intensive methods and that the European method of mining only became predominant from the late nineteenth century, when the shallow alluvial deposits were exhausted. In Japan, Hideo Yamada has characterized the period from the late 1870s to the early 1890s as the period of the towkay-labur and the British Resident. This refers to the strong influence of Chinese merchants in the Straits Settlements, who financed the mines (towkay-labur) on the recruiting of mining labour and on mining operations, under the British Protectorate system in which the Resident who administered each protected State depended for most of his revenue on an export tax on tin and an import tax on opium. Although earlier studies could demonstrate the shift from
Chinese operated mines to European mines, they could not explain precisely how and why Chinese mining operators lost control of their labour. To understand this, we need to investigate the mode of labour employment and control in detail.

As for Chinese studies, there has been real progress in recent years in rethinking the origin and function of the kongsi (公司) system in mining areas of the Dutch East Indies, \(^7\) of secret societies in the Straits Settlements, \(^8\) and of the history of Chinese business networks. \(^9\) In regard to the Straits Settlements, these studies have mainly looked at Chinese society from one particular perspective, such as secret societies, kongsis, or kinship. To reconsider the changing role and limitations of the kongsis for mining labour thus opens a new perspective on the socio-economic history of the Malay Peninsula.

This article is based mainly on official documents, such as annual reports, government gazettes and commission reports, and on the research papers of the English and French engineers who surveyed these areas in the 1870s and 1880s.

**Labour Employment in Larut**

*Mining in Larut*

A significant increase occurred in the demand for tin from the mid-nineteenth century on. In Larut, where the Malay Peninsula’s “Straits tin” ore had been mined and exported to markets in the West from the 1840s, production increased from the 1870s onward, after internal conflict turned the state into a British protectorate. In Perak especially, the output of tin increased from the 1870s, as Graph 1 shows.

**Graph 1: Tin Output in the Malay Peninsula (Perak, Selangor, Negri Sembilan, Pahang)**

![Graph 1: Tin Output in the Malay Peninsula](image)

1 pikul \(\approx 60\) kg  


According to Patrick Doyle, a surveyor in Larut in the late 1870s, there were three main mining areas, Assam Kumbang, Kamunting and Tupai (Topai). In aggregate, in 1887 there were eighty mines operating with 6843 labourers (see (b) and (c) in Table 1).\(^{10}\) According to De la Croix, a Frenchman who surveyed there in the early 1880s, 12,700 Chinese were living in Larut. Despite the number of mines in Assam Kumbang increasing from 38 to 82 in the short term, as Table 1 shows, the number of labourers decreased from 3827 to 2195.\(^{11}\) It is likely that the figure did not include those who lived in Taiping, the state capital and at the time also the most prominent mining town. The largest mine in Larut was located at Taiping and, according to the De la Croix survey, about 4000 Chinese lived there in 1881.\(^{12}\) This number must have included several thousand miners who lived in Taiping town because there was no other employment there that could have absorbed such a large number of Chinese. As the urban area of Taiping is included in the mining region of Assam Kumbang, we can estimate that, overall, there might have been about 6000 mine workers in Assam Kumbang compared to 12,000-13,000 in Larut.

### Table 1: Number of Mines and Labour, Output of Tin, and Price in Penang Market

<table>
<thead>
<tr>
<th></th>
<th>Doyle 1877</th>
<th>De la Croix 1881</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Year Investigated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Number of Mines</td>
<td>Assam Kumbang 38</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>Kamunting 30</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Tupai 12</td>
<td>29</td>
</tr>
<tr>
<td>(c) Amount of Labour</td>
<td>Assam Kumbang 3,827</td>
<td>2,195</td>
</tr>
<tr>
<td></td>
<td>Kamunting 1,809</td>
<td>4,330</td>
</tr>
<tr>
<td></td>
<td>Tupai 1,207</td>
<td>2,166</td>
</tr>
<tr>
<td>(d) Output of Tin (pikul*)</td>
<td>39,996</td>
<td>87,104 (80年)</td>
</tr>
<tr>
<td>(e) Price in Penang Market ($/pikul)</td>
<td>18.20</td>
<td>27.50</td>
</tr>
</tbody>
</table>

