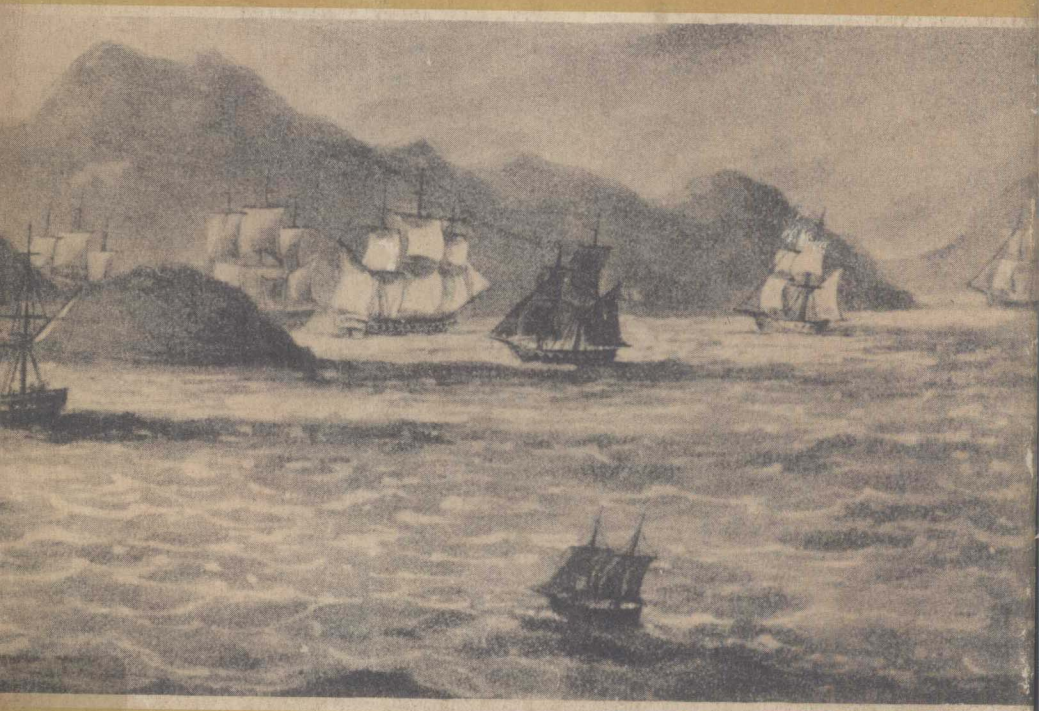
Anglo-Dutch Rivalry in the Malay World 1780-1824

NICHOLAS TARLING



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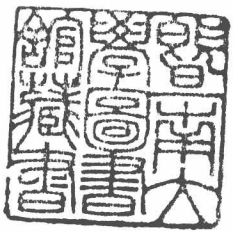

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JOHN BASTIN

Prefatory Note

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My earlier monograph, "British Policy in the Malay Peninsula and Archipelago 1824-1871", published in the *Journal of the Malayan Branch of the Royal Asiatic Society* for October 1957, is in a sense a sequel to the present book. I hope to fill out somewhat the picture given in these two works of the advance of European influence in the Malay world by publishing in the near future a study of Malay and Chinese piracy in the area in the nineteenth century and of the British attempts to suppress it.

St. Lucia,
August 1961

Nicholas Tarling

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Chapter 1

The Treaty of 1784

THE eighteenth century saw the beginning of a long phase of industrial and commercial expansion in Europe that was to penetrate to Asia with the most profound effects. Its impact there cannot, however, be considered apart from the fact that at the same time Asia came under the political influence of various European powers. So far as South-east Asia and the Malay world in particular are concerned, this political process was substantially complete before the economic forces at work were intensified by the opening of the Suez Canal in 1869. Indeed, the fifty-year period preceding the treaty of London of 1824 is a most significant one in the relationship between the two European powers then in the Malay world, the British and the Dutch, and thus also in the impact of Europe upon South-east Asia.

