2003

Colonial companies, indentured labour and imperialism 1860-1940

Robert Castle  
*University of Wollongong, rcastle@uow.edu.au*

James Hagan  
*University of Wollongong, jhagan@uow.edu.au*

Andrew D. Wells  
*University of Wollongong, awells@uow.edu.au*

Publication Details  
Colonial companies, indentured labour and imperialism

1860-1940

Robert Castle, Jim Hagan and Andrew Wells

(University of Wollongong)

The Imperialist Controversy

The literature on modern imperialism is both immense and inconclusive. The definition, central facts, archival sources, methods, theories and implications of ‘imperialism’ are subject to endless contestation. The doyen of Australian liberal historiography, WK Hancock, was moved to warn nearly half a century ago, ‘Imperialism is no word for scholars’. Despite his assertion the scholarly and polemical debates continued unabated.

In recent years the discussion of imperialism has moved in two rather different directions. On the one hand the framework first articulated by I. Wallerstein1 and later refined by ER Wolf2 and G Arrighi,3 has underpinned a conception of critical globalisation with a Marxist flavour. Their more or less coherent theoretical and historical sweep evokes a sense of the growing market-based connections between Europe, Africa, Latin America and Asia from the sixteenth century onwards. Trade and the circulation of raw material, money, commodities and workers created the sinews of the all-embracing world market. And this market – the forerunner of modern capitalism – carried an imperative that would reshape the world. The implication of this spread of the world market is that there were global winners and losers in an international system of commodity production and exchange. In this framework imperialism became a later phase of this four-century process as European powers competed for global hegemony while tightening their grip on the non-European countries by formal annexation and colonial rule.

The other powerful, but seemingly divergent contribution, has focussed on the employment of traditional methods of historical research. It has eschewed the larger theoretical categories of the world-systems writers and comparative sociology. Rather it has made considerable empirical progress in understanding the metropolitan forces, institutions and personalities that have engineered the various colonial projects. The outstanding contribution to this analysis has been Cain and Hopkins in their two-volume history of British Imperialism.4 Two further exemplars of this approach include White’s detailed work on British decolonisation in Malaya and Washbrook’s book on colonial Madras.5 In these cases the detail of the analysis seems to undercut the radical generalisations advanced in the other tradition. White concurs with another historian, ‘...that the central assumption of the neocolonialism argument...remains for the moment unverifiable.’6

There are three major areas of difference in approach and conclusion. In the first place the emphasis moves from capitalism as a coherent but impersonal mechanism towards a business, investment and political environment full of intrigue, contradiction and forceful personalities. Because the focus is on the actors and authors who made the imperial order we are able to understand, even empathise, with the drama of human agency. Second, we are quickly made aware of the political processes that shaped colonisation and imperialism, and the complex mixture of material, ideological and even idealistic motivations that produced as much argument as unity about colonial policy. Last, we come away with an acute sense of contingency in the whole imperial venture. It is the complex array of players that determine the outcomes, not any teleology of global capitalism.

In this paper we wish to add a third approach. We concentrate on a particular phase of imperial expansion, 1860-1940, in particular industries, and view the process not from the boardrooms and parliaments of Europe, but from the workers’ perspective. We seek to illuminate how and why millions of workers in Asia and some thousands in Australia were recruited and inducted into commodity production to meet changing European needs. In the process we hope to demonstrate that the broad brush-strokes of the world-system theorists and the studies of the more empirically orientated writers of ‘Gentlemanly Capitalism’ are not as incompatible as might first appear. Our focus on labour provides what we believe is the missing link. In order to argue this case we have had to rely on example and illustration rather than detailed comparative analysis.

Labour Demand

The production and exchange of global commodities has a very long history. In the nineteenth century the volume and value of this trade grew rapidly. A global division of labour was becoming more apparent: the raw materials for the industrial economies of Europe and the foodstuff they needed for the growing urban populations were increasingly produced in the non-European world. Sugar and cotton grown by slave labour were the pioneer commodities of this specialisation. In both cases millions of Africans were shipped to supply forced labour for plantation economies. In the 1830s pressure to abolish slavery resulted in Britain banning slavery at home, in the colonies and in its trade. In the 1860s the United States abolished slavery. The tide was turning against the forced relocation of potential workers and their employment in conditions of permanent servitude.

