The tin boom and the Malayan hinterland

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Larut and the Chinese miners

Tin had been worked in the Malay Peninsula for centuries, but the modern industry began with a discovery in the district of Larut, in northern Perak. In 1848 Long Jaafar, a Malay chief, found tin at Klian Pauh and Klian Bharu and began mining, after travelling to Penang and returning with twenty Chinese men to work the deposits.[1] They were the first of a great many. Chinese labour, organised and financed by Chinese merchants in the Straits Settlements, opened mine after mine along the western foothills of the peninsula.

The Malay chiefs who held the land had neither the labour nor the capital to exploit it. They granted concessions to Chinese headmen, collected duties on the ore and left the organisation of the mines to the miners. The miners were recruited in southern China, shipped through Penang and Singapore and advanced their passage, food and tools against their future wages. The capital for these advances came from merchants and revenue farmers in the Straits ports, who were repaid in tin.[2] The

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credit chain described in Chapter IV of Part A, which ran from the town merchant to the gambier planter of Johor, thereby extended into the tin districts of Perak and Selangor.

Drabble summarises the result: after large deposits were found in Perak and Selangor from the 1840s, Chinese migrants dominated the industry.[3] In Selangor, the town of Kuala Lumpur grew up around the tin mines of the Klang valley. Yap Ah Loy, who became its third Kapitan China at the end of the 1860s, built his fortune on control of the local tin market and rebuilt the mining industry after the civil war that devastated the town.[4]

Secret societies, the Larut Wars and the Pangkor Treaty

The mining communities were organised by secret societies, which recruited the miners, kept order among them and fought one another for water, land and revenue. In Larut the Hai San and the Ghee Hin went to war four times between 1861 and 1874. The first conflict of 1861–1862 began over water for the mines at Klian Baharu and ended with a payment of $17,447 in compensation to the Ghee Hin by Ngah Ibrahim, Long Jaafar's son and successor. In 1872, after a murder in February, the Ghee Hin drove the Hai San out of Larut, whereupon about 10,000 Hai San fled to Penang.[5]

Because the disorder threatened the trade of the Straits ports, Chinese leaders in Penang petitioned the colonial government. Chung Keng Quee, the leader of the Hai San, signed such a petition with 44 other Chinese leaders on 26 September 1872. A dispute over the succession to the throne of Perak added a Malay dimension to the conflict, since Raja Abdullah, one of the claimants, sought British support. A letter on his behalf to the new Governor, Sir Andrew Clarke, was drafted in Singapore by Tan Kim Cheng and the merchant William Read, which shows how closely the commercial community of the colony followed events in the tin states.[6]

Clarke convened a meeting off the island of Pangkor. The treaty signed there on 20 January 1874 aboard the colonial steamer *Pluto* recognised Abdullah as Sultan of Perak and gave him a British Resident, "whose advice must be asked and acted upon

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on all questions other than those touching Malay religion and custom". Captain Tristram Speedy was appointed to administer Larut, which was renamed Taiping, "everlasting peace". Residents were also sent to Sungei Ujong in 1874 and to Selangor in 1875.[7]

From the Residents to the Federated Malay States

The Residential system turned the tin states into a British sphere of influence without formal annexation. The Residents organised revenue, police and courts while building the roads and railways that carried ore to the coast. Perak came first with a railway of 12.8 kilometres that connected Taiping with Port Weld in 1885. Pahang came under British protection in 1888. In 1895 a Treaty of Federation united Perak, Selangor, Negeri Sembilan and Pahang as the Federated Malay States, with Kuala Lumpur as capital. The treaty took effect on 1 July 1896, with Frank Swettenham as the first Resident-General.[8]

The fiscal results show the scale of the transformation. The revenue of the states rose from $409,394 in 1875 to $23,964,593 in 1905. Most of it came directly or indirectly from tin, through export duties, land rents and the revenue farms that taxed the miners' consumption. In 1883 the Malay states were already the largest tin producer in the world. By the end of the century Malayan tin exports reached approximately 52,000 metric tons, just over half of world output.[9]

European capital and the bucket dredge

Until the turn of the century Chinese miners worked the deposits with labour-intensive methods such as open-cast pits, hydraulic sluicing and the chain pump. European companies entered the industry with heavy machinery and access to the London capital market. Their decisive innovation was the bucket dredge, which could work low-grade alluvial deposits on a scale that Chinese methods could not match and which appeared in Malaya from 1912.[10]

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The shift in ownership followed. By 1929 European producers accounted for 61 per cent of Malayan output, according to Drabble. Another estimate gives European companies 58.6 per cent and Chinese companies 41.4 per cent of Malayan tin before the Second World War.[11] The two figures refer to different dates and different bases. Both show that within a single generation the industry passed from a Chinese enterprise financed in the Straits ports to a mixed industry in which London companies, managed through agency houses in Singapore and Kuala Lumpur, held the larger share.