During the eighteenth century the relative economic positions of these two powers in Europe were, of course, changing. The prosperity of the Dutch Republic in the seventeenth century had rested not only upon its geographical position, but upon its convenience as a staple for international trade when it was still quite small-scale, compared with the mass traffic in everyday commodities of more recent times. The expansion of trade beginning with the "commercial revolution" in England of the early eighteenth century, and growing more rapid with the "industrial revolution" of the subsequent decades, reacted upon the prosperity of the Republic, and Dutchmen saw their commerce declining relatively, though not absolutely, as a more substantial commerce and more direct trade-routes displaced the traditional staple.[1]

This change in Europe was naturally reflected in Asia. One aspect of the Republic's prosperity, and one source of it, had been its command over the limited but valuable trade—the "golden thread"—between Asia and Europe, a trade that was very largely in spices of one kind or another but was supported by an

intra-Asian commerce in a wider variety of products. The expansion of the eighteenth century intensified the rivalry of other powers that had in any case never been wholly extinguished, in particular, of course, that of the British, who now came to Asia with new capital resources. They came also with new demands; and the Republic's position was again affected by the fact that in Asia, as in Europe, its system was geared to the seventeenth century rather than to the eighteenth. Now there was a demand in Europe, first for Bengal piece-goods, an "Indian craze" in fact;[2] and later a demand for China tea, an expanding demand, too.[3] The Dutch Company had difficulty in adjusting itself to traffic in new products, in new areas, in expanding quantities. In India it had long shared in the carrying of Coromandel textiles to their traditional market in the Malay Archipelago, but it never secured an equivalent position in the Bengal traffic.[4] With China it had never established a direct trade, and never overcame this initial disadvantage.

The economic position of the Dutch in Asia was also affected by the conquests of the British East India Company on the Indian Continent, a form of expansion urged on by the rivalry of the French who sought territorial control as their only effective weapon against superior commercial competition. In the hands of the British, territorial control added to the ability to compete. In India the Dutch, like other European powers, had carried on their trade at factories granted commercial privileges by the firmans of native princes: for instance, at Surat and elsewhere, their trade had not to pay more than 2½ per cent on importation or exportation.[5] The extension of British control tended to render many of the privileges less valuable and their tenure less certain. It became increasingly difficult for the agents of the Dutch factories to secure the fulfilment of their textile contracts in neighbouring districts, and, in Bengal, the exclusive right to saltpetre demanded by Clive also interfered with Dutch trade. The East India Company subsequently "stood forth as Diwan" and from 1775 monopolised the purchase of opium. In practice the Dutch were allowed 23,000 maunds of saltpetre and some hundreds of chests of opium at cost price as a compensation for the loss of their free trade.[6] This was more useful to them in that opium had become a most important item in the new Asian trade: it provided, in particular, a valuable means of trading to China. There the market for European goods was yet small, and it was desirable to avoid the importation of specie. The British East India Company had a monopoly of British trade to India

and to China, but it permitted the private "Country Traders" to purchase opium from it in India (thus realising revenue) and to take it to China where the Canton factory could use the profits from its smuggled sale to fill out the tea investment.[7]

These changes also affected the commercial position of the British and the Dutch in the Malay world. There the position of the latter had long rested, not so much upon sovereign possession, as upon treaties largely of a commercial character with local rulers, and upon the stapling of a limited trade at a few major entrepôts, the chief of which was Batavia. The enforcement of contracts and of claims to monopoly, backed up by a general claim to exclude rivals altogether from navigating in the neighbouring seas, was dependent, naturally, upon the possession of an active naval force. The area had been important to the Dutch Company in part as a source of products for their intra-Asian trade, for instance, tin, secured by monopoly contracts with rulers like the Sultan of Palembang in south Sumatra, or the chiefs of Perak or Rembau on the Malay Peninsula.[8] The area was also important as the major source of spices for the European market, of Sumatran pepper, for instance, or of cloves and nutmeg which the Dutch secured by monopoly contracts in the Moluccas, backed up by partial occupation and by naval action for the exclusion of others.