The demand for sugar and cotton did not abate, and the demand for existing and new products continued to increase. Tea, rubber and meat were three important examples. Tea from India began to surpass the demand for Chinese tea; demand expanded very quickly in the late nineteenth century. Rubber, which was essential for waterproofing clothing, electrical insulation and bicycle (and then motor car) tyres was required in vast quantities in the late nineteenth and early twentieth century. Canned and later frozen meat became a major international commodity from the 1880s. The sources of these and other commodities were various, and each of the contending industrial powers worked to find secure supplies preferably from their formal colonial possessions, or at least from their semi-colonial sphere of influence. Some of these products were dependent on tropical climates and specific topography while others like meat required extensive grazing lands. Much experimentation, frequently unsuccessful, occurred to find the best match between the product and optimal environment.

In the case of sugar and the expanding tea and rubber industries, there were lessons learnt from the use of slave labour. An important conclusion was that plantations using an industrial labour process were the most efficient means of production. The plantation was industrial agriculture — it was based on very extensive commercial monoculture, with a large and specialised workforce subject to rigorous discipline. It was a dramatic break with peasant agriculture where self-sufficiency with a small tradeable surplus was typical. The result was the almost complete commodification of production.

Plantations consumed vast quantities of labour power. They needed vast armies of workers to clear land; to bring it into conditions suitable for planting, vast acreages had to be planted, tended and ultimately harvested. Furthermore, once harvested, the raw materials were frequently transformed before packing and shipment could occur. The beef industry was somewhat different — it required extensive but cheap land for production, a relatively skilled workforce and thus did not lend itself to the imposition industrial labour processes. But in all of our examples labour was almost impossible to recruit without the employment of coercive or deceptive techniques. Neither free labour nor local labour could readily enter these industries given the nature of the work, rewards and discipline. Neither slaves nor free wage labour was available for these profitable and strategically important industries. The solution seemed to be long-distance recruitment using the indenture system, a technique that had preceded slavery in the American colonies, or to use indigenous labour that was already denied basic rights as citizen or worker.

**Recruitment at a Distance**

Colonists wishing to establish tea gardens/or rubber plantations usually decided to import their labour from distant places. It was not simply that there were not enough locals to supply the scores of thousands of men needed to clear the jungle, dig the drains and build the roads. Whether planting tea in Assam, or rubber in Indochina,7 the newly arrived owners found the local natives unsatisfactory. The tea planters of Assam believed they were ‘naturally indolent’, ‘lazy’, and ‘largely addicted to the use of opium’.

Likewise, rubber planters opening up the ‘red lands’ in south Indochina reported that the Mois who lived there were ‘unreliable’, would turn up to work only when they felt like it, and would go home to their families at night rather than camp out and be ready for an early start the next day. Whether hunter gatherers, or settled village farmers, local natives showed no enthusiasm for converting themselves into disciplined workers labouring at heavy and dangerous tasks for wages.

Besides, the local natives always cost too much. In the ten years before 1810, when ‘tea mania’ was getting under way in Assam, the price of local labour doubled, and its high cost ‘would materially affect the profits of tea cultivation’.

Like the Mois, the Assamese natives had the alternative of ressources accessoires, and in the opinion of the planters, had to be paid far too much to do work even in their own unsatisfactory way.

The solution was to recruit workers who came from a considerable distance away. Frequent local famines in India supplied workers for the tea gardens of Assam, and the rubber plantations of Malaya; the overpopulated Red River Valley in the north of Indochina supplied recruits for the rubber plantations in the south; the millions of the small island of Java for the tobacco plantations of Sumatra. Once arrived, the coolies were isolated. They had no ressources accessoires, and their missed origins helped ensure their relative docility.

These people, in law, were not slaves. Technically, they were contractors who had entered voluntarily into an agreement to supply a service — their labour — over a fixed period. The legal instrument which they had signed — or most usually, put their thumbprint to — was called an indenture, and in the eighty years before the Second World War, some tens of millions of natives bound themselves to service in this way.

