UNDER
CHARTERED COMPANY RULE

(North Borneo 1881–1946)

BY

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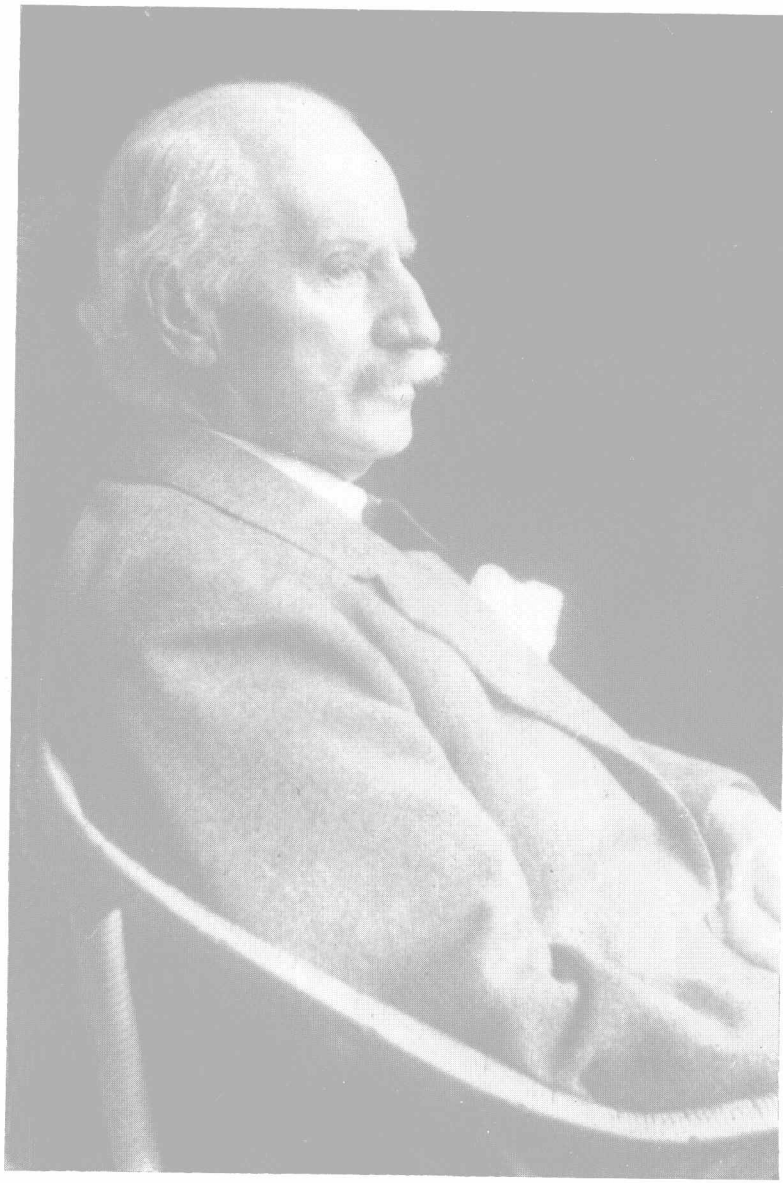

