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Citation: Webster, Tony (2011) The Development of British Commercial and Political Networks in the Straits Settlements 1800 to 1868: The Rise of a Colonial and Regional Economic Identity? *Modern Asian Studies*, 45 (04). pp. 899-929. ISSN 0026-749X

Published by: Cambridge University Press

URL: <http://dx.doi.org/10.1017/S0026749X10000211>  
<<http://dx.doi.org/10.1017/S0026749X10000211>>

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Modern Asian Studies / Volume 45 / Issue 04 / July 2011, pp 899 - 929

DOI: 10.1017/S0026749X10000211, Published online: 05 November 2010

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### How to cite this article:

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doi:10.1017/S0026749X10000211

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# *The Development of British Commercial and Political Networks in the Straits Settlements 1800 to 1868: The Rise of a Colonial and Regional Economic Identity?\**

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## **Abstract**

This paper examines the growth of the British commercial communities in the Straits Settlements in the first half of the nineteenth century. It describes how they emerged as a coherent commercial and political interest group, separate from the Indian empire, with their own network of allies and commercial partners in Britain. As such, the Straits merchants emerged as a significant political lobby in their own right. It contends that in the process, they revived earlier notions of Southeast Asia as a discrete geographical region, in which political and ethnic diversity was bridged by the flourishing of maritime commercial networks.

## **Introduction**

On the last day of January 1868 a select group of merchants and dignitaries met in Newman's Court, Cornhill, in the heart of the City of London. Among their number was John Crawford, the aging Scottish Orientalist, an ally of commercial interests in Liverpool, London and Glasgow, and a leading voice in British imperial affairs. Also in attendance were Edward Boustead, James Guthrie and other longstanding business leaders in Southeast Asia. The assembly established the Straits Settlements Association (SSA), dedicated to the defence of British commercial interests in the Straits of Malacca, and

\* I would like to thank the British Academy Southeast Asia Committee for providing the financial support which made possible the research for this paper.

Southeast Asia.<sup>1</sup> Less than a year earlier, responsibility for the Straits Settlements had passed to the Colonial Office in London, ending decades of direction by the India Office and, until 1858, the East India Company. The meeting was called to respond to the threat that the Straits administration might impose import duties at Singapore.<sup>2</sup> But the more enduring reasons behind the formation of the association were outlined in May 1869 by W. H. Read, the Singapore business leader, to the Secretary of State for the Colonies. Read bemoaned the failure of successive British governments and colonial administrations in India to address the problems faced by British commercial interests in southeast Asia, or to formulate long term strategies for the region:

The policy which has hitherto been pursued, if it can be called policy, has been to allow matters to follow their own course, and if at any time it has become necessary for the British authorities to interfere it has merely been with a view to settle the immediate difficulty without reference to the future.

The consequence is that at the present moment the rich and fertile countries of the Malay peninsula are as little known as they were at the time of the settlement of Singapore, and the valuable trade in minerals and produce which might under other circumstances have existed is still in its infancy<sup>3</sup>

Read's reproach revealed the longstanding frustration felt by commercial interests at the lack of attention given to their needs and the failure to recognise the potential of Singapore, Malacca and Penang as the centre of an economically and dynamic region of the British empire. In Read's view the Straits Settlements, Malay Peninsula and Southeast Asia was seen as a mere appendage to British India, with little appreciation for the economic potential of the region in its own right. The formation of the SSA was the culmination of decades of effort by commercial interests in the Straits to get their needs taken seriously, particularly in London. It represented the arrival of Straits commerce as a voice in the imperial capital.

This paper is concerned with the origins and evolution of the commercial communities of the Straits Settlements in the early nineteenth century, and with their emerging sense of collective interest. An important aspect was the creation of a network of commercial and political connections and organisations linking the

<sup>1</sup> Minutes of Meeting at Boustead's Office, 31 January 1868, CO/273/24 (Colonial Office Records for Malaya) p. 189

<sup>2</sup> SSA to the Colonial Office 22 April 1868, CO/273/24 p. 199.

<sup>3</sup> Read to Secretary of State for the Colonies, 9 May 1868, CO/273/25 p. 423.

merchants and business communities of the Straits Settlements with their peers, politicians and government officials in Britain. The nature of the British commercial communities in the Straits Settlements between 1800 and 1860 will be explored, including their relations with Indian and British business, and their strategies for defending their commercial interests. An important theme will be the growing dissatisfaction with the East India Company's governance of the Straits Settlements. In order to resist what they saw as indifference of Company rule to their needs, the British commercial communities in the Straits Settlements, with the support of Chinese and Indian business allies, reached out to like-minded business-interest groups in Britain who shared their feelings of hostility to the East India Company. Another important theme will be the impact of political change both in Britain and in Asia on the mentality of business people and their organisations. The responses of the Straits communities to the insecurity which these changes caused helped to develop their strong sense of collective interest and vigilance of decisions made in the Straits, Calcutta and London.

It will be shown that this collective consciousness shared by businessmen, and the effectiveness of their political activities, shaped their sense of Southeast Asia as a discrete economic and political entity, separate from the South Asian subcontinent and China, with distinctive systems of trade and currency, social relationships and traditions of diplomacy. This was regardless of the cultural and political diversity of the region, and its division into British and Dutch spheres of influence by the Treaty of London of 1824. Of course, the notion of Southeast Asia as a separate and coherent geographical region has been the subject of much debate. Emmerson's 1984 article outlines the contours of this debate.<sup>4</sup> While he agrees with D. G. E. Hall and D. R. Sardesai that the Second World War played an important part in establishing an awareness of the political importance and distinctiveness of the region, principally as a theatre of operations against the Japanese identified by the Allied High Command, Emmerson shows that there were earlier roots to the concept of a distinctive Southeast Asian region.<sup>5</sup> More recently,

<sup>4</sup> Emmerson, D. K. (1984). "Southeast Asia": What's in a Name?" *Journal of Southeast Asian Studies*, 15:1, 1–21.

<sup>5</sup> Emmerson, "Southeast Asia": What's in a Name?" p. 5; Sardesai, D. R. (1989). *Southeast Asia: Past and Present* (Macmillan, Basingstoke, 2<sup>nd</sup> edn), pp. 3–5; Hall, D. G. E. (1968). *A History of Southeast Asia* (Macmillan, London, 3<sup>rd</sup> edn), p. 3.

Kratoska, Raben and Nordholt have reaffirmed this Second World War perspective as a pivotal moment in the recognition of Southeast Asia as a distinctive area of political importance. They further stress that the agendas of post-colonial independence and the rise of Area Studies as an academic discipline placed a particular emphasis on how emergent nation-states related to the concept of a distinctive Southeast Asian region. They note, however, that with the more recent emphasis upon globalization, scholars have taken a more critical view of the Area Studies perspective, and what they see as an arbitrary and questionable division of the world into separate regions, which, especially in the case of Southeast Asia, are of dubious validity. The invalidity of Southeast Asia as a potential single nation, leads Kratoska, Raben and Nordholt to regard the concept as a Western, European imposition essentially designed to meet its global political agendas, rather than those of the peoples of the region itself.<sup>6</sup>

The nub of the problem is that the ethnic, social, cultural and geographical diversity of Southeast Asia make it difficult to base a regional identity on commonalities among its peoples, in spite of arguments from some that this might be possible.<sup>7</sup> Another obstacle, the division of Southeast Asia into separate British and Dutch colonial spheres of influence, is seen as dividing Southeast Asia still further, producing 'a collection of countries facing outwards and turning their backs on each other'.<sup>8</sup> Others, however, have seen maritime commerce as a unifying factor, even before the arrival of the European imperialists. Reid stresses the important role of maritime trade in connecting the islands and cities of south-east Asia, creating a coherent geographical zone which was identified by Indian, Chinese and Arab merchants engaged in commerce with the region. To the Indians and Arabs, Southeast Asia was the 'land below the winds', to the Chinese 'the Southern Ocean' (*Nanyang*).<sup>9</sup> Similarly, Tan Tai Yong's recent work on the development of Singapore as an entrepôt in Southeast Asia, stresses the importance of that port's

<sup>6</sup> Kratoska, P. H., Raben, R. and Nordholt, H. S. 'Locating Southeast Asia' in Kratoska, Raben & Nordholt (eds), (2005). *Locating Southeast Asia: Geographies of Knowledge & Politics of Space* (Singapore University Press, Singapore), pp. 1–19.

<sup>7</sup> Emmerson, "Southeast Asia": What's in a Name?', p. 21.

<sup>8</sup> Williams, L. E. (1977). *Southeast Asia: A History* (Oxford UP, New York), p. 4.

