

LONDON ORIENTAL SERIES · VOLUME II

NINETEENTH
CENTURY
MALAYA

The Origins of British
Political Control

C. D. COWAN

OXFORD UNIVERSITY PRESS

LONDON ORIENTAL SERIES · VOLUME 11

NINETEENTH-CENTURY MALAYA

THE ORIGINS OF BRITISH POLITICAL CONTROL

BY

C. D. COWAN

*Professor of the History of South East Asia
in the University of London*

LONDON
OXFORD UNIVERSITY PRESS

NEW YORK · TORONTO

Oxford University Press, Amen House, London E.C.4

GLASGOW NEW YORK TORONTO MELBOURNE WELLINGTON

BOMBAY CALCUTTA MADRAS KARACHI LAHORE DACCA

CAPE TOWN SALISBURY NAIROBI IBADAN ACCRA

KUALA LUMPUR HONG KONG

© C. D. Cowan 1961

First Published 1961

Reprinted 1962

PRINTED IN GREAT BRITAIN

19TH CENTURY MALAYA



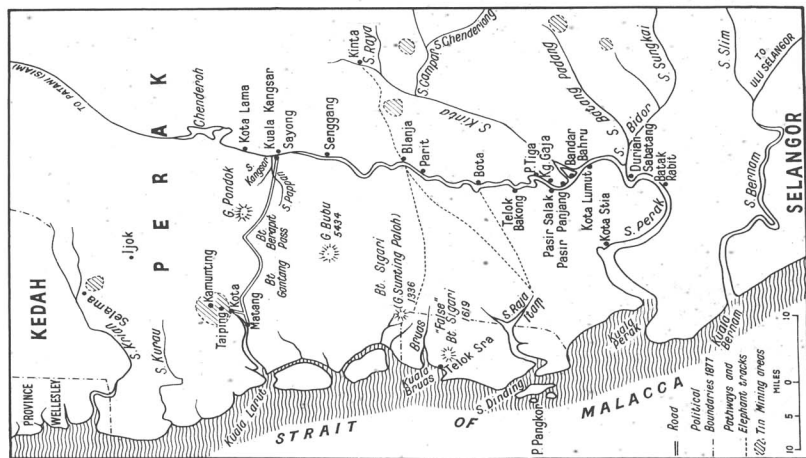
PREFACE

Most of the research upon which this book is based was originally undertaken in the preparation of a thesis presented for the degree of Doctor of Philosophy in the University of London in 1955. The publication has been made possible by a grant from the School of Oriental and African Studies, for which I wish here to express my thanks. I also wish to thank the Earl of Kimberley for permission to use material from the Kimberley Papers at Kimberley, and the Cabinet Office for allowing me to consult Cabinet Minutes in the Gladstone Papers at the British Museum. Like many other scholars I am much indebted to the constant helpfulness of the officials and staff of the Public Record Office, the India Office Library, the British Museum, and the Library of the School of Oriental and African Studies. Lastly I should like to acknowledge the advice, assistance and encouragement I have received at various stages of my studies from Professor G. S. Graham, Professor D. G. E. Hall, Professor C. H. Philips, and Sir R. O. Winstedt.

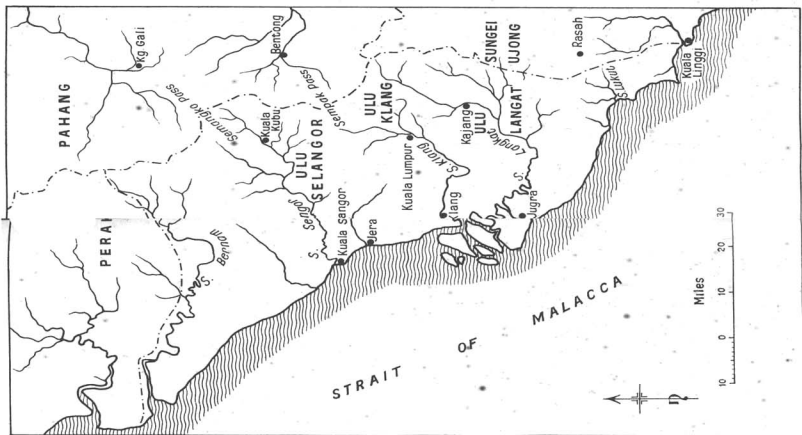
C. D. C.