SIR ALFRED DENT
Founder of the Chartered Company

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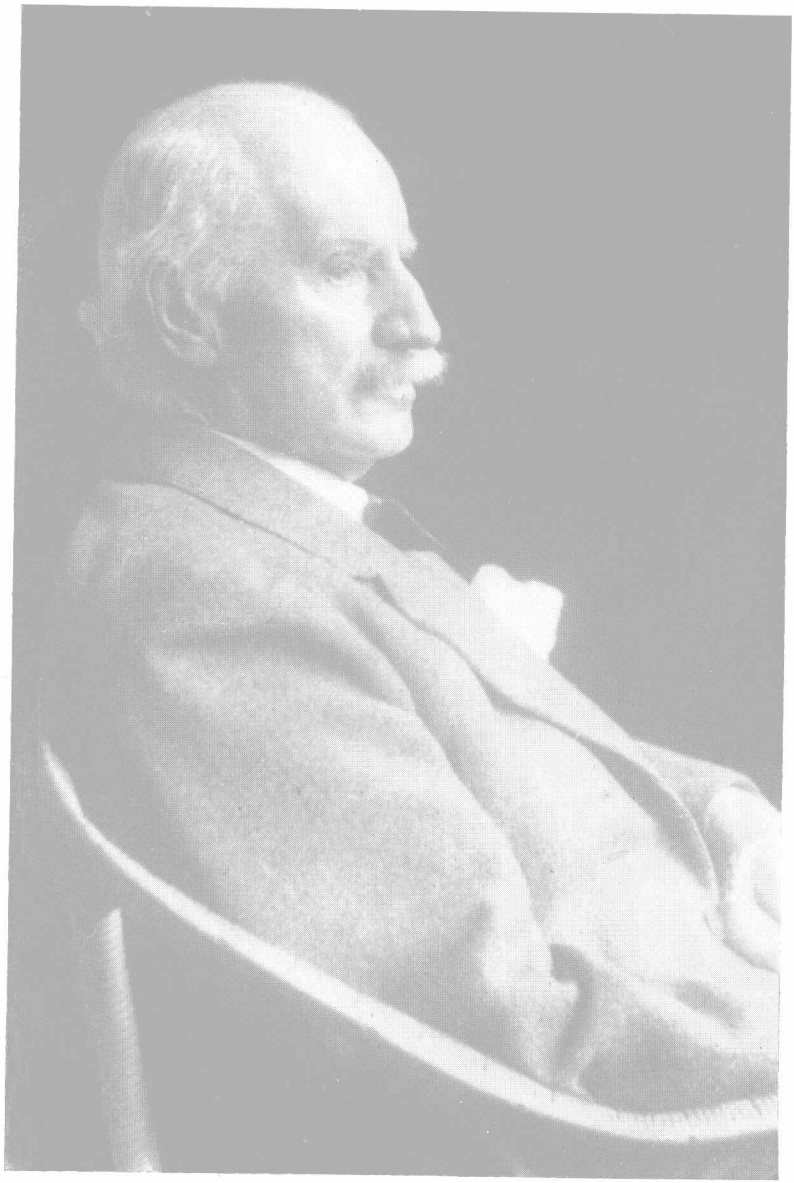

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Founder of the Chartered Company

PREFACE

THE British North Borneo (Chartered) Company was formed in 1881 to administer the territory of North Borneo, over which it had acquired sovereign rights. Chartered Companies were already in disfavour when the great East India Company was dissolved in 1858, and it was surprising to some that this mode of government should be again revived. Its initial success, however, led to the formation of other, more famous, companies in East, West and South Africa, and (by Germany) in New Guinea. These had their day and died, while, little noticed, the unique form of government which they typified was continued in North Borneo. For sixty years (1881–1941) the Chartered Company governed the State, surrendering its sovereignty only in 1946.

The British North Borneo Company was not only the longest lasting of the nineteenth century Chartered Companies, but it was also the only one that preserved its documents. With their help, the history of the Chartered Company is here told in full, for the first time. Piled haphazardly in tin trunks in London are numerous bundles of letters and documents of the Company, and these reveal how an American attempt to found a colony in North Borneo led, step by step, to the formation of the Chartered Company. Other records, official and unofficial, published and primary, in both London and North Borneo, tell the history of the Company and of the territory of North Borneo. It is a little known but very creditable history, a sixty-year rule that produced from warring and poverty-stricken anarchy a peaceful and contented people and an ever-expanding economy. In the light of present-day conditions in South-east Asia this is an achievement that should not be belittled, and one that may well be envied.