<sup>9</sup> Reid, A. (1988) *Southeast Asia in the Age of Commerce 1450–1680* (Yale UP, New Haven), pp. 6–8.

maritime commerce in developing wider linkages across the region.<sup>10</sup> Of course, ambiguities remain: where does Southeast Asia actually begin and end? Where on its peripheries does it fade into the adjoining geographical entities of South Asia or China? Attempts to draw analogies between Southeast Asia and the Mediterranean world have been met with scepticism.<sup>11</sup> Nonetheless, the case for a Southeast Asian identity based on region-wide networks of trade and commerce seems persuasive. Ruth McVey, in particular, has advocated that a network approach to the question offers perhaps the most convincing unifying factor for the region, conceding that as these networks rose, changed and declined, so geographical definitions of Southeast Asia have had to be amended.<sup>12</sup> In spite of the division of the region into British and Dutch spheres of influence in the nineteenth century, the nature of British commerce in the Straits of Malacca, led to the emergence among Straits British merchants and administrators of a sense of Southeast Asia as a discrete region, capable of much greater economic and political integration. Singapore was the locus of this regional unity, linking through maritime trade the disparate communities on the mainland and the islands of the archipelago. Dutch resistance against British efforts to strengthen their network of commerce across the region was fierce. They regarded it as an unacceptable incursion into their legitimate sphere of influence. But Dutch protectionism did not curb the conviction among the British merchants of a 'natural' Southeast Asian unity. In essence this was an imperialist revival of the notion of Southeast Asia as a coherent geographical region, which had originated in the pre-colonial regional economic integration described by Reid. This was the product of long run maritime commercial factors, rather than the construct of Second World War generals.

After unsuccessful efforts to establish a presence in Southeast Asia over a century earlier, the acquisition of Penang by Francis Light in 1786 finally secured for the British a territorial foothold in the Straits

<sup>10</sup> Tan Tai Yong, 'Singapore's Story: A Port City in Search of Hinterlands', in Graf, A. and Chua Beng Huat (eds), (2009). *Port Cities in Asia and Europe* (Routledge, Oxford), pp. 207–219.

<sup>11</sup> Sutherland, H. (2003). Southeast Asian History and the Mediterranean Analogy, *Journal of Southeast Asian Studies*, 34:1, 1–20.

<sup>12</sup> McVey, Ruth T. (2005). 'Afterword: In praise of the Coelacanth's Cousin', in Kratoska, Raben & Nordholt (eds), *Locating Southeast Asia* pp. 308–319, especially p. 317.

of Malacca.<sup>13</sup> Penang was intended to become a naval base and a trading post for non-East India Company British ships engaged in the Country Trade (the intra Asian trade in which non-Company British merchants in India were permitted to engage) and bound for Canton in China. Penang merchants supplied Malay commodities brought to the island from all over the Malay archipelago by local and Chinese merchants aboard their *perahus* and *junks*. British ships then proceeded to China to sell opium, Indian and Malay produce, depositing their receipts into the Company's treasury in Canton, in return for bills of exchange payable in India or London. The Company thereby acquired local currency to buy tea for export to London aboard its own ships. The tea trade became the main generator of profit for a financially straitened East India Company.<sup>14</sup> But Penang was too far north to command more than the trade of the northern Straits, and so it never fulfilled the optimistic predictions for its development.<sup>15</sup>

The period 1786 to 1868 may be divided into three distinct phases of commercial and political development in British imperial Southeast Asia. Firstly, between 1793 and 1824 the Napoleonic Wars had profound political and commercial effects on the region. Penang initially benefited, especially from the British occupation of Malacca in 1795, its main rival in the trade of the Straits. Between 1795 and the return of Malacca to the Dutch in 1816, the Penang authorities tried to redirect Malacca's trade to Penang. There was even a plan to destroy the Dutch settlement, thwarted only by Thomas Stamford Raffles, who persuaded the Company that Malacca was too valuable to the British for such a step.<sup>16</sup> The Penang authorities nonetheless imposed heavy duties in an effort to stifle Malacca's commerce to their own advantage.<sup>17</sup> But the British occupation of Java and the Moluccas

<sup>13</sup> Light negotiated with the Sultan of Kedah to secure Penang for the East India Company. See Bassett, D.K. 'British commercial and strategic interest in the Malay Peninsula during the late eighteenth century' in Bassett, D.K. (1971). *British Trade and Policy in Indonesia and Malaysia in the Late Eighteenth Century* (University of Hull, Hull) pp. 50–71.

<sup>14</sup> Webster, A. (1998). *Gentlemen Capitalists: British Imperialism in South East Asia 1770–1890* (Tauris, London), pp. 40–41.

<sup>15</sup> Hussin, N. (2007). *Trade and Society in the Straits of Melaka: Dutch Melaka and English Penang, 1780–1830* (Nordic Institute of Asian Studies, Copenhagen), p. 100.

<sup>16</sup> Wurtzburg, C. K. (1984). *Raffles of the Eastern Isles* (Oxford UP, Singapore—reprint), p. 58, 68–80.

<sup>17</sup> Hussin, *Trade and Society*, pp. 108–109; Webster, A. (1995). British Expansion in South-east Asia and the Role of Robert Farquhar, Lieutenant-Governor of Penang, 1804–5. *Journal of Imperial and Commonwealth History*, 23:1, 1–25, especially p. 17.



between 1811 and 1816 hit Penang hard, as British traders in India were able to bypass Penang and trade freely with all of the occupied Dutch possessions in the region. However, in 1816, Malacca, Java and the Moluccas were returned to the Dutch, as part of the post-war British strategy of strengthening The Netherlands against future French expansionism. Matters were complicated further by the East India Company Charter Act of 1813, which opened India and south-east Asia to traders from Britain.<sup>18</sup> In 1818 to 1819, fearful that the revived Dutch authority would result in the exclusion of British trade from the reinstated Dutch colonies, the British authorities in Calcutta despatched Raffles to establish a new British port which would secure access to the markets of Southeast Asia. The new port of Singapore grew quickly to become the main centre of commerce in the region, with a large population of Chinese merchants and a small but growing number of British merchant firms. Dutch objections led to a protracted negotiation with the British, culminating in the Treaty of London of 1824.<sup>19</sup> This confirmed Singapore as a British 'possession' and exchanged the British port of Bencoolen for Malacca, thereby consolidating Penang, Malacca and Singapore as the British Straits Settlements, and dividing the region into British and Dutch spheres of influence.

The second phase from 1824 until the mid-1830s was one of consolidation, in which the East India Company sought an effective system of government and administration for the Straits Settlements. But this task was complicated by turbulent events in Britain and India. Between 1830 and 1834, all of the main British merchant firms in Calcutta failed, exacerbating problems in East India Company finances, which had been deteriorating during the 1820s, largely because of the high cost of the Anglo-Burmese War of 1824 to 1826.<sup>20</sup> In addition, pressure on the British government from merchants and manufacturers in British provincial cities such as Liverpool, Glasgow and Manchester, resulted in the Charter Act of 1833 which ended not only the Company's monopoly of trade to China, but also its engagement in commercial activities, reducing

<sup>18</sup> Webster, A. (1987). 'British Export Interests in Bengal and Imperial Expansion into South-east Asia, 1780 to 1824: The Origins of the Straits Settlements', in Ingham, B. and Simmons, C. (eds), *Development Studies and Colonial Policy* (Cass, London), pp. 138–174.

<sup>19</sup> Webster, *Gentlemen Capitalists*, pp. 83–105.

<sup>20</sup> Tripathi, A. (1979). *Trade and Finance in the Bengal Presidency 1793–1833* (Oxford UP, Calcutta), pp. 157–207.

it effectively to an agency of imperial government. The result was that in 1829 the Company implemented reforms for the administration of the Straits Settlements which were motivated principally by financial considerations rather than by the needs of their commercial communities. The Straits Settlements were defined as a single administrative command, but subject to the direct authority of the Company in Calcutta. This was a blow for Penang, which had enjoyed a Presidential government, and a sizeable administration which reflected that status. The Company pared back administration in the Straits, reducing the number of administrative posts from nineteen to eight.<sup>21</sup> This reflected declining East India Company concern for British interests in the region, an indifference exacerbated by the Company's retreat from the China trade in 1833. The dismay of the Penang community at these changes was compounded by the decision in 1832 to shift the centre of the Straits government to Singapore, in response to the growth in the latter's population and prosperity.

In the final phase from the mid-1830s to the 1860s, the structures created in 1829 were tested by a range of issues:

- the outbreak of war in China between 1839 and 1842;
- efforts by the Dutch to stifle the trade of the Straits Settlements through heavy trade duties
- Malay piracy in the Straits;
- problems arising from the economic development of the Western Malay states, especially the tin industry, and the related issue of controlling a growing and turbulent population of Chinese labourers;
- and last, but not least, was how to pay for the government of the Straits Settlements.

In the view of merchants from all the ethnic communities in the Straits, it was a political and administrative system which was to prove wanting.

### **Straits business interests: evolving commercial and political strategies**

How did these issues shape the development of commercial interests in the Straits Settlements, and their strategies for defending themselves?

<sup>21</sup> Turnbull, C. M. (1977). *A History of Singapore* (Oxford UP, Oxford), pp. 35–36.

