

**A History of
THE
PAHANG CONSOLIDATED
COMPANY LIMITED**

1906-1966

**PERPUSTAKAAN
NEGARA MALAYSIA**

**Blomfield House, 85 London Wall
London, E.C.2.**

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The Pioneering Years

The Pahang Corporation

IN 1887, BEFORE BRITISH INTERVENTION in Pahang, the price of tin was less than £70 per ton. There was at that time little hope of reward for capital investment and, as was seen in the introduction, the political and social climate of the State was uninviting for private enterprise ventures. Yet such was the confidence and tenacity of the men of stature and vision who formed the first leaders, management and workers of the early pioneers of The Pahang Corporation, that the history of The Pahang Consolidated Company Limited began on solid foundation in 1906. But the grass roots still lie in the years from 1887 to 1906.

Mining in the Sungei Lembing district of Pahang has a record that goes back to prehistoric times and subsequently the area was worked by Malays and Chinese by open cast methods for about 100 years.

The Ulu Kuantan territory of Sungei Lembing at that time was deemed to be the private domain of the Sultan of Pahang. The story has it that on his marriage with the daughter of Lim Assam (Ah Sam) known as Captain China of Billiton, he gave this land to his wife as a wedding present, and she in turn passed the mining rights on to her father.

Under a Concession dated November 8, 1883, the land of "Sunghai Kuantan, Sunghai Triang, Sunghai Rumpen and Sunghai Endau", an area of 2,500 square miles, was granted for 75 years to the Pahang Company, a company to be formed by "Towkay Lim Assam of Billiton, Towkay Goo Soo Sooe of Singapore and Mr. Louis den Dekker, gentleman, residing in Singapore". Under the terms of the Concession a royalty of 10 per cent on all tin or other minerals exported was to be paid, but the company was to be exempted from all port dues and other kinds of duty, including that on timber, which the company was to be allowed to cut in any part of Pahang.

Meanwhile, through the agency of William Fraser, a manager of mines in Ulu Tras, Pahang, a company called The Pahang Mining Company was formed in England for the purpose of buying the original Concession in 1886, but it found difficulty in raising the necessary capital and the Concession apparently lapsed.

IN 1887, A NEW COMPANY was formed in England, The Pahang Corporation Limited, and registered on December 3 of that year. Again through the instigation of William Fraser and because the Corporation proposed "to do business on a larger scale", the Sultan Ahmad Muatham Shah of Pahang, granted a new Concession. This Concession, dated September 1, 1888, for 80 years, comprised some 2,000 square miles of largely unsurveyed land, and excluded the Sungei Triang area but added the valleys of the Sungei Gambang and its tributaries. William Fraser became the Corporation's Local Director.

The same royalty of 10 per cent was payable under the new Concession on tin and certain other minerals, but other rates were quoted for copper, lead, tapioca, coffee, pepper and gambier.

Almost immediately, the Corporation, with an issued capital of no more than £200,000, appreciated that the immense area of land possessed by it could only be adequately worked with large capital, and sub-leased two portions for £100,000 each to The Pahang-Kabang Ltd. and The Pahang-Semeliang Co., subsidiary companies.

The first directors of the grass roots Pahang Corporation were E. A. Pontifex (Chairman), J. A. Bell, N. S. Maskelyne, M.P., C. J. F. Campbell, R. Ward, Lt.-Col. H. A. Nicholson and W. Fraser. Daniel Willink was Secretary. It is interesting to note that Willinks Mine, and many of the lodes, shafts and adits, are to this day named after some of these early pioneers. Messrs. Hays, Akers & Hays, whose name appears as Auditors on the first Balance Sheet of the Company (*facing page 14*) have remained Auditors of the present Company until this day. The Registered Offices of the early Pahang Corporation at Blomfield House in the City of London are still the offices of today's Pahang Consolidated Company, and the Directors continue to sit at the same Board Room table as did their predecessors 70 years ago.

The Company had considerable trouble in securing the services of a reliable and responsible superintendent to take charge of the property and mining activity. William Fraser who, as Local Director, had had an extremely difficult and onerous task in initiating operations—which he clearly did with zeal and industry—was soon to retire, as also was a Capt. Harry Teague who—owing to certain dissensions—lasted only a year as Managing Superintendent. Capt. Teague, nevertheless, had optimistic views on the future of the property.