In Australia, the practice was never widespread, but its essential features reproduced themselves in the Protector system. From the 1870s, the Australian colonies adopted this system as a means of regulating the employment of Aboriginal labour. Employers wishing to hire Aborigines as workers had to do so through a Protector appointed to watch over the interests of the Aborigines in his charge. With his approval, the Aborigine signed, or attached his thumbprint, to a document very like what in Asia was called an indenture. Essentially, this document bound the Coolie or the Aborigine to serve a particular employer for a specified period which might be as long as five years. It set out rates of pay and hours of work and required the employer to provide
shelter, food and medical care. The conditions it set out could not be varied during the period named, and its terms were enforceable at law. Legislation provided penalties for infraction.

For the employees, these were severe. Section 31 of the Queensland Act authorised a Protector

To inflict summary punishment by way of imprisonment, not exceeding 14 days, upon Aborigines who in the judgement of the Protector are guilty of any crime, serious misconduct, neglect of duty, or gross insubordination ... 11

The Western Australian Act made it an offence for Aborigines to ‘neglect, refuse, desert or quit without the consent of their employer’, and provided penalties of goal for up to one month.

There were similar penalties for Indian or Indochinese coolies who broke the terms of their indentures. In India, the Workman’s Break of Contract Act of 1859 provided for imprisonment for up to three months with hard labour for coolies found guilty of breach of contract. 12 In Indochina, a coolie absent from his plantation for 48 hours or more was deemed to be guilty of desertion, and was liable to imprisonment from six to 60 days. 13

This punitive legislation was no idle interest. Colonial governments supplied police and military assistance in tracking down absconders. The planters themselves formed posses, and in Assam retained the right of private arrest without warrant until 1908. In Assam the Act of 1859 continued in force until 1926. In Indochina and Australia the penal provisions of the legislation continued until the Second World War and after.

The planters, the estate owners, and the governments that supported them had standard replies ready for those who criticised the use of criminal proceedings to discipline a workforce. The use of coercive powers against coolies for breaches of indenture, they said, was only fair. The same indenture that compelled work from the coolies also laid duties on the employers. They had to provide shelter, food and medical services, and as agencies like the International Labour Office took a greater interest, so government regulations compelled the owners to spend more on them. Moreover, the costs of recruitment and transport often represented a considerable investment. They were entitled to a fair return.

Colonial governments often took a more altruistic approach. They were inclined to see themselves as fulfilling a civilising mission, advancing the natives from their primitive state through the first stages of capturing the benefits of the Western world. The French were particularly conscious of themselves as passing on their great heritage. ‘Our native policy [in Indochina],’ said Governor-General Sarraut, is the Declaration of the Rights of Man as interpreted by St Vincent de Paul’. 14

The British and the Dutch were also confident that their colonial labour policy was in the natives’ best interests. In Australia, missionary Protectors often saw work discipline as a pre-condition of Christian salvation. 15

So the work of disciplining native labour even had a quality of nobility to it, especially when there was some doubt as to whether coolies and Aborigines were really human. In Assam, according to Sir Bampfylde Fuller, the coolies were ‘beasts in a menagerie’. As late as 1948, the Member for the Tennant Creek district in the Northern Territory of Australia found it necessary to reassure fellow members of the Territory Council that the natives... who after all constitute a majority of the population of the Northern Territory... are human beings, so the scientists tell us 16

Employers who believed their native workers to be sub-human found it easy to ignore the conditions set out in the contract they had signed. In Northern Australia, many employers of Aboriginal labour did not bother consulting with their workers’ Protector, and did not sign any documents which stipulated the conditions of hire. When he visited the Cape York settlement of Coen in 1935 to investigate the dealings of a corrupt Protector, Sub-Inspector Collyer wrote

From the information I have received, I have no hesitation in saying that the employment of Aborigines without a permit on agreement, and without payment other than food and clothing, has existed here for many years and is regarded as a right. 17