Between 1793 and 1824 Straits commerce and merchants worked closely with their peers in British India and the East India Company. In the first few decades of Penang's existence, merchants on the island looked to the agency houses of Calcutta for their most important commercial connexions. These were diversified firms involved in shipping, investment in plantation agriculture (indigo, sugar, coffee etc.), and banking. The agency houses exported opium to merchants in Penang and throughout Southeast Asia, and in return, purchasing Malay commodities from them for the Chinese market. These relationships were strengthened as the British occupation of the Dutch possessions enabled the agency houses to develop their activities in these territories. The Calcutta firm of John Palmer & Co., for example, developed close links with the Java firm of Deans Scott & Co., investing in coffee and sugar plantations at Tjikandi Ilir.<sup>22</sup> In fact, Palmers developed further connections across the region, trading with Borneo and the islands of the archipelago, as well as with Java, Penang and Melaka.<sup>23</sup> On Penang, Palmer worked closely with David Brown, the pepper planter, and Syed Hussain, the leading Arab Muslim merchant and a member of the Achenese royal family.<sup>24</sup> Palmer actively supported the campaign of the latter's son, Syf Allam for the throne of Aceh during the civil war of the 1810s.<sup>25</sup> Another Calcutta firm, Fairlie, Fergusson & Co., worked with James Carnegy of Penang, and the firm of Clark & Hare at Malacca.<sup>26</sup> In the Acehnese civil war, Fairlie, together with Carnegy and the Penang firm of Dunbar and McGhee, supported the reigning Sultan, Jauhar.<sup>27</sup> The Calcutta firms also supported Raffles' mission to establish a new trading base in Southeast Asia in 1818–1819, which resulted in the foundation of Singapore.<sup>28</sup> Palmer and the other Indian houses campaigned through their London sister agency houses for Singapore's retention.<sup>29</sup> They lobbied vigorously on the question, with Palmer taking a leading

<sup>22</sup> Knight, G. R (1975). John Palmer and Plantation Development in Western Java in the Early Nineteenth Century, *Bijdragen*, 131:2/3, 309–337.

<sup>23</sup> Webster, A. (2007). *The Richest East India Merchant: The Life and Business of John Palmer of Calcutta 1767–1836* (Boydell & Brewer, Woodbridge), Chapter 5.

<sup>24</sup> Webster, *The Richest East India Merchant*, p. 62; Hussin, *Trade and Society*, pp. 308–315.

<sup>25</sup> Webster, *The Richest East India Merchant*, p. 96.

<sup>26</sup> Undated minute of Governor Bannerman of Penang, Dutch records, 1/2/29, IOOC, BL.

<sup>27</sup> Webster, *Gentlemen Capitalists*, p. 73.

<sup>28</sup> Webster, *The Richest East India Merchant*, pp. 98–102.

<sup>29</sup> Webster, *Gentlemen Capitalists*, pp. 87–88, 101.

role.<sup>30</sup> The agency houses, established a presence, buying land and sending agents to Singapore.<sup>31</sup> Thus the Indian agency houses worked in alliance with the Straits commercial interests. This consolidated the perception of British merchants in Southeast Asia that they were part of a larger Asian British imperial entity which extended from the Cape of Good Hope to Canton.

This early tendency for British merchants in Southeast Asia to identify with the wider British Asian empire, rather than see themselves as a discrete regional interest group, was reinforced by rivalries between the commercial communities in the region, as shown by the determination of Penang merchants and officials to reduce the trade of Malacca. This reflected the fact that the two ports belonged to rival European empires, with radically different social structures, systems of governance, and cultural traditions of doing business.<sup>32</sup> Penang merchants also regarded the growth of British commercial enterprise on Java during the British occupation of 1811 to 1816 as a threat. The foundation and rapid growth of Singapore also worried Penang merchants, especially when Penang lost Presidency status in 1829, and the seat of the Straits government was transferred to Singapore in 1832. Certainly, before the early 1830s there had been an absence of a clear sense of common interest among the British and European commercial communities in the Straits. However, as will be seen, attitudes changed rapidly, as a new 'regional political and commercial consciousness' emerged during the 1830s and 1840s.

There were several reasons for the rise of this new sense of collective economic and political identity among European (and to some extent Chinese) businessmen in the Straits Settlements. Firstly, the decision to downgrade the governmental provisions for the Straits Settlements in 1829 signalled the marginality of Southeast Asia and the Straits Settlements in the British imperial project in Asia, a message which united the Straits merchants in alarm.<sup>33</sup> Secondly, the final metamorphosis of the East India Company into an agency of imperial government in the Charter Act of 1833, weakened the perception in the Company's bureaucracy in London and India that Southeast Asia was important in the Company's wider strategy for Asia, as a supplier of commodities for the China market, and a consumer of Indian

<sup>30</sup> Webster, *The Richest East India Merchant*, p. 103.

<sup>31</sup> *Ibid.*, p. 102.

<sup>32</sup> Hussin, *Trade and Society*, pp. 322–326.

<sup>33</sup> Turnbull, *A History of Singapore*, pp. 35–36.

commodities such as opium. The end of the Company's commercial function meant that its culture became more 'governmental', with less appreciation for the needs of commerce, a development which was noticed by merchants in Singapore, Penang and Malacca. Thirdly, the 1824 Anglo-Dutch Treaty of London brought the three ports under British authority and heralded a sense of common interest among the merchants and officials of the three ports. The spectacular growth of Singapore's trade and population assisted this process in the long term. While initially Singapore's success worried Penang and Malacca merchants, by the early 1830s, so great was Singapore's commercial dominance that merchants and officials at the other ports had come to accept the commercial leadership of the Singapore mercantile community. Economic developments consolidated this new order. Increasingly commercial interests in Penang and Malacca saw their respective ports less as entrepôts aspiring to dominate the commerce of the region, and more as localised commercial centres with local and specialised trading interests, especially in the Malay Peninsula and the north east coast of Sumatra. The growth of tin production in the Western Malay peninsula, and close links between Penang, Malacca and the tin producing states of Perak and Selangor, reinforced this specialisation which was complementary to, rather than in competition with, the role of Singapore. Penang's commerce, in particular, became subordinate and complementary to Singapore. It had dominated trade with the north-west coast of Sumatra and the ports of the Bay of Bengal, whilst it and Province Wellesley had produced plantation crops such as pepper and sugar. These fashioned a commercial identity which was compatible with the leadership of Singapore.

Another factor, which encouraged mutual assistance among the Straits interests, was the impact of the great Calcutta financial crisis of the early 1830s. This swept away most of the Indian agency houses with whom Straits merchants had traded extensively, and upon whose political clout they had relied. Although new merchant firms replaced them, they never developed the close ties with the Straits Settlements which characterized the relationships enjoyed with the older agency houses. This reflected the fact that since the opening of trade from Britain to India and Southeast Asia in 1813, direct commerce between Southeast Asia and Britain had grown in importance, overtaking the trade between India and the Straits. Singapore's rapid growth from the 1820s was based largely on the distribution of British manufactures, especially Lancashire cotton cloth. The value of British exports to

Singapore rose from about \$1 million in 1823–1824 to over \$3 millions by 1830–1831, though they fell back to just over \$1 million per annum in the late-1830s.<sup>34</sup> Nonetheless, opium imports from India remained crucial for British and Straits Chinese commercial interests, constituting a lucrative item in its own right and an important source of revenue for the Straits Settlements.<sup>35</sup> However, the strong political alliances between Indian based and Straits-based European merchant firms which characterized the first few decades of the nineteenth century, no longer prevailed.

In Penang, Singapore and Malacca, there emerged a stronger sense of identity amongst the European communities in the Straits, as the social structures and ethnic mix of the three settlements converged. A small group of European merchants set the tone of social and political life. The emergent milieu was male-dominated, preoccupied with commercial questions, and suspicious of government.<sup>36</sup> By the 1830s the European communities were developing an independent voice through several key institutions. The foreman of the Grand Jury, for example, was empowered to present collective grievances to the Straits government. The senior merchants who dominated this body were eager to protect mercantile liberties.<sup>37</sup> Newspapers were also important organs, notably the *Singapore Free Press* and the *Straits Times*, established in 1835 and 1845 respectively. Together with the *Penang Gazette* these were powerful champions of the mercantile interest.<sup>38</sup> There was also the establishment in the 1830s of the Chambers of Commerce for Penang and Singapore. The British elite had much in common with similar British communities in Asia. It was socially exclusive, rejecting lower class whites as well as other ethnicities.<sup>39</sup> This sense of superiority sprang partly from the importance of kinship in recruiting new staff for the merchant houses of the Straits, and was reinforced by the exclusivity of social recreational organisations such as the clubs, Masonic lodges, and sporting events which emerged in the Straits during this period. The snobbishness, racism and exclusivity of

<sup>34</sup> Wong Lin Ken, (1960). The Trade of Singapore 1819–69, *Journal of the Malaysian Branch of the Royal Asiatic Society*, 33:4, 11–301.

<sup>35</sup> Webster, *Gentlemen Capitalists*, p. 124.

<sup>36</sup> Turnbull, C. M. (1972). *The Straits Settlements 1826–67: Indian Presidency to Crown Colony* (Athlone Press, London), p. 316.

<sup>37</sup> Turnbull, *The Straits Settlements 1826–67*, pp. 134–135.

<sup>38</sup> *Ibid.*, pp. 131–132.