In a report, dated 1888, in which he recommended the erection of more than 500 head of Cornish stamps, he mentioned old workings on Sungei Sumpit Ikan, Sungei Perong, Semeliang Mine, Willinks Lode, Willinks South Lode, Bells North Lode, Bells South Lode, Pollocks Mine, Jeram Batang Mine, Segantang or Rodgers Lode, Simons Lode, and Galena Lode. The majority of the mines had been worked by Chinese under contract to William Fraser.

In June, 1889, a Captain James Hosking was appointed Chief Superintendent to take entire charge, but he in turn survived for little more than a year. Good man though he was, the records have it that he was not "sufficiently young and hardy in constitution" to stand up to the tough conditions of mining in a tropical climate, and had insufficient driving force to handle the endless troubles these early miners had to face.

By October, 1890, the year Capt. James Hosking's agreement was determined, the labour force line-up of The Pahang Corporation comprised 435 Chinese and 31 Javanese, Eurasians and Malays, a polyglot staff that needed a tough man at the top. The European staff at the time were as follows:

Local Director	William Fraser
Superintendent	James Hosking
Ass't Superintendent	Joseph Hosking
Clerks	Robert Latto and W. H. Derrick
Explorer	Alfred J. G. Swinney
Blacksmith	William H. Clark
Engineer	George Tangye
Carpenter	William Bennett
Tin Dressers	A. L. Wilton
	W. E. Wilton
	R. Wilton
Tin Overseer	Donald McLure
Surveyor	F. G. Durnford
Mine Agent	D. W. Jones

IT WAS FORTUNATE that, coincidental with the departure of Captain Hosking in October, 1890, the Corporation was able to secure the services of a Mr. Arthur H. Neild as Chief Superintendent, and from then on, as the records show, continuity in effective and satisfactory supervision appears to have been secured. The first tin to be shipped by the Corporation was reported in 1890. Mining first took place below adit level in 1892 and in the financial year ended June 30, 1892, 259 tons of concentrates were produced. Records show that the ore mined averaged 5 per cent tin oxide.

Mr. Neild stayed five years, managing also the subsidiary companies, Pahang-Kabang Ltd. and Pahang-Semeliang Co., in which the Corporation had a share capital stake, and he served the Corporation with such distinction and satisfaction, that his resignation on account of ill-health in 1895 was accepted by the Directors with great regret.

The initial selection of Mr. Neild and his appointment in 1890 had been influenced by the British Resident in Pahang who, in his Annual Report for 1889, had expressed the view that:

“... it is more important that an Eastern Mining Manager, who must necessarily be entrusted with very wide powers by the Directors of his Company, should be a capable man of business, accustomed to life in the East, than that he should possess the practical mining experience which can be readily supplied by his subordinates. . . .”

There is no doubt that it was these views, and the success of Mr. Neild, which influenced the Directors of the Corporation to choose as his successor a clerk who had already been some years in their employ. He was Mr. W. H. Derrick and he succeeded Mr. Neild as Superintendent in 1895, and held this responsible position for ten years to 1905.

Less than a year after the appointment of Mr. Derrick, difficulties again arose over the Corporation's Concession. It was the year after the State of Pahang became one of the protected Malay States to be administered under the advice

The first Balance Sheet of The Pahang Corporation, Limited, covering the period from December 3, 1887, to April 30, 1889. Dated Blomfield House, London, E.C.2, July 18, 1889.

Dr. THE PAHANG CORPORATION, LIMITED,

LIABILITIES AND CAPITAL.			
	£	s.	d.
To Capital Account			
Authorised issue £200,000 in shares £1 each			
Issued and fully called up	197,321	0	0
Less calls in arrear since paid	14	0	0
			197,307 0 0
To Sundry Creditors			
To Premiums on Shares	2,971	16	6
Less Preliminary expenses written off	868	5	6
			2,105 11 0
To amount received from the Pahang - Kabang, Limited, for a portion of the property sold to them	100,000	0	0
Less Bonus dividend paid thereout	29,597	2	0
			70,402 18 0

NOTE.—The dollar is taken at 3s.

NOTE.—The purchase money received in respect of the Kabang Hills is treated as in suspense as it would not be possible to determine accurately the relative capital value of this portion of the property until the whole has been explored and reported on.

271,735 11 0

We have examined the above Balance-Sheet with the Books, the Accounts received from Singapore, and find the same to be

LONDON, 18th July, 1889.

Wm. D. Munro & Co.

Wm. D. Munro & Co.

BALANCE SHEET, 30TH APRIL, 1889.

Cr.