Even many of those employers who had signed indentures or agreements did not pay wages in money, or paid at a lower rate than the one specified, or paid late and irregularly. 18 They also ignored requirements in the indentures to supply adequate shelter hygiene and food. On the tea gardens of Assam and the rubber plantations of Indochina, employers housed coolies in the barracks built of local softwoods and bamboo. In these the coolies cooked and ate, as well as slept. In rainy weather, the roofs leaked and the floors turned to mud. There was no reticulated water supply, and pit latrines were often dangerously close to the communal wall. The rice the planter supplied was of poor quality, as well as being inadequate. In the 1930s when regulations required them to supply rations other than rice, the fish supplied was often rotten. 19

Complaining to overseers planters was often risky. In northern Australia, cattle station owners and overseers were still inflicting cruel and unusual punishments on their Aboriginal employees as late as the 1950s. Bashing the soles of feet of runaways was not usual, but physical assault was not uncommon. Henry Cotton, High Commissioner of Assam, noted that some planters, including some of the most ‘respectable’ applied their own summary punishments including imprisonment and beatings with the rattan without reference to magistrates. 20

64 — Transforming Labour: Proceedings of the Eighth National Labour History Conference
An official inspecting Michelin's very large plantation at Phu Rieng in Indochina visited the 'dark house' (the prison) and the hospital in which coolies were recovering from their beatings. 21

The combination of harsh discipline, inadequate shelter, poor food, and hard and dangerous work led to very high death rates among coolies. In 1906, the Assam Labour Enquiry Committee reviewed the forty years of the indenture system established by the Act of 1865. It accepted an estimate of death rates between 40 per thousand for coolies who migrated to Assam before 1891, and 60 per thousand for those who arrived between 1891 and 1900. 22 In 1930, L'Institut Pasteur estimated that the death rate among coolies in south Indochina in the previous five years had been between four and five times that of the average population – a statistic which becomes even more gruesome when it is remembered that coolies were men in their twenties and thirties who had been certified medically fit before they began working on rubber plantations. 23

In Assam, the rise in the death rate was paralleled by a dramatic decrease in the birth rate among the adult female population on the tea gardens. In 1882, it had been 133.1 per thousand; in 1904 and 1905 it was 92.1. The Assam Labour Enquiry Committee reported that some of this was due to bad water and bad drainage, some of it to abortion, and some of it to insufficient food and inadequate diet. 24 Poor nutrition and abortion in turn were linked to low wages.

Forty years later, the anthropologists R M and C H Berndt accepted a commission from pastoralists to investigate the declining birth rate among the Aborigines who supplied the workforce for their cattle stations in the Northern Territory. The Berndts concluded that the falling birth rate was largely a result of poor food, poor shelter and poor health. 25 Yet the agreements assented to by the Aboriginal workers and their employers, and witnessed by the Aborigines' Protector, had required the provision of adequate food, clothing, shelter and medical attention. The Berndts reported that the pastoralists could 'do what they liked' because of the lack of supervision. 26

This was true wherever the indenture system or some variant of it was in operation. When the Western Australian government established its protector system in 1883, it appointed one inspector (with a bicycle) to police it throughout an area of almost a million square miles. When the Government of Indochina established a labour bureau in 1930 to implement its new Labour Code, it appointed six inspectors – a number which was quietly reduced to zero during the Great Depression. 27

Failure to staff inspection services adequately was the most obvious outward sign of governmental lack of will. In 1882, the Government of India revised the Act governing recruitment of coolies to allow 'free contracting' which would remove coolies from the fixed conditions of indenture. It did not work that way. A legal loophole in the drafting of the Act turned the entire process of 'free contracting' (in the words of a witness at the Assam Labour Enquiry Committee's hearing) into a 'fraud' which had entrapped three quarters of a million coolies into indentured service over the next 20 years. 28 The officials the government later sent out to inspect the tea gardens were junior officials who had no statutory authority, so that the planters were free to ignore their recommendation. In Queensland, Protectors were policemen who often resented the unpaid extra duty the role required. They responded by ignoring their responsibility, or by colluding with shopkeepers to make money out of their power to supervise their wards' spending. 29

