Chinese family business networks in the making of a Malay state: Kedah and the region c. 1882-1941
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Chapter 2
Networking Regional Interactions 1882-1889

The 1880s marked the beginning of the transition. This period was a prelude to the imminent great Southeast Asian socio-economic transformation of the early twentieth century, a transition during which British colonialism consolidated its political establishment on the Malay Peninsula, an essential preparation for the influx of Western capital on a large scale, and therefore a golden era for the Chinese capital and capitalists. The British had to rely on and promote ethnic Chinese capitalists because they needed Chinese to be their instrument for the British political and economic Forward Movement in the Malay Peninsula during the transition, and even more so because their business networks were irreplaceable. From a long-term historical perspective, if the historical position of the Chinese as an ethnic trading community prior to Western colonialism in Southeast Asia contributed to their subsequent commercial domination, then, this period was indubitably the one in which they began to consolidate their position and embedded their business networks in the local society and the local state.

Following the commercial penetration of Straits Chinese capital, the British political establishment in the Federated Malay States was being promoted at the level of the region, while the Unfederated Malay States, including Kedah, were still under Siamese supremacy. The situation prior to 1880s in which Kedah was under a tripartite sharing of authority continued: Thai suzerainty, Malay rule, British influence. The economy was left in the hands of the Chinese through the revenue farming system, bolstered by the large influx of Chinese labour into the tin-mines and contributing to the growing development of cash agricultural activities such as sugar, tapioca, and coconut plantations. Kedah was incorporated into the Penang-centred regional economic networks of northern Sumatra and southern Thailand through the agency of the Chinese. This was a golden period for the prosperity of revenue farming and the formation of Chinese business networks. The integration of the region was consolidated by the Chinese regional business networks, while the routine interaction between British Penang, the Malay state of Kedah, and Siamese Bangkok, or even the Foreign Office in London, also greatly affected Chinese business interests. As an important element, the Siamese exerted significant influence on the configuration of the interactions between the British, Malays, and Chinese. For the sake of independence, revenue, business interests and the colonial political and economic interests, the British, Malays, and Chinese had shown interesting interplays in multi-ethnic power politics, dynamic economic competition, and active strategies of manoeuvre and adjustment. The mentality of the British, Chinese, and Malays shaped and was imprinted in the formation of the multi-ethnic and cross-state Chinese business networks.

At the local level of Kedah, the 1880s also marked the beginning of great changes. It was the inception of a long period of rule by Sultan Abdul Hamid Shah (1882-1943). It witnessed both opportunity and challenge. The former was offered by the fact that Kedah could take advantage of its close links with Penang to benefit the on-going socio-economic transformation. It was the 1880s that saw the opening of its southern border town of Kulim to the Penang Chinese business community and the establishment of the first commercial rice mill in the capital Alor Star. But politically there was a challenge from the British. In the wake of the Straits Settlements, the Federated Malay States were placed under the British colonial rule in the mid-1870s. This suggests that now not only was the British position in
Malaya much stronger and better safeguarded, but also that the Siamese Malay states were significant to the British strategic interests in the region. And the sultan’s power had not yet been consolidated after he came to the throne in 1882. Even in 1888, the sultan still wrote a very long letter to Bangkok, complaining that Tunku Dziauddin had conspired against him. The Sultan of course could not forget the harsh experience of the Siamese invasion of Kedah (1821-1842) and the ensuing long-term instability. Economically, the country was waiting to be opened up. The limited business actually was confined to the few settlements. In 1889, the whole state revenue amounted to only $700,000, most of which came from the revenue farms. In this sense, Kedah badly needed more capital from the Penang Chinese community for its development. But at this initial stage, the Penang Chinese capital was much more attracted by the tin mining activities in the Federated Malay State of Perak. The Kedah government did its utmost to attract capital, offering many privileged terms. The sultan even turned a blind eye to many Chinese activities, thus effectively shielding them, in order to bring in and keep Chinese capital and labour.

The interactions between the British Settlement of Penang and Malay sultanate of Kedah, on the verge of the early 20th century were manifested in three main institutions: the British consulate, the opium farm, and the Chinese business networks. Fundamental to all three institutions were the immigrant Chinese who were the most important dynamic force, even outstripping the British in the institutional formation in the 1880s. These three main institutions ran parallel to Kedah’s unique and contradictory position between British Penang and Siamese Bangkok. From the point of view of geo-political and geo-economic forces, the nature of the Malay state of Kedah was politically weakened by the regional circumstances i.e. its triangular relationship with the British and Siam. In name, Kedah tried to maintain its traditional relation with Siam, but economically, the state was in fact closely incorporated into Penang networks, offering immigrant Chinese the opportunity to become active agents in regional business networks. The state of Kedah was in essence maintained between them. The British interests were simultaneously promoted even more by these penetrating institutional arrangements, while preserving the semblance of the status quo.

There was an active manifestation of the different states of the British, Siamese, and Malays in the arenas of the region. Physically the encounter of states centred on the axis of British Penang and the Malay sultanate of Kedah within the wider region of the northern Straits of Malacca, while their political spheres were embodied in metropolitan areas such as Singapore, Bangkok, and London. The political power of these states was diluted or shared by the economic importance of the immigrant Chinese in the sense that the bureaucratic machineries had not yet been fully established in this transitional period. The multi-ethnic fluidity of states was highlighted by the very role of the immigrant Chinese business networks. The politics and economy in the region were revealed in the immigrant Chinese issue. In other words, the

1 SC, No.2, Sultan to Siam, Bangkok, 20 Rejab 1305 (1 April 1888).

immigrant Chinese economic activities shaped British-Siamese-Malay power politics, shaped the regional business networks, and shaped the landscape of the multi-interactions of the state, region, and ethnicity, no matter to what extent that each played one against the other in order to promote their divergent interests. Fundamental to all these interactions were the opium issue and the Chinese business networks. Chinese business networks encompassed all Chinese socio-economic activities, while the opium issue was the most important part of the networks and formed a sharp focal point in regional politics and economy. Opium brought in maximum revenue to the state and maximum profit to Chinese towkays. The British and Malays depended mainly on Chinese opium farmers who provided the largest item of the revenue for the maintenance of government and society. The Chinese towkays depended mainly on opium for capital accumulation, which in turn benefited state and society through Chinese investment in the industry and commerce. The Chinese coolies depended mainly on opium for their daily portion of comfort. Hence, opium underpinned the economic system and upheld the social order. Opium institutionalized the Kedah-Penang interactions, legitimized Chinese regional business networks, polarized the family-state relationships, and complicated the regional multi-ethnic politics. Opium confirmed the "ethnicizing" of the society, with the economy - the farm - being dominated by the Chinese, while politics revolved around the competition and conflict between the British settlement of Penang and the Malay state of Kedah.

To contextualize the process, in this chapter, the following loci of institutional linkage will be dealt with: the British consulate, the opium farm, the Chinese family, and the linkage town Kulim. These formed the fundamental frontier for Penang-Kedah interactions. The aim is to show how each locus was related to the fundamental issue of opium, how each locus helped to address the Chinese business networks, and to perceive the power of the perceptions and priorities of each ethnicity.

1 The Establishment of the British Consulate and Anglo-Siamese-Malay Power Politics

The British Consulate was a special arrangement introduced to the Malay Peninsula to provide the British Penang authorities with an expedient mechanism for the promotion of their trading interests in the Siamese western Malay States (mainly Kedah), which had been predominantly penetrated by the Penang business community. Unfortunately, no attention has been paid to the formation of such an important institution during the transitional period of the dividing up of the "Spheres of Influence" by the Western and regional powers, during which all the political and commercial interests of the British, Siamese, Chinese, and Malays were channelled and co-ordinated. Taking into account the other two main British political movements in the Malay world, it is not difficult to understand this special and expeditious arrangement. The first move was political intervention in the later Federated Malay States of Perak, Selangor, Pahang, and Negri Sembilan. Since the mid-1870s, under the general expansion of imperialism, the British had placed these four Malay states under their protection through the imposition of British Resident system. The second political move was the signing

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3 The other important but much neglected parallel institution is the Siamese consulate-general, which played an significant role between the Straits Chinese, the Siamese Malay States, the British colonial authorities, and the Siamese government in Bangkok.
of a new treaty between Britain and Johor in 1885. A newly stabilized Anglo-Johor relationship was defined and the transformation of the old Johor maritime polity was therefore completed. Johor skilfully avoided the introduction of the Residential system and maintained an in-between status different from the Federated Malay States, because the British recognized Temenggong Abu Bakar as the sultan of Johor for their part, whereas Johor accepted British control over its foreign affairs. As for the remaining Malay States of Kedah, Perlis, Trengganu, and Kelantan, their economies were insignificant to the British, and in name they remained under Siamese suzerainty, indubitably a political complication. As the British were loathe to upset the status quo, they were content to let matters ride. But, Kedah seemed an exception because its economy was well tied in to that of British Penang.

The establishment of British consulate in Kedah in 1880s might suggest another model of British expansion, one which reflected the reality of regional politics and economy. In this it is impossible to avoid emphasizing the instrumental role of Chinese commercial penetration in British-Malay interactions. While the economic interactions which existed between Kedah and Penang might have been very close theoretically, politically British Penang was not empowered to have routine dealings with the sultan of Kedah because of the Siamese suzerainty. It had to go through British minister resident in Bangkok, who then requested the Siamese government to take action. The crunch really came when negotiations on incorporating the Kedah opium farm into the Penang opium farm were going on and the British Penang authorities found themselves in dire need of a mechanism. An expedient solution to this dilemma was found in the consulate. In the first instance this institution was designed to endow the British resident councillor in Penang with the legitimate authority to deal directly with the Malay vassal state to the Siamese. In order to secure the support from the Foreign Office, the local colonial authorities played the card of the British subject issue to justify the steps it had taken.

The British colonial authorities believed that the appointment of a British consul in Kedah clearly reflected the extent and importance of British commercial and political interests in the region, and was justified by the frequent socio-economic encounters between different communities from different political entities. To emphasize the importance of such a consular office, the colonial authorities adduced two cogent arguments to London. Economically, it was calculated to benefit imperial and Indian interests quite as much, as the colonial merchants in the proposed consular region were in the main "only distributors of British manufactures. They get the commission and trade profits, while the wages, capitalist profits, and freight of all to the share of the manufacturing and working classes of the United Kingdom and the owners British ships." Politically, the advantage was also mainly imperial: firstly, "India would suffer as much as the Colony if the French were to gain a footing in the Peninsula...."; secondly, the constant presence of such a British officer would "contribute considerably to the extension of our legitimate influence there, and enable Her Majesty’s

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Government to obtain the earliest information of any intrigue set on foot and to counteract and undermine it."\(^{6}\)

The main argument for the establishment of the British consulate in the 1880s was to protect British subjects, persons who held (i) a birth certificate or certificate of naturalization issued in the United Kingdom; (ii) a passport or certificate of British Nationality issued in British India or in a British Possession. Ethnically, it referred mainly to the British, Sikhs, Tamils, and Straits Chinese. But the fact was that in the 1880s most British subjects in the area were exclusively Chinese and Malays. In July 1887, on the appointment of a consular officer in Kedah, Satow, the British minister resident in Bangkok, informed the Foreign Office that "the British subjects to be benefited by such an appointment are almost exclusively native, belonging to the Straits Settlements viz. Malays and Chinese," falling under category (ii).\(^{7}\) This was also confirmed by Acting-Governor Dickson. During his visit to the Siamese Malay States, Dickson observed: "In the state of Renong, Tongka and Trang, the mining and agricultural industries are mainly in the hands of Chinese, many of whom are British subjects; and the so-called Rajah of Renong is a Penang Baba, i.e. of Chinese descent, born in Penang, and also Penang subject, and the newly appointed Rajah of Trang is his younger brother, and also Penang born and a British subject."\(^{8}\) However, there are no details of the registration of British subjects in Kedah between the mid-1880s and 1905.\(^{9}\) Most of them were probably persons of some standing, particularly Penang Chinese businessmen who frequented the western Siamese Malay States for trade, because only few Singkeh Chinese of any standing could afford to be registered as British subjects, finding not only the property requirement, but also the registration fee an insurmountable hurdle. For example, Chen Gen Chuan (Cantonese) and Lin Jin Chuan, who opened shops in Penang, applied to the protector of Chinese for registration as British subjects in April 1897. Their application was approved and they paid $202, equal to over seven times the annual income of one coolie at that time.\(^{10}\)

In fact, the whole scheme was actually initiated by the local British authorities in Penang, so that the British resident councillor could be entrusted with the legal power to deal directly with the Siamese Malay native rulers in securing the revenue farms, mining and land grants, and consular services, and anything else that may have cropped up. In order to understand the considerations of the Penang British authorities better, on the issues concerning British subjects, the first step is to take a look at the channels of communication between the British, Siam, and the local Malay States. It had been the practice for any complaint lodged by a British subject to be referred from the resident councillor in Penang to the Siamese consul at the port. From there it was passed on to the British minister and consul general in Bangkok, and through him to the Siamese Government. After long inquiry in the locality, the instructions finally reached the local Malay rulers through the Siamese government. The very

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\(^{6}\) CO 273/141/371, Appointment of an Agent at Kedah, 29 October 1886.