<sup>39</sup> Trocki, C. A. (2006). *Singapore: Wealth, Power and the Culture of Control* (Routledge, London), pp. 44–45.

the British community in the Straits were also evident in other Asian port cities, notably in Shanghai.<sup>40</sup>

The Straits newspapers frequently stereotyped and ridiculed the Chinese and Malay communities. For example, in August 1853 the *Singapore Free Press* reported that the Malay and Chinese communities at the port were convinced that St Andrew's church was infested by evil spirits, which were appeased by a government-inspired campaign of murders.<sup>41</sup> But relations between the British and the ethnic communities of the Straits were more complex than this contemptuous tone might suggest. After all, the British relied upon Chinese and Malay middlemen who dealt with the diverse south-east Asian traders visiting the Straits Settlements. The Chinese, who massively outnumbered the Europeans, were quite an intimidating presence, especially with the outbreak of Triad-linked violence in the 1840s.<sup>42</sup> Chinese opium farms also provided the Straits government with much of its revenue.<sup>43</sup> While Asian middlemen were common throughout the British empire in Asia, the prominence of the Chinese in the Straits Settlements helped to create a distinctive Straits and southeast Asian identity.<sup>44</sup> Indeed, Frost shows how experience of Singapore by Chinese immigrants helped forge a wider sense of Chinese identity.<sup>45</sup> In the 1830s and 1840s, the distinctive role of the Chinese was reinforced by their growing importance in the development of agriculture and tin mining. In Province Wellesley and Penang, Chinese planters developed sugar plantations, whilst in Singapore they led the way in pepper and gambier (for the tanning process) cultivation.<sup>46</sup> Malacca boasted one of the oldest Chinese communities, which by the 1840s was also involved in tin mining. Chinese involvement in tin mining generally in the Western Malay states resulted in a rapid growth in population as Chinese labourers

<sup>40</sup> Bickers, R. (1998). *Shanghaiers: The Formation and Identity of the British Settler Community in Shanghai 1843–1937, Past and Present*, 159, 161–211.

<sup>41</sup> *Singapore Free Press (SFP)*, 26 August, 1853.

<sup>42</sup> *SFP*, 9 June 1842, on the riots of that year.

<sup>43</sup> Trocki, *Singapore: Wealth, Power and the Culture*, pp. 86–92.

<sup>44</sup> Rajat Kanta Ray (1995). Asian Capital in the Age of European Domination: The Rise of the Bazaar 1800–1914, *Modern Asian Studies*, 29:3, 449–554, especially p. 466.

<sup>45</sup> Frost, M. R. (2005). Emporium in Imperio: Nanyang Networks and the Straits Chinese in Singapore, 1819–1914, *Journal of Southeast Asian Studies* 36:1, 29–66.

<sup>46</sup> Tan Kim Heng, (1981). Chinese Sugar Planting and Social Mobility in Nineteenth Century Province Wellesley, *Malaysia in History*, 24, 24–38, especially p. 30; Ray, Asian Capital, p. 504; Petition to House of Commons by Singapore merchants on pepper duties, December 1847, Boards Collections F/4/2268 (115434), pp. 7–8.

(*Sinkeys*) flooded in to work in the tin mines. By 1850 about 5,000 Chinese worked in the Malacca mines, while 3,000 *Sinkeys* arrived each month to work mines all over the Western Malay states.<sup>47</sup> This expansion of the Chinese population in the Straits brought distinctive socio-economic features. These included the prominence of opium as a commodity for trade, consumption and as a source of government revenue through ‘opium farming’: the government sale to Chinese syndicates of exclusive rights to retail the commodity. Opium also furnished large profits for those wealthy Chinese merchants (*Towkays*) who controlled tin mining, enabling them to ensure that their Chinese labourers remained indebted and working in the mines, as the latter borrowed to finance their purchases of the drug.<sup>48</sup> With the influx of Chinese labourers, the ethnically based clans (*Kongsis*) grew in influence and rivalry, leading to outbreaks of violence between them in the Straits Settlements and later in the Malay Peninsula.<sup>49</sup> This convergence of ethnic mix and their accompanying social relations in the Straits Settlements helped create a distinctive sense of identity within their communities.

Lynn Hollen Lees shows that this mixture of British racist rejection, fear of, and economic dependence upon the Chinese, influenced the development of a wider sense of British identity in the Straits and of what became British Malaya.<sup>50</sup> In order to prosper in the multi-ethnic environment of the Straits Settlements, intermediary entrepreneurial ethnic groups such as the Chinese had to make themselves acceptable to different communities; effectively ‘switching identity’ in order to do business.<sup>51</sup> Lees argues that in time, this developed into a ‘two-tier’ notion of ‘Britishness’ in Malaya: a version based on strict racial and cultural separateness held by the white British elite, and another based upon a more egalitarian notion of the ‘British subject’ encompassing all those under imperial rule and contributing to the benefits of empire. This second definition of ‘Britishness’ became by the end

<sup>47</sup> Report on the tin mines at Malacca, 29 April 1851. Boards Collections F/4/2502 (142029), pp. 7–31, 20–22.

<sup>48</sup> Trocki, C. A. (1987), *The Rise of Singapore’s Great Opium Syndicate 1840–1886*, *Journal of Southeast Asian Studies*, 18:1, 58–80, especially p. 79.

<sup>49</sup> Trocki, C. A. (1990). *Opium and Empire: Chinese Society in Colonial Singapore 1800–1910* (Cornell UP, Ithaca), pp. 82–116.

<sup>50</sup> Hollen Lees, Lynn (2009). *Being British in Malaya, 1890–1940*, *Journal of British Studies*, 48:1, 76–101.

<sup>51</sup> Hollen Lees, *Being British in Malaya*, p. 78; see also T. Harper, (2002). ‘Empire, Diaspora and the Languages of Globalism, 1850–1914’ in Hopkins, A. G. (ed.), *Globalization in World History* (Pimlico, London 2002), pp. 141–166.



of the nineteenth century one to which Chinese, Malays and Indians in Malaya could appeal in their dealings with the white imperial elite. Moreover such appeals could not easily be dismissed by the latter, given their economic dependence upon these communities, and their wider ideological justifications of empire as a civilising mission. The growth of the Chinese community in the Straits before 1860 saw the beginnings of this layered or 'federated' concept of 'Britishness' in Malaya.

But the development of a Straits politico-commercial consciousness also reflected the emergence of new commercial interests in Britain which had been challenging the East India Company since the beginning of the century. Merchants and manufacturers in Liverpool, Birmingham, Bristol and Glasgow had organised pressure groups which lobbied the British state to open the Indian trade in 1813.<sup>52</sup> Subsequently, trade between these provincial cities and Southeast Asia expanded rapidly, especially the export of British manufactures such as cotton goods, but also the import of Straits produce, mainly pepper and sugar. But the period 1813 to 1830 saw only limited activity, as most East India trade associations which had lobbied government to liberalise the Indian trade were wound up following the passing of the 1813 Charter Act. The exception was the Liverpool East India Association which was reformed in 1817 and continued to lobby on a range of issues, including a campaign in the 1820s to equalise duties on East and West Indian sugar, which suited the interests of the Penang sugar planters and merchants.<sup>53</sup> But it was the launching in 1829 of a new campaign against the remaining East India Company monopoly of trade to China, which saw a radical change in the political landscape of Asian commerce. This time the East India Associations were reformed on a permanent basis, and they continued to be active even after the 1833 Charter Act. Moreover they collaborated with each other in interviews with ministers and petitions to parliament throughout the 1830s and 1840s.<sup>54</sup> So successful were they that, in 1836, a London East India and China Association was established in

<sup>52</sup> Yukihisa Kumagai, (2008). *The Lobbying Activities of Provincial Mercantile and Manufacturing Interests against the Renewal of the East India Company's Charter, 1812–13 and 1829–1833* (Ph.D. Thesis, University of Glasgow).

<sup>53</sup> Report of a Committee of the Liverpool East India Association appointed to take into consideration the Restrictions on the East India trade—Presented to the Association at a General Meeting 9 May 1822, Liverpool Record Office H380.6EAS.

<sup>54</sup> See Webster A. (2006). *The Strategies and Limits of Gentlemanly Capitalism: The London East India Agency Houses, Provincial Commercial Interests, and the*

imitation of Liverpool and Glasgow, which quickly established contact with the provincial organisations. By the late 1830s, this British network of commercial interest groups interested in the Asian empire was joined by Chambers of Commerce established in Asian ports, including Calcutta (1834), Canton (1834) Bombay and Madras (both 1836) and, crucially, in Singapore and Penang in 1837.<sup>55</sup> Malacca, which remained strongly Dutch in culture and population stayed aloof from these developments, but by 1853 it had a Chamber of Agriculture, which spoke for landholders, most of whom were also merchants, on land ownership.<sup>56</sup> The Straits Settlements had become part of a network of imperial commercial interests, within which India was but one component. This was an opportunity for Straits merchants, with their new sense of identity, to maximise their political impact by working with allies in Britain. Here was a vital source of political leverage in the struggle against an unhelpful East India Company administration in India.<sup>57</sup>

The Straits organisations used this network on a wide range of issues. The earliest question which won the support of the British East India associations was the Dutch policy of protectionism in Southeast Asia. As early as 1831, the Glasgow East India and China Association (GEIA) took up the campaign against high Dutch duties on imports into Java, on which they were advised by John Crawfurd, the Orientalist who in 1868 became the first President of the Straits Settlements Association.<sup>58</sup> Crawfurd had been Governor of Singapore in the 1820s, and had published on the trade and politics of Southeast Asia. He had also been active in the anti-monopoly campaign which led to the Charter Act of 1833. Crawfurd continued to support Straits' causes throughout the period, and especially against Dutch protectionism in the 1830s and 1840s. In autumn 1835, the Glasgow East India Association and the Manchester Chamber of Commerce lobbied Lord Palmerston on the issue, supported by the London East India

Evolution of British Economic Policy in South and South East Asia 1800–50, *Economic History Review*, **59:4**, 743–764.