The research necessary for the compilation of this book would not have been possible had not the Trustees of the Gowrie Trust in Australia and the Nuffield Foundation in London seen fit to

award me a Patrick Hore-Ruthven Scholarship and a Dominion Travelling Fellowship respectively, which enabled me to spend three years of study at New College, Oxford, and at the Colonial Office, London. The kindness of the late General Sir Neil Malcolm, K.C.B., D.S.O., and of Sir Dougal Malcolm, K.C.M.G., former President and Director of the British North Borneo (Chartered) Company, who invited me to narrate its history, and who secured for me the permission of the Permanent Under Secretary at the Colonial Office, Sir Thomas Lloyd, G.C.M.G., K.C.B., to consult not only all its records which had been handed over to the Colonial Office on its voluntary liquidation in 1946, but also the rare privilege of perusing all Colonial Office correspondence relating to Borneo between 1881 and 1941, is also acknowledged with gratitude, as is the help given me by the head librarian of the Colonial Office Library, the late Mr. A. B. Mitchell, M.A., and by his staff, and the advice and encouragement given to me by Mr. Francis Carnell, M.A., B.LITT. at the University of Oxford.

The Nuffield Foundation and the University of Malaya both made funds available to me to visit and travel extensively in North Borneo and Brunei, and to work on the Chartered Company records in Jesselton. I thank them both.

In North Borneo itself I was helped by the assistance of the Governor, General Sir Ralph Hone, K.C.M.G., K.B.E., M.C., T.D., and by discussions with former members of the Chartered Company, in particular Messrs N. Combe, M.C., J. Maxwell-Hall and W. K. C. Wookey, and also by the District Officer at Kota Belud, Mr. George, the head of the Anglican Church in Sandakan, Father Lomax, Father Walsh of the Roman Catholic Church there, and Mr. Chin Yong En, of Jesselton.

Draft chapters of this book were read and criticized in North Borneo by old Chartered Company employees, in particular Mr. Wookey, and in Singapore by Dr. E. Stokes and I. Polunin of the University of Malaya. In addition, valuable information was gained by conversations with Mr. R. K. Hardwick who drew freely on his fifty-year knowledge of North Borneo. In London an insight into an earlier age was given me by conversations with the ninety-year-old widow of W. C. Cowie, who left North Borneo in 1888.

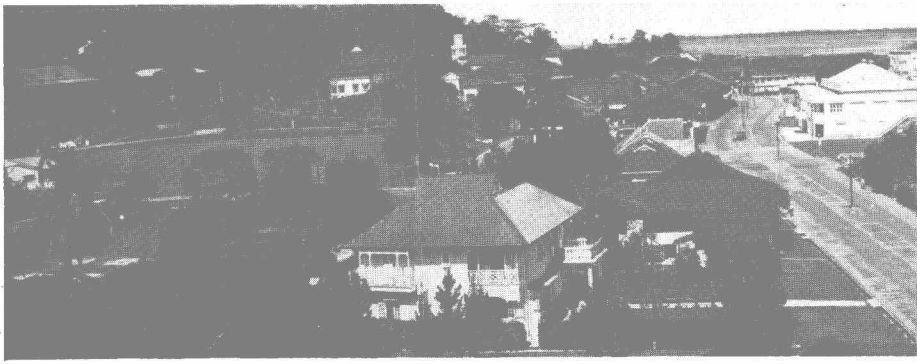
The compilation of this research was encouraged in Singapore by Professor C. Northcote Parkinson, PH.D., M.A., Raffles Pro-

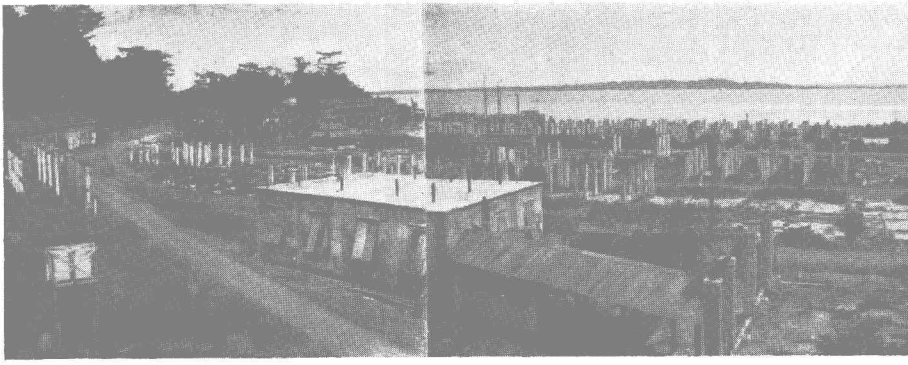
fessor of History at the University of Malaya, and saddened by the death in Adelaide of my old professor, Garnet Vere Portus, M.A., B.LITT., Emeritus Professor of History and Political Science at the University of Adelaide, who enabled me to secure the Gowrie Scholarship and the Nuffield Fellowship, who was my guide and friend, and to whose memory I dedicate this book.