\(^{7}\) CO 273/150, Foreign Office to Colonial Office: Appointment of Consular Office in Kedah. 16 July 1887.

\(^{8}\) FO 422/30, Acting Governor Sir F. Dickson to Lord Knutsford, 28 October 1890.

\(^{9}\) We will discuss the registration after 1905 in Chapter 5 of this dissertation.

\(^{10}\) PSP, 7 April 1897.
complicated bureaucratic procedures compounded by the physical difficulty of communication by land between Bangkok and the western Malay states made it almost impossible to see that so-called justice was done. Even for the British minister in Bangkok, it was difficult to judge whether it was a pressing case for presentation to the Siamese government, as he generally knew nothing about the complaints, and may even have been unable to ascertain whether the plaintiff was a British subject or not. Therefore British subjects and Straits Settlement colonial officials complained to the British minister in Bangkok of "Oppression at the hands of the local rajahs" or of "inability to obtain redress for private wrongs ...by persons under the jurisdiction of those rajahs", or of "difficulties and delays... of addressing themselves in the first place to Her Majesty's Legation at Bangkok."\(^{11}\)

Under these circumstances, on 29 October 1886, Satow, the British minister resident, wrote to the Governor F.M. Weld suggesting that in the first instance all cases be laid before the governor in Singapore or before the resident councillor in Penang, and that there be direct communication with the local rajah. Satow suggested that a consul or vice-consul should be appointed in order to benefit the colony, protect the trade, and extend British influence. On 12 November 1886, Weld formally wrote to the Colonial Office and sought the support of the latter.\(^{12}\) On 2 November 1886 and 22 February 1887, Satow also submitted his suggestions and a detailed scheme for appointing a consular officer in Kedah, such as the budget, an outline of consular functions, powers, responsibilities and so forth, to the Foreign Office. One important point was that, as Satow proposed, the consul "should receive his instructions in cases affecting the interests of British subjects or extradition of offenders, from the Governor of the Straits Settlements or from the Resident Councillor at Penang, reporting however to H.M. Legation at Bangkok respecting all questions which he was unable to settle directly with the native authorities."\(^{13}\)

The reaction of the Foreign Office was not as enthusiastic as that of the local colonial officials. The Foreign Office's argument was that it was the business of the Colonial Office rather than an imperial matter, as most British subjects were Malays and Chinese from the Straits Settlements.\(^{14}\) Nevertheless, as a compromise, the Foreign Office replied that unless the cost could be charged to the colonial funds, the project should be abandoned for the present. Originally, Governor Weld expected and got the support from Satow guaranteeing that the cost might be met out of the imperial funds of the Foreign Office for the first two or three years, and later the colony would pay a fixed contribution to cover the expenditure. Even though Weld was afraid that he would not be able to get the Legislative Council of the Straits Settlements to vote for the appropriation, he was still willing to give London the undertaking that the colony would be prepared to defray the costs and continued to insist that

\(^{11}\) CO273/141/371, H.B.M's Minister Resident and Consul General Bangkok to Sir F.A. Weld, 29 October 1886.


\(^{13}\) CO 273/150, Satow to the Foreign Office, 22 February 1887.

\(^{14}\) CO 273/150, Foreign Office to Colonial Office, 16 July 1887.
a government agent with consular power be placed in Kedah. Upon receipt of this undertaking, on 16 November 1887, the Foreign Office informed the Colonial Office that they had "no objection to offer to such an appointment." On 16 March 1888, the Foreign Office concurred that responsibility for the appointment of a consul in Kedah should be given to the resident councillor of Penang. In reply, the Colonial Office proposed that the present resident councillor of Penang, A.M. Skinner, be the consul, and sent a copy to Foreign Office. Skinner was a Malay scholar and well-known to many of the Malays. Before he took the post of resident councillor, Skinner was the acting colonial secretary of the Straits Settlements in Singapore. On 16 April 1888, with the blessing of the Foreign Office, two despatches were addressed to Skinner at Penang. One despatch was about his appointment as British consul and a designation of the consular districts i.e. consul for the Siamese Malay States on the western coast of the Malay Peninsula, including Kedah, Situl, Perlis, and Phuket and so forth. The second despatch concerned the functions and responsibilities of the consul, which was largely based on the scheme submitted by Satow on 22 February 1887 mentioned above. In the meantime, on 27 April 1888, the British acting consul-general in Bangkok, E.B. Gould, was instructed to notify to the Siamese government of the appointment of Skinner as British consul for the Siamese western Malay States and to apply for an exequatur for him in that capacity. To gauge the reaction of the Penang local press towards this appointment, it will be enough to cite the comment made by The Penang Gazette and Straits Chronicle (henceforth abbreviated as PGSC): "The creation of this post must be a source of considerable congratulation to all of our readers who are conversant with the affairs of the Malay Peninsula. Its appreciation could only have been greater had the appointment been made half a century ago, when our hold was more considerable over some positions of the area now to be watched by a Consular Officer.... It is only a tardy acknowledgement of responsibilities which should have been assumed years ago, where British 'prestige' was at stake, and where, as in the case of Kedah, we had distinct liabilities to meet."

The battle was not yet won as the Siamese government proposed that some agreements should be reached before the exequatur should be issued. On 28 May, Gould notified the Siamese government of this appointment in a letter to the Foreign Minister, Prince Damrong. But the Siamese government tried to procrastinate. On 10 June, Gould had an interview with Prince Damrong, who stated that, his government was worried that "the grant of an exequatur in this case without any previous arrangement would afford a precedent which could be followed by the French." On 19 June, Gould formally reported by telegram from Bangkok that the Siamese government had suggested an arrangement on the basis of the Chengmai Treaty.

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15 CO 273/146/347, Consular Agent at Kedah. 22 August 1887.
18 CO 273/156, Foreign Office to Colonial Office: Consul at Kedah, 16 April 1888.
20 PGSC, 25 May 1888.
21 CO 273/156, Mr Skinner as British Consul at Kedah: E.B. Gould to Foreign Office, 11 June 1888.
before granting an exequatur. This was essentially a dispute over the jurisdiction between the
British and Siam. The Chengmai Treaty was concluded in 1883. Its object was to provide a
special native court to exercise jurisdiction over British Indian subjects from British Burma
who had moved to Siam for the timber trade. The treaty reserved the power to withdraw any
British subject from Siamese jurisdiction. The Singapore Straits Settlements government of
course could not accept this arrangement, as it wanted to exclude British subjects from being
subject to either Siamese or Malay jurisdiction. On 2 July 1888, Governor C. Smith was
anxiously writing to London to enquire about progress.22 Hence London instructed E. B.
Gould that the grant of an exequatur to Skinner should be based on the Anglo-Siamese Treaty
of 1855 and subsequent treaties between Siam and other nations, which Great Britain had the
right to take advantage and by which it was entitled to appoint consular officials in Siam. But
matters between the Foreign Office and the Siamese government did not run smoothly.23
Skinner’s exequatur was finally issued on 24 January 1889, and would function in the same
manner as all other exequatures.24 Skinner nominated Maxwell to act for him for the time
being until he could take up his duties as resident councillor at Penang. On 18 February 1889,
his nomination was approved. Having assumed consular rank in the meantime, the British
resident councillor in Penang, usually paid periodical seasonal visits to the western Siamese
Malay States to fulfil his consular duty.

2 Incorporating the Kedah Opium Farm Into the Penang Networks

Running parallel to the political institution of the consular system in managing multi-ethnic
regional interactions between Penang and Kedah was the economic institution of the opium
farm. The economic institution referred to an arrangement by which the opium farms of
Penang and Kedah should be vested under one joint contract with both governments: it was
suggested that the Kedah opium farm should be incorporated into the Penang Chinese opium
farm. The construction of the economic institution indicates just how closely it was related
to the consular system. Each system supported and facilitated the other.

There were two different opium farm systems operating in the Malay Peninsula. In the Straits
Settlements, opium was farmed out to Chinese, usually called opium farmers, as a monopoly
at a fixed price for a period of three years. The farmer hereby had the right to deal with raw
opium and manufacture it into a preparation ready for smoking, called *chandu*. The
government supervised the opium processing to a certain standard of purity and fixed the
wholesale and retail prices. In the Federated Malay States, the areas were divided into the
coast farm where there were no mines and smuggling was extremely easy because of the
geographical situation, and the inland farm, which included the mines and all the hinterland.
The coast farm was let and worked on the same system as the Straits Settlements, but the
retail price was much lower than in the Straits Settlements. The inland farmers were mine-
owners and other large *towkays* who imported their own opium after paying the government

22 CO 273/154/30, Appointment of Skinner as H.M. Consul for Certain States on the Malay Peninsular.

23 For the details of the dealings, see CO 273/156, Foreign Office to Colonial Office: Consul for the Malay
States, 28 August 1888; CO 273/155/520, Skinner as Consul at Kedah.

24 CO 273/163, Foreign to Colonial Office: British Consul at Kedah.
duty, manufactured it into chandu, and sold it to their own employees after paying licensing fees. Opium, as a government monopoly, was imported into the Straits Settlements and then shipped to the Malay States mainly from India. Both the farmer and consumers were highly taxed by the government, their contribution providing a mainstay of the local revenue. The Straits Government fixed the wholesale (opium) and retail (chandu) prices that were usually very high in order to keep revenue up. For example, in the late nineteenth and early twentieth centuries, the price was constantly fluctuating between $750 and $1200 per chest of raw opium. But after this had all been processed into chandu, it would sell for $2500 to $3000 according to a price fixed by the government. And as the retail price in Straits Settlements was higher than that in neighbouring Malay States, reflecting the different levels of socio-economic development, the exported opium supply was manufactured and resold back in the Straits Settlements. Owing to the different opium prices, the geographical proximity, and the conflict between rival Chinese farmers, smuggling was rife in the border areas. It had been a chronic problem to the Straits Settlements government, as the farmers frequently complained and bemoaned a great loss of revenue. "The greater ... the amount ... the smuggler could deal, the greater risk he would venture on, and the greater his profits. Profit to him would mean loss to the farmer and reduced revenue to the government", a local colonial official argued. The farmer either requested a reduction in the revenue or pressed the government to check the smuggling by placing the neighbouring Malay states under Straits Settlements’ control.

In order to gain a broader perspective on the opium smuggling and its wider economic and political impact, here again, it is necessary to introduce a wider context briefly. Two patterns of opium smuggling can be distinguished. One was long-distance smuggling, contraband by which opium was smuggled from outside Southeast Asia, from such places as Turkey, Persia, British India, and southern China, and then sold at considerable discount rates. The other was local smuggling from areas surrounding the Straits Settlements, among which Johor and the Dutch possessions in the south, Kedah and Sumatra in the north, became the head-quarters of an enormous illicit traffic. The contradiction between the British general free trade policy and opium as a government monopoly, the co-existence of various political entities (British, Dutch, and indigenous), the geo-economic linkages mixed with the rival Chinese networks, ... all contributed to the prevalence of smuggling.