<sup>55</sup> Nish, I. (1962). British Mercantile Co-operation in the India-China Trade from the End of the East India Company's Trading Monopoly, *Journal of Southeast Asian History*, **3:2**, 74–91.

<sup>56</sup> Resident Councillor at Malacca, J. Ferrier to Governor of the Straits Settlements 25 October 1853, Boards Collections F/4/2604 (163062), pp. 3–9.

<sup>57</sup> Turnbull, *The Straits Settlements*, p. 327.

<sup>58</sup> Kumagai, *The Lobbying Activities of Provincial Mercantile and Manufacturing Interests*, pp. 139–140.

and China Association (LEICA).<sup>59</sup> In 1838, London again lobbied Palmerston on Dutch interference with Singapore's trade through the high Java duties.<sup>60</sup> Two years later, the Penang Chamber of Commerce requested support from both GEIA and LEICA to make the British government aware of the effects of Dutch protectionism in Sumatra on Penang's commerce.<sup>61</sup> As late as 1849, LEICA was still pressing the British government to act against Dutch protectionism.<sup>62</sup>

Commerce in Southeast Asia deteriorated in the 1830s and 1840s, and this intensified the fear of the Dutch. The Calcutta financial crisis of the early 1830s damaged trading interests in the Straits.<sup>63</sup> The war with China of 1839 to 1842 ended with the Treaty of Nanking, which gave the British Hong Kong. This new port competed with Singapore, and merchants at the latter found that in the 1840s, because of Hong Kong and Dutch protectionism, their trading links increasingly focussed on the Malay Peninsula, Siam Sumatra and Borneo. The proportion of Singapore's trade with the Malay Peninsula grew from 15 per cent in 1825 to 34 per cent in 1845, while its trade with the islands of the Malay archipelago fell from 74 per cent to 53 per cent during the same period.<sup>64</sup> It was as if the circle of Singapore's geographical commercial reach was shrinking. Little wonder then that the period saw heightened anxiety and political activity amongst the merchants of the Straits Settlements.

The second major issue on which the Straits interests resorted to their allies in Britain was an attempt by the East India Company in the mid-1830s to impose trade duties at Penang and Singapore. This policy arose as a result of another serious problem faced by the Straits merchants: piracy. In May 1835, merchants in Singapore reported a severe increase in the frequency of attacks by pirates on the Chinese and Malay vessels trading with Singapore. They requested increased

<sup>59</sup> Thomas Boothman, Secretary to the Manchester Chamber of Commerce to the Glasgow East India Association (GEIA) 21 November 1835, Glasgow East India Association papers, Mitchell Library, Glasgow, MS891001/7, p. 27; London East India and China Association (LEICA) to GEIA 10 October 1836, MS891001/7, p. 79, GEIA papers.

<sup>60</sup> LEICA to GEIA 23 February 1838 MS891001/8, p. 60.

<sup>61</sup> George Waller, Penang to GEIA 15 October 1840 MS891001/9, p. 63.

<sup>62</sup> LEICA 14th Annual Report 1850, pp. 8–9.

<sup>63</sup> Trocki, *Opium and Empire*, pp. 59–63.

<sup>64</sup> Wong Lin Ken, (1978). Singapore: Its Growth as an Entrepôt port 1819–1941, *Journal of Southeast Asian Studies*, 9:1, 50–84, especially p. 54.

policing of the waters of the Straits.<sup>65</sup> The Company tried to finance the suppression of piracy by raising duties on the commerce of the Straits Settlements, ending the longstanding policy of free trade.<sup>66</sup> In January 1836, the Singapore merchants petitioned against the proposal, and the ensuing campaign led to the establishment of the Singapore Chamber of Commerce in February 1837.<sup>67</sup> This time, their efforts were successful. They mobilised the support of the Glasgow and London East India Associations, whose remonstrations to the India Office in London produced a climb-down on the issue.<sup>68</sup>

The Straits merchants built on this success. In 1837 the Government of India appointed a special commissioner, R. Young, to report on the regulations governing land tenure in the Straits, with a view to imposing a uniform system based on principles of English law.<sup>69</sup> The Governor-General believed that land leases granted to tenants should not exceed 20 years in duration, though they might perhaps be renewable for a period of 30 years on completion of the initial 20-year term.<sup>70</sup> The Singapore merchants recruited LEICA and John Crawford to intercede on their behalf. Crawford penned a memorandum to the Court of Directors on the value of long leases for tropical colonies, because of the long-term returns on tropical crops, especially in an uncertain international market.<sup>71</sup> Crawford stressed that cloves and nutmeg required over a decade to come into production, and reached maturity in their twentieth year, rendering a 20-year lease inadequate. He argued that Company officials in London and Bengal understood little about the peculiar conditions of agriculture and trade in Southeast Asia. It was a complaint that would appear repeatedly in the correspondence of Straits merchants, and was reinforced by the *Singapore Free Press* which was fiercely critical of

<sup>65</sup> C. R. Read, Hamilton, Fox and Boustead to Sir Charles Metcalfe, 25 May 1835 (with enclosed petition from Singapore merchants), Boards Collections F/4/1724, pp. 83–87.

<sup>66</sup> Wong Lin Ken, (1960). The Trade of Singapore 1819–69, *Journal of the Malaysian Branch of the Royal Asiatic Society*, 33:4, 11–301, especially p. 182.

<sup>67</sup> Buckley, C. (1902). *An Anecdotal History of Old Times in Singapore Vol 1* (Fraser and Neave, Singapore), pp. 313–314.

<sup>68</sup> LEICA to GEIA 25 August 1836, India Board to GEIA 26 August 1836, MS891001/7, pp. 73–74.

<sup>69</sup> Government of India to the Court of Directors 7 February 1838 BCF/4/1903 (81155), pp. 3–5.

<sup>70</sup> Government of India to Court of Directors 18 July 1838, p. 25.

<sup>71</sup> LEICA to the Court of Directors 23 May 1838 (enclosing Crawford's memorandum) Boards Collections F/4/1905 (81167), pp. 1–41.

Young and published letters opposing the regulations.<sup>72</sup> The pressure from London and the Straits merchants worked. In April 1840, the Indian government recommended longer leases of at least 50 years to the Court of Directors.<sup>73</sup> Without doubt this was a formative period in the development of the Straits commercial and political identity, and it instilled a sense of confidence that with a united front and with the help of their friends in Britain, the mismanagement of the East India Company could be curbed.

Between the 1830s and the 1850s, the Straits merchants kept their allies in London, Liverpool and Glasgow fully briefed on Straits matters, providing, for example, details of the volume of trade.<sup>74</sup> Political links were cemented by commercial relations with merchants in Britain. As members of Straits firms retired to Britain, they frequently set up 'sister' firms which did business with their Straits counterparts. For example, by 1846, the Singapore firm of William Paterson & Co. had several partners in Glasgow, who, by 1852, had established the firm of McEwen & Co.<sup>75</sup> In 1842, the Singapore firm of Boustead Schwabe & Co. were closely linked with Sykes, Schwabe & Co. of Liverpool.<sup>76</sup> A year later, the Liverpool firm of Middletons, Blundell & Co. had a partner, William Blundell, who acted for the Liverpool firm in Singapore.<sup>77</sup> In the 1840s and 1850s, Hamilton, Gray & Co. had partners in both Glasgow and Singapore.<sup>78</sup> By the early 1860s, shortly before they went bankrupt, they were shipping pepper to London on behalf of the Glasgow firm of Buchanan, Hamilton & Co.<sup>79</sup> One of the emerging partners in the firm, George Garden Nicol, eventually became Chairman of the Chartered Mercantile Bank of India, London and China in 1860.<sup>80</sup> In 1852, the Singapore firm of William Macdonald & Co. was launched, with partners in Singapore

<sup>72</sup> *SFP* 19 April 1838; 3 May 1838 and 31 May 1838.

<sup>73</sup> Government of India to Court of Directors 20 April 1840 Boards Collections F/4/1903 (81155), pp. 137–152, especially pp. 143–144.

<sup>74</sup> Singapore Chamber of Commerce to GEIA, 6 November 1845 MS891001/10, p. 60.

<sup>75</sup> Buckley, *An Anecdotal History*, p. 380.

<sup>76</sup> *Ibid.*, p. 398.

<sup>77</sup> *Ibid.*, p. 401.