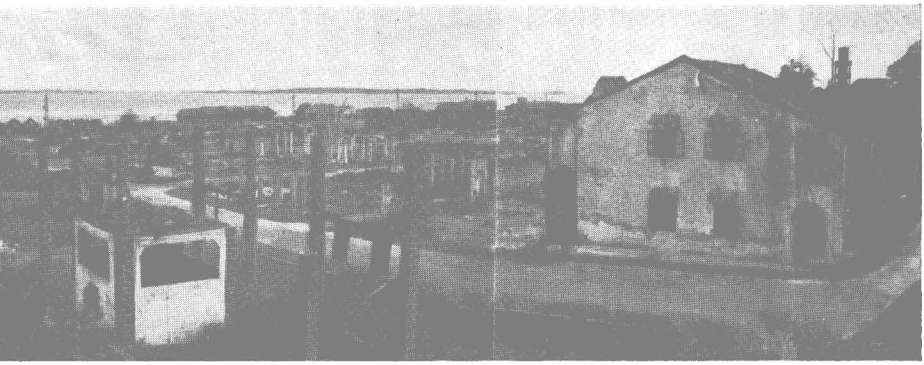
K.G.T.

Singapore
1957

W. C. COWIE







CONTENTS

ILLUSTRATIONS

MAPS

BACKGROUND

BORNEO, the third largest island in the world, lies across the equator to the south-east of the mainland of South East Asia. The tropical climate is hot, and very humid. Unlike the volcanic islands that partly encircle it, it belongs geologically to the old non-volcanic Sunda Platform, and was once, it appears, part of the mainland of Asia, from which it is now separated by the shallow Java and China Sea. To the north the land falls away quickly to great depths of ocean.

The island is almost entirely covered by dense forest. The two major mountain ranges stretch approximately from north-east to south-west, and from east to west across the island. The central massif slightly north of the equator is still partially unexplored. Some peaks are too high for vegetation other than mosses and stunted bushes, but elsewhere great trees compete for life with a luxuriant undergrowth of younger and smaller trees, and a rich variety of palms, creepers and ferns. Many species of Asiatic mammals thrive in the forest. These include the rhinoceros, the elephant, several species of monkey, and two of the anthropoid ape, the gibbon and the orang-utan; the pig, the deer, the scaly ant-eater, and the small black bear. There are also seventy varieties of snake, and some 450 varieties of birds, some with gorgeous colouring and strange and beautiful in form, and basking in the many streams as they flow sluggishly through the coastal mangrove swamps towards the inevitable bar are numerous crocodiles.

By far the greater part of the island is uninhabited. In the far interior, high in the upper basins of the rivers, wander small bands of Punans, 100,000 or so of the most primitive, the most inoffensive and timid of nomads. Most of the remaining groups of indigenous peoples keep closely to scanty clearings by the river banks, but the semi-nomads, who burn clearings in the tropical forest in the way characteristic of their kind throughout the world, grow dry rice on hillsides often far from any stream. Whether nomadic

or not, the indigenous native is separated from the coastal people by the sharp cleavage of religion. Those on the coast, whether Malay, Sulu, Illanun or Bajau, are all, to a lesser or greater degree, Muslim; those inland are pagan.

Islam was spread to Borneo, as elsewhere in the archipelago, by Indian and Arab traders and merchants along the sea routes. In 1292 Marco Polo had found Islam established by 'Saracen' traders at Perlak, a small port on the north coast of Sumatra. The strength of the Hindu Empire of Java was perhaps responsible for the fact that its spread at first was slow: but after the fast-growing port of Malacca embraced the faith early in the fifteenth century, its growth was more rapid. Sometimes little more than a decade before the arrival of Europeans, Islam was adopted by the coastal peoples of Sumatra, the Malay Peninsula, Java, Celebes, Borneo, Sulu and the southern Philippines, and contributed in no small measure to the overthrow of the Madjapahit Empire. Long after it had collapsed the Indians and Arabs were still spreading their faith, and by the seventeenth century were far to the east, endeavouring to convert the Papuans.