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25 Frank Swettenham, British Malaya. London, first published in 1906, revised edition in 1948, pp.253-55. The division was a reaction to the vehement objections by the miners who did not want to surrender their rights to opium farmers. They insisted that opium was imported and cooked by themselves for their own use in order to have cheap chandu for their own coolies. They argued that the high price might otherwise cause serious disturbances.

26 Swettenham, 1948, p.254. In FMS, according to Warren D. Barnes, Secretary for Chinese Affairs, on all opium imported whether for use in the farm areas or outside them, had to be paid a duty $320 a chest in 1896, $480 in 1898, and $560 in 1903. See CO 273/319, Memorandum upon returns of the import of opium into Federated Malay States, 19 November 1906.

27 CO 273/186/60, Memorandum on the Opium Traffic Straits Settlements by the Colonial Engineer Major H.E. McCallum, 30 May, 1892, Penang.

28 Eric Tagliacozzo, a PhD candidate at Yale University, is currently finishing his dissertation on this very interesting contraband trade in Southeast Asia in the nineteenth and early twentieth centuries. Unfortunately, at the moment I am unable to consult his findings.
Rush convincingly describes the opium smuggling networks in the nineteenth century in the Dutch colony of Java. He identifies the long-distance opium smuggling networks for which Chinese towkays brought in wholesale opium from Turkey, India, and Singapore through the intermediary services of locally based trading houses. Then, through delivery networks centred on Bali, opium was transshipped to Java, Celebes, Riau, Sumatra, and Borneo. These Chinese-dominated opium smuggling networks, run either by opium farmers themselves or by their rival counterparts, were models of multi-ethnic collaboration involving native officials, not to mention European and Eurasian participation. According to Rush, opium smuggling was so widespread that at least half of the opium consumption in Java was officially illegal.\(^\text{29}\)

In the region of Penang and Kedah, such smuggling activities seems to have been part of the local scene for a very long time. Wong Lin Ken mentions that in 1824 a rival Cantonese syndicate began to challenge a long-term Hokkien monopoly which also controlled the revenue farms of Kedah. The rival syndicates each tried to destroy its counterpart’s interests by engaging in extensive smuggling rackets based in Kedah.\(^\text{30}\) In Singapore and Johor, Trocki traces periodical conflicts of interest arising from opium smuggling. Since its opening up in 1840s, Johor had become a base for smuggling opium into Singapore. To check this smuggling, an arrangement was reached in 1846 by which the two farms would be merged into one and the same Singapore farm. But the joint farm was broken up in 1862, and smuggling again became a bone of contention between the two governments and rival Chinese farmers. The farms were amalgamated again in 1870.\(^\text{31}\) But it seems that the prevalence of smuggling led to another split before long.

A structural change which emerged in the 1880s also has to be taken into account. With the new openness of the colonial economy, to which the flourishing pepper and gambier planting and tin-mining activities bear witness, the colonial government intensified its control over Chinese society in general and the farming system in particular. The restructuring of the opium farm in the 1880s, like another restructuring in early 1900s (see Chapter 4, part 4), drove many opium farmers to bankruptcy and generated a long process of bargaining between farmers and government. The rent of the opium farm was suddenly made subject to licence, encouraged by the prospect of economic prosperity and stimulated by the deliberate government cultivation of internal Chinese competition. In Singapore, two outside farmers, Koh Seang Tat and Chew Sin Yong, both from Penang,\(^\text{32}\) were brought in to secure the

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\(^{31}\) Trocki, 1979, p.107, note 66; Trocki, 1990, p. 95, 102, 111-12; see also Turnbull, 1972, pp.196-98.

\(^{32}\) But they were absolutely not from within the same general financial clique as Trocki speculates (Trocki 1990: 168). Chew Sin Yong was Cantonese, while Koh Seang Tat was Hokkien. In the 1892-94 opium crisis, they had an interesting showdown. For information on Koh Seang Tat and their showdown, see Chapter 3 of this dissertation. Chew Sin Yong (?-1894), who seemed to be on very good terms with the colonial authorities, was educated at the Penang Free School and was one of the few Chinese of his age who spoke English fluently. He was also a partner in the firm of Thean Chee & Co. He was a partner in both Penang & Singapore Opium & Spirit Farm (1889-91) and a manager of Penang Opium Farm (1892-94). He was appointed a justice of peace, and also a member of the Chinese Advisory Board and other socio-political organizations. He died in Penang.
1880-82 and 1883-85 opium farms. The colonial authorities were happy that the annual rent had suddenly risen from $400,000 in 1879 to $600,000 in 1881, a net increase of $200,000, or 50%. In 1883-1885, there was another huge rise from $600,000 to $960,000, a net increase of $360,000 or 52%. Compared to the period from 1867 to 1879, the annual rent of the opium farm in Singapore continued to hover between $350,000 and $400,000, an increase of less than $50,000 over a decade. The inevitable upshot of this government restructuring scheme was a heavy loss to the farmers, and the natural consequence was a big upswing in the smuggling activities of the local rival syndicates. In January 1883 alone, Chew Sin Yong claimed a loss of $100,000.33 In Penang, the colonial authorities were again pleased by the fact that in 1888 the same Chew Sin Yong came back to secure the Penang farm (1889-91) at a monthly rent of $95,050, an increase of $25,050 over the previous term (1886-88). But, over a period of fifteen months in 1889-90, Chew Sin Yong lost $420,650 and posed a great financial problem to the government. The government was forced to reduce the monthly rent from $95,050 to $67,000 from October 1890 to 1891.34

When they found themselves bankrupt, one of the greatest pretexts for the loss of and justifications for the reduction in their rent of the opium farm was the smuggling problem. Even without actually having to declare themselves bankrupt, the farmers might probably also have claimed a heavy loss, if they saw any chance wangling a reduction. In essence, the real economics of the farms was a finely balanced competition and a division between the government and the farmers in terms of revenue (to the former) and profits (to the latter), each trying to maximize their share. Although there was a fixed annual rent, exceptions did occur, once there were such problems as tender prices which were too high, bad economic conditions, and especially smuggling. In turn, once there were possibilities for reductions, it is impossible to rule out that all these issues might have possibly been used and exaggerated by the farmers. To raise the rent, the government encouraged strong competition among rival Chinese farmers. In counter moves, the farmers either formed a ring before the auction or reported a heavy loss afterwards and requested a reduction in the monthly rent payment. Whatever recourse was taken, the best pretext and justification was always the widespread smuggling. Smuggling formed a focus for these different sorts of competition, between the rival Chinese farmers, between the parallel neighbouring governments (eg. British and Malays), and between the government and the farmers.

Coinciding with this restructuring of Chinese competition and the opium economy was the continuing reorganization of the opium farm to comply with the demands of political and economic geography. The government secured higher tenders from farmers, as a condition for which farmers requested the government should secure the neighbouring farms in order to avoid smuggling. They frequently complained of a heavy loss in the opium revenue because

at the age of 53, leaving a widow, three sons, and four daughters. His estate was valued at $100,000. Later I shall discuss the conflict between his farm and Lim Leng Cheak's Kulim farm. See, PGSC, 4 June 1886 & 22 October 1894.

33 Trocki, 1990, p.163, 167, 170-78.

34 CO 273/168, Penang Opium & Spirit Farm, confidential, 4 October 1890; Co 273/168/388, Opium & Spirit Farm, 4 October 1890; CO 273/169, Opium & Spirit Farm, confidential, 29 December 1890; Legco., 1890, pp.B 82-89; Michael Godley, "Chinese Revenue Farm Networks: The Penang Connection", in Butcher & Dick eds, 1993, pp. 91, 93, 95.
of the widespread smuggling. Whatever the truth of the matter, these structural changes in the opium farms set in place a new and relatively stable framework for the next few decades (till 1909 when the government took it over), upon which the British relied for implementing the on-going plans for colonial economic and political expansion. The regional reorganization of opium farms was arranged that the Singapore Opium Farmers should in the meantime tender for the Johor farm, the Malacca Opium Farmers for the Negri Sembilan Farm, and the Penang Opium Farmers for the Perak and Kedah farms. The arrangement posed no problem in Negri Sembilan as it was a Federated Malay State under British protection. In Johor, a memorandum of understanding was reached in 1885 between the government of the Straits Settlements and the so-called "independent state" of Johor. But for Kedah, the issue seemed more complicated, as it was under the Siamese suzerainty and the British Resident Councillor had no legitimate power to treat with the sultan of Kedah. From the mid-1880s on, the sultan of Kedah and the British authorities in Penang held frequent discussions about placing the Kedah opium farm under the control of the Penang opium farmers. But the negotiations progressed at a snail's pace. Disagreements occurred over the terms, because they were not in Kedah's favour. It is not true as Sharom Ahmat has stated that "... after 1887, the Sultan of Kedah and the British authorities in Penang agreed the opium farms in both states should be let out simultaneously to the same revenue farmer or syndicate." The fact was that this result of hard bargaining was not reached till a few years later.

The Kedah opium farm included: (i) the Kuala Muda, Sungei Daun and Bagan Samah farms; (ii) the Kulim farm; and (iii) the Langkawi farm. The object of the discussions was the possible placement under Penang control of the first two farms which were monopolized respectively by Choong Cheng Kean and Lim Leng Cheak (see Parts 3 and 4 of this chapter), while the Langkawi farm was never incorporated into the Penang farm, as it was a royal gift from the sultan to his mother and managed by Choong Cheng Kean. But the negotiation for incorporation did not involve all the farms at one time. Instead, the Penang authorities adopted a developmental strategy, incorporating each farm step by step, partly because of the resistance offered by Kedah opium farmers, partly because of the different expiry dates on each of the Kedah opium farms. Upon the British request for the incorporation of the Kedah Opium Farm into the Penang Farm, the sultan of Kedah did his utmost to put forward objections from the beginning of the negotiations sometime in 1887. This was not just because of the personal connection between the sultan and the Kedah Chinese revenue farmers. More importantly, it reflected the coincidence of interests between the Malay state and a Chinese family. The Chinese farmers were, of course, unwilling to surrender their economic monopolies to the outsiders. The sultan was concerned that Kedah would lose a source of revenue by placing the Kedah opium farm under the control of the Penang farm. Their path strewn with obstacles bumped painfully along the incorporation negotiations between the sultan and the British resident councillor in Penang.

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35 CO 882/4/44, Straits Settlements: Memorandum of an agreement between Her Majesty's Government of the Straits Settlements with the Government of the Independent state of Johor respecting the conditions under which the Opium Farms of Singapore and Johor may be let jointly instead of separately as heretofore. Even so, the Straits authorities in Singapore were not satisfied with the share-split (5/14 for Johor and 9/14 for Singapore), claiming it was not fair to Singapore. It was said that the treaty was never signed. However, the Johor farm was still placed under the same Singapore farm, no doubt to the former's disadvantage. See Trocki, 1990, pp.191-94.