<sup>78</sup> *Ibid.*, p. 566.

<sup>79</sup> Case of *Ashton & Others vs Bauer and others*, Singapore 25 October 1866, in Kyshe, J. W. N. (1885). *Cases Heard and Determined in Her Majesty's Supreme Court of the Straits Settlements 1808–1884* (Singapore & Straits Printing Office, Singapore), pp. 164–165.

<sup>80</sup> Kyshe, *Cases Heard*, p. 566.

and Glasgow.<sup>81</sup> By the late 1860s, Macdonald & Co. were acting as commission agents for a Scottish gunpowder manufacturer.<sup>82</sup>

By the 1850s, a coterie of wealthy and influential Singapore merchants had retired to Britain, where they formed a vocal pro-Straits lobby, including such men as Alexander Guthrie and Edward Boustead.<sup>83</sup> Penang also enjoyed its British connections. In the mid-1840s, Brown & Co. of Penang shipped sugar to Hossack & Co. of Liverpool, on advances made by the Liverpool firm. In 1846 Brown & Co. also arranged through Hossack & Co. the purchase of a steam engine from Scott, Sinclair & Co. of Glasgow to power the sugar mill of one Mr Rodyk, a sugar planter. The Glasgow firm had already supplied a similar machine to Mr Donnadieu, a neighbour of Rodyk's.<sup>84</sup> Political connections with London and the cities of provincial Britain were thus underpinned by equally close commercial links.

Mercantile collective action in the Straits became more persistent as merchants struggled to cope with a difficult economic environment. In February 1840, the Penang Chamber of Commerce lobbied the Straits Governor and the Government of Bengal to relax regulations restricting the felling of timber on the island, allowing merchants to export wood and sell it for the refitting of ships. But the Bengal authorities refused, on the grounds that the cleared land would be difficult to convert to agriculture. This confirmed the impression in the Straits that Company servants were indifferent to the needs of Straits merchants.<sup>85</sup> A year later, the Penang merchants and planters lobbied the Company authorities in Bengal and London for their sugar and rum to be admitted into Britain at the lower rate of duty as determined by the Sugar Act of 1836. The Straits Settlements had been excluded from its provisions because foreign sugar was permitted to be imported into the Straits, leaving the possibility that it would be illicitly exported to Britain disguised as Straits produce.<sup>86</sup> In 1841, 36 Europeans and numerous Chinese traders in Penang and Province Wellesley petitioned the Governor-General in India for a ban on the

<sup>81</sup> *Ibid.*, p. 567.

<sup>82</sup> *Buchanan vs Kirby*, Singapore 8 April 1870, in Kyshe, *Cases Heard*, pp. 230–231.

<sup>83</sup> Turnbull, *The Straits Settlements*, p. 328.

<sup>84</sup> *Scott, Sinclair & Co. vs Brown & Co.*, Penang 26 October 1852, in Kyshe, *Cases Heard*, pp. 85–87.

<sup>85</sup> Extract of a Public Letter from the Government of Bengal (with enclosures) 26 February 1840 Boards Collections F/4/1938 (83888), pp. 1–13

<sup>86</sup> Government of India to the Court of Directors 20 December 1841, Boards Collections F/4/1938 (84051), pp. 3–29.

import of foreign sugar in order to secure rights to the lower duty under the 1836 Act.<sup>87</sup> Penang merchants believed that their island could become a major producer of sugar and rum if it was allowed to compete on an equal footing with the rest of the world. But they were not successful. In September 1844, the Government of India refused the Penang lobby on the grounds that any prohibition on the import of foreign sugar into Penang would be unenforceable because of high policing costs and the free trade traditions of the Straits.<sup>88</sup> Inevitably this deepened the dissatisfaction of Straits interests with the perceived indifference of the Company. Nor was this frustration restricted to the Straits. In September 1840, Mr William Clark, a member of the Colonial Society of London, urged the Glasgow East India Association to press Government to transfer governance of the Straits Settlements from the East India Company to the Crown.<sup>89</sup> It was a demand several decades ahead of its time. The Singapore merchants also railed against the trade restrictions which had survived the general liberalisation of British commerce of the 1830s and 1840s. In 1847 the Singapore Chamber of Commerce petitioned the Company and the House of Commons for a reduction in the duty on pepper.<sup>90</sup>

By the end of the 1840s a distinctive political culture was emerging within the European mercantile communities in the Straits. In addition to a flourishing and outspoken press, the Penang and Singapore Chambers of Commerce exerted strong influence in Straits affairs, backed by their British allies. Vocal critics of Company rule, such as W. H. Read, attacked waste in the Straits administration and ineffective policing in Singapore.<sup>91</sup> Read became a close ally of John Crawford during leave in Britain between 1848 and 1851. This relationship became central to the campaign for Crown Colony status in the 1850s. Moreover, this developing political consciousness was focussed on the needs and distinctive attributes of the Malay archipelago and Southeast Asia, rather than identifying the Straits with the wider Asian and imperial commercial system. The Indian authorities were seen as outsiders, with little understanding of,

<sup>87</sup> *Ibid.*, pp. 13–15.

<sup>88</sup> Government of India to the Court of Directors 21 September 1844, Boards Collections F/4/2097 (98067) pp. 1–3.

<sup>89</sup> Clark to the Glasgow East India Association, 26 September 1840 MS891001/8, p. 60.

<sup>90</sup> Government of Bengal to the Court of Directors, 1 March 1848 Boards Collections F/4/2268 (115434), pp. 1–9.

<sup>91</sup> Turnbull, *The Straits Settlements*, pp. 319–322.

or sympathy for, the mercantile communities of the Straits: a striking change from the first 20 years of the nineteenth century when connections between the Calcutta agency houses and British merchants in Southeast Asia had been intimate. Relations with British-based commercial interests and pressure groups interested in trade with south-east Asia had grown stronger, but it in no way impaired the growth of a distinctive Southeast Asian commercial identity amongst the British and Chinese merchants in the Straits. Glasgow, Liverpool and London merchants and East India Associations were allies to be cultivated, but on a basis of equality between distinct commercial communities with their own agendas and identities.

However Malacca was not quite so easily incorporated into this emergent collective Straits 'front' of commercial interests. This stemmed principally from the Dutch colonial legacy, and the continued prominence of Dutch families in both the town's governance and in its commercial life. From the time of British acquisition under the Treaty of 1824, two different commercial and administrative cultures vied for dominance. The sharp differences which existed between Malacca and Penang in the period up to 1830 were not significantly diminished during the period of British occupancy between 1795 and 1818. Whereas Malacca enjoyed a system of urban administration which was over a 100 years' old, and its own quasi-financial institution, the Orphan Chamber, which could provide loans for business activity, Penang's governing institutions were new, ad-hoc and less-well regulated.<sup>92</sup> Regarding themselves as mere caretakers of Malacca, the British implemented few changes in the governance of the settlement between 1795 and 1818. But after the establishment of permanent British control, tensions soon arose. The land revenue tax caused much friction. Since the early days of Dutch rule, the collection of land taxation (one tenth of the produce) in Malacca and its environs had been undertaken by local European, Malay and Chinese proprietors of land. They were also required to maintain roads, bridges and waterways. Taxes were frequently collected in kind, and these arrangements contributed to land development in the hinterland.<sup>93</sup> The new British administration took over land revenue collection in the late 1820s, but soon found payment in kind onerously expensive to administer. But it proved difficult to persuade cultivators to pay a

<sup>92</sup> Hussin, *Trade and Society in the Straits of Melaka*, pp. 322–323.

<sup>93</sup> *Ibid.*, pp. 221–224.



money tax. They remained obdurate into the 1850s, contributing to disputes and a loss of revenue.<sup>94</sup>

More serious was a scandal which erupted in the mid-1840s. It concerned the close relationship between Mr Lewis, the Acting Resident Councillor and Neubronner & Co., a Dutch trading firm. Lewis's brothers-in-law were partners in the firm, including Joseph, who was also Master Attendant, in charge of supervising shipping at the port. Thirty-seven Chinese merchants petitioned the Governor of the Straits in August 1844.<sup>95</sup> When the petitioners were interviewed, it transpired that Joseph Neubronner had been using his control over shipping to compel Chinese and Malay traders to sell their produce to Neubronner & Co. at prices he dictated.<sup>96</sup> He was also forcing them to trade with Neubronner & Co. rather than with rival European firms. Neubronner & Co.'s main competitor, Westerhout & Co., had been challenging Neubronner & Co. in the local tin trade and other branches of commerce since the firm's establishment in February 1844.<sup>97</sup> Neubronner & Co. were especially worried by Westerhout & Co.'s success in winning over the Chieftain of Linghi, a major local supplier of tin. Westerhout & Co. were also using political allies to pursue private interests. A senior member of the Westerhout family was Assistant Resident Councillor at Malacca, and he had used his office to persuade the chieftain to switch from Neubronners to Westerhouts. Such tactics had a long history in Malacca. It had always been the practice of the Dutch to encourage the participation of European merchants in the governance of the settlement, and familial relationships between merchant firms and officials were quite common. In this context, the exercise of official authority in the defence of private interests was seen by Neubronners and Westerhouts as 'normal' practice.<sup>98</sup> The crisis, however, resulted in closer scrutiny of the Malacca administration by the Straits and Indian authorities, and by the 1850s, Malacca was gradually coming to resemble the other Straits Settlements. But as Singapore and Penang prospered, Malacca

<sup>94</sup> J. Ferrier, Resident Councillor at Malacca to the Governor of the Straits, 17 December 1851, Boards Collections F/4/2604 (163062), pp. 18–39.