*1pikul (picul)=60kg


Mining operations in Larut were managed by the heads of the influential Chinese families who were also the men that hired Chinese immigrant labour. Graph 2 (over page) shows the percentage share of the total output for the principal Chinese operators (頭家 towkay (taukeh)). In 1888, there was a total of 102,289.39 pikuls of smelted tin exported\(^{13}\) As smelted tin from Perak was calculated to contain 65 percent of tin ore in official statistics, about 157,368 pikuls of tin ore were mined in that year.\(^{14}\)

About 60 percent of the total tin ore mined was produced by Cheng Ah Kwi and seven other big Chinese towkays. Cheng Ah Kwi (鄭景貴, also written as Chung Keng Kwee, Chung Ah Kwee, Cheng Ah Kwi) was a Hakka from Guangdong Province who had arrived at Penang in the 1840s and became interested in the mines in Larut. In the 1860s to 1870s, he was a chief of the predominantly Hakka Hai

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\(^{12}\) Ibid, p. 23.

\(^{13}\) Perak Annual Report [hereafter PAR] for 1888, p. 12.

\(^{14}\) This figure is calculated from official statistics until 1898. (MSAR, for 1898, p. 18.)
San Hui (海山会) that competed, often violently, with its largely Cantonese tin mining and opium farming rival, the Ghee Hin Hui (義興会). When Perak became a protectorate, Cheng Ah Kwi was appointed its kapitan (captain, or leading Chinese). He profited greatly from tin mining. As for his mines, Doyle reported that:

the largest mine of any in the country is owned by the Koon Loon Kongsee, in Kamunting, under the direction of an enterprising Chinese gentleman, Captain Ah Quee, whose appreciation of European appliances is evinced by a centrifugal pump and engine, in suppression of the cumbrous, and comparatively useless, Chinese water-wheel.... There are 300 coolies employed on this mine, which is the highest number of all the workings.

At the time of this report, Cheng Ah Kwi managed the largest mining kongsi using European methods.

Cost of Mining
From material supplied by Doyle and De la Croix, it is possible to calculate the cost of mining, as is shown in Tables 2 and 3 (over page).

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15 Both were regarded by the British as “secret societies”. The date of their creation is unknown, but both appeared soon after Penang became a trade centre and later extended their influence to Melaka and Singapore. Most Hai San Hui members originally came from Go Kwan (five districts: Cheng Sia 增城, Poon Say (Pun Yu)番禺, Soon Tek 順德, Lam Hye 南海 and Tong Quan 東莞, Kwangtung) in Guangdong Province (広東省), while the Ghee Hin Hui men originally came from See Kwan (four districts: Sin Neng 新寧, Sin Wee 新會, Seow Keng 聲康 and Whee Chew 惠州) in Kwangtung Province. In Larut the two groups fought openly, if intermittently, from 1862 to 1874. (L.F. Comber, Chinese Secret Societies in Malaya: A Survey of the Triad Society from 1800 to 1900 (New York: J.J. Augustin, 1959), pp. 35-38, 158-173