*School of Oriental and African Studies,
University of London.*

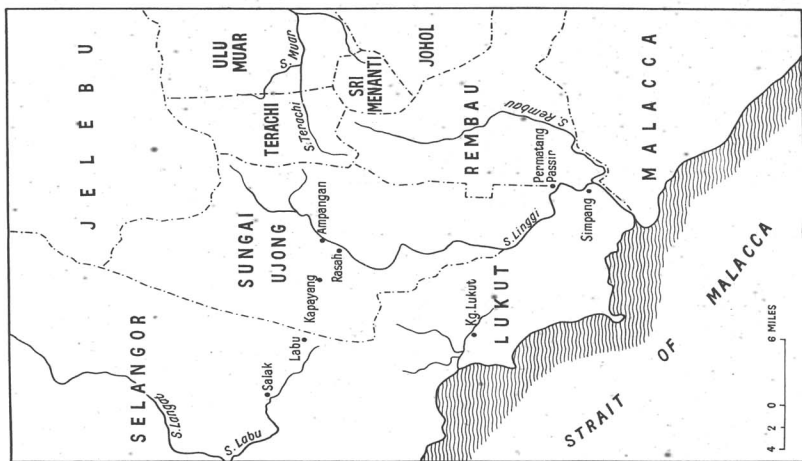
25th March 1960



Perak in the 1870's



Selangor in the 1870's



Sungai Ujong and the neighbouring states, c. 1874

CONTENTS

PREFACE	v
PRELUDE: THE BACKGROUND AND SCOPE OF THE SUBJECT	
(i) The establishment of the British connexion with Malaya	i
(ii) The East India Company's relations with the Malay States and the nature of its position in Malaya	9
(iii) The development of the Malayan problem	20
1. THE FORMULATION OF A POLICY AND ITS REJECTION BY THE COLONIAL OFFICE	
(i) The scene of action	28
(ii) Birth and death of a policy	54
2. THE SELANGOR INCIDENT	
(i) Selangor and Perak	66
(ii) Colonel Anson and the Selangor Incident	80
3. DRIFTING WITHOUT A POLICY	
(i) Drifting	99
(ii) The local demand for action	125
4. THE DEVELOPMENT OF POLICY IN LONDON	144
5. SIR ANDREW CLARKE AND THE INTRODUCTION OF RESIDENTS	176
6. GOVERNMENT BY ADVICE, AND THE REACTION TO IT	212
7. THE AFTERMATH	
(i) The Resident system after 1876	238
(ii) The later development of British Malaya	254
8. REVIEW	263
BIBLIOGRAPHY	272
INDEX	277
MAPS:	
Nineteenth-Century Malaya	frontispiece
Perak in the 1870's	} at end
Selangor in the 1870's	
Sungai Ujong and the neighbouring states, c. 1874	

PRELUDE: THE BACKGROUND AND SCOPE OF THE SUBJECT

CONCERN for the defence of India and of the China trade led the East India Company to establish settlements in the Straits of Malacca. During the first half of the nineteenth century it defeated Dutch and Siamese attempts to gain control over the southern portion of the Malayan Peninsula, and itself became the paramount power in the area. The East India Company refused to accept any responsibility for the internal affairs of the Peninsula, but in the second half of the century economic factors increased the interest of the Straits merchants in the Peninsular states, and their affairs became linked with those of the British settlements. The Colonial Office, which assumed control of the Straits Settlements in 1867, at first continued the Indian Government's policy of non-intervention. But in 1873 it reversed this policy, and several of the Malay States came under British control. This book investigates the circumstances which produced this change of policy, and explains the nature of subsequent events.