<sup>95</sup> Governor of the Straits Settlements to A. Turnbull, Under-Secretary to the Government of India, 28 August 1844, Boards Collections F/4/2153 (103598), p. 7.

<sup>96</sup> *Ibid.*, Testimony of Yap Cheap, [8], p. 18.

<sup>97</sup> Governor of the Straits Settlements to A. Turnbull, Under-Secretary to the Government of India, 28 August 1844, p. 8.

<sup>98</sup> Hussin, *Trade and Society in the Straits of Melaka*, pp. 274–275.

came to be regarded as the junior partner in this *troika* of commercial centres.

### **The Drive for Crown Colony Status and the Emergence of a 'Straits Identity'**

Thus by the end of the 1840s merchants in the Straits Settlements had come to see themselves as a distinct and beleaguered interest group, with few friends in authority. Particular targets for their ire were the East India Company authorities in India and London, who, in their view, were indifferent to the needs of the Straits commercial communities. Increasingly, Straits interests appealed to the British Parliament and government for the redress of grievances. Furthermore, while allies in the East India Associations of London, Liverpool and Glasgow had helped win crucial battles over trade duties and land tenure, there had also been defeats. The efforts of the British East India associations to curtail Dutch protectionism in Southeast Asia had failed. Wider geo-political priorities dictated the British state's tolerance of Dutch policies. Then the crisis of 1847–1848 swept away many of the London and provincial commercial firms connected with Asia, thus weakening links with Southeast Asia. The Glasgow East India Association for example, was absorbed into that city's Chamber of Commerce in 1848. But the Straits merchants continued to be supported by commercial pressure groups in Britain. As late as 1866, the Glasgow Chamber of Commerce were lobbying the British government to act against Dutch aggression in Sumatra.<sup>99</sup> In the early 1860s, members of LEICA worked closely with Crawford and retired London-based Straits merchants to argue for the transfer of the Straits Settlements to the Colonial Office.<sup>100</sup> They formed the nucleus of what became the Straits Settlements Association. But in the immediate aftermath of the crisis of 1847–1848, when commercial allies in Britain were falling like ninepins, the Straits interests had to take the initiative in their own defence.

<sup>99</sup> Memorial from the Directors of the Glasgow Chamber of Commerce to Sir Charles Wood 20 January 1866, CO 273/9, pp. 347–348, NA.

<sup>100</sup> Buckley, *An Anecdotal History*, p. 771, 773; Petitions to Sir Frederick Rogers, Under-Secretary of State at the Colonial Office, 19 September 1864 and 1 February 1865, CO273/8, pp. 86–88, 93–96.

Matters came to a head in the early 1850s, triggered by a series of contentious issues. In late 1851, to make up for revenues lost because of the abolition of a town tax on Singapore and Penang, the Company introduced a stamp tax on official and business transactions. The Penang and Singapore communities lobbied against its imposition on commercial transactions, on the grounds that it would undermine their prosperity. The first of several public meetings was called in September, which were memorialized to the Governor General in October.<sup>101</sup> The sustained campaign in London forced the Bengal authorities to abandon the proposal. But several other issues inflamed Straits hostility. Throughout 1852 they campaigned for judicial reform, pressing through the Grand Jury and the Singapore Chamber of Commerce for the appointment of a separate judge, based in Singapore.<sup>102</sup> Also in 1852, with the help of Crawford in London, the Straits merchants agitated against high British tariffs on nutmeg.<sup>103</sup> In May 1854 it was announced that European convicts would be transported to Singapore from India, a decision bitterly resented by Straits merchants already concerned by lawlessness on the island.<sup>104</sup> The Calcutta authorities were so insistent on this policy that by 1857 it was cited as one of the principal examples of why the Straits needed Crown Colony status.<sup>105</sup> Then in August 1854, the Company's administration decided to impose upon the Straits Settlements a copper currency based on fractions of the Indian Rupee in place of the Spanish Dollar, which had long been the established currency for maritime trade within the region. Singapore and Penang merchants feared these new arrangements would be unacceptable to the Malay and Chinese traders in Southeast Asia, on whom they depended. Once again the Singapore Chamber mobilized not only its own members, but also its allies in Britain. A public meeting was called in Singapore on 11 August 1855, parliament was petitioned, and Crawford once more acted as their representative in London.<sup>106</sup> LEICA also lobbied the

<sup>101</sup> Buckley, *An Anecdotal History*, p. 548; Memorial to the Governor-General in Council from the merchants and inhabitants of Singapore, 15 October 1851, Boards Collections F/4/2479, pp. 11–12.

<sup>102</sup> Turnbull, *The Straits Settlements*, pp. 326–327; *SFP* 14 January, 18 February and 8 April 1852.

<sup>103</sup> Turnbull, *The Straits Settlements*, p. 327; *SFP* 16 April 1852 (Crawford's memorandum).

<sup>104</sup> Turnbull, *The Straits Settlements*, p. 335.

<sup>105</sup> *Ibid.*, p. 348.

<sup>106</sup> *Currency Adapted to the Straits Settlements: and the Nature & Extent of the Commerce of Singapore with Remarks on Act XVII of 1855 (Published under the Direction of the Committee*

Board of Control late in 1855.<sup>107</sup> In Britain, 30 former Singaporeans took up the matter with the government in parliament. Meanwhile in the Straits, W. H. Read emerged as the most vocal of the movement's leaders, addressing a series of meetings.<sup>108</sup> He was helped by the deepening personal unpopularity of Governor Blundell, who had shocked European society by his efforts to gain acceptance of his Burmese mistress.<sup>109</sup> As the matter dragged on, the Singapore press became more strident in their criticism, and by December 1856 the *Singapore Free Press* supported the pursuit of Crown Colony status.<sup>110</sup> Ultimately, in March 1857, the Indian authorities were ordered to drop the convict scheme.<sup>111</sup> But in London, Crawford, urged on by Read, took matters further and called for a fundamental change in the governance of the Straits Settlements. He demanded Crown Colony status, for which the Singapore Chamber also petitioned.<sup>112</sup> These developments coincided with the Great Indian Rebellion, in the wake of which the East India Company's rule was ended. Ultimately this led to the granting of Crown Colony status to the Straits Settlements. Merchants in the Straits quickly capitalized on the end of Company rule. In 1859 they persuaded the British government to rescind a Company directive forbidding the Oriental Bank to open a branch in Singapore. Several other banks were then permitted to open branches in Singapore and Penang.<sup>113</sup> Of course conflict between administrators and merchants continued. It was a plan to introduce trade duties which prompted the formation of the Straits Settlements Association in 1868. But at least channels of decision-making were no longer entwined with the bureaucracy of East India Company rule.

In fact the establishment of Crown Colony status proved to be a long process, as many issues had to be resolved before the transfer was finally agreed. But this hiatus served to strengthen consciousness

*Appointed at a Public Meeting held at Singapore, August 11<sup>th</sup> 1855* (G. M. Frederick, Singapore 1855).

<sup>107</sup> 20<sup>th</sup> report of LEICA 1856, pp. 11–12.

<sup>108</sup> Turnbull, *The Straits Settlements* p. 337, 345.

<sup>109</sup> *Ibid.*, p. 333; *SFP* 23 April 1857.

<sup>110</sup> *SFP* 18 December 1856.

<sup>111</sup> Wong Lin Ken, *The Trade of Singapore*, p. 190.

<sup>112</sup> Crawford, J. (1858). *Memorandum on the British Settlements in the Straits of Malacca, Penang, Singapore and Malacca* (C. W. Beynell, London), p. 3.