Theoretically, coolies in India and Aborigines in Australia had legal redress against these abuses. Defenders of the indenture and protector systems often pointed out that coolies and Aborigines were not only British subjects; they were British citizens, and that signing an indenture had abrogated none of their rights in law. In practice, it was impossible for the native workers to take advantage of them. 30

This remained true, even if they understood the nature of the document they had signed, and the means by which its requirements might be enforced – which was unlikely. In Assam, coolies who believed their employer had breached the indenture could take their case to a magistrate. But the magistrate was

A member of a small European community in a distant land who may be playing bridge or billiards with a planter one month, or who may be serving under him as a Trooper in the light horse, and who in the next month may be called on to try and punish him for cruelty to a contract labourer. 30

In Western Australia, many pastoralists were Justices of the Peace, and the government dealt with the problem of conflict of interest by an amendment to the Aboriginal Offenders' Act. The amendment removed the disqualification on Justices of the Peace from adjudicating cases in which they had an interest. 31 No such disqualification operated in Indochina, nor was one thought to be necessary.

The only serious challenges to the abuses of the indenture system came from international bodies like the International Labour Office and specifically, in Indochina, from the Gondal Committee of Inquiry. Governments were able to fend off increasing criticism after the First World War by pointing to legislation which laid increasing responsibility on employers for the welfare of their indentured workforce – and, again in Indochina, a significant improvement in the death rate. When the Second World War began, the system had not been seriously challenged anywhere except in Assam, where the flooding of the local labour market in the 1930s with 'free' labourers achieved the indenture system's primary aim of holding down the price of labour.

Even here, part of the oversupply consisted of coolies originally engaged under indenture. In 1940, wage rates in the tea gardens were significantly less than they were outside them, as they had been for the whole period of operation of the indenture system. Its effectiveness in this regard was clear to the Assam Labour...
Enquiry Committee, which had noted that between 1865 and 1901, the rupee had depreciated by one third in real value, while coolies under indenture worked at fixed rates for the period of contract. This inflationary trend, with some notable accelerations, continued until the thirties.

Though over a much shorter period, the indenture system did much the same service for the rubber planters of Indochina. It was not until the late thirties that some of them began to consider that the rigidity of the indenture system’s costs may have been working against them. The majority of planters defended the system against the policies of the Popular Front government in Metropolitan France. At the same time, in the Northern Territory and Western Australia, very few pastoralists were paying their Aboriginal employees any money wages at all. In Assam, wages paid to coolies at best conformed to the Iron Law; in Northern Australia, pastoralists got the labour of their Aboriginal employees at below reproduction rates, since they had to maintain themselves during the wet season, when work on the cattle stations was either very difficult or impossible.

Besides holding down the price of labour, the indenture system had two other great advantages from the point of view of the employer. It supplied labourers in the numbers needed when they were needed, and it made for a docile workforce. Distance from home, family obligations, a mixture of languages, religions and castes made it difficult to protest against the conditions of employment other than through absconding, or individual acts of self mutilation. Imprisonment and brutality practised by overseers and either tacitly condoned or actively supported by colonial administrations ensured that political combination was virtually impossible. In Assam, fewer than a thousand coolies out of a workforce of about a million belonged to any form of trade union; in northern Australia, the organisation of Aborigines on cattle stations into an effective trade union was not even a remote possibility. In Indochina, an underground Communist Party network had begun to organise strikes, but its day was yet to come, and it had not challenged the system seriously.

**Pauperisation and Profits**

The system of labour recruitment, the labour process and the forms on discipline we have described are impossible to justify. While we have emphasised the industrial nature of plantation labour, the deaths, injuries, punishments, fines and humiliations are worse than the typical industrial factory regimes we are familiar with. We would have to look to the mining or maritime industries to find similar forms of labour degradation. Throughout the plantation systems and into the pastoral industry the wages were set at barely subsistence level. Perhaps even more disturbing the workers were frequently incapable of simple biological reproduction and lacked the resources to bear and support unproductive children. Over time conditions did improve; indentured workers were replaced by increasing numbers of free workers, workers were able to form partnerships and raise children, village communities were created and alternative employment and access to arable land eased the situation. But for many working on the tea gardens, or in the rubber or sugar plantations the improvements were in degree not in kind. These were workers producing goods and profits for the consuming classes in the industrial nations. Coolies were not the beneficiaries of the wealth they created – they were ruthlessly exploited.