(i) *The Establishment of the British Connexion with Malaya*

Britain's territorial interest in Malaya dates from 1786, when the East India Company secured the island of Penang, off the west coast of the Peninsula. Malacca, taken from the Dutch during the Napoleonic Wars but returned in 1818, became British territory in 1825, and Singapore, the last of the three outposts known collectively as the Straits Settlements, was occupied in 1819. These footholds in Malaya brought Britain into conflict with Dutch and Siamese interests in the area, and in the end drew her into the internal politics of the Malay States. In its origins however the British connexion arose neither from Britain's relations with Holland and Siam, nor from any interest in the Peninsula itself. Before attempting to discuss events in Malaya, therefore, we may glance for a moment at the external factors which stimulated British interest in Malaya and Indonesia at the end of the eighteenth century.

The strategic element in the foundation of Penang is well-known and has been given due notice by most of the historians of Malaya.¹ Successful naval operations in the Bay of Bengal, and

¹ See for instance, L. A. Mills, 'British Malaya, 1824-1867', *JRASMB*, iii, pt. 2 (1925), pp. 18-21, and H. P. Clodd, *Malaya's First British Pioneer, the Life of Francis Light* (1948), pp. 1-2.

the safety of the East India Company's factories there, demanded that a harbour on the eastern side of the Bay should be permanently available to the English fleet. From October to May, whilst the monsoon blew from the north-east, conditions were too hazardous for sailing ships to remain on the Coromandel coast. The nearest English port to which the fleet could run was Bombay, and any hostile squadron which sheltered during the monsoon to the eastward, at Atjeh or Mergui, could rely on appearing before Madras when the monsoon changed long before the English ships could get back into the Bay. In 1763 therefore the Directors of the East India Company gave orders for the acquisition of a suitable base to the eastwards, and in the next twenty years Atjeh, Junk Ceylon (Ujong Salang), the Nicobars, the Andamans, and Penang itself, were all investigated without result. Suffren's campaigns of 1782 and 1783 however produced a new sense of urgency, which was probably an important element in the decision to accept Penang when in 1786 it was offered to the East India Company by the Sultan of Kedah.

The part played by the Anglo-French maritime conflict in stimulating British interest in what had till then been a Dutch sphere of interest did not end with the acquisition of Penang. The safety of the British possessions in India was not again threatened from the sea after 1783, though the appearance of a strong French force in the Indian Ocean was always possible before the victory of Trafalgar. But serious damage was done by French frigates and privateers to British trade. This *guerre de course*, in which the individual brilliance and dash of captains like the Surcouf brothers was allowed full scope, inflicted heavy losses on British merchants, and threatened to develop into a full-scale attack on the East India Company's China trade. Efforts to counter this threat, and to protect the route to China led on the one hand to the blockade and capture of Île de France and Bourbon, the main French bases (1810), and on the other to the occupation of Dutch ports in the Indies to deny them to the enemy.² To this anxiety for the China trade was mainly due the British occupation of Java itself (1811), and the retention of Singapore, which after 1819 secured the route through the Straits of Malacca.

The second important factor in the stimulation of British interest in the area was the growth in the size of the East India

² See C. N. Parkinson, *War in the Eastern Seas, 1793-1815* (1954).