17 Doyle, Tin Mining in Larut, p. 7.
Table 2: Cost of mining
Source: Doyle, *Tin Mining in Larut*, pp. 24-25.

<table>
<thead>
<tr>
<th>Description</th>
<th>Minimum</th>
<th>Max</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tin-sand extracted (pikul)</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Getting and washing above, from 800 to 1000 coolies at 25 cents ($)</td>
<td>200</td>
<td>250</td>
<td>225</td>
</tr>
<tr>
<td>Smelting the same in township or kongsee ($)</td>
<td>40.91</td>
<td>46.22</td>
<td>43.57</td>
</tr>
<tr>
<td>Cost for smelted tin ($)</td>
<td>240.91</td>
<td>296.22</td>
<td>268.57</td>
</tr>
<tr>
<td>Resuming metal (pikul)</td>
<td>19.52</td>
<td>19.20</td>
<td>19.36</td>
</tr>
<tr>
<td>Cost of transport and shipping (2.5$/3pikuls) ($)</td>
<td>16.27</td>
<td>16</td>
<td>16.13</td>
</tr>
<tr>
<td>Duty (10$/3pikuls) ($)</td>
<td>65.07</td>
<td>64</td>
<td>64.53</td>
</tr>
<tr>
<td>Total cost ($)</td>
<td>322.24</td>
<td>376.22</td>
<td>349.23</td>
</tr>
<tr>
<td>Cost per pikul ($/pikul)</td>
<td>16.49</td>
<td>19.60</td>
<td>18.05</td>
</tr>
<tr>
<td>Percentage of wage for all cast (%)</td>
<td>62%</td>
<td>66%</td>
<td>64%</td>
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</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>(A)</th>
<th>(B)</th>
<th>(C)</th>
<th>(D)</th>
<th>(E)</th>
<th>(F)</th>
<th>(G)</th>
<th>Total</th>
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<tbody>
<tr>
<td>Cutting (land preparation)/mining/drainage</td>
<td>10.94</td>
<td>0.53</td>
<td>2.85</td>
<td>4.00</td>
<td>0.20</td>
<td>0.19</td>
<td>0.29</td>
<td>9.00</td>
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<td>Washing</td>
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<tr>
<td>Smelting</td>
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<tr>
<td>Duty</td>
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<tr>
<td>Cost of transport to Penang</td>
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<tr>
<td>Resmelting and warehouse in Penang</td>
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<tr>
<td>Miscellaneous</td>
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</tr>
</tbody>
</table>

Table 3: Cost of one pikul of smelted tin (figure: Straits Dollars)

Analysing these figures shows that the cost of labour (see (J) in Table 2 and most of (A) to (C) in Table 3) contributed more than 60 percent to the total cost of mining. Labour saving devices like centrifugal pumps for drainage were partly used in several mines, but almost all the processes of mining depended on manual labour.

Comparing labour costs and tariff expenses with the price of tin at the time (see (e) in Table 1) suggests that the ore deposit mining business was not always profitable. Nevertheless, the mine operators were able to realise considerable profits by paying wages in the form of credit on company goods, to enable poor immigrant workers to supply their daily needs, and through lucrative side businesses, in particular the selling of opium.

Labour Employment
One of the most important considerations for employers was to save on the cost of recruiting and employment. To this end, three methods were used in Larut: advance payment of the voyage fare; the so-called “truck” system for workers’ pay; and buying the right to collect government taxes (revenue farming) on opium, gambling and other activities that were then operated or controlled by the mine owners.

According to the 1891 commission for labour conditions, the common method of
recruitment was as follows: “a recruiter or agent pays the passage and expenses of the intending emigrants, in some cases giving him a small advance as well, on condition that the cooly [sic] ultimately works off by his labour the expense so incurred.” From this report, it is obvious there were immigration networks with professional agents and recruiters who supervised labour flow from south China to the mines in Larut via the Straits Settlements. These networks existed from the early nineteenth century, at a time when the “credit-ticket” system of transport was widely used. In this system, the immigrant’s passage fees were considered as a debt to the ship that carried him, and he would be detained on board until those who wanted him appeared. But when the system was criticized by the Qing governor of Liang Guang (兩廣總督), the numbers travelling under this system decreased and the “credit-ticket” system was replaced by another. If migrants paid their passage themselves, they were treated as free immigrants; but those who could afford it and could choose their employers were scarce. Almost all immigrants had to borrow their fare in advance, on condition that they would work it off later. It was the Chinese merchants in Penang who played a crucial role in the recruitment and distribution of immigrants. They paid the fees of the recruiters or agents and distributed the immigrants to the mine operators of Perak and south Thailand, and to plantations in Sumatra. Many of the merchants in Penang had interests in the Larut mines as advancers to the mines. Mine operators used their kinship or hui connections with these merchants to employ the labour. For example, Cheng Ah Kwi used his position as a leader of Hai San Hui to employ many Cantonese from Tseng Cheng District (增城縣), Guangdong Province. The numbers involved could be quite high: in Larut, about 25,000 Chinese immigrants came in the early 1880s.