In 1888, Maxwell, the resident councillor, wrote to the sultan asking for his agreement to linking the network of opium farmers in Kuala Muda with the Penang and Kedah Syndicate. The sultan agreed that opium farm tenders for Penang and Kuala Muda shall be opened at the same time. Striving to keep control he insisted on two stipulations: firstly, in order to facilitate the control and management, the Kuala Muda farm could only be held in the names of residents of Kedah; secondly, if the tender of Penang farmers was lower than others for Kuala Muda farm while the Penang farmers wanted to get the Kuala Muda farm, the Penang farmers must compensate the balance. Seizing the opportunity, the sultan pointed out that the opium farm incorporation was a serious question. Considering Kedah was under Siamese suzerainty, the sultan was afraid that any mistaken decision could cause Siamese dissatisfaction. The sultan asked the resident councillor to find a way out for him. With this, the sultan kicked the ball firmly back into the British court. In September, the tender for the opium farm in Kuala Muda 1889-1891 opened: the highest bid was $27,400, made by Leko, the representative of the Penang farmer, Chew Sin Yong, while Choong Cheng Kean’s bid was $27,200. Choong Cheng Kean was a Kedah resident, and one of the closest friends of the sultan and the royal family (see Part 4). Leko’s tender was higher than Cheng Kean’s by only $200. The sultan instructed the Siamese Consul in Penang to call both parties, Chew Sin Yong and Cheng Kean, in for a settlement. It is interesting to note that the sultan said he would not give it to Cheng Kean until the head of the Penang opium farm arrived. On 17 September 1888, the resident councillor in Penang wrote to the sultan, asking him to lease the Kuala Muda farm to Leko, as he was a representative of the Penang farmer Chew Sin Yong, who had held the Penang farm in the period 1889-1891 and whose bid was higher than that of Cheng Kean. The sultan turned a deaf ear to this, explaining that Leko’s tender had arrived later, after the noon deadline.

On 25 June 1889, Resident Councillor Kynnersley wrote to the sultan, asking Kedah to hand over the Sungei Daun and Bagan Samah opium farms to the head of the Penang opium farm. The sultan replied that he could not comply. Giving his reasons the sultan explained: (1) if the whole Kedah opium farm continued to be placed under the lease of the Penang opium farm, it would arouse more complaints from the Chinese community in Kedah. The sultan said the Chinese sub-opium farmers at Gunung Jerai had already once complained to him, when he had ventured to discuss with the jointly leased Penang and Kedah opium farms with Maxwell. (2) He had already leased the Sungei Daun opium farm and the Bagan Samah

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37 SC, No.3, Sultan to Resident Councillor, Penang, 2 Zulkaedah 1305 (10 July, 1888).

38 SC, No. 3, Sultan to the resident councillor, Penang, 21 Zulkacida 1305 (29 July, 1888). See also No. 3, Sultan to the Resident Councillor, Penang, 17 Zulhijjah 1305 (24 August, 1888). In another letter to Skinner, the new resident councillor, the sultan mentioned that when he discussed the lease of Penang and Kuala Muda opium farm with Maxwell, he wrote to the persons concerned, saying he could not entertain the grant of a new lease, because the lease of the Kuala Muda farm had not yet expired. See No.3, Sultan to Skinner, Resident Councillor, Penang, no date indicated.

39 SC, No.3, Sultan to the Siamese Consul, Penang, 5 Muharam 1306 (11 September, 1888).

40 SC, No. 3, Sultan to the Siamese Consul, Penang, 17 Muharam 1306 (23 September, 1888). See also No. 3, Sultan to Resident Councillor, Penang, 25 Muharam 1306 (1 October, 1888).
opium farm to the Kedah opium farmer and he could not renege on this contract. On 3 October 1889, Kynnersley again asked the sultan to lease the Bagan Samah opium farm to the Penang Syndicate. The sultan refused again, informing Kynnersley that he had already leased it to Choong Cheng Kean for $5,500 for a period of two years plus ten days. It would not expire until 20 Safar 1309 (24 September 1891). The Sultan said in fact he never thought Kynnersley would ask him to hand it over to the Penang farm, as there had never been any fighting or quarrels in that area. The attitude of the sultan could be explained by Swettenham’s report of November 6, 1889 after his visit to Kedah: “He [the sultan] said he had received a complaint from the Resident Councillor at Penang ... asking him to give his Farm to the Penang Farmer, but he hardly saw how he could do that now, though he was most anxious to meet the Penang authorities as far as possible. He said this was the first he had heard about the Farms, and if he had been communicated with and the position explained to him before the Colony’s Farms were let, he would have been glad to make any fair arrangement for simultaneous letting. He seemed, however, a little afraid lest Kedah should suffer by a mutual arrangement which would benefit the Penang Farmers and Penang revenues at his expense.”

In a nutshell, in the dawn of a new era, the formation of the Penang-Kedah opium farm assumed a role as a part of the fundamental framework and as an object of regional political and economic interaction. These parts will be highlighted in later chapters, particularly in Chapters 3-4.

3 Family Business Networks: Approach From the Penang Lim Family

The Chinese family business networks justified the political institution of the consulate system and the economic institution of the opium farm. Being at the centre of colonial-dominant economic life, the Chinese business networks encompassed all the interests of the Chinese, British, and Malay communities. Therefore, they formed a sharp focus in the game in which Chinese were involved between the British and Malays, Malays between the British and Siamese, and British between the Siamese and Malays and Chinese. Two patterns of Chinese family business networks have been identified: one was that of the Penang Chinese family Lim Leng Cheak; the other of the Kedah Chinese family Choong Cheng Kean. These two family business networks complemented each other in the dynamic process of integrating Kedah into the regional system. Each family network not only exemplified the whole Penang community and the whole Kedah community, but also reflected the sultan’s conscious strategy of using different sets of communication systems in his regional interaction. More documentations and evidence to support this contention will be introduced in the following chapters.

To set the general scene, this part concentrates on the Penang Chinese family Lim Leng Cheak. The Penang Lim family exemplified the pattern by which the Penang Chinese business

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41 SC, Sultan to Resident Councillor, Penang, 18 Zulkaedah 1306 (16 July, 1889).
43 FO 422/30, Swettenham to the Governor of the Straits Settlements, 6 November 1889.
community penetrated into a hinterland Malay state and in turn an upcountry Malay sultan secured the capital, services, and markets of the former. This is no more than a setting of the scene. The performance of the family will be discussed at length in later chapters.

**Family Background**

Lim Leng Cheak was one of the most important pioneering Chinese with large business concerns in Kedah (for Genealogical Tree, see Appendices Figure 1). He was not an immigrant from China but a *baba* Chinese, the son of Lim It Kim (also called Lim It Jin), one of the earliest Chinese to come to Penang from his ancestral home town, the coastal village of Lindung, Sandu, which used to fall under Haizhen county, Zhangzhou prefecture. Lindung lies in the vicinity of Xiamen Island, now administered by the Xiamen (Amoy) city administration in Fukien Province. According to Chinese historical records, this county was the earliest place from which Chinese from Xiamen (Amoy) emigrated to Southeast Asia. The leading members of the Penang Chinese community, like the Khoo, Lim, Tan, Ong, Cheah, and Yeoh clans, came mainly from the villages in this area. Wright says Lim Leng Cheak was born in humble circumstances in Penang in 1850. When he was old enough, Lim Leng Cheak began work as a clerk in a mercantile office in Penang. A few years later he launched his own business career by opening a general store. By careful management, he was able to save a little capital and went to northern Sumatra, where he entered into a partnership with another Chinese merchant.

These would seem to represent the bare facts, but there is a different legend concerning his family background. It is said that Lim Leng Cheak’s father made a fortune quite early. Lim It Kim came to Penang with his brothers Qing Cai, Qing Qiu, Qing Xun and Qing Zhu. Their father’s name was Lim Ming Hou. But the strange thing was that Lim It Kim did not have the same character "Qing" in his given name as his other four brothers. Since it is a common practice, although not necessarily so, to name children in the traditional Chinese society with the same character as their just part of their given name in order to show their family relationship, it is believed that in Lim It Kim’s case he was adopted. Another fact which casts doubt on the legend of riches is that, if Lim It Kim had made a fortune at an early stage, why were his children Lim Hui Cheak (died in 1858) and Lim Sheng Cheak (died in 1860) who died young buried in the Hokkien communal cemetery as their uncles and cousins had been, instead of in the Lim Family Cemetery at Pepper Garden in Penang? Lim It Kim died in 1873, but was buried in the Lim family cemetery. Alternatively local historian Teoh Shiaw Kuan’s explanation is that it was because of their mixed Sino-Thai ancestry. It was said that Lim It Kim’s wife - Lim Leng Cheak’s mother - came from a Thai noble family. She was a daughter of a local Thai chieftain. Teoh argues that since Lim It Kim’s wife was from a noble

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44 In December 1995, I visited Lim It Kim’s village and checked his family history. It took a lot of time to find the village because of the radical changes in administrative divisions. There is little information about his family in China, in contrast to the good results of the research about Singkeh Chinese I have conducted in other villages of Guandong and Fukien Provinces.

family, he could not have married her had he not been rich. My research also confirms his view that Lim Leng Cheak’s father had made some money. This is reflected in two of his donations. In 1856, Lim It Kim donated $12 to the Pulau Tikus Hokkien Cemetery. In early 1863, he also contributed $10 to the restoration of Guang Fu Temple. At that time, the donations represented a considerable sum of money. So, we have reason to believe that Lim Leng Cheak’s family was at least not poor, even if it were not very wealthy. This does not exclude the possibility that the family legend of a local Thai chieftain ancestor was created after he had become a wealthy Chinese towkay.

It was said that Lim Leng Cheak had seven wives, distributed between Kedah, Penang, Ipoh, southern Siam, and Kuala Lumpur, which might be related geographically to his business activities. We have no information about most of them, except for one secondary wife, Leow Thye Hai. She died on 3 May 1938 at the age of 63, and left behind four sons and four daughters. Lim Leng Cheak’s chief wife was Tan Say Seang. According to The Straits Echo (henceforth abbreviated as SE), Tan Say Seang "was something of a planter and miner in her younger days, and spent a good deal of time on her estates and mines in Kedah". Tan Say Seang was a very generous Chinese lady, who was ranked number three as Hokkien top donor in Penang for more than half a century between 1850 and 1910. Her total donations amounted to $5512, second to the leading donor who gave $8480 in the same period. There is a classic story about her kindness. It was said that she helped a poor lady by selling her own hair ornaments in order to save that lady’s husband from imprisonment. We should mention here that Tan Say Seang became an ardent Buddhist after the death of her husband, Lim Leng Cheak. She made pilgrimages to all the well-known Buddhist Shrines in Siam, Burma, Ceylon, and China. The beautiful pagoda in the Kotahena Temple, Ceylon, was one of her many gifts to Buddhist interests there. During her tour of Burma, the Buddhist institutions in Rangoon, Mandalay, Pegu, and other centres were also recipients of her generous gifts. Among her donations in Siam and China, the erection of a nunnery in Bangkok and the endowment of an extensive paddy fields to the Monastery at Fuzhou, the

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48 Information from Mr Teoh Siau Kuan, a local historian in Penang, 25 January 1997.

49 SE. 7 May 1938.

50 SE. 20 September 1930.


capital of Fukien province may be mentioned. In Penang itself, Tan Say Seang was entirely responsible for the building of the Perak Road Temple. She also was of the main donors for the building of the Kek Lok Si Temple at Ayer Itam. Besides these charities, Tan Say Seang also distributed rice to most of the local Malay mosques and Siamese temples.\textsuperscript{53}

Figure 2.1: Wives of Lim Leng Cheak

\begin{align*}
\text{Leng Cheak} &= \text{Tan Say Seany} \\
&= \text{Leow Thye Hai} \\
&= \text{Kedah woman} \\
&= \text{Ipoh woman} \\
&= \text{KL woman} \\
&= ? \\
&= ? \\
\end{align*}

Legend: = indicates marriage.

The Family Regional Business Network

Lim Leng Cheak's business extended tentacles from Penang to Sumatra, Kedah, Perak, Singapore, and even to Ceylon and Burma. His business involved shipping, trading, farming, milling, mining, and planting. This encompassed the pepper trade, rice and sugar milling, opium and spirit farms, and coffee, coconut and tapioca plantations. In order to obtain a clear picture of his regional networks, I shall in the following section concentrate on three aspects of his business life: (1) as a shipowner; (2) as a rice miller, tin-miner, and planter; and (3) as a revenue farmer.