Company's China trade. The trade to China, especially the export of opium by locally owned or 'country' ships, was of growing importance to India. But it was the export of tea from China to Europe, a monopoly of the Company, which was the vital British interest. Between 1770 and 1779 the Company imported an annual average of five to six million pounds weight of tea into Britain, paying on it very high customs and excise duties, which averaged nearly 100 per cent on its value. The annual consumption of tea in Britain was considerably greater than this. The balance, at least seven million pounds by the most conservative contemporary estimate,³ was imported into Europe in foreign ships, and then smuggled across the Channel. It paid no duties to the Exchequer, and represented a loss to the Company. This state of affairs ceased with the passing of Pitt's Commutation Act in 1784. By the provisions of this Act the duty on tea was reduced to twelve and a half per cent, and the East India Company's monopoly was confirmed.⁴ It was estimated that it would be necessary for the Company to import thirteen million pounds weight of tea a year to save the Exchequer from a loss on the transaction. They did better than this. In 1785 they sold over sixteen million pounds, as against about six million in 1784. Two years later imports from China rose to over twenty millions, and the figure continued to increase until in the last ten years of the Company's monopoly it averaged about thirty million pounds a year. In the long run this increase was no doubt caused by the expansion of the market, but there is no doubt that the initial growth in the Company's imports resulted from the defeat of smuggling, which the lower duty made unprofitable. The duty rose again after 1795, till in 1819 it was again 100 per cent, but the smuggler was never again to be one of the Company's chief troubles.

In fastening on 1785 as a turning point in the development of the East India Company's tea trade we are at once presented with

³ Raynal, *Histoire Philosophique et Politique des Établissements et du Commerce des Européens dans les Deux Indes* (Geneva, 1780), vol. i, p. 372. For details of imports and duties, see Morse, *Chronicles of the East India Company trading to China* (1926), vol. ii, pp. 116-17; Milburn, *Oriental Commerce*, pp. 459 and 568; Greenberg, *British Trade and the Opening of China* (1951), pp. 3 and 64.

⁴ To prevent the Company profiteering, a safeguard clause was inserted whereby if the price rose above a certain figure the ports were to be thrown open to foreign importers. A further safeguard of the Treasury was an increase of the infamous Window Tax, intended to make up any loss caused by the lower rate of duty; any deficit beyond this was to be made up by the East India Company.

a second compelling motive for the British occupation of Penang in the following year. The Company's interest in protecting the route of the China-bound East Indiamen grew with the trade itself, until it formed the most powerful reason for the retention of Raffles's settlement at Singapore in the face of Dutch protests.⁵ We should be wrong however in thinking that it was the Company's interest alone which sustained the growth of British outposts along the Straits of Malacca. For the expansion of the tea trade produced a similar growth in the Indian country trade between India and China. The most important branch of this trade was the carriage of opium to China, since this provided the funds which, eked out at first with silver, financed the Company's tea purchases. But at the same time there was a significant growth in trade with the Indonesian islands themselves which yielded silver and local products saleable in China. It was the British and Indian country ships engaged in this trade with the islands, at times a smuggling trade carried on against Dutch opposition, which had most to gain from the establishment of British settlements as trading centres in the area. It was a country trader, Francis Light, who was largely responsible for the acquisition of Penang, and it was this trade which Raffles sought to protect when he founded Singapore as an insurance against the renewal of the Dutch commercial monopoly in the Indies. As the British settlements developed, many private traders made their headquarters in the Straits, especially at Singapore, and built up a permanent trading connexion in the Archipelago which gradually came to form an important interest independent of the China trade. The Straits traders commanded an influential Parliamentary lobby in London, supported by the rising English manufacturing interest, for whom the Eastern Archipelago was an important potential market.

The Malay world into which the East India Company was drawn at the end of the eighteenth century was one in which important changes were taking place. Throughout the seventeenth and eighteenth centuries Dutch sea-power had dominated the essentially maritime civilizations of Malaya and Indonesia. But when the English Company acquired Penang the Dutch East India Company and the Johore Empire, suzerain of the Malay

⁵ See pp. 7-8 below. In insisting on the British claim to Singapore the British Government was perhaps also influenced by the fact that import duties on China tea provided about one-tenth of the total revenue of the British Exchequer (Greenberg, *op. cit.*, p. 3).