To pay them, most mines used the truck system. Many workers lived in kongsis built near the mines and were supplied in advance with their food and necessities, including opium, through those kongsis. The cost was then deducted from their wages once or twice a year. Wages were calculated according to the number of days and hours worked and managed by the head of the workers (hang kong 行港). The kongsis supplied food and other necessities at a mark-up of 30 to 70 percent over market price, with the items supplied recorded one by one. At the time of settlement, both the supplies and the advance received for their passage were added up. After the debts had been settled, workers received any wages that remained; but if there was little or nothing left they had to work until the next settlement date. As previous studies have pointed out, selling opium to the labourers and operating gambling houses in the kongsis as well as renting the monopoly right to collect government revenue on these activities, brought large profits to the mining operators and prominent Chinese towkays. Among such mining towkays were Cheng Ah Kwi, who in 1888 controlled the general revenue farm (gambling, alcoholic spirits and pawn-broking) in Kuala Kangsar along with the upper Perak and north and south Larut coast revenue farm, plus the lower Perak revenue farm for processed opium, while Lee Peh (Lee Ah Peh), another Larut mine owner,
operated the general revenue farm there.\textsuperscript{30}

This form of labour exploitation system through kongsis differed from earlier mining kongsi\textsuperscript{31} operations, in which labourers were share-holders in the mining operation, as well as from the modern usage of kongsis as limited partnership companies. It arose from the poor and miserable socio-economic conditions of most immigrant Chinese at the time, who had no choice but to live in a narrow, confined space and take whatever limited job opportunities there were. The interaction of the kongsi and truck systems made mine workers personally dependent on the mining enterprises for their survival.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{graph3.png}
\caption{Tin production in Larut and Kinta/Tin Price}
\end{figure}

Labour employment in Kinta

The Kinta “Tin Rush”

From the 1880s, a tremendous rise in the international price of tin encouraged the mining operations to push further inland, to places like Kinta which until then had been considered unprofitable. This “tin rush” also resulted in a change to the conditions of labour employment.

Graph 3 shows the tin price on the London market, which determined the international tin price at the time, and the output of tin from Larut and Kinta. The price shot up from £61,2s.4d. per ton in 1878 to £117,6s.6d in 1888 and remained high in the early 1890s. Stimulated by this incentive, many Chinese went to Kinta to open mines in uncultivated land or on borrowed indigenous Malay land.\textsuperscript{32} The number of

\begin{flushright}
\textsuperscript{30} Perak Government Gazette, 16 November 1888, p. 106.  \\
\textsuperscript{31} For about the earlier mining kongsi, see Wang, \textit{Origins of Chinese Kongsi}.  \\
\textsuperscript{32} For example, Chi Kwi Yun borrowed land from Che Hussein for mining in Klian Bahru (Perak Government Gazette, 30 August 1889: 685).
\end{flushright}
Chinese in Kinta increased from 2,201 in 1881 to 46,711 in 1889.\(^{33}\) The mining population increased overnight, from 9,154 in 1885 to about 16,000 in 1886, reaching about 25,000 in 1887.\(^{34}\) At the same time, the output from Larut began to decrease slowly from 1884, as the shallow and rich alluvial deposits were exhausted. As a result, the output of tin from the two regions was equal in 1888, while Kinta’s output exceeded that of Larut by a great margin from the 1890s.