During the eighteenth century the Malay world also became important in relation to the procuring of China tea, for in the Celestial Empire there had long existed a demand for the marine and jungle products of the Nanyang, and for its tin[9] and other metals, and a share in that trade would again help to avoid relying on specie for the purchases at Canton. The demand for tea, in fact, added a new dimension to the intra-Asian trade, and the Dutch sought on occasion, for instance in the 1730's, to utilise their special advantages in such traffic.[10] The British had the advantage in Canton, however, and also in their command of Indian opium and textiles for distribution in the Archipelago, and the Country Traders were thus able to defeat the Dutch attempts at exclusion, to infringe more easily the Dutch contracts, and even to invade the spice monopolies. In particular they made Riau, a part of the old Malay empire of Johore over which the Dutch had no effective control, a centre for the smuggling of opium and textiles from India, of tin and other goods for the China market, and of spices for Europe; and they were aided by the commercial activities of the Bugis of Celebes, who had reacted against the Dutch conquest of Macassar by

making themselves the great traders of the Archipelago.[11] The Dutch found it less and less possible or worthwhile practically to enforce either their claims to a general supremacy or their particular treaties with Indonesian rulers. More and more they concentrated on Java where, especially from the 1720's, they developed the cultivation of coffee upon such terms as to enable them to compete in European markets with other sources of supply,[12] and throughout the century their sovereignty was spreading over that populous island.

The Archipelago was thus important to Britain commercially as a market for Indian products, as a source of spices, and, much more, as a means of supplementing the trade with China. Britain's interests in India and China gave the area a strategic as well as a commercial importance. Firstly, the advance of the Indian conquest, and the rivalry of the French, meant that it was desirable to command the Bay of Bengal at all seasons, and during the north-east monsoon this could be done only from a base along its sheltered eastern coastline or in Ceylon. If Britain lost the command of the Bay, the French, based in Bourbon and Mauritius, might land in India and effect a junction with the Indian opponents of the English Company. A base in the Bay, perhaps to the eastward, was necessary to ensure Britain's supremacy at sea and preserve the empire ultimately founded upon it. Secondly, the development of the trade to China meant that it was necessary to command the route thither in order to protect British shipping in time of war.

The commercial and strategic interests in the Archipelago of the power predominant in southern Asia after the middle of the eighteenth century did not at once affect its political map, though the Company's old settlement at Bencoolen on the west coast of Sumatra scarcely fulfilled any of its purposes, merely providing a little pepper and a heavy liability for administrative expenses.[13] For one thing, there was some reluctance to undertake political responsibility and extend colonial possessions in eastern Asia. Furthermore, though such a policy might not rule out the establishment of commercial entrepôts and strategic posts, even plans for these were limited by more particular political considerations in relation to other Asian and European powers. In the course of the Seven Years War, the plans of Alexander Dalrymple for a settlement in the Sulu Archipelago had been advanced and a treaty made with the Sultan of Sulu in 1764. China-bound ships sometimes took the "eastern route" thither, discovered by *H.C.S. Pitt* in 1758,[14] and a settlement in that region would assist them

as well as provide a source of spices, such as the Court of Directors still thought desirable,[15] a source also of other jungle and marine products, and a market for Indian textiles and opium. In 1773 such a settlement was actually made at Balambangan. The Sulu chiefs, aided by "pirates", enforced its abandonment shortly after, but the decision to settle there had already been challenged by the Spanish claim that Sulu was a dependency of the Philippines Government;[16] and in London there was doubt as to the policy of challenging the Spanish imperial position, lest it throw the metropolitan country further into the arms of its Bourbon ally, France, thus overthrowing the European balance of power and endangering the British command of the seas.

In relation to the Dutch a similar event would be even more dangerous, not only in Europe, where the Republic might form a springboard for a French invasion of England, but in Asia, where its factories on the Continent might become aids to a French conquest, and its bases in the Archipelago aids to French interference with the China trade. Furthermore, the influence of the French in the Republic had been growing over the preceding decades. The relative decline of Dutch prosperity—the decline of Dutch industry went along with the decline of the Dutch staple—had produced a discontent with the ramshackle oligarchical rule of the Regent families in the United Provinces which showed itself in particular when the Republic's growing impotence in European affairs was illustrated. The crisis of 1747-48 had brought about the restoration of the Stadhouderate as a means of restoring Dutch power in the world. In fact William IV of Orange had effected little, and the oligarchy had quickly closed its ranks again, to the discontent of the classes deprived of political opportunity, and, with the failure of the economy to expand as before, deprived even of economic opportunity. In their wish for reform they turned to the inspiration of English and French philosophy and pressed for political change in the Republic, now at the expense of the Stadhouder as well as of the Regents. The Stadhouder was traditionally pro-English in policy, for the Orange princes realised that England was interested in the maintenance of Dutch independence while the Dutch needed her support against a major continental power. The "Patriots", as the reformers called themselves, thus sought—and not merely on philosophic grounds—to increase French influence in the Republic; and they were joined by a section of the Regents—especially in Holland, the most important Province—who were traditionally opposed to the Princes of Orange, and by some of

the First Hand or international merchants, who saw that England's commercial expansion divided her interests from theirs though strategic considerations might unite them.[17] The French, on their part, saw the benefits that might accrue to them, both in Europe and in Asia, from the extension of their influence in the Republic. It was, of course, in the interest of Britain to avoid provoking pro-French reaction and weakening the Anglophile party.