States, were both losing their position as the arbiters of Malay politics. The Johore Empire, as successor of the Malay Empire of Malacca, inherited the nominal overlordship of all the Malay states south of the Siamese frontier. In the eighteenth century the Johore capital at Riau was dominated by the Bugis, adventurers from the Celebes famous in Malay lore for their fierce courage and commercial acumen. From their settlements in the Selangor area the Bugis came to control native politics in the west-coast states too, so that to the rule of the puppet Sultans of Johore and their Malay nobility were left only the less wealthy and remote east-coast states of Trengganu and Pahang. The Malay rulers at Riau, powerless in their own capital, tried by playing off the Dutch against the Bugis to secure their independence. But the weapon turned in their hands, and by 1787 both Malays and Bugis had lost power to the Dutch.

The paramount Malay power in the Peninsula thus lost its position to the Dutch at the same time as the Dutch Company itself was declining into impotence. A gradual decline in the solidity of the Company throughout the eighteenth century had been masked by an outward appearance of strength; constant dividends at home, largely provided by borrowed money, and lucrative personal rewards for the Company's servants in the East, supported the illusion. But the Fourth English War (1780-4) severely shook the apparently sound fabric, and the Revolutionary War of 1795, which again cut off Holland from the East, completed the ruin of the Company. It was formally wound up in 1799.

The Revolutionary and Napoleonic Wars gave Britain the opportunity to seize Dutch Malacca (1795), and in 1811 forces from India occupied Java and most of the Dutch posts in the other islands. During the period of the British occupation the whole of this area became a British trading preserve. This was the heyday of the country traders, who had the whole of the islands open to them, and private trade between India, the Archipelago and China prospered. This happy state of affairs threatened to cease at the close of the Napoleonic Wars, when the British occupation of Java came to an end. The East India Company, for whom the occupation of Java had entailed a large financial loss, was deaf to arguments that the retention of the island would in the long run be a source of commercial profit to Britain; and the British Government were guided purely by European considerations, chief

of which was their desire to build up a strong Kingdom of the Netherlands able to withstand future attacks from France. The Convention of London (13 August 1814) therefore returned to the Dutch all their eastern colonies except Ceylon and the Cape, which were retained for strategic reasons. In the execution of this settlement however many differences of opinion arose between the British and Dutch representatives on the spot. Though Java itself was returned to Dutch control in 1816 the transfer of many of the outer possessions had not been effected when Sir T. S. Raffles, who had governed Java for the Company from 1811 to 1815, reappeared on the scene as Lieutenant-Governor of Benkulen, the Company's factory on the west coast of Sumatra.

Raffles had bitterly opposed the surrender of Java. He had spent his life in Malaya and Indonesia, and dedicated himself to the forwarding of British interests there. In his mind anxiety to secure for Britain the trade of the Eastern Islands and the moral tutelage of their peoples was accompanied by a hatred of the Dutch and Dutch institutions which blighted everything he did. He now set himself, on his own initiative, to salvage what he could of the British position in the Archipelago. At the same time Colonel James Bannerman, Governor of Penang, was taking steps in the same direction. Both men feared that the Dutch, once in possession of their former posts in the outer islands, would renew the Dutch Company's old monopoly treaties with the local chiefs, and shut out the British and Indian country traders. The years 1818 and 1819 thus saw a local diplomatic struggle between British and Dutch officials. The Dutch won the first round against Bannerman without much difficulty. In West Borneo, at the ports of Pontianak and Sambas, the returning Dutch officials established themselves before Bannerman could conclude treaties of his own with the local chiefs. In Malaya he negotiated treaties with Selangor and the Johore Empire which secured most-favoured-nation status for British trade, and forbade the granting of monopolies.⁶ But these were only paper defences, and when the Dutch re-occupied Malacca and sent a Resident and a garrison to Riau in September and November 1818, they easily reasserted their control over these states, and secured the renewal of the old monopoly treaties.

⁶ See, Maxwell and Gibson, *Treaties and Engagements affecting the Malay States and Borneo* (1924), pp. 30-32 and 115-16.