Kinta became a region characterized by small scale, short term extraction by Chinese prospectors.\(^{35}\) One of the few large-scale mining operators was San Kang Long, whose mine near Lahat reportedly produced about 40 pikuls of ore per day in 1888. The background of these new, up-coming mining operators was varied. San Kang Long, for instance, is said to have become a rich man from being a mere mining coolie in only a couple of years.\(^{36}\) Eu Kang (余廣), father of the Eu Tong Sen (余東旋) and one of the biggest mining operators in Perak, started as the owner of a small Chinese traditional medicine shop in Gopeng.\(^{37}\) Unlike the earlier mine owners, few had any close connections with Penang merchants, especially in the beginning.

Several factors enabled these new operators to start mining on a small scale. First was Kinta’s geographical situation. The Kinta valley is formed by the Kinta River (Sungei Kinta), which is separated from the Perak River by a range of hills commonly called the Blanja range. Small-scale mining was scattered here within a north-to-south oblong created by the Kinta River and its branches. Alluvial tin deposits were found along these rivers, but each mining area was divided from the others by a range of limestone hills that made it difficult to set up large-scale operations at a time when there was no proper overland transportation. From De la Croix’ report, Sungei Kinta District was by far the most extensive area, and included no fewer than six mining centres which, according to Malay custom, took their names from the main streams that drained them. They are the districts of Ulu Kinta, Sungei Trap, Sungei Raya, Sungei Tejah, Sungei Kampar, and Sungei Chendariang.\(^{38}\)

The second factor was technological, the introduction of the short-washing box (lanchute kechil). Rectangular, solid and eight feet long, this device could be used by five or six men and cost less to introduce than earlier equipment, making it profitable for small scale mining operators.\(^{39}\)

Third was the 1886 establishment of the Straits Trading Company, Limited to smelt tin ore extracted from the Malay Peninsula and its surrounding area.\(^{40}\) Although opposition from Chinese smelters in Larut meant the company could not succeed there, it was able to expand its operations in Kinta by establishing ore-buying branches in several local towns, in Gopeng (1889), Batu Gajah (1890) and Lahat (1891), with a head office set up in Ipoh (1892). The company bought ore at its branches and transported it by steamship to smelting factories established in 1890 on Brani Island, south of Singapore, where the dock was suitable for unloading smelting coal for the reverberatory furnace.\(^{41}\) Regarding this company’s expansion of its ore buying business in Kinta, W. Treacher, Resident of Perak, wrote in 1892 that:\(^{42}\)

\(^{33}\) De la Croix, *Les Mines d’Etain de Pèrak*, p. 23, for 188,1 and PAR, p. 18, for 1888.

\(^{34}\) PAR for 1887, p. 78

\(^{35}\) FMSAR, for 1903 pp. 10-11.

\(^{36}\) PAR for 1888, p. 45.


\(^{38}\) J. Errington de la Croix, “Some Account of the Mining Districts of Lower Perak,” *Journal of the Straits Branch of the Royal Asiatic Society* 7 (1881): 1

\(^{39}\) Perak Government Gazette, 24 June 1892, pp. 419-420.

\(^{40}\) This company was established by H. Muhlinghaus of Brants Co. with J. Sword of Gilfillan Wood Co, in 1886, and called Sword and Muhlinghaus Co. before being renamed the Straits Trading Company, Limited the next year. See K. G. Tregonning, *Strats Tin: A Brief Account of the First Seventy-Five Years of the Straits Trading Company, Limited, 1887-1962* (Singapore: The Straits Times Press, n. d.) pp. 8-16.

\(^{41}\) Ibid, pp. 13-18.

\(^{42}\) Perak Government Gazette, 24 June 1892, pp. 418-419.
The export of tin in the form of ore from Kinta to the Singapore Smelting Works of the Straits Trading Company amounted to more than one half of the total export of the district; in 1890 it was one fourth of the amount. This was the expense of the smelted tin, which showed a decrease of 12,000 pikuls in 1891. The benefit to Kinta of the operations of the Straits Trading Company was expatiated on in the Resident’s last Report; and they will gradually tend to divert the Kinta and Lower Perak trade from Penang to Singapore.