In this she failed, but not because of her policies in Asia, where, for instance, though she avoided recognising the Dutch claim to an exclusive navigation of the Archipelago—and in practice her traders carried on a "smuggling" trade—she also avoided openly invading the Dutch sphere of influence (Balambangan was beyond it). In the War of American Independence, the British were anxious to deny neutrals trade with the rebels and their French and Spanish allies. In the United Provinces, however, and especially in Holland, the First Hand merchants were anxious to retain it; and this issue, together with the political ambitions of the Patriots, their desire to weaken the Stadhouder, and the intrigues of the French, was sufficient to produce a revolution in Dutch policy, and thus in British policy also. Late in 1780, Great Britain declared war on the Republic in order to prevent its joining the League of Armed Neutrality sponsored by Catherine II of Russia.[18] This precipitated the triumph of the Patriots and the virtual suspension of the Stadhouder. It also became essential for Britain to guard against the effects in Asia of the accumulation of French power and its menace to India and China. Several Dutch settlements were taken, including Negapatam, a Coromandel settlement, and Chinsurah in Bengal, and also Padang, the neighbour of Bencoolen on the west coast of Sumatra.[19] In fact the United Provinces suffered major losses in Asia and elsewhere, but the Patriots could make capital even out of these. If they could not restore their country's greatness, or even preserve its remnants, they could blame their failure on Britain and discredit the Anglophile party.

The Republic also possessed an important post on the route to the East, namely that at the Cape of Good Hope. The French Admiral, Suffren, strengthened this in anticipation of the British, but, on his arrival in Asian waters, he found that the British had anticipated him at Trincomali in Ceylon. This important naval station, sheltered during the northerly monsoon, he regained in August 1782,[20] but in Europe negotiations for a general peace had begun, and his success was not known there till they were far advanced.

The Dutch plenipotentiaries, Brantsen and Berkenroode, met Alleyne Fitzherbert, the British envoy in Paris, the scene of the negotiations, on 16th September. The States-General of the Republic sought a preliminary recognition by Britain of the principles of the League of Armed Neutrality.[21] The British Government was not, of course, prepared to grant this, and though the Patriots clearly intended to rely on French support in the negotiations, the Secretary of State in London, Lord Grantham, observed of Louis XVI's ministers: "there seems no great Inclination to allow their new Companions in the war to obstruct the work of Peace", and suggested, therefore, the retention of Trincomali.[22] Indeed, after some weeks' deadlock, Vergennes, the French Foreign Minister, advised the Dutch plenipotentiaries to seek new instructions from the States-General.[23]

In December the negotiations reopened with a Dutch demand for the recognition of neutral rights and for the restoration of conquered colonies.[24] In reply, the Shelburne Cabinet refused to recognise neutral rights; it was not prepared to offer any concession on the matter unless the Republic returned to its old English alliance, a "quite improbable" event. It intended also, it announced, to retain Trincomali which was "not only desirable, but almost necessary to us". A memorandum had pointed out that at that port "a Fleet in all monsoons will find a safe retreat and would afford a constant protection to all our settlements in India. . . . In time of war, no enemy's fleet could approach the coast of Coromandel, and if they did pass the Gulf of Bengal unobserved, . . . they would soon be followed by our fleet, always clean, and in good order. . . ." The British Government, it was clear, wished to retire at least from this part of the war without dishonour, and, unless there was a change of heart in the Republic, they had to provide for the security of British interests by other means.

The Government had also consulted the East India Company. The Court suggested demanding of the Dutch "liberty to navigate and trade to the islands in the Eastern Seas without any molestation" and, in sending the Directors' note to Fitzherbert, Grantham explained that "the Dutch had hitherto kept themselves Masters of the Navigation of the Eastern Seas. . . . It will . . . be necessary that the liberty of navigating those Seas should be asked for, and granted. . . ."[25] Such a stipulation, though hardly necessary to ensure the security of British possessions against the effects of political change, would be a further illustration that Britain had not been defeated in Asia as well as in America.