ASSETS AND EXPENDITURE.			
	£	s.	d.
By cash on hand			7,787 13 3
By purchase of property			150,000 0 0
By payment in Cash and Shares to the Sultan of Pahang on account of new concession			5,480 0 2
By outlay thereon for developments, &c., including wages and salaries, mining stores, royalty, &c.	25,881	11	5
Less value of metal obtained and sundry receipts and profits on stores	6,385	6	1
			19,496 5 4
By expenditure for London expenses—			
Salaries, rent, &c.	988	2	5
Cablegrams	401	18	2
Directors' Fees (17 months)	1,337	10	0
Law costs	312	11	4
	3,040	1	11
Less transfer fees, interest, &c.	605	19	5
			2,434 2 6
By outlay on plant and machinery	5,635	8	3
By outlay on buildings and furniture	811	2	8
			6,446 10 11
By office furniture, London			90 15 6
By stock of tin and stores in Singapore	5,427	19	8
By stock of tin and stores in transit	494	6	6
			5,922 5 9
By shares in Pahang-Kabang, Limited	50,000	0	0
By cash on deposit	20,402	18	0
(Representing balance of purchase per contra)			
By sundry debtors			70,402 18 0
By difference in exchange or remittances			2,922 3 1
			752 16 6
			271,735 11 0

Accounts, and Vouchers of the Company in London and with correct abstract thereof.

Wm. D. Munro & Co.

Wm. D. Munro & Co.

of the British Government. Suddenly the Sultan of Pahang, acting under the control of the State's Government, cancelled from the Corporation's 1888 Concession, the outlying portion of the territory belonging to the Corporation, and its rights were restricted to that part of the Kuantan district above Kuala Reman.

Details of the original mining Lease, and of subsequent new mining titles reflecting on the future of the Company, will be found in Chapter V (page 65).

THIS CONCENTRATION of the mining area did not seriously affect the development of the Corporation, and it was during the tenure of office of Messrs. Neild and Derrick as Superintendents up to 1905 that the fortunes of the Corporation were assured and the foundations of The Pahang Consolidated Company were really laid.

The difficulties of those early years, which were successfully overcome, were mostly of a physical character. The almost complete isolation of Sungei Lembing was the first challenge to be met. Although the area had been surface worked in a primitive manner for more than 100 years by the Malays and Chinese, without the use of explosives and only by an open cast system of mining, the territory was still virtually jungle-locked without roads or railways, and was quite inaccessible except by river from the port of Kuantan, 40 miles away.

Kuantan, 200 miles by sea from Singapore, was itself isolated. There were no ships regularly sailing to Kuantan. In uncharted waters, navigation and entry into the mouths of the rivers on the east coast of Malaya, were always hazardous, and during the north-east monsoon season often four months would elapse without supplies inwards being landed at Kuantan from Singapore, or the Corporation's output of tin being shipped away to Singapore.

At one time the then agents of the Corporation in Singapore, Messrs. Paterson, Simons & Co., had to charter a vessel, the *Pilot Fish*, to serve Kuantan, whilst a little later Mr. Neild had to purchase a steamer, the *S.S. Perse*, in an endeavour to ensure that a ship would call at Kuantan regularly twice a month; once, recourse was made to the use of native sailing craft.

Wharves, warehouses and associated facilities, including a hospital, had to be built and provided almost immediately at Kuantan by the Corporation, and it is true to say that Kuantan owed its existence to the Corporation's activities and enterprise in Pahang in those early years.

By 1893, a track through the jungle was cut from Sungei Lembing to Kuala Reman, a point about 12 miles down stream. A specially designed shallow draught stern-wheeler sent out from England was then able to get up the river as far as Kuala Reman, and the journey from Kuantan to Sungei Lembing, which on one occasion took 15 days and rarely less than two, was appreciably shortened. Even so for years after, the journey by river was unreliable, since it was so often either in flood during the monsoon season or, in the dry season, there was insufficient water in its upper reaches, and in quite recent times the river was not navigable above Pasir Kemudi.

TO ATTEMPT AN APPRAISAL of all the hazards and hardships of the early years in travelling to, and safely reaching, Sungei Lembing, let alone living there in



In the early days, communication was one of the big problems for the Company. During the year 1892, a path was cut from the Mines to Kuala Reman and a stern-wheel launch was put into commission from there to the port at Kuantan. A second stern-wheel launch was commissioned in 1913. The photograph shows one of the stern-wheelers, Pahang, with oil barges in tow.

such isolation—without electric light, modern sanitation and the amenities which constitute the minimum of comfort and security—requires no little imagination.