Before the company was established, tin ore had been smelted at kongsis or mining towns near the mines and exported to Penang. The transport costs from Kinta, which was situated inland, were much higher than from Larut. Before the “tin rush”, anyone wanting to transport tin from Gopeng, one of the principal mining towns in Kinta, had to load it on elephants as far away as Pengkalan Bharu, a local port on the Raia branch of the Kinta river, and from where it was shipped by boat (perahu), to Durian Sebatang (now Teluk Intan) and only thence to Penang by steamship. It was difficult for small-scale mining operators in Kinta to afford the high costs and high risks of such transportation. Further, as most of the region only developed after the “tin rush”, no Chinese smelting facilities existed for local tin mining operators. Selling their ore to the company at the nearby mining towns saved them from unnecessary investment in this respect. In short, the introduction of affordable labour-saving technology and the Straits Trading Company’s solution to the problem of smelting and transporting ore enabled small-scale operators to start mining, if they had the basic skills and the initial capital for it.

**Labour Employment in Kinta**

The development of mining in Kinta also led to changes in the employment of labour, especially in the role of payments in advance. In 1894, J. B. W. Leech, the district magistrate at Kinta, described the situation as follows:

> Under these changed conditions, giving large advances meant ruin to employers, and the towkays wisely reduced the amounts advanced, and now an advance to a coolie of more than $3 or $4 is rarely heard of, while in some cases the coolie on joining a new kongsi gets nothing but a few days’ rice to keep him going till he has earned enough to buy anything else he wants. Indeed, I would not be surprised if in time a small food ration will be the only form of advance known in the district.

From this account, it seems clear that the truck system, with advances and wage settlements every six or twelve months, no longer operated. But another change was also reported in 1894, one that resulted in coolies now being described as:

> the masters of the situation, [who] demand and obtain such high wages that but few advancers can afford to risk the money necessary to open up a big mine. Consequently the chabut (tribute) system is becoming universal, and even under this no coolie will remain at work without a fair certainty of earning at least 35 cents per diem over and above his food.

This excerpt reveals the operation of a new system of wage calculation that developed in Kinta, the tribute system (份 or 份子家). In the late nineteenth century, there were three main methods used for calculating wages. Nai-chiang (坭井) was used for those who cleared the land and constructed and repaired water-ways. This wage was paid on a piece-meal basis and was suitable for unskilled labour. The other two methods, called kong-si-kong (公司工) and tai-ki-tsai (大箕仔), were paid

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43 Perak Government Gazette, 26 June 1891, p. 462
44 De la Croix, *Les Mines d’Etain de Pèrak*, pp. 62-63
45 Perak Government Gazette, 6 July 1894, p. 303.
46 PAR for 1894, p. 18.
47 Chiang (井) is a measurement unit. 1 chiang = 30×30×1/2 feet.
according to the days and time worked and were more suited to large scale mining through kongsi houses. The tribute system differed from these other methods by being a form of calculation in which the net profit from mining was shared between the advance and the operator and/or between the operator and the labourers.\footnote{FMSAR for 1903, pp. 10-11.}

Previous studies have only understood the tribute system as a financial relationship between advancers in Penang and the mining operators, with the role of the former emphasized.\footnote{山田秀雄 (Yamada Hideo), “マラヤ錫鉱業の発展と植民地支配：19世紀マラヤ錫鉱業史覚書” ["The Development of Malayan Tin Mining and Colonial Control"], p. 284.} But in Kinta the tribute system was adapted for the settlement stage with labour. Mines were largely speculative operations, as no scientific prospecting had been carried out. For Kinta operators, who had no close ties with Penang merchants at the start of their work, a short term arrangement with their labourers helped insure against the risks of financial loss, while any profits could be invested in the next stage of work. The labour force also found the system very attractive because, although workers shared the risk, they also stood to benefit from a higher wage if they found a profitable deposit. One of the successful mines using this system was described as follows in the Perak Government Gazette:\footnote{Perak Government Gazette, 26 June 1891, pp. 482-63.}