(1) As a shipowner: Lim Leng Cheak's business network initially extended only to North Sumatra. With his business partner whose name is not available, Lim Leng Cheak was engaged in the profitable pepper trade between Sumatra and Penang. Later the partnership ran a fleet of steam-ships between the same ports. In 1879, Lim Leng Cheak took over the entire concern when his partner retired from the business. At this time, he started to assert himself as an important business lobbyist. In late 1879, a group of British and Chinese merchants, who were interested in the trade between Penang and Sumatra, joined together to lodge a complaint against the Netherlands Indies Government. They protested that privileges, which were not enjoyed by British ships, such as those belonging to "Messrs Leng Cheak & Co.", had been conceded to Dutch vessels and their cargoes in Aceh. They demanded equal rights and the same advantages as Dutch subjects. V. Krieger proposed and Lim Leng Cheak seconded that the minutes of evidence be printed for circulation together with the report.\textsuperscript{54}

Extracts from the logs of Lim Leng Cheak's steamers the "Cornelia" and the "Eleanor" in 1879 illustrate his trade in Aceh, an important port in north Sumatra, and his networks which penetrated into local society:

\textsuperscript{53} SE, 20 September 1930.

\textsuperscript{54} PGSC, 28 November 1879.
"...The British steamer Cornelia sailed for Olehleh on 8th August 1879—to obtain pass for 9 or 10 different open ports on the North and East Coast of Acheen for which she had cargo of 3000 bags Rice, some Piece Goods and 25 Buffaloes. There were passengers on board 44 Acheene &c. Arrived at Olehleh 9.30 p.m. 10th August. Next morning on delivery of ships papers and request for Pass for Junkaboya, Pedir, Ayer Laboe, Somalangan, Passangan, Klampang Dua, Telluk Samoi, Kertie and Edie. The Harbour Master declared these Ports under blockade and that no pass could be issued.... Captain Reid then called upon the Governor but was again referred to the Harbour Master. By the Harbour Master’s attendants on 12th August after various effort to meet him, the Captain and Supercargo were ordered away. On that day the passengers were all landed for inspection...".  

Rice was very scarce and dear on the coast of Sumatra, enabling Lim Leng Cheak to make a profit of $10,000 by selling 3,000 bags of rice on one trip. According to his own statement, on the 17 October 1879, Lim Leng Cheak’s steamer the "Cornelia" sailed from Singkel (a Dutch Port on the west coast of Sumatra), bound for Troomon, Tampat, Tuan, Soosoo, Rigas, Analaboo, and Penang, with over 3000 bags of rice on board. Again owing to the Dutch blockade, the steamer was ordered to leave Analaboo at once and came back to Penang on the 23 October. It was estimated that the actual loss incurred on this voyage was over $3,000, while the profit that he would have made on the rice would have been in the region of $10,000.  

In the 1880s, Lim Leng Cheak had at least four steamers: the "Cornelia", the "Eleanor", the "Washi", and the "Rosa". In February 1885, hoping to expand his business connection with northern Sumatra, Lim Leng Cheak and other some eight key Penang Chinese traders, including Khoo Thean Teik, the famous head of a secret society, petitioned the secretary of state for the colony, urging British government to protect the Penang trade with Aceh. In November 1887, it was reported that "Great anxiety has been felt in Penang...as to the safety of the steamer Washi [of Lim Leng Cheak]". The steamer "Washi", which was commanded by Captain Ross with First Engineer Gilmour, was long overdue. It was feared that she had been detained or chartered by the Dutch authorities to convey soldiers during the Aceh War. The "Rosa" was then sent for search of the "Washi". Shipping not only brought Lim Leng Cheak to rub shoulders with Western merchants and the local community in northern Sumatra,
it also linked him to other important shipowners in Penang, such as the Khaw family, Lee Phee Yeow, and Chuah Yu Kay (for details, see Chapter 3).

(2) As a rice miller, miner and planter: If the transition from petty clerk to an owner of general store marked the beginning of Lim Leng Cheak’s business career, the business transactions in northern Sumatra laid a solid foundation for his even greater future success in Kedah. From the 1880s, Lim Leng Cheak extended his business concern from northern Sumatra in the south to Kedah in the north, where he began to diversify his investments in rice milling and tapioca planting. Lim Leng Cheak was one of the pioneer rice millers in northern Malaya. He was responsible for introducing the first rice mill in Penang under the Khie Heng Bee, in partnership with Phual Hin Leong, Chuah Yu Kay, Cheah Joo Jin, and Cheah Ewe Ghee. In Kedah, Lim Leng Cheak was on very cordial terms with the sultan, Abdul Hamid Shah. In 1888, the sultan granted him a twenty-year monopoly as an inducement, when he established a rice mill in Alor Star. The rice milling industry later proved a very prosperous business venture, as it coincided with the expansion of large-scale tin-mining, progress in plantation development, and an influx of immigrant labour. These will be discussed in detail in later chapters.

(3) As a revenue farmer: Lim Leng Cheak was one of the important revenue farmers attached to a dominant Penang interest group which monopolized the Singapore Opium Farms in the 1880s. This group had great interests in mining, planting, shipping, and revenue farming. It was led by the prominent Baba Chinese, Koh Seang Tat, whose family had been influential since the founding of Penang, other important members being Lee Phee Yeow, Ong Beng Teik, Khoo Thean Teik, and of course the Khaw family (See Parts 1 and 3, Chapter 3). It is impossible to document the whole list of revenue farms run by Lim Leng Cheak. However, through a case illustration taken from the southern border town of Kulim in Kedah, it is possible to trace a picture of Lim Leng Cheak’s business career in this field.

Most of Lim Leng Cheak’s revenue farms in Kedah were concentrated in the Kulim district. The formation of Lim Leng Cheak’s business ring in Kulim involved secret society headmen, revenue farmers, and Chinese kapitans, from both Kulim and Penang. This combination of partnerships suggests a pattern whereby a wealthy towkay from outside the state managed to secure effective local leadership to promote his business interests. The Kulim Chinese kapitan in the period under study was Chiu Ah Cheoh, also named Chiu Cheoh Yuen. Chiu Ah Cheoh was a Cantonese, from the Tai-shan district. It is not known exactly when he came to Kulim. His arrival probably coincided with the opening up of Kulim’s virgin forests. He was a carpenter by training, whose professional knowledge was useful in opening up the Kulim jungle and subsequently in building houses. In 1880, he founded a temple called Lu Pan Ku Miao, or the Old Temple of Lu Pan, the patron-saint of Chinese carpenters and the building trade. This temple was recorded as "Kongsi China" by the Kedah authorities, which suggested that it also functioned the headquarters of a Triad Society, and that Chiu Ah Cheoh was one of its leaders. Chiu Ah Cheoh was also closely involved in the opium, spirit, tin, and pawnbroking farms in Kulim, which comprised the main source of revenue for the Kedah

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Government. Chiu Ah Cheoh was the agent of the Penang Chinese towkays Lim Leng Cheak and his partner, Ong Beng Teik. In 1889, some Chinese from Siam approached the sultan of Kedah, offering to tender for the Kulim farms. But the sultan declined their offer. The sultan said for many years he had granted the Kulim opium, spirit, and tin Farms to Chiu Ah Cheoh for an annual rent of $18,000. The sultan mentioned that Chiu Ah Cheoh, the agent of the Penang towkay Ong Beng Teik, had invested about $100,000 in tin-mining and plantations. The sultan went on to explain that Chiu Ah Cheoh had already written to him, asking for an extension of the Kulim farms. The sultan told the Siamese Chinese that had he granted the Kulim farm to them, Chiu Ah Cheoh would have suffered a great loss. Hence the sultan had decided to grant these Kulim Farms to Chiu Ah Cheoh for another three years (see following list).

<table>
<thead>
<tr>
<th>Name of Farmer</th>
<th>Name of Farm</th>
<th>Annual Rent($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Opium Farm Kulim</td>
<td>28,600</td>
</tr>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Tin Farm Kulim</td>
<td>10,200</td>
</tr>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Spirit Farm kulim</td>
<td>2,600</td>
</tr>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Pawnbroking Kulim</td>
<td>1,440</td>
</tr>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Timber Farm Kulim</td>
<td>400</td>
</tr>
<tr>
<td>Chiu Ah Cheoh</td>
<td>Opium Farm Krian</td>
<td>4,600</td>
</tr>
</tbody>
</table>

Source: SC, No.2.

There is no doubt that Lim Leng Cheak, Ong Beng Teik, and Chiu Ah Cheoh controlled most of the Kulim revenue farms in the 1880s and early 1890s. Who was Ong Beng Teik? Unfortunately it has proved impossible to find any personal details about him. Ong Beng Teik must have been one of the most prominent Chinese towkays in Penang during the late nineteenth century, and was probably related as either a brother or a cousin to Ong Boon Teik, a leading Penang merchant who was deeply involved in the secret society and Malay politics in Perak in 1870s. As a representative of the Ong Clan, Ong Beng Teik was a trustee of the Hokkien Cemetery between 1886-1892. He was also one of directors of the famous Penang Khean Guan Insurance Co. Indubitably Ong Beng Teik was the partner of Lim Leng Cheak; they joined together to manager the Kulim Opium Farm in the 1880s. Because of linking up with Lim Leng Cheak, he also joined Koh Seang Tat in making a

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61 SC, No.2, Sultan to Siamese Cuku, 28 Muhammed 1306 (4 October 1888.
62 Khoo Kay Kim, 1972, pp.204-5, 209, 210-11, 222.
63 Seiji Imahore, Ma Lai Ya Hua Ren She Huei (Chinese Society in Malaya), Chinese Edition translated by Liu Ge Yin, No.22 King Street, Penang, 1974, p.53, 66, 163.
64 PGSC, 5 July 1889.
successful tender for the Singapore opium farm 1889-1891. My field investigation has also confirmed the fact that the secret society, Chinese kapitan and revenue farmer interacted to shape the profile of politics and economy in Kulim. This was particularly reflected in the establishment of the earliest temple at Bukit Mertajam of Province Wellesley. The Chinese temple in Bukit Mertajam, called Xuan Tian Miao, was founded in 1886 by Chinese from both Kulim and Penang. The list of the donors shows that the first three were Huang Chen Qing ($465), the Kulim Opium Syndicate Lim Leng Cheak & Ong Beng Teik ($400), and Low Chew ($100). Following these were Chiu Cheoh Yuen ($30, i.e. Chinese Captain Chiu Ah Cheoh) and others. Huang Chen Qing might have been the most influential Huichew in Penang, which was reflected in his donation to the re-construction of the Penang Huichew Association in 1869. Lim Leng Cheak and Ong Beng Teik were revenue farmers from Penang. Chiu Ah Cheoh was Kulim Chinese Captain. Low Chew was also a Huichew, the head of the triad society in Kulim. Among the total of about 265 people on the list, around sixty-five people are marked by the same character "He", which meant "the triad society".

4 Family Business Networks: Approach From the Kedah Choong Family

From a Penang perspective, what has been said in this chapter has served as an introduction to Lim Leng Cheak's family business networks in Kedah and the region. In the following section, a Kedah perspective is adopted to introduce another Chinese family, that of Choong Cheng Kean. For our current discourse, the significance of Choong family history and business networks lies in the points set out below.

First, Choong Cheng Kean was the most important Kedah Chinese businessman in the late nineteenth and early twentieth centuries. Unlike Lim Leng Cheak, who was a British Chinese in Penang, the case of Choong Cheng Kean, as a Kedah Chinese representative, discloses another dimension in the overlapping complex interactions between Penang-Kedah, Chinese-Malay, and Kedah Chinese and Penang Chinese. In particular it is essential to situate the Chinese in a traditional, Malay-dominated society, in which Malay exerted absolute control in terms of political power and demography. How did the Chinese interact with the Malays in their encounters centring on business and power? How important were the Chinese to Kedah socio-economic life?