From London, Paris and Amsterdam the plantations and their products were viewed differently. The propertied classes, indeed the economic elites, diverted a portion of their wealth via partnerships, joint stock companies and the shares and debentures into these expanding industries. Some provided the capital that was used to establish these industries and purchase the land, labour and capital required for wealth creation. But many more simply traded or speculated in the titles to existing or future wealth – bouts of speculative madness infected all these colonial ventures. Fortunes were made and occasionally lost to those with access to capital and the necessary insider knowledge.

There can be no definitive way of calculating the value and economic impact of these colonial ventures because they were not a set of transactions between autonomous economic units. In fact much of the process was undertaken in the continuous space of the imperial economy. Relatively modest flows of investment left the imperial centre for the colonies while profits might be reinvested, moved to another colony or repatriated. But who measured these flows? How do we assess the value of colonial possessions since the winners and losers were so very different? What time frame do we employ to make the calculations? Speculative profits in imperial capital markets, the result of high colonial profits, were significant, but they were not measured or recognised as a major consequence of colonial production.

Joining the world of production and profit were two complex networks of power. One was a system of trade, a part of the growing global division of labour. It involved labour recruiters and the provisioners of the plantation, and the drivers, rail workers and maritime workers who moved the commodities around the world. Once shipped to the heart of the empire another army of factory, transport and retail workers were required to manufacture and realise the finished product. That the imperial workers were somewhat better paid and treated should not occlude their role in this global system of economic relations. The shareholders, the factory workers in England, France or Holland, and the coolies in Asia were in very different positions to reap benefits from this global production system.

It was the second system of power - political and social power – that both created and reinforced these major differences of economic power. The imposition of the property relations and the formation of wage labour in the colonies were the results of imperial military and administrative coercion. Further the imperial states protected
their entrepreneurs and financiers by controlling trade and markets. Thus the movement of surplus labour and the rates of exploitation across the whole economic process was mirrored in political and legal disparities. For the coolies this meant the lack of even the most basic human, political and industrial rights, while the investors located elsewhere experienced the luxurious flowering of 'civilisation' identified with gentlemanly capitalism.

Imperialism as we have described and understood it in the case of selected industries in the late colonial period involved the political and economic subjugation of millions of workers for the benefit of the ruling and economic elites of imperial powers. In itself this was not a new historical phenomenon; what made it so remarkable was the extent and reach of these modern empires and the growing range of techniques of control at their disposal. Moreover the strategic survival of these empires in a highly competitive world was dependent on the very wealth and power that colonies provided. To that extent modern colonialism and imperial rivalry were a qualitative escalation in international forms of exploitation of both labour and nature, and underpinned aggressive competition between a handful of imperial powers.

13 And/or a fine of 16 to 20 francs. E Delamaro, L'Emigration et l'Immigration Chinese in Indochine, Hanoi, 1931, p. 27.
14 Quoted in J Chesneaux, The Vietnamese Nation, Sydney, 1966.
15 J Harris, One Blood, Sutherland, 1991, p. 689.
17 Department of Aboriginal and Islander Affairs, 18 October 1935, quoted in Griffiths, History of the Indian Tea Industry, p. 266.
18 H Cotton, Indian and Home Memories, London, 1911, p. 266.
20 Cotton, Indian and Home Memories, p. 266.
22 Report of the Assam Labour Enquiry Committee, Calcutta, 1908, p. 84.
24 Assam Labour Enquiry Committee, p. 85, evidence of Mr Gerguson; and Griffiths, History of the Indian Tea Industry, p. 103.
26 Berndt, End of an Era, p. 221.
28 Assam Labour Enquiry Committee, p. 29, evidence of Mr Driver.
29 Department of Aboriginal and Islander Affairs, A/58806, Queensland State Archives.
30 Cotton, Indian and Home Memories, p. 273.
32 Cotton, Indian and Home Memories, p. 261.