An extraordinary find of alluvial tin is reported from Saiak, in Kinta, where a Chinese employer, working with coolies on the co-operative system, sunk two holes, one 30 feet and the other 24 feet square. From the first 11 men in 12 days lifted 450 pikuls of tin sand, worth $8,100, while from the second 23 men in 5 days lifted 200 pikuls, worth $3,600. Nine-tenths of the profits went to the coolies, who in a few days became comparatively rich men.

Successful coolies under this system could easily become new mining operators or retailers, as did San Kang Long, who was mentioned above.

In conditions where labour supply could not meet demand, as during the “tin rush” era, the short term advance and tribute systems made the position of labour stronger than ever before.\footnote{Perak Pioneer and Native States Advertisers, 15 June 1895, p. 2}

**Absconding or Running Away**

Lured by good working conditions, many Chinese labourers moved from Larut to Kinta without formal advance payments of any kind. This created a labour retention problem, described in several reports as “absconding” or running away, that became serious from the 1880s in Larut, as was noted earlier. To prevent absconding, in 1885 the Perak government introduced the “discharge ticket system”\footnote{Regulations on Chinese Labour, Perak, 1885.} under which men without the necessary ticket could not be legally employed at any other mines. Offenders were punished with a fine and imprisonment.\footnote{Papers on Malay Subjects, ed. R. J. Wilkinson (Kuala Lumpur: Oxford University Press, 1971), pp. 158-62.} The introduction of this system corresponded with the beginning of control over immigrants in Perak.

In the first years of the protectorate, where control of Chinese immigrants was concerned, the government had relied on the kapitan and other influential Chinese, especially those who had leased the right to collect state revenue, including the right to police opium smuggling and illegal gambling. By the late 1870s and early 1880s, however, using legislation to regulate Chinese immigrants had spread from the Straits Settlements to Perak, where any such enactments and orders required prior discussion in the State Council. There were two Chinese appointees on this body, the first two being Chung Keng Kwee and Chin Ah Yam (陳亞炎), chief of the Ghee Hin Hui, who had confronted each other in the late 1860s and early 1870s in Larut.\footnote{This system was an imitation of the French *livret* system, which had been tried in Europe in various countries and had nowhere succeeded, except possibly in the Dutch colonies (FMSAR for 1903, p. 10).} Their appointment meant that, in effect, the government was still relying on the
Chinese who had exercised influence and power over immigrant society before the protectorate. The discharge ticket was issued to those who had repaid their passage debt or any other advances made by the mining operators. It was thus intended to operate in favour of the Larut towkays. These men had a strong influence over immigration and reaped considerable profits from advancing travel costs, from the long term settlement of debts against wages, and from controlling opium and gambling among the labour force—but only provided the workforce remained in their mines and under their control for a long time. The short term labour recruitment that was common in Kinta undermined the management strategies of Larut towkays. As they could not compete by offering better terms of employment, they wanted the government to intervene in the matter on their behalf. Unfortunately for them, government intervention was only of limited help.

As Mr. Cowan of the Perak Chinese Secretariat reported in 1888, “the discharge ticket system is working satisfactory in Larut, but owing to deficient staff, is not so successful in Kinta.” According to the annual report of that year, the total number of police of all grades in the district was 135, with the population estimated at 51,369 (44,070 Chinese and 6,486 Malays). This force was sufficient to suppress disturbances, but quite unequal to the prevention and detection of crime, including miners’ absconding from their contracts. The crime statistics of that year backed the report’s claim, as Table 4 shows.