Second, even more importantly, Choong Cheng Kean was actually used by the Kedah Malay sultan as his own Kedah agent whose job was to deal with the Penang business community. By exercising control over their own Kedah Chinese agent, the Malay regime effectively protected its own interests. Hence, we can say, the sultan developed two important complementary communication channels within the Chinese community in the regional Penang-Kedah linkage: one was Lim Leng Cheak from Penang; the other was Choong Cheng

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65 PGSC, 7 September 1888.

66 On 26 January 1997, the researcher visited the earliest Chinese temple at Bukit Mertajam under the guide of Mr Tan Kim Hong, a local historian in Penang. Information on Lim Leng Cheak's linkage is to be found on the stone inscriptions in the temple.

67 Huang Chen Qing' donation was the top one ($260). See also Seiji Imahore, 1974, p.92, Note 19.
Kean from Kedah. Sources indicate that these two Chinese channels from different states had a competitive relationship.

Third, Choong Cheng Kean was in turn used by the Penang business community to deal with the Kedah Malay authorities in order to facilitate their business interests. The Penang-Kedah institutional opium linkage was manifested in the role of Choong Cheng Kean, who actually monopolized the Kedah Opium Farm at least during the late 1880s-1909 (with the exception of Kulim by Lim Leng Cheak before 1894). Moreover, if the Lim Leng Cheak family case provides a typical example of the Chinese regional business mobility from Penang to Kedah, then, the Choong Cheng Kean case suggests mobility from Kedah to Penang. This mobility again indicates that it would be far from enough to focus on one single state in the framework of the Chinese studies.

**Family Background**

Choong Cheng Kean was born on 16 June, 1857, at Xiang Lu village, in the suburbs of Xiamen (Amoy), Fukien Province (for Genealogical Tree, see Appendices Figure 2). It is a neighbouring village to the famous and the earliest Qiaoxiang in Fukien called Sandu, situated in Haicheng county, Zhangzou prefecture under the Qing dynasty (now under Xiamen city). His father was Choong Chuo, his mother was named Wang Neoh (or Ong in Hokkien). Choong Cheng Kean came from a poor family, in which he was the only son. It was said that his parents starved their daughters to death in order to feed Cheng Kean. It was probably this same poverty that drove Choong Cheng Kean to try his luck in Southeast Asia. Choong Cheng Kean came to Southeast Asia at the age of nineteen, which suggests this occurred around the mid-1870s. This is confirmed by the stone inscription in China which Choong Cheng Kean had engraved when the Choong Temple was established by his donation in 1907. It states that after thirty years in Nanyang, he came back to his home village. He worked first as a shop assistant in Tongkah, southern Siam, but before long, he emigrated to Kedah. It should be pointed out that this emigration route was not an exceptional one, as some other Singkeh Chinese had also followed the same pattern before they arrived in Kedah. It was said that Choong Cheng Kean was helped in establishing his business by his father-in-law, who was already an established businessman when Choong Cheng Kean arrived in Kedah. In around 1881, Choong married Lim Gek Kee, a local Chinese woman in Alor Star, Kedah.

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68 Under the guidance of Mr Lin Si Chong, the great great-grandson-in-law of Choong Cheng Kean (the fifth generation), I visited Choong Cheng Kean’s father’s tomb on 12 January 1996, when I conducted my fieldwork in his native village in China. As his father’s tombstone had been stolen, there is little information concerning him. As for his mother, we visited her tomb, which is maintained well by her descendants in China. His mother died four years later (1920) after Choong Cheng Kean predeceased her in 1916.

69 Information from Mrs Ong Chua Suat, Penang. Mrs Ong had a interview with her mother, who was the grand-daughter of Choong Cheng Kean, on 16 August 1977.


71 For example, Choong Thean Teik had emigrated to Tongkah first before he came to Kedah in around 1920.

72 Interview, Ms. Khoo Salmah Nasution, Penang, 28 March 1996. But, it is impossible to identify who was his father-in-law.
although he was engaged to a girl in China. Like other classic stories, it was said that Mrs Choong Cheng Kean sold her jewellery to help Cheng Kean to start a business.\textsuperscript{73}

In short, Choong Cheng Kean was born in China, emigrated to southern Siam, made his mark in Kedah, then moved to settle in Penang, later paying several visits back to China. This mobility was clearly reflected in his family life, in which at least four women were closely related to Choong Cheng Kean. The first of these was Teoh Khuan Neoh. She was his wife in China, probably the girl to whom Cheng Kean had been engaged. This lady adopted several children and lived with Cheng Kean’s parents. The second was Lim Gek Kee from Kedah, whom we have mentioned above. She was the principal wife. She had two sons by Cheng Kean, Choong Lye Hock and Choong Lye Hin, who continued to carry on the family business after Cheng Kean’s death. The third was Lim Gaik Teen Neoh, from Tongkah, Siam. She was said to have married Cheng Kean according to Chinese custom about 1900. This might be related to the fact that not only had Cheng Kean initially emigrated to Tongkah, Siam, he also had a business there (a pawnbroking shop as far as we know). This lady moved to Penang with Cheng Kean in 1901. Her son by Cheng Kean was Choong Lye Teong. The fourth lady was Ong Ee Gaik Neoh, also from Kedah. She had been attached to Cheng Kean since 1890.

As a Singkeh Chinese, Cheng Kean maintained a strong linkage with his home village. To the best of our knowledge, after he made a success Cheng Kean went back to China at least four times. Probably the first time was around 1894. We assume that Cheng Kean took his principal Kedah wife, Lim Gek Kee, with him too. It is said that she did not like China as Cheng Kean’s relatives there kept on asking them for things.\textsuperscript{74} Cheng Kean built a magnificent house during the visit (see picture). The date and the owner were inscribed in the stone column at his home in China, which still exists. The second time was 1907 when he built a Choong clan temple (see picture). The third time was 1912 or 1913 for a four-month stay.\textsuperscript{75} The last time he went to China was in the Chinese 8th month of 1915. He went to see his mother who was advancing in years. His Kedah secondary wife, Ong Ee Gaik, accompanied him on all these three occasions.\textsuperscript{76} They stayed in China for six months and returned to Penang on the 29th of the Chinese first moon 1916. He caught a cold during the

\begin{tabular}{|c|c|}
\hline
\textbf{Cheng Kean} & = Teoh Khuan Neoh \\
= Lim Gek Kee & = Lim Gaik Teen Neoh \\
= Ong Ee Gaik Neoh & \\
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\end{tabular}

Legend: = indicates marriage

\textsuperscript{73} Information from Mrs Ong Choo Suat’s mother, 16 August 1977.

\textsuperscript{74} Information from Mrs. Ong Choo Suat’s mother, 16 August 1977, penang.

\textsuperscript{75} PGSC. 8 February 1818.

\textsuperscript{76} PGSC. 5 February 1918.
rainy season in China in December. On his return, Cheng Kean was already very ill and died on 23 June 1916. But he had already built a solid base for the family business for the next generation, who have continued to prosper down to the present fifth generation.

**Choong Cheng Kean and the Kedah Malay Royal Family**

"A tall, strong, regular man, healthy, capable, hard-working and quiet-living", Dr Hoops, the Kedah State Surgeon since 1906 and acting British Adviser, described Choong Cheng Kean. 77 "He was a very successful man of business, powerful[ly] built, strong, energetic and abstemious; he had made most of his money in Kedah...", a British Judge Woodward wrote.78 Or, to borrow from Sharom, "...Lim [Choong] Cheng Kean, one of the biggest revenue farm operators in Kedah who, in previous years, had tremendous influence over the Sultan".79 Then, how did such a Singkeh Chinese Choong Cheng Kean come to build his powerful economic empire in Kedah, a state in which the sultan exerted absolute control over the economic resources and internal administration, where Malays comprised more than 90% of the population in the late nineteenth century, and Chinese did not enjoy the same advantage of tin-mining and cash crop planting activities in north Kedah as did their fellow Chinese in the other Malay States? This case provides new insight into Chinese localization and business mobility, discussion of which is usually confined to the role of the colonial state and the one-way traffic from the British Settlements to the inland native Malay States.

We have already mentioned that Cheng Kean was helped by his father-in-law. There is also a legend concerning his connection with the Malay royal family, transmitted from generation to generation in the Choong clan in Penang, which explains how Cheng came to make his mark in Kedah. After he emigrated to Kedah, it is said that Cheng Kean found work as an assistant in a grocery store (*kedai runcit*). Initially, Cheng Kean worked simply for his room and board, and was paid a little money only after two or three years. Cheng Kean's boss was a friend of the younger brother of the sultan. This prince frequented the grocery store to chat and drink with his old friend. He noted that Cheng Kean was a good man so he rallied to Cheng Kean's side when the latter was in need of help. One fateful day Cheng Kean's luck turned, setting him on the path to prosperity. On the eve of the Chinese New Year, Cheng Kean was out on his daily routine of carrying water for his boss. His pole struck down a traditional Chinese lamp which was considered a significant omen by his boss. As to many Chinese, the lamp actually symbolized prosperity and good health for the family. So Cheng Kean's boss grew very angry. He sacked Cheng Kean and threw him out of his home. The prince happened to come to the grocery store and pleaded with his friend to spare Cheng Kean, but to no avail. The prince took pity on Cheng Kean and offered him a job as his gardener at his mansion. Cheng Kean worked conscientiously for his new boss. The prince took a liking to Cheng Kean and encouraged him to set up his own grocery store. After two years, the prince gave him some capital to start his own business. Cheng Kean did so and became successful as well. The prince then gave him another challenge, granting him the monopoly to manage the opium and gambling farms in Kedah. This prince was the *raja muda*

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77 PGSC. 31 January 1918.

78 SE. 10 December 1918.

79 Sharom, 1984, p.117.
Tunku Abdul Aziz, who actually administered the state since the sultan had fallen ill in 1895.  

Although this oral history might contain some exaggerations, it is still quite feasible, in view of the following three points: first, there was no mains water in Alor Star until the beginning of the twentieth century. People needed to carry water quite a long distance. There were even Chinese made a living by selling water at that time. It should come as no surprise that Cheng Kean worked as a water-carrier in a Chinese grocery shop. Second, it was true that the Malay royal families frequently visited Chinese shops to drink or for amusement. For example, it was known that even the sultan had a great passion for the games locally called "pok" and "chap ji kee", and indulged in these regularly with the Chinese revenue farmers and merchants in Kedah.  

Third, it was quite possible that the Malay royal family members had Chinese gardeners. In November 1883 when a French missionary visited Alor Star, he mentioned that "To beautify his garden the Regent has huge Chinese flower-pots". And, it was the custom for the upper class in colonial Malaya to keep several domestic servants. This of course applied even more to the royal family. Every household had a minimum of three servants—a cook, a table boy, and a sweeper known as "tukangayer" (water carrier). To these were often added a gardener and a syce for the horse or a motor car.

The sultan of Kedah developed clear and different strategies for dealing with Chinese communities from Penang and Kedah. On the one hand, in accordance with the requirement of the Penang authorities and Penang Chinese, the sultan of Kedah was very careful to place Kedah's larger farms under Penang control, unless the Penang Chinese appointed their own Chinese agents in Kedah. This might have stemmed from considerations of security because most prominent Chinese businessmen were British subjects, who could easily escape the control of the sultan by turning to the British whenever necessary. On the other hand, the sultan regarded himself as the patron of the Chinese community, patron at least in the symbolic sense of using the interests of Kedah Chinese as a pretext to decline the requirements which British Penang tried to impose. The pretext might also have been a result of the first round in the competition between the Penang Chinese and Kedah Chinese tokways, with the latter achieving a victory over the sultan. However, the sultan preferred the Kedah Chinese as his dual agents between Kedah and Penang. He invariably insisted that the Kedah farms must be held in the names of residents of Kedah.