Singapore's share: smelting and the Straits Trading Company

Singapore's place in the tin economy rested on processing and trade. Ore from the mines had to be smelted into ingots before it could be sold on the world market, and until the late 1880s much of it was smelted by Chinese smelters in the Malay states or shipped as ore. In 1887 the Scottish businessman James Sword and the German entrepreneur Herman Muhlinghaus formed a tin-smelting partnership, which was incorporated in Singapore on 8 November 1887 as the Straits Trading Company with a capital of $150,000.[12]

The company built a smelter on Pulau Brani, an island in the harbour opposite the town. Operating from 1890, it is described as the first modern industry established in Singapore, while Drabble notes more generally that Singapore was a major centre for smelting the ore into ingots.[13] By 1895 the smelter is said to have operated twelve furnaces with a capacity of 14,000 tons of tin a year. Its product, sold as "Straits tin", acquired a reputation for exceptional purity.[14]

The smelter connected Singapore with the London Metal Exchange, where tin was priced, and with the banks that financed shipments against warehouse receipts and bills of lading. It also gave the colony a stake in the prosperity of the Malay states, which reinforced the commercial lobby for British intervention. The company itself proved remarkably durable. It is still listed on the Singapore Exchange, has diversified into property, hospitality and investments and controls Malaysia

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Smelting Corporation, a listed tin producer in Malaysia. Few companies in Singapore can trace their business so directly to the commodity economy of the nineteenth century.

Notes

1. Wikipedia, "Long Jaafar" (accessed November 2026): tin found at Klian Pauh and Klian Bharu in 1848, where he started mining; in 1848 he went to Penang and "managed to bring back 20 Chinese men" to begin mining. ↩
2. On the financing of Chinese tin mining by Straits merchants and revenue farmers through advances of rice, opium and tools against delivery of ore, see Wong Lin Ken, *The Malayan Tin Industry to 1914*, Tucson, University of Arizona Press, 1965, chapters 1–2. ↩
3. John H. Drabble, "The Economic History of Malaysia", EH.Net Encyclopedia, ed. Robert Whaples, 31 July 2004: Chinese migrants dominated the tin industry after large deposits were found in Perak and Selangor from the 1840s. ↩
4. Wikipedia, "Yap Ah Loy" (accessed November 2026): third Kapitan China of Kuala Lumpur, with the infobox giving 1868–1885 and the text dating his succession to Liu Ngim Kong after Liu's death in 1869; amassed wealth through control of the tin market; rebuilt the mining industry after the Selangor Civil War, which began in 1867. ↩
5. Wikipedia, "Larut Wars" (accessed November 2026): first war of 1861–1862 over water access to the mines at Klian Baharu, Ngah Ibrahim paying the Ghee Hin $17,447 in compensation; third war of 1872 after the murder of Lee Ah Kun on 16 February, "about 10,000 Hai San fled to Penang". ↩
6. Wikipedia, "Larut Wars" (accessed November 2026): Chung Keng Quee signed a petition with 44 other Chinese leaders on 26 September 1872; Wikipedia, "Pangkor Treaty of 1874" (accessed November 2026): Clarke arrived in November 1873; Tan Kim Cheng and William Read, both in Singapore, drafted a letter to Clarke for Abdullah. ↩

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7. Wikipedia, "Pangkor Treaty of 1874" (accessed November 2026): signed on 20 January 1874 aboard the colonial steamer *Pluto*; the Resident's advice "must be asked and acted upon on all questions other than those touching Malay religion and custom"; residents sent to Sungei Ujong in 1874 and to Selangor in 1875; Pahang placed under British protection in 1888. Wikipedia, "Larut Wars" (accessed November 2026): Captain Tristram Speedy appointed to administer Larut; Larut renamed Taiping, meaning "everlasting peace". ↩
8. Wikipedia, "Tin mining in Malaysia" (accessed November 2026): "In 1885, 12.8 km of railway was constructed connecting Taiping to Port Weld in Perak." Wikipedia, "Federated Malay States" (accessed November 2026): established in 1895 under the Treaty of Federation, which "formally went into effect on 1 July 1896"; members Selangor, Perak, Negeri Sembilan and Pahang; capital Kuala Lumpur; Frank Athelstane Swettenham first Resident-General from 1 January 1896. ↩
9. Wikipedia, "Federated Malay States" (accessed November 2026), revenue table in Straits dollars: 1875 revenue $409,394; 1905 revenue $23,964,593. Wikipedia, "Tin mining in Malaysia" (accessed November 2026): "In 1883, Malaysia was the largest tin producer in the world." John H. Drabble, "The Economic History of Malaysia", EH.Net Encyclopedia, 31 July 2004: by the end of the nineteenth century Malayan tin exports were approximately 52,000 metric tons, just over half of world output. ↩
10. John H. Drabble, "The Economic History of Malaysia", EH.Net Encyclopedia, 31 July 2004: a bucket dredge appeared from 1912; European producers accounted for 61 per cent of Malayan output by 1929. ↩
11. Wikipedia, "Tin mining in Malaysia" (accessed November 2026): before the Second World War, European companies mined 58.6 per cent of Malayan tin and Chinese companies 41.4 per cent. ↩
12. Wikipedia, "Straits Trading Company" (accessed November 2026): founded in 1887 as a tin-smelting partnership between James Sword and Herman Muhlinghaus; incorporated in Singapore on 8 November 1887 with a capital of $150,000; today listed on SGX (S20), diversified into hotel and property

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management and financial investment, with mining and smelting carried out through its 73 per cent-owned subsidiary Malaysia Smelting Corporation Berhad. ↩

13. Roots.gov.sg, National Heritage Board, collection entry "View of Pulau Brani" (accessed November 2026): "a tin smelter was built on the island by the Straits Trading Company in 1890", Singapore's first modern industry. John H. Drabble, "The Economic History of Malaysia", EH.Net Encyclopedia, 31 July 2004: Singapore was a major centre for smelting ore into ingots. ↩
14. NLB Infopedia, "The Straits Trading Company Limited" (SIP_1247): twelve furnaces and a capacity of 14,000 tons a year in 1895; replacement by fifteen gas-fired furnaces in 1902; reputation of "Straits Tin" for purity. ↩

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