As soon as the Corporation began operations in the Sungei Lembing district, with a small staff and an insignificant labour force, which it was difficult to obtain and retain, the health of the community became a prior consideration. There was much sickness and an alarming mortality rate, which was to continue for many years. Of poor physique and with little or no stamina, numbers of the Sinkehs from China fell easy victims to disease and fever in a new climate to which they became acclimatised very slowly.

The incidence of sickness was especially widespread when working on jungle clearing and timber cutting in swampy unopened areas and the like. Broken-down opium smokers, brought into Lembing to work for contractors, did so for as long as they could before going into hospital to die. Beriberi and diseases of the intestine carried off large numbers of labourers. Generally, they had little idea of hygiene or belief in the simplest principles of cleanliness and could not be guided. In 1900/1, there were 298 deaths in all.

In the same year, few of the Europeans escaped an illness of some sort. Of four sent home on account of their health, two—both excellent men for their work—died on the way.

A doctor was sent out by the Directors in 1890/1—Dr. A. D. Owen—the Corporation's first Resident Medical Officer in Sungei Lembing who, however, was soon after allowed to leave the Corporation's employ to join the Colonial Government Service. He was succeeded by a Dr. J. W. Rolph (1892/1901), a Dr. J. Dodds (1901/4), and finally by Dr. W. Oscar Pou (1904/19). Dr. Pou, who had been the late Resident Surgeon and Physician at The Seamen's Hospital in London, and had had a special training in the prevention and cure of beriberi and other tropical diseases, took up residence in Sungei Lembing with his wife.

There were no government hospitals in Sungei Lembing and Kuantan in 1890, and it was therefore expedient for the Corporation, at its own expense, to build a hospital in each of the two towns, both of which were then maintained and run by the Corporation and its medical officers. These institutions dealt not only with the European staff and labour force of the Corporation over the years, but they also succoured and cared for all and sundry, including Government Police, P.W.D. personnel, and others who needed medical attention in the Kuantan and Sungei Lembing districts.

THE WORK OF MINING itself was not without its problems and difficulties. As we have seen, the work below adit level began in 1892, when a shaft at Pollocks Mine reached a depth of 40 feet. It was almost impossible to get Chinese to go underground and work in the shaft as they were only used to surface work. Four Europeans, therefore, were brought from Australia and one from England to train the Chinese, after which three of the Europeans were later repatriated.

There was difficulty in securing enough labour for all purposes. A Chinese, to whom certain ground was let to be worked on tribute, was financed by the Corporation to go to China to select and bring back suitable labourers, but he absconded with the cash owing to the carelessness of the Hong Kong labour brokers employed by the Corporation's Agents in Singapore.

Some experimental planting of tobacco was carried out, but an initial trial parcel of leaf sent to Deli to be fermented was spoilt owing to neglect by an employee of Agents there. Later five fields at Kuala Reman were planted with tobacco and there was a small crop from which some specimen cigars were made and produced for consumption at an Annual General Meeting of shareholders. The minutes of the meeting did not record the opinion of the shareholders on the quality of the cigars, but it may be significant that not much time was thereafter devoted to tobacco growing.

By 1892, eight bungalows, an office, assay house, food store, tin house, materials store, magazine, smith's shop, battery shed, and 14 labourers' lines, in addition to the hospital, had been built at Sungei Lembing; at Kuala Reman, two bungalows, two labourers' lines, a store and a drying shed had been built by the same year.

Illness among the labour force persisted, and continued to be a trial. A Mr. Nanta, an experienced Dutch prospector, appointed and sent out to take charge

A photograph of the original Bagnall locomotive and crew which served on the light railway, laid in 1913, between Kuala Reman and the Mines. The railway was later extended to Pasir Kemudi, as silting of the river channel prevented launches reaching the higher point of Kuala Reman.



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of operations on some reputedly rich alluvial deposits in the districts of Blat and Gambang, where work was subsequently suspended, lost over 75 per cent of his labourers who either died or disappeared. The remainder were so feeble and sick they were of little use. Finally, Mr. Nanta, himself, suffered severe illness and resigned his appointment.

A Mr. Swinney, engaged to prospect and who favourably reported on the Sunghai Rumpen district of the Concession, had to terminate his exploration work owing to the inadequacy of funds at the Directors' disposal.

An agreement was made with an opium farmer to pay a fixed sum of £50 per month to the Corporation for the privilege of supplying the labourers with opium, a matter deemed to be of some importance as it was thought he would