This was reflected in the linking of the Kedah opium farm to the Penang syndicate which involved both Cheng Kean and Lim Leng Cheak (for details see Chapter Two, part 2), and is quite evident in his reasons for letting the Kedah paddy farm as well. For example, when discussing leasing the Kota Star rice farm to a British subject in Penang, Lim Leng Cheak,

80 Interview Choong Wah Thean and Choong Chin Guan, Penang, 1 May 1996.
81 Sharom, 1984, p.62.
83 CO 882/10/134, "Life in Malaya: Notes Based on Information Supplied by Officers of the Malayan Government Services", April 1920.
the sultan was very hesitant and reluctant, even though the applicant was the sultan’s old friend. The sultan once declined the British resident councillor’s request to rent this farm to the Penang Chinese. The sultan mentioned that the Kedah paddy farm was usually granted to Chinese from Kedah who also had family there, as there were no other major means for these Chinese to make a living in Kedah except by renting the paddy farm. The paddy farm was never granted to people from another state. So, in June 1889 when the Siamese consul in Penang wrote to the sultan asking that the name of Lim Leng Cheak be added to the list of these tendering, the sultan still insisted that Lim Leng Cheak should select his favourite person from Kedah and tender for the farm in that person’s name. This was a matter of principle so that the sultan asked the Siamese consul to pass this message on to Lim Leng Cheak in the hope that Lim would not be upset with him for this.84

Two reasons might explain this manoeuvring. One was to ensure effective control over Kedah farms by Kedah Chinese. The other was to protect the interests of Kedah Chinese farmers. The Sultan disclosed that most Chinese revenue farmers in Kedah generally had either inherited from their ancestors, or had managed on their own many years. If the Kedah Chinese was well-behaved and had won his towkay’s confidence, his towkay would help him to secure the farms. Therefore in July 1891 when Swettenham, the British Resident in Perak, informed the sultan that the lease on the border opium farm had expired and he was prepared to send a notice to call for tender, it was interesting that the sultan also replied that he did not think the Kedah Chinese would be interested in the tender on the Perak side, or that the Kedah Chinese would allow the people from other states to come to Kedah to secure farming contracts.85

As a close friend of the sultan and the biggest farmer in Kedah, on behalf of the sultan, Cheng Kean enjoyed the privilege of monopolized trade with Penang, including the arms trade. The arms trade was controlled by the sultan and its merchants were not allowed to trade freely in Kedah. During the paddy harvest season, when people needed rifles to ensure the security of their paddy (e.g. from the birds), a limited number of people were issued with a licence, and only they were allowed to buy arms in the shop of Loh Leng Kwee who was an important partner of Cheng Kean in Kedah.86 Through the Siamese consul in Penang, for example, in 1889 Loh Leng Kwee was empowered to buy twenty rifles, and 2,000 bullets and

84 SC, No.3, The Sultan to the Siamese consul, Penang, 9 Syawal 1306 (8 June 1889). However, Lim Leng Cheak got this farm two years later for an annual rent of $25,000. The sultan needed money badly to travel to Bangkok. The sultan asked Lim Leng Cheak to bring a $12,000 deposit to Kedah, promising that the grant (Surat Kechik) would be issued in a few days. See SC, No.5, The Sultan to Lim Leng Cheak, 19 Rabiuulakhir 1308 (1 December 1890).


86 Loh Leng Kwee is believed to have been an important silent partner in Cheng Kean’s opium farm in Kedah. In 1892 when the negotiations were carried out with Lim Leng Cheak concerning Kedah opium farm, it was reported that Low Lean Kwee, a Chinese resident of Kedah, had managed to secure the Kedah Proper Opium Farm for the Penang farmers at the annual rent of $44,000 for the term of 1892-95. This is also confirmed from the sultan’s correspondence, which mentions that both Cheng Kean and Leng Kwee were representatives of the Penang farmer, Chew Sin Yong. But we do not have much information about him. See SC, No.5, The Sultan to the Siamese Consul, 27 Jamadilawal 1309 (28 December 1891); PGSC, 8 April 1892.
forty rifles in 1890 respectively. Many times, Cheng Kean also collected rifles and ammunition and paid the bill for the sultan's arms trade with Penang.

5 The 1888 Kulim Disturbance: A Penang-Kedah Border Town

The political, economic, and social mechanisms of the British consulate, the opium farm and the Chinese business networks, which were created to manage fundamental cross state multi-ethnic interactions in the Penang-Kedah axis, have been introduced. Now, in order to reconstruct the mentality of each of the ethnicities behind these institutions -British, Malays and Chinese-, in more detail the lens has to be shifted to another important arena, the border town of Kulim. Through the specific lens of the Chinese disturbance, it is possible to show how the regional drama between Kedah and Penang unfolded on the stage of the border town Kulim.

Before arriving at the details of the Kulim disturbance, the best move is to set the case study in the wider academic debates. Chinese disturbances in colonial Southeast Asia are traditionally treated as a negative element, usually related to secret societies. But recently, a new generation of scholars has emphasized the socio-economic and historical environment. Below, the intention is to present a similar socio-economic analysis, but to cluster the specific images by approaching them from different aspects. It is not the intention to focus on secret societies as such, but to concentrate on the factors that influenced the Chinese disturbance.

Khoo Kay Kim (1972) contextualizes the conflicts of secret societies in the western Malay States (c.1850-73) against the background of the expansion of commercial and mining activities, mixing the economic competition among rival Chinese commercial factions with political turbulence inherent in Malay politics (succession disputes). Taking Singapore and Johor (c.1830s-1870s), Lee Poh Ping (1978) examines the Chinese riots in the structure of the conflicts between the old economy of the "Gambier and pepper society" and the new economy of the "Free trade society", following in the wake of the expansion of British colonialism and global capitalism. The new economic force of the "Free trade society", mainly Hokkiens involved import-export businesses, consisted of the Malacca or Straits-born Chinese merchants working in alliance with the British agency houses. The old "Gambier and pepper society", mainly Teochews involved in gambier and pepper planting, was already established in Singapore before 1819 and were also well entrenched in Johor and Riau. The series of

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88 For example, in October 1889, the Sultan asked the Siamese consul to buy him bird-hunting guns and ammunition. Cheng Kean was asked to collect these for him. See, SC, No.3, The Sultan to the Siamese Consul, 29 Safar 1307 (24 October 1889). Also in January 1895, concerning the matter that Kechik Mohammed Shariff would like to came to Kedah to sell arms, the Sultan replied that he could come but must pay tax in Kedah. Cheng Kean was asked to pay the commission to the Siamese consul. See SC, No.5, 10 Rejab 1312 (6 January 1895).

secret society riots of 1854, 1857, and 1876, and the anti-Roman Catholic riot of 1851, were in essence conflicts between two societies, i.e. inroads made by the new free trade economy, such as building the new infrastructure system, reordering street market management, and penetrating the rice and remittance business for instance, all clashed and destabilized the traditional spheres of the gambier and pepper economy. While recognizing Lee’s useful and clear-cut analysis, Trocki (1990) goes a step further and highlights the socio-economic environment of Singapore, contextualizing the contrast between the general economic collapse and the shifting control of the rival opium farm syndicates. He emphasizes the economic nature of the secret societies, or the organizational aspects of Chinese economic enterprises, and hence complements Lee’s analysis. Likewise, Cushman (1989) looks at disturbance in southern Siam and Penang (in the 1870s) also through making the correlation between revenue farms and secret societies. She agrees that it was principally a conflict between secret societies (the Ghin Hin and the Kian Tek) for control of the opium farms, but she explains the interrelated disturbances in Ranong and Phuket and the tentative plea to Penang for assistance, by emphasizing the underlying transnational revenue farm business networks that sustained and overlapped the networks of secret societies between Siam and Penang.

Taking all these good studies, each emphasizing one specific aspect but complementing the other, as a whole, the picture which emerges is a synthesized one: that Chinese disturbances, in most if not all cases, were a result of the conflicts organized through secret societies aligned along speech group, expressed in the feature of Bang politics, ignited by the economic recession, but embedded in the inherent economic competition in the spheres of either the excise economy (revenue farms, with the items being opium, gambling, spirits), or the production economy (tin, gambier, and pepper). The process of competition between the rival factions was essentially a process of shifting control over the economic resources, or a process of "monopolization and demonopolization", coined by the sociologist Mak Lau Fong (1981). In the Southeast Asian historical context, these disturbances reveal at least two outstanding interlocking characterizations: the Chinese immigrant political economy and the Southeast Asian political and economic transition. The first characterization hints at how the

Chinese organized their socio-political institutions and economic enterprises and competition. The second characterization strongly implies the historical circumstances of how, and hence explains the reasons why these overlapping socio-political institutions and economic enterprises worked. In all cases mentioned above, the historical implications of the transition refers to the British reliance on Chinese socio-political organizations (secret societies) and economic institutions (revenue farms) for the promotion of colonial interests prior to the establishment of British rule throughout whole Malay Peninsula. Specifically, in the cases of Khoo (1972) and Lee (1978), it refers to the British reliance on the pioneering role of the Straits Chinese to give a thrust to the commercial expansion in the Malay Peninsula, as a prelude to the British intervention in the mid-1870s. The most striking phenomenon, the Chinese disturbances, was a natural outcome of this transition.

What is generally neglected in these studies is one significant element in the region that shaped Chinese disturbances. Region here is not just a simple geographical concept, but refers to a process of dynamic interactions with political and economic relevance. The regional dimension of the contested but unequal political relationship between the British and the Malay states was no doubt put into play in the disturbances as one stake, while the leaders of the disturbances were well aware of the significant economic role of the mobile Chinese capital and labour for the contested states and this formed another stake in the game. Therefore, the contested states, either directly or indirectly involved in the process of the Chinese disturbances, rather than as outside prosecutors after disturbances, have to be taken into account. This does not imply that the British were behind the Chinese disturbances at Kulim in Kedah. On the contrary, the British were very concerned. The argument here revolves around the point that the very existence of the Penang political and commercial community no doubt influenced the way the disturbances were handled by the Malays. Cushman (1989, 1991) and Trocki (1990, 1992) do mention the regional element. But in their cases region is assumed as a setting, rather than being explored and contextualized as a competing process in Chinese disturbances.

In our studies of the three Chinese disturbances in Kulim (c. 1888-1908), the emphasis falls on the regional perspective of both contesting states and contested Chinese business networks, while the socio-economic elements suggested by above-mentioned scholars are also recognized. In this chapter, the first case to be presented is that of the 1888 Kulim disturbance. So as not to upset the chronological sequence, the other two disturbances have been assigned to Chapter 3 and Chapter 4.

The 1888 Kulim Disturbance

Kulim is situated in southern Kedah. At that time, to the south, it bordered on the British territory of Province Wellesley. It was only seven or eight miles from Kulim to Bukit Mertajam in the Province Wellesley. It was close to the Kuala Muda district to the north, and Krian district to the south. In the early nineteenth century, Kuala Muda and Krian, rather than Kulim, were the two main tin-mining areas in Kedah. The growth of the Kulim settlement dated back to 1840s, and was lent impetus by the tin-mines there. It was said that

\[95\] Now it is only two or three miles owing to the improvement of transport system.

the first Chinese to come to Kulim were around 400 tin-miners, who arrived there from Penang in 1850 by sailing up the Prai River. In the wake of the tin-miners came the agriculturists, who first cleared the primary forests and then engaged in farming and pig-rearing. But it was in the late 1870s and early 1880s that Kulim really started to develop into an important tin-mining and tapioca-planting district. This coincided with the large inflows of capital from Penang Chinese towkays. It was the most important Chinese town in Kedah with a population of which ranged from 6,000 to 8,000 in the period under study. There were two main dialect groups in Kulim during this period i.e. the Huichews and Teochews. The majority of the Huichews were tin-miners, while the Teochews tended to be tapioca-planters. It seemed that Huichews played the more important role in Kulim politics and the economy before the late 1880s. It has been suggested that the Huichews ceded their leading position to the Teochews in the aftermath of the 1888 disturbance.