Raffles from Benkulen employed direct methods. On various pretexts he refused to surrender Padang or the island of Billiton, and attempted to establish British posts in Palembang and the Lampongs area of Sumatra. There was a good deal of support for this independent action amongst British trading circles in India, and for that matter in Britain itself. The Indian Government, aware that good relations with Holland were necessary to British policy in Europe, refused to be stampeded into extending their commitments in Sumatra. But they appreciated the value of a place like Billiton, which lay on the route to China, and when Raffles visited Calcutta at the end of 1818 he was able to persuade the Governor-General to authorize the foundation of a British post at the southern end of the Straits of Malacca.

The result was Raffles's foundation of Singapore—a British trading centre, and a free-trading centre, in the heart of the Archipelago. As the legal basis of his occupation of the island Raffles secured a grant from Husain, elder brother of the reigning Sultan of the Johore Empire. The British title to Singapore was derived from treaties signed in 1819 and 1824 with Husain, styled by Raffles 'Sultan of Johore', and with the Temenggong, the local ruler of Singapore Island and the present state of Johore.⁷ Raffles rested the validity of the title thus gained principally on the proposition that Husain was the legal Sultan of the Johore Empire, and that the installation of his younger brother Abdu'r-Rahman was invalid. The ground on which Raffles stood was not strong, and there followed a heated diplomatic controversy in which he and the Dutch authorities advanced opposed interpretations of the history of the Johore Empire since 1795. Into this controversy it is not proposed to enter here. The issues raised merely cloaked the real struggle between Raffles and the Dutch to convince the British Government and the East India Company of the expediency—or the inexpediency—of retaining the new settlement.

When their initial protests brought no result the Dutch began to think of striking a bargain. It must have seemed to them that a rival empire was in the process of formation in the Archipelago. The British post in the Lampongs challenged their own position on Sunda Strait, and in April 1819 Raffles concluded a treaty with Atjeh, in North Sumatra, which provided for the establishment of a British Resident and prohibited the residence of other

⁷ Text in Maxwell and Gibson, *op. cit.*, pp. 116–25.

Europeans.⁸ The Dutch therefore decided to abandon their factories in India, which were now of little use to them, if they could at the same time recover their position in the Archipelago. Negotiations between the two governments began in London in July 1820. But neither side was prepared to concede enough to make agreement possible, and the discussions were broken off and not resumed until 1823. This interval was very important, for it gave time for the immediate commercial success of Singapore to become generally known in England.⁹ The East India Company were not inclined to part with Singapore in 1820, though the British Government might have done so to remain on good terms with Holland. But by 1823 opinion in the country had hardened in favour of its retention, and it was politically impossible for them to give it up. The Dutch too had time to reconsider the position, and it was seen in Holland that the claim to Singapore would have to be abandoned. With the main source of tension thus removed agreement was soon reached, and a treaty acceptable to both sides was signed on 17 March 1824.¹⁰

The chief result of the Anglo-Dutch Treaty of 1824 from the Dutch point of view is indicated by the name often given it by Dutch historians—*het Sumatratractaat*. It eliminated British influence from Sumatra and the islands around it, and left the Dutch free to develop their political interests in the Archipelago without a European competitor. They took over the British settlement of Benkulen and received an undertaking from Great Britain to abstain from all political interference in Sumatra and the islands south of Singapore. In return they gave a similar undertaking not to interfere in the Malay Peninsula, abandoned their claim to Singapore, and ceded to Britain Malacca and the Dutch settlements in India.

On the British side it is probably fair to say that the ideas of those who negotiated the treaty in London were essentially

⁸ *Treaties and Engagements with Native Princes and States in India, concluded for the most part in 1817 and 1818* (1824), p. cxi.

⁹ In the first year of its existence the total trade of Singapore amounted to about Spanish \$4,000,000. In 1822 it was \$8,568,151, and in 1823 \$13,268,397. Its population grew from nothing to 5,000 in the first three months, and by Aug. 1820 was between 10,000 and 12,000. Most important of all so far as the East India Company was concerned, by the latter date the cost of administration was already covered by its revenue, whereas Penang and Benkulen continued to run heavy deficits, nearly £100,000 in the case of the Sumatran settlement (cf. Mills, *op. cit.*, p. 62).