The Dutch must now explicitly withdraw a claim that the British had never explicitly recognised.

As Grantham had foreseen, there was no real chance that the rulers of the United Provinces would accept the British terms for arrangements over neutral trade: "the Politics and Temper of the Republic at this time will scarcely allow them to return to that wise System which they had so long pursued". Nor was Vergennes prepared to take up the Dutch cause: he did, however, insist that Trincomali should be restored to the Dutch, who, Fitzherbert declared, feared that British establishment there, a blow at their prestige, would also destroy their cinnamon trade in Ceylon. Britain might retain some other conquest, Vergennes suggested.[26]

In London it was thought that the French would insist upon this point: if so, Fitzherbert should insist upon "keeping Negapatam, and procuring Demerary and Essequibo", two of the Dutch West Indian colonies. If this were impracticable, he should demand Negapatam alone; and if he could not obtain this, Demerary and Essequibo alone.[27] Thus the British Government would be content with a demonstration of success in the West Indies, if they could not obtain that and extra security in the East Indies. However, Vergennes thought the retention of Negapatam, with the acquisition of the Guiana colonies, even less reasonable than the claim to Trincomali. Fitzherbert expected the Dutch to offer just Negapatam, perhaps also "something inconsiderable", such as Padang.[28]

Terms for the preliminary Anglo-Dutch treaty, finally settled with Vergennes on 19th January 1783, were on a rather different basis. Fitzherbert had found it impossible to secure the Guiana colonies as well as Negapatam; and so he annexed to the demand for the latter, "first the Demand contained in the East India Company's minute of *navigating* and *trading* to the Islands in the Eastern Seas. And secondly (finding that proposal inadmissible) the Right of free navigation in those Seas, which is mentioned in Your Lordship's Letter . . . , and which . . . I have succeeded in obtaining". The Dutch were to promise not to interfere with the navigation of British subjects in the Eastern Seas.[29]

Vergennes agreed to encourage the Dutch to accept these terms and conclude their preliminary treaty. Their delays had impeded the completion of the Anglo-French preliminary treaty. So he had intervened, and now, satisfied that he had done enough for the Dutch, he proceeded to conclude the preliminary Anglo-

French treaty in time for the meeting of the British Parliament.[30] The Dutch, however, were far from satisfied. In particular, they were concerned at the article on free navigation in the Archipelago: it should be withdrawn, "or at least . . . so explained as to point out clearly that nothing more was meant by it, than a demand of the free navigation of those Seas, which was not to be extended to any share in the commerce of the Spice Islands. . . ."[31]

Grantham referred to the Chairman of the Company on the matter. The Company's aim, it became clear, was indeed to destroy the Dutch claim to "an exclusive right of navigation in those seas". A free navigation was important as a security for the Archipelago route to China, and it would also ensure the exercise of the right "to an uncontrouled Trade to any of the islands situated in those Seas, not possessed by the Dutch". However, "it was by no means the intention of the East India Company to pretend to any Trade with the Dutch Establishments there, nor to attempt it in any manner whatever, so that no jealousy whatever need be entertained on that score". This, however, was not an explanation likely to satisfy the Dutch, and Grantham was aware in some degree of their susceptibilities on the point. Fitzherbert was thus instructed to "use great discretion with regard to the last reason for wanting this free navigation, which may be very well claimed under the former illustration", that is, as necessary for navigation to the Far East.[32] The Dutch claim to a monopoly of navigation was, as has been shown, designed to assist in maintaining their commercial monopolies in the Malay states. The removal of the safeguard, under the sort of explanation the British proposed, would, it is clear, be especially disastrous. In the Archipelago the Dutch position rested largely upon treaties and contracts and rarely upon "possession". If the Dutch admitted the right of navigation which the British demanded, and the British asserted a right presumably under international law to trade with all states not in their "possession", the Dutch would, in the absence of force, have virtually no safeguards for their commercial monopolies, even for the monopoly of spices.