Amongst these traders who sailed the sea lanes of the archipelago, legend tells of three sons of a rich Hadramaut merchant who had married the daughter of the Sultan of Johore. One took the faith to the Philippines; another became Sultan of Sulu; while the third, the eldest, married the daughter of the Chinese-blooded Sultan of Brunei, in north-west Borneo, and became, on the death of his father-in-law, the reigning Sultan.

The Chinese had been in Brunei a long time. It is referred to in Chinese Annals from as early as the seventh century A.D., and accounts are more detailed during the Ming period (1368–1644). Trade became constant and it would appear that settlements of Chinese were established. The slopes of the river banks leading to Brunei encouraged the growth of pepper which found a ready sale in South China. Its cultivation became the monopoly of the Chinese, whose presence, and the knowledge of the power they represented, encouraged Brunei to shake off the overlordship of Madjapahit; to be the first of the States of the archipelago to send ambassadors to China; and then, in the fifteenth century, to embark on a career of conquest. When a Muslim Sultan came to the throne fresh vigour was given to Brunei expansion. With piety allied to piracy, her power spread.

Her wealth was increased by the fall of Malacca to the Portuguese in 1511. Many Muslim traders fled from the Christians and sought a new centre in Brunei, standing stilt-like on a shallow bend of the only Bornean river without a sand bar at its mouth. She became the bazaar of the northern islands, and when the first European arrived she was at the height of her power, having subjected all the rivers of north and west Borneo, and beyond. Pigafetta, chronicler of Magellan, visited Brunei in 1521, and was received with royal pomp and state.

The three great modern influences on the archipelago, the European, the Chinese and Islam, had all arrived: but they were to pass her by. For nearly 400 years the story of North Borneo is one of decline. The power and the ardour of the Sultan diminished. The conquered territories broke away, were ceded away, or lapsed into feudal isolation. The Chinese stopped coming, for they found greater wealth and security nearer the European trader, and he had found richer prizes elsewhere. Brunei's importance as a trading centre steadily diminished, and as trade decreased poverty and the tenets of the new religion stimulated a great increase in piracy. Slowly she disintegrated.

CHAPTER ONE

THE AMERICAN COLONY

By the middle of the nineteenth century various attempts had been made by European Powers to settle in Borneo. Almost without exception they had failed. The Portuguese had contented themselves with the most infrequent of trading visits. From Manila the Spanish had sent an embassy and later a punitive expedition against piratical Brunei. The Dutch were clinging precariously to the southern coast, and the British, after the failures of Soekadana, Banjermassin and Balambangan, were in possession of the minute island of Labuan in Brunei Bay.

Ceded by the Sultan of Brunei in 1846 and ratified by treaty the following year, the island had been occupied partly to tap the trade of the northern islands, and partly to make safe the China Seas. British China-bound ships, after passing the three well-lit bazaars of Penang, Malacca and Singapore in the dark thieves' alley of the Malacca Straits, faced a lonely and perilous path across the China Sea to Canton. Labuan and Hong Kong lessened the dangers.

By order of Palmerston the island was occupied, and the first civil governor was James Brooke who, alone of the adventurous Englishmen who had tried, had succeeded in settling in Borneo. Both Alexander Hare in the south (though helped by Raffles), and Erskine-Murray in the east had failed, as Wilson was to fail in Sumatra. Brooke was the exception. In return for annual payments he was granted the governorship of a rebellious province by the Sultan of Brunei, and gradually assumed authority over an ever-increasing area of the Sultan's territory. Aided occasionally by units of the British Navy, he drove away the pirate fleets from the north and slowly extended peace and order along the coastline of western Borneo.

Apart from Great Britain, the only other western power to enter into relations with the shrinking Sultanate of Brunei was the United States of America. There had been American interest in South-east Asia as early as the close of the War of Independence;