¹⁰ Maxwell and Gibson, *op. cit.*, pp. 8-17.

negative. They were concerned not so much to advance British interests in the East as to make 'territorial changes which have been thought expedient for avoiding a collision of interests'.¹¹ It is not surprising to find therefore that whilst the territorial provisions of the treaty served their purpose and stopped a nascent colonial conflict, the commercial clauses were unsatisfactory and a source of future trouble. They accepted the principle of discriminatory tariffs; at the same time they contained vague and general phrases—'the most perfect freedom of Trade', 'mutual understanding as to principles between the Governments', 'free communication with Ports belonging to Native Powers'—which were in contradiction to the detailed terms of the treaty, and which were not defined. These commercial clauses, and the accompanying protocols which formed part of the settlement, offered so many loop-holes for evasion and so many opportunities for differing interpretations that they led in time to further Anglo-Dutch conflict.

So far as it concerned the British position in Malaya, however, the terms of the treaty were clear, and its results decisive. The withdrawal of Holland from the Malay Peninsula left Britain as the only European power with a footing there, so that slowly but inevitably she became the paramount power in the area. At the same time the treaty secured British control of the Straits of Malacca, and thus of the route to China, and made it certain that Singapore, and to a lesser degree the other two settlements, would grow into important trading centres from which British influence could spread into the neighbouring states.

(ii) *The East India Company's Relations with the Malay States, and the Nature of its Position in Malaya*

From the moment that it occupied Penang the East India Company regarded its settlements in Malaya purely as ports of call and trading stations on the route to China, and tried to keep clear of commitments in the Peninsula itself. By and large the Indian Government maintained this policy successfully. When the responsibility for the Straits Settlements was transferred from the India Office to the Colonial Office in 1867 they still retained the territorial limits which they had had in 1824, and their government,

¹¹ 'Note addressed by the British Plenipotentiaries to the Plenipotentiaries of the Netherlands, 17 March. 1824', *ibid.*

unlike that of the Gold Coast settlements in the same period, had not acquired judicial or administrative functions in the neighbouring states. The Indian Government found however that it was not possible to keep entirely clear of political commitments in the Peninsula. From time to time the policy of non-interference had to be relaxed, and it was necessary to compose disputes between the Settlements' neighbours to prevent disorder stopping trade and spreading to British territory.

The problem of keeping such intervention to a minimum was complicated by the position of Siam in the Peninsula. The Company's arrival in Malaya coincided with a revival of Siamese attempts to absorb the northern Malay states which had been a familiar feature of Malayan politics even in the days of the Malay Empire of Malacca. During the eighteenth century Siamese influence lapsed for a time as a result of her wars with Burma, and in 1767 she was prostrated and her capital destroyed by a Burmese invasion. But she recovered quickly, and, though another Burmese war caused a brief check in the early years of the nineteenth century, after 1812 the Chao P'aya of Ligor, the semi-independent Governor of the Siamese states in the Peninsula, began an intensive campaign to assert effective control over the Malay states to the south. The Indian Government was thus threatened with what it regarded as a powerful continental empire as its neighbour in Malaya, and this eventually led it to adopt a policy of supporting the threatened states so as to keep them in existence as a buffer between itself and Siam.

The circumstances under which it acquired Penang ought to have given the Indian Government warning of the trouble they were to have as a result of this Siamese threat. They were offered Penang by the Sultan of Kedah on the clearly stated condition that in return they would protect him from Siam. They took the island but gave no clear promise of support. This left the Sultan exposed to the vengeance of the Siamese, and his chances of placating them were not improved when in 1800, after an unsuccessful attempt to recover Penang by force, he made over to the Company a strip of the coast-line opposite the island, subsequently known as 'Province Wellesley'. He appeased the Siamese for a time by undertaking the subjugation of Perak on their behalf, but the completion of his conquest of Perak was the signal for his own downfall. In 1821 the Siamese overran Kedah, and