4
The Growth of Production

4.1 Export prices and production

Malaysian production for export in the nineteenth and early twentieth century, particularly of agricultural commodities, proceeded in a ‘boom and bust’ cycle related directly to changes in world prices. The typical pattern (with the major exception of rubber) was a rush to extend the planted area of a particular crop in response to higher prices leading, on maturity of the trees or plants, to a sharp rise in production. Depending on the continuing strength of demand, market prices then tended to fall, sometimes very heavily, causing investment to wane. Changes in government policy (e.g., land tenure terms), together with the incidence of plant disease or insect pests, were also major factors bearing on the long-term viability of an industry.

The pattern over time was as follows. In the first half of the nineteenth century attempts were made to cultivate spices (clove, nutmeg, mace) on Singapore and Penang islands. Prices were high in 1802–5, 1817–18 and 1841–8, and depressed in 1806–15, 1825–35 and 1850–60. By the 1860s, following widespread disease and unfavourable market conditions, planters had largely lost interest. Gambier planting became widespread from the 1820s/30s in the western and southern parts of the Peninsula. In Johor and Singapore cultivation was invariably carried on in conjunction with pepper. Prices for both products were good in the mid-1830s, but declined (particularly gambier) in the 1840s. The late 1850s and early 1860s saw some recovery, with cultivation spreading into Melaka, Negeri Sembilan and south Selangor in the 1880s/90s before prices slumped just after the turn of the century. Thereafter the planted acreage declined in the face of changes in government land tenure policy (see section 4.3) and a wholesale switch to rubber cultivation. A similar pattern showed itself in tapioca, located mainly in Melaka and Negeri Sembilan, in the second half of the century.
Sugar planting began in the SS, centred in Province Wellesley, between 1810 and 1820. Expansion was rapid from 1840 to 1870 as Straits-produced sugar qualified for the preferential import duty into Britain. Planters moved into the adjacent Krian district of Perak from the late 1870s. By the end of the century exports totalled some 36,000 tonnes, over twice those of Jamaica and a third those of British Guiana (Jackson, 1968a, 167). However, the industry was facing rising costs for labour and materials as well as competition from rice for land. As with tapioca and gambier, planters were quick to switch to rubber after 1900, and by the First World War the crop had virtually disappeared.

The last export crop to reach prominence in the Peninsula prior to 1900 was coffee. Sporadic plantings were made in Selangor and Sungei Ujong in the 1870s and early 1880s. Planters responded vigorously to soaring world prices after the abolition of slavery in Brazil, the leading producer, in 1888 temporarily dislocated the labour supply. Cultivation spread into Perak in the early 1890s, but market prices fell heavily between 1896 and 1899 as Brazilian production picked up again. The impact of this, coupled with the onset of plant disease and insect pests, sent the nascent industry into decline with planters progressively switching to rubber.

Continuous statistics of production and cultivated acreage are not available for the pre-rubber crops. It is estimated that over the century the crops involving shifting cultivation (gambier, pepper, tapioca) may have covered approximately 200,000 hectares in the Peninsula. Around 1900 their output was valued in excess of $8 million. Of the sedentary crops, sugar occupied approximately 12,000 hectares, and coffee 6000 hectares in the 1890s (Jackson, 1968a, 6, 154–6). Commercial agriculture in the FMS, though of growing importance, constituted only just over 6 per cent of total exports in 1895 against 88 per cent for tin and tin ore (calculated from Sadka, 1968, 345n.1).

The commercial crops just discussed, with the exception of pepper and to a small extent coffee and gambier, did not spread to the Borneo territories in the nineteenth century. The annexation of the Muka-Oya district by Sarawak in 1860, coupled with the stimulus of Chinese traders operating out of Singapore (but ultimately displaced by the Borneo Company), caused the Oya-Melanau people to increase the production of flour from the sago palm, a naturally occurring tree which was also cultivated. Up to the 1890s sago flour was the principal agricultural export from Sarawak; indeed ‘for a number of years after 1861 the difference between solvency and insolvency depended on the sago trade’ (Morris, 1991, 232). Increased immigration of Chinese in the latter part of the century stimulated the planting of pepper which, along with jungle-produce, had overtaken sago flour in export value by the early twentieth century (Morris, 1991, Tables 5, 8). Pepper production almost doubled in the 1890s, ranking Sarawak next to Indonesia in world output. In contrast to the FMS the Sarawak export