The Dutch plenipotentiaries thus attempted to secure the removal of the article, "insinuating as a substitute . . . that the States should establish a Commission of Inquiry to investigate and redress any causes of complaint which our East India Company might have to alledge on account of any illegal interruption of their navigation of the Eastern Seas . . ." They also now

offered Padang and their possessions on the west coast of Sumatra instead of Negapatam. The Court declared that the west coast of Sumatra was of no value, while Negapatam was important, "particularly on account of its vicinity to the Territories of their [the Court's] ally, the Raja of Tanjore, whose country they are bound to defend". Fitzherbert gave the Dutch no encouragement, and believed that, as Vergennes could scarcely interfere in their favour, they must yield to a British ultimatum.[33]

Before the Shelburne Government could act on this recommendation, it had to give way to the Fox-North coalition. In May, however, Fox sanctioned an ultimatum upholding the previous terms, though again remarking that Demerary and Essèquibo might be taken—if offered—in place of Negapatam.[34] Fitzherbert and his successor, the Duke of Manchester, held discussions with the Dutch diplomats, in which the British refused to accept west Sumatra, plus the Surat factory, in place of Negapatam, while the Dutch refused to offer Demerary and Essequibo.[35] The ultimatum having been presented to the Dutch, Fox now pressed for the conclusion of the definitive French treaty, and Vergennes agreed that, when it was quite ready, he would give the Dutch ten days to arrange their preliminary treaty before he signed.[36] In August the Dutch discussions were still continuing, but Vergennes guaranteed that the Anglo-French treaty would be signed on 3rd September, no matter how the Dutch were situated,[37] and on that day their preliminaries were at last concluded.[38]

The plenipotentiaries of the States-General had proposed indeed that the two parties should proceed at once to sign the definitive Anglo-Dutch treaty. This proposal Manchester considered to be a suggestion of Vergennes designed to keep up anti-British feeling in the Republic by showing that there was no retreat from the hard terms the British imposed. The French and the Patriots had won no great diplomatic victories, but even a disappointing treaty might be of advantage to French influence and Patriot dominance in the United Provinces. Fox, on the other hand, hoped to be able to carry on more friendly negotiations with the Dutch once the treaty with France had been signed, and Vergennes could no longer interfere. Britain would make concessions: her reward would be the restoration of the Anglo-Dutch alliance. Manchester therefore—successfully—opposed the immediate signature of the definitive treaty.[39] That, Fox said, could be concluded in London or at The Hague,[40] in other words, away from the evil influence of Paris. The more

the Dutch escaped from that influence, it was implied, the better terms they would obtain.

Fox's scheme was unsuccessful. The Patriots would have welcomed a relaxation in the treaty terms, but a British alliance was out of the question, and they had therefore to make the most of the situation by developing anti-British feeling. If the British would not without further ado sign the definitive treaty in Paris, they would not enter further negotiations in London or The Hague. A new government in London, that of the younger Pitt, with the Marquis of Carmarthen as a more or less nominal Secretary of State, abandoned Fox's plan. His aims, it was decided, were "absolutely unattainable", and further attempts to realise them would merely postpone the appointment of a British Ambassador at The Hague who might be able to work against the advance of French influence.[41] Thus, after a few minor alterations had been introduced, the treaty was at last signed on 20th May 1784.[42]

The Patriots wished now to ensure their influence by procuring an alliance with a not unwilling France, and the first task of the new British Ambassador at The Hague, Sir James Harris, was to obstruct its conclusion. Some Regents were increasingly alarmed at the democratic tendencies of the Patriots, and some Provinces, such as Zeeland, were jealous of Holland's continued leadership. Harris wished in these circumstances to encourage Anglophile feeling, and he believed that some gesture in favour of the Dutch Company might well effect this by convincing the doubtful that Britain wished rather to foster than to destroy its commerce in Asia. "If there was a possibility that the English and Dutch East India Companies could ever come to an agreement with each other, stipulate mutual commercial Regulations, and enter into a reciprocal guarantee of their Possessions, there is no doubt that the two Nations might divide the riches of the East between them.—An idea of this kind was flung out to me loosely the other day by a Director of this [the Dutch] Company. . . ."[43] Friendship in the East would promote friendship in Europe, and this itself would be a guarantee of security in the East. More immediately it would impede the conclusion of the French alliance.[44]

These ideas brought Harris into contact with Boers, the Advocaat of the Dutch Company, who hoped, without awakening Patriot suspicion, to advance an arrangement whereby the British should demonstrate their friendliness by accepting the