Crucial to the Chinese community in Kulim was its linkage to Penang in terms of capital, trade, and secret societies. Any study of the Chinese in Kedah and their regional linkage with Penang would be incomplete without a mention of Kulim. Kulim had a special significance for Penang, Penang, and the Chinese. It had become the focus for Penang-Kedah and Chinese relations. Until 1909, except for the opium farms, the close socio-economic connections between Penang and Kedah were almost exclusively in the town of Kulim, where the Penang Chinese towkays had considerable interests. Within the boundaries of Kedah state, it was the largest tin-mining, planting, and Chinese-dominated town. And owing to its geographical proximity to Penang, Kulim was a source of revenue but also of social instability. Highly conscious of the complex situation pertaining between the British and Siam, the sultan was afraid that any element of instability would be seen as ineffectual government by Kedah, and seized on as a reason for potential interference by Siam and the British. As far as the Penang authorities were concerned, the bulk of the capital and most merchants in Kulim were linked to Penang. Any element in Kulim’s instability would directly effect Penang’s political and economic interests. The Penang community was therefore closely involved in Kulim Chinese and Malay politics. Knowing the significance of Kulim to both Penang and Kedah, the Chinese towkays manipulated the Kulim disturbances to serve their own economic interests. Kulim’s case suggests that while the economy of the Malay sultanate was boosted by being integrated into Penang networks, its political power was simultaneously being undermined by the British, and hence by the Chinese as well.

The 1888 Kulim disturbance boiled down to a fight between Huichews and Teochews, or between tin-miners and planters. Quite apart from this, it can also be seen as an internal faction conflict within a Chinese secret society, as both Huichew and Teochew belonged to the same Ghee Hin Society. The economic slump provided the fuel to set off its outbreak. As the local press suggested, it seems that the elements of a disturbance were ready and waiting among the large number of unemployed miners. Owing to the drop in the price of tin, some of the miners were in difficulties, and a large number of coolies (around 300) had recently been discharged without notice. It was asserted that consequently the miners had attacked and

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looted some kongsi. Although the PGSC later denied this element, there is no doubt that the disturbance was inevitably bound with the economic situation, which is also confirmed by the sultan’s correspondence. The immediate cause was a quarrel over a prostitute in a brothel between a Huichew and a Teochew on 25 May (i.e. 15 Ramadan), such brothels being usual meeting points for the Chinese immigrants after work time, along with such places as opium dens and gambling houses.

This quarrel grew more serious the next day. The miners, who were all Ghee Hins, took sides and occasionally exacerbated the strife. On 3 June, a number of Teochews made an attack on the Huichews. But this attack was driven back by the Huichews and the Teochews withdrew. One or two men were killed and three or four wounded. It was said that every effort was made by the Kedah authorities to settle matters, but without result. There are three different sources concerning these events. All may refer to the same incident, but each discloses an interesting new aspect. The colonial source said that it was Tunku Mohammed Saad and Penghulu Elang, the local Malay officials, who made every effort to restore the peace. The sultan’s correspondence mentions that at 1:30 on 3 June the Chinese headmen from Kulim were summoned to Penang and reported to the sultan’s uncle, Tunku Yacob, the Siamese consul, Neubronner, and their Penang headman. While public letters to the PGSC disclose that “On the 25th of the month [3 June according to Western calendar], Lau Tsoo [Low Chu], the principal headman of the Ghi Hings [Ghee Hins] at Kulim, called the parties before him and tried to mediate between them, but they were too excited. The Hye Sok Hongs [Huichew] wished to force the Tie chews [Teochew] to give them a Canynet of 40 tables, whilst the Tie Chews [Teochew] demanded that the Hye Sok Hings [Huichew] should give in exchange four theatrical entertainments. Lau Tsoo [Low Chu], losing his temper, beat the ground with his pipe and exclaimed: if you do not want to settle, then fight it out”. As a result, the Huichews made an organized counter-attack on the Teochews on 4 June. They were led by Low Chu in person (or Low Chew, Low Ah Chu). The Huichew advanced to attack in three columns each from a different direction. Tunku Mohammed Saad and Penghulu Elang tried to halt them by having their men fire into the air, but to no effect. The Teochews at the mines of Cheah Teik Tai and Ng Siang Hok tried to defend themselves behind hastily improvised earthworks, but they were driven back after a short resistance. Some twenty or thirty were killed. Some other Teochew mining premises were burned on the 4th and many

98 PGSC, 8 & 12 June 1888.
99 PGSC, 5 June 1888.
100 Cheng Lim-Keak’s statement that it took place in 1883 does not seem to be accurate. His statement was also taken over by Thow Eng Kee. See Cheng, op.cit., pp.38-39. Thow Eng Kee, Kedah Selepas Perang Kulim: Faktor British dan Siam Dalam Kajian Perkembangan Sosio-Politik Kedah 1888-1909, Nealdy Publisher & Distributor, Alor Setar, Kedah, Malaysia, 1995, pp.16-17.
101 PGSC, 19 June 1888.
102 CO 273/153/170, The Acting Resident Councillor Penang to the Colonial Secretary, 12 June 1888. This is confirmed by the report in the press, see PGSC, 15 June 1888.
104 PGSC, 19 June 1888.
Teochew huts on outlying plantations were destroyed during the days which followed. There were now no Teochews left in Kulim. They had all fled back to the British territory, Province Wellesley.\(^{105}\)

Under normal circumstances, control of Kulim was entrusted by the sultan to Tunku Saad and Penghulu Elang assisted by a small party of armed Malay and Sikh police. This force was altogether inadequate to put down the disturbance. Hence it seems that the Kedah authorities were not in a position to deal satisfactorily with the affair in the initial stage. But, the subsequent reaction of the Kedah authorities was inexorable! On the 3 June in Penang, the sultan’s uncle, Tunku Yacob, was informed by the Chinese headman that it was likely there would be more fighting in Kulim. Tunku Yacob immediately turned to the chiefs in the Kuala Muda and Krian districts, calling for more armed forces to reinforce Kulim.\(^{106}\) On the morning of 5 June, Tunku Yacob left Kuala Muda for Kulim with a contingent of Malays, taking with him fifty rifles; and in the meantime a large number of armed Malays also left Krian on his order. Besides these measures, a number of rifles was also sent to Kulim from Penang.\(^{107}\) On the next day (6 June), the sultan himself also went to Kulim by way of Penang with a party of armed Malays and Sikhs from Kedah, after receiving reports both from Tunku Yacob and Tunku Saad. The sultan brought with him a gattling gun, which had recently been presented to him by the Siamese Government. Therefore the armed forces engaged in Kulim suddenly amounted to about 1,000 strong.\(^{108}\) Kulim was once again under strong control by the Kedah authorities. On 11 June, the sultan returned to Penang to watch the situation in Kulim, leaving his uncle, Tunku Yacob, there to disarm the Huichews and to arrest their headmen.

The British authorities in Penang kept a keen eye on affairs in Kulim. On the 11 June, the acting resident councillor, W. E. Maxwell, went to Kulim from Bukit Mertajam accompanied by Powell, assistant protector of Chinese, Capper, district officer, and Chief Inspector Mackenzie of the police. This inspection convinced Maxwell that the disturbance posed a danger to the peace of the British territory. On returning to Bukit Mertajam, he took every possible precaution to prevent the disturbance from spreading into British territory. The resident councillor first issued orders that police posts should be established at once at three places on the frontier (Machang Buboh, Pagar Tras, and Tasseh ), where there were cart roads leading into Kedah territory. About twelve men, Sikhs and Malays, were stationed at each post. Second, he commanded that the roads would be blocked and a passport system would be adopted in conjunction with the Kedah authorities. Foot-paths would be closed as far as possible, and a watch kept for armed men near the border and a 100 yard belt should be cleared on the border. The next day (12 June), Maxwell sent the superintendent of police and the acting deputy colonial engineer to Province Wellesley to carry out these orders. Thirdly

\(^{105}\) CO 273/153/170, The Acting Resident Councillor Penang to the Colonial Secretary, 12 June 1888. See also PGSC, 15 June 1888.


\(^{107}\) PGSC, 8 June 1888.

\(^{108}\) PGSC stated there was 1,500 Malays and Sikhs on 12 June, while it said the number was about 1,000 on 15 June. It should have been around 1,000 compared to the colonial source. See PGSC, 12 & 15 June 1888; CO 273/153/170, The Acting Resident Councillor Penang to the Colonial Secretary, 12 June 1888.
he proposed that a telegraph station be established at Bukit Mertajam and Machang Buboh be put into telephone communication with it. On 14 June, on the advice of the Penang resident councillor, Governor Smith issued a proclamation prohibiting the export of arms and ammunition to the state of Kedah for a period of six months.

The Sultan’s Considerations and the Kulim Disturbance

The fact that the incorporation of Kedah into the Penang-centred economic system ran counter to the juxtaposition of the political entities, readily led to a British-Malay hegemony conflict at the political level. To advance their economic interests in Kedah, the Penang community usually turned to the political power to intervene on its behalf. Conscious of British imperialism and consequent political and economic superiority, in Penang a strong tendency to criticize their weak neighbouring Malay State of Kedah prevailed and this prompted attempts to urge the government to intervene in Kedah’s affairs relating to both Malays and Chinese. In his policy making towards Chinese in Kulim, the sultan had to walk a tightrope to achieve a fine balance between maintaining social order and economic development in Kedah, while circumventing political pressure from Penang. Two main elements dominated the deliberations of the sultan of Kedah: first, Chinese energy and skill in the management of capital and labour were an indispensable factor in the maintenance and development of Kedah; second, with the incorporation of the Kedah economy into the Penang networks, the state policy towards Chinese community in Kedah was inevitably influenced to a great extent by both the commercial and political communities in Penang. Chinese business in Penang was deeply involved in the affairs of Kedah, and was in turn supported by the British because they were British subjects. In order to elucidate these points, it is essential to expatiate on the relevant historical circumstances in the following.

Even before the Kulim disturbance, the sultan had already been confronting pressures from Penang. Around April 1888, the planters in Province Wellesley petitioned the governor, Cecil Clementi, and were granted an interview with him in Penang. Two points in the petition referred to Kulim. One was the labour issue on the frontier. The planters on the British side asserted that all deserters, mostly Klings or Chinese, escaped from the estates in Province Wellesley into Kulim, and it was difficult and dangerous to arrest them in Kulim even with a letter from the Straits authorities. They referred to fourteen coolies who had escaped from the Golden Grove Estate, Province Wellesley. It was reported that Tunku Saad detained five of them and delivered them to their original plantation on the orders of the Siamese consul, Neubronner. This report credited Tunku Saad in Kulim with having suspected these coolies were deserters, and with having detained them on his own initiative. But one manager, J.S. Blake, was not happy and wrote to the PGSC, claiming that the contrary was the case. He said that, when the Golden Grove coolie catchers followed these escaped coolies into Kulim and attempted to arrest them on one of the tapioca estates, they were roughly handled by the Chinese and received no protection whatsoever from the Kulim Police. Blake argued that only after the information had been forwarded to the resident councillor in Penang, were

109 CO 273/153/170, The Acting Resident Councillor to the Colonial Secretary, 12 June 1888.
111 PGSC, 13 April 1888.
the Kedah authorities induced to intervene in the matter.\textsuperscript{112} The other point mentioned in the petition was the criminal social environment. They stated that "Kulim is infested with bad characters who as thieves, cattle lifters, gang robbers, kidnappers or crimps, are more or less implicated in most of the crimes committed on the boundary of Province Wellesley. ...That there are simple reasons for interfering and trying to get things put on a more satisfactory basis".\textsuperscript{113} In reply to the petition, the governor stated that the sultan of Kedah was to give every assistance within his power to the Straits Government, and the sultan promised that measures would be taken to open up the frontier of Kulim by building a road and setting up a police station. Probably as a result of the British negotiations, in early April 1888 the sultan wrote to Bangkok, stating that because of the large number of Chinese in Kulim, he was preparing to employ paid police there. The sultan particularly told Bangkok that he would like to buy gattling guns and other modern armaments in case of Chinese disturbances in Kulim, although he could call on the reinforcements from the Kuala Muda and Krian districts