<sup>113</sup> Kawamura, T. (2006). 'British Business and Empire in Asia: The Eastern Exchange Banks, 1851–63', in Bates, D. & Kondo, K. (eds), *Migration and Identity in British History* (Proceedings of the Fifth Anglo-Japanese Conference of Historians in London, Tokyo September), pp. 193–212, especially pp. 201–205.

for a distinctive Straits identity, and increased awareness of the importance of commercial links with the whole Malay archipelago. The first signs became apparent in the campaign against the Rupee. In August 1855 the merchants of Singapore stressed the importance of the Spanish Dollar as a currency which had long been the principal commercial medium of the region, binding together its ethnically diverse mercantile communities.<sup>114</sup> It was noted that a similar plan had been rejected in 1837, and that the growth of regional trade since then made the case for rejection even stronger. Implicit in this was the notion that Southeast Asia was an economically coherent and distinct region.<sup>115</sup> In 1857, Singapore merchants berated the Indian government's failure to appreciate the unique nature of the Straits Settlements, and for viewing it from 'an exclusively Indian point of view'.<sup>116</sup>

In the following March, a lively debate in parliament about the future of the Straits prompted *The Times* to comment that:

What has Singapore to do with India? It carries on a larger trade with China than with India. The true idea of the settlement, colony, or by whatever name it may be called, is as the centre and citadel of British power in the Eastern Seas, and the great house of call between Great Britain and China. It is from this point chiefly that the ceaseless intrigues of the Dutch to exclude us from the Indian archipelago can be defeated.<sup>117</sup>

After 1858, when the transfer of the Straits Settlements became the main focus of discussion, Straits supporters of the policy stressed the long-term financial viability of the proposed Crown Colony. The Colonial Office insisted that the Straits should furnish sufficient revenues to cover administrative and defence costs. In response, the Straits interests were adamant about their ability to unify the commerce of the region, which had been growing since the 1830s and to meet all requirements. In 1861 the former Singapore merchant Alexander Guthrie stressed that Singapore could certainly cover its own costs, and that Penang and Malacca would do so within ten

<sup>114</sup> Notes on the Straits Currency, Public Meeting at Singapore 11 August 185, Currency Adapted to the Straits Settlements: and the Nature and Extent of the Commerce of Singapore with Remarks on Act VII of 1855 (published under the direction of the Committee appointed at a public meeting held at Singapore, 11 August 1855, G. M. Frederick of Singapore), p. 1.

<sup>115</sup> Notes on the Straits Currency, p. 7.

<sup>116</sup> Buckley, *An Anecdotal History*, p. 755.

<sup>117</sup> *Ibid.*, p. 763

years.<sup>118</sup> He also noted how Singapore, as the trading centre in the region, linked Cambodia, the Malay archipelago and Siam, creating an identifiable commercial unity.<sup>119</sup> Moreover, he stressed the need for the Straits government to be given a free hand in developing its own foreign policy in the region, enabling it to become a unifying political influence throughout the region.<sup>120</sup> While the Dutch inevitably limited such ambitions, Guthrie thought of Southeast Asia as a unified entity, capable in theory at least of informal British commercial and political leadership. This was a common view in the Straits by the early 1860s, contrary to the scepticism of earlier historians.<sup>121</sup> Moreover, the idea of the Straits Settlements exerting informal control over a broad sweep of the Malay archipelago was shared in high places. As early as January 1859, the Earl of Carnarvon, Parliamentary Under-Secretary at the Colonial Office supported the transfer of the Straits to the Colonial Office, provided the requirements of financial viability could be met. Referring specifically to Crawford's writings, Carnarvon agreed that the Straits Settlements were no longer part of the Indian empire. He envisaged the Straits would 'become links in the natural chain of colonial dependencies, from Ceylon through the Indian archipelago to the northern coasts of Australia'.<sup>122</sup> He believed that the Straits Settlements and Hong Kong would become links in a chain of ports from Australia to the Malay archipelago, forming 'a cluster of dependencies homogenous at least in many of its principal parts'.<sup>123</sup> Clearly, within the Colonial Office, there were those who saw the Straits Settlements as the centre of a regional British sphere of influence. The debate about the financial viability of the Straits Settlements dragged on into the mid-1860s, with the Straits merchants eventually winning the argument that the Straits Settlements constituted a financially viable colony.<sup>124</sup> By the time this status was granted in 1868 allies in London were poised to establish representation in the new Straits Settlements Association.

<sup>118</sup> Guthrie, A. (1861). *The British Possessions in the Straits of Malacca* (London), p. 13.

<sup>119</sup> *Ibid.*, pp. 7–8

<sup>120</sup> *Ibid.*, pp. 12–13.

<sup>121</sup> Turnbull, *The Straits Settlements*, p. 379.

<sup>122</sup> Carnarvon's report to Sir Edward Lepton on the proposed transfer of the Straits Settlements to the Colonial Office, 20 January 1859, CO 273/7, pp. 2–17, especially p. 11.

<sup>123</sup> *Ibid.*, p. 12.

<sup>124</sup> Buckley, *An Anecdotal History*, pp. 773–780.

## Conclusion

What was the significance of these developments? Several main points should be emphasized. First, the period from about 1830 until 1858 saw the emergence of a collective sense of identity within the Straits commercial community, which came to see Southeast Asia as a discrete economic region with its own needs. These could not be left to decision-makers outside the region whose priorities lay elsewhere. Reid has shown that this regional coherence, based on maritime commercial networks, was of ancient origin. Recently historians have stressed the importance of networks in the consolidation of imperial social and governing structures, especially in the creation of lines of communication through which common interests could be established, ideas exchanged and a sense of shared purpose fashioned.<sup>125</sup> The flourishing of trading networks under British imperial influence in the nineteenth century helped recreate this sense of regional identity amongst Europeans, Chinese and Malays. It was strengthened by the emergence of commercial organisations which underpinned mercantile solidarity, especially on Penang and Singapore. It can be argued that the revival of consciousness of Southeast Asia as a distinct region can be traced back to these developments. Of crucial importance to this emerging sense of identity was the consolidation of an active colonial public sphere in the Straits, which matured in the 1850s.<sup>126</sup> The enduring role of the Grand Jury, the outspoken confidence of the Straits press and the dogged activism of the Chambers of Commerce all seemed to come into their own in that decade. The longstanding Straits defence of free trade found a new resonance with politicians in Britain, who were increasingly embracing free trade and *laissez-faire* ideas. It was significant that attitudes in Westminster to the Company were hardening in this ideological climate, as demonstrated in the further restrictions placed on its

<sup>125</sup> Ballantyne, T. (2002). *Aryanism in the British Empire* (Palgrave, Basingstoke), pp. 14–16; McVey, 'Afterword: In praise of the Coelacanth's Cousin', in Kratoska, Raben & Nordholt (eds), *Locating Southeast Asia*, pp. 308–319; Hall, C. and Rose, S. O. (2002). 'Introduction: being at home with the empire', in Hall, C. and Rose, S. O. (eds), *At Home with the Empire: Metropolitan Culture and the Imperial World* (Cambridge University Press, Cambridge), pp. 1–31, especially pp. 6–7.

<sup>126</sup> Harper, T. (1997). Globalism and the Pursuit of Authenticity: the Making of a Diasporic Public Sphere in Singapore, *Sojourn*, 12:2, 261–92.

privileges by the Charter Act of 1853.<sup>127</sup> Moreover, although ethnic divisions within the Straits communities persisted, and were in many senses hardening, there was a growing recognition of a common interest in promoting free trade in Southeast Asia, and a belief that British influence was the best way to achieve this. Thus, at the public meeting on Singapore in August 1855 which protested against the imposition of Indian currency in the Straits, two prominent Chinese merchants, Tan Kim Cheng and Tan Kimseng (also a Justice of the Peace) were amongst the merchants and individuals intent on petitioning parliament.<sup>128</sup> Buckley identified the Chinese merchant 'Mr Whampoa' (Hoo Ah Kay) in this period as a trusted pillar of the wider mercantile community.<sup>129</sup> There were numerous examples of leading Chinese merchants joining their European peers in common cause and commercial pressure groups. In 1853, 10 Chinese business men joined 10 Europeans in forming the Malacca Agricultural Association.<sup>130</sup> That body, and some 27 Chinese merchants and 11 Europeans, petitioned the Malacca administration for various land reforms just several weeks later.<sup>131</sup> In such collaborations lay the beginnings of the 'federated' notion of 'Britishness' in Malaya and the Straits as identified by Lees.<sup>132</sup>

The network which linked the Straits Settlements to pressure groups in British cities was crucial in the growth of this confident, activist identity in the Straits. It guided British imperial policy on questions of free trade *versus* trade taxes, currency, banking and the government of the Straits Settlements. It linked metropole to periphery, exchanged information, and orchestrated lobbying across the globe. Policy was not dictated by a handful of super-rich 'gentlemanly capitalists' in London, though they were certainly part of the network. Rather it was shaped by the interaction of a range of interests, including industrialists and merchants in the British provinces, London financiers and merchants

<sup>127</sup> Webster, A. (2009). *The Twilight of the East India Company: The Evolution of Anglo-Asian Commerce and Politics 1790–1860* (Boydell, Woodbridge), pp. 136–137.

<sup>128</sup> *Currency Adapted to the Straits Settlements: and the Nature & Extent of the Commerce of Singapore with Remarks on Act XVII of 1855* (Published under the Direction of the Committee Appointed at a Public Meeting held at Singapore, August 11<sup>th</sup> 1855 (G. M. Frederick, Singapore 1855).

<sup>129</sup> Buckley, *An Anecdotal History*, pp. 658–659.

<sup>130</sup> Meeting of Malacca Inhabitants, 30 July 1853, Boards Collections F/4/2604 (163047), pp. 17–20.

<sup>131</sup> Petition to Resident Councillor at Malacca 26 August 1853, Boards Collections F/4/2604 (163047), pp. 29–37.

<sup>132</sup> Lees, *Being British in Malaya*.



in Southeast Asia. Out of these global, imperial and regional developments emerged a sense of the importance, uniqueness and identity of the British presence in Southeast Asia, which increasingly marked out the region as a separate entity, especially in the minds of British imperialists.