Table 4: Number of Criminal Cases and Cases Discovered in Perak (1888)

<table>
<thead>
<tr>
<th>District</th>
<th>Number of Breach of Contract</th>
<th>Total Number of Cases</th>
<th>Discovery Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Discovered</td>
<td>Reported</td>
</tr>
<tr>
<td>Larut</td>
<td>3,255</td>
<td>978</td>
<td>6,877</td>
</tr>
<tr>
<td>Kinta</td>
<td>3,263</td>
<td></td>
<td>5,309</td>
</tr>
<tr>
<td>Others</td>
<td>905</td>
<td></td>
<td>3,220</td>
</tr>
<tr>
<td>Total</td>
<td>7,423</td>
<td>978</td>
<td>15,406</td>
</tr>
</tbody>
</table>

*Four cases from 1887.

Breach of services contract amongst mine workers thus accounted for about 47 percent of the total number of criminal cases in Perak. Most breaches of contract occurred in Larut and Kinta. The rate of discovered cases for breach of contract (about 13 percent: 978 discovered from 7,423 cases) was much lower than the overall rate of discovered cases (about 45 percent: 6945 from 15,406). In other words, it was very much harder to solve cases of labourers absconding than other crimes. The discovery rate also disproportionately favoured Larut over Kinta, whose mines were expanding rapidly in number and spread widely over a geographical area for which there were insufficient police to control and too few officers in the Chinese Secretariat to detain the offenders who were caught. As the statistics show, it was very difficult to prevent absconding by legal measures when willing employers existed elsewhere. If the system operated effectively in Larut, where the towkays used it on their labour force, the crime statistics suggest that most of those who breached their contracts and were not discovered in Larut had absconded to Kinta. This meant that, by 1888 at least, the towkays’ control over Chinese immigrant miners was limited to Larut and did not reach to Kinta. This was one of the main

55 FMSAR for 1903, p. 10.
56 Perak Annual Report for 1888, p. 35.
57 ibid, p. 23.
58 Perak Government Gazette 17 May 1889: 442.
reasons why the discharge ticket system failed and was finally abolished in February 1894.\footnote{Perak Government Gazette, 8 December 1893: 962.}

One final point arises from the statistics discussed above. Despite employers offering better conditions to labourers in Kinta, a similar number of breaches of contracts still occurred there. This may be explained as follows. Under the tribute system, if workers could not mine an adequate amount of tin from a deposit, labourers did not receive satisfactory wages or, in the worst case, wages might be overdue. Given the high demand for labour, men whose wages were unsatisfactory could easily find employment in another mine for themselves. In such circumstances, the protection of a kongsi became unnecessary. Even if employers recruited free labour from a kongsi under the control of influential Chinese, the towkays could do very little if labourers breached their employment contracts. The number of absconders reported to the police would thus suggest that Chinese mine operators in Kinta were beginning to rely more on the government than on the kongsi to control labour.

**Conclusion**

As shown above, the employment of labour through the kongsi system under the patronage of towkays, that was widespread amongst the Chinese in insular Southeast Asia, ceased to operate effectively in the developing Kinta mining industry during the “tin rush” era. With the rising demand for labour, operators tried to lure workers by offering incentives like profit-sharing deals. As a result, a more modernized labour market situation came into existence. Immigrant workers ended their personal dependence on the mining companies and became free to shop around for the best employment opportunities available, while operators could only obtain sufficient labour by offering workers more attractive employment packages. Attracted by such offers, mine workers in Larut began absconding from their employment and heading for Kinta. Towkays who could not offer incentives to retain labour tried to persuade the British authorities to prevent their workers from leaving the region, but government regulation failed to stop the flow. As a result, these changes in management strategies and hiring practices curbed the decades of exploitative patronage exercised by influential Chinese families over immigrant Chinese labour. The late nineteenth century was an age of expanding commodity production and exports, when Chinese immigrant labour flowed into the peninsular areas. This expansion and flow helped to bring about considerable changes in local Chinese society, one of the most important being that discussed in my paper, the freeing up of the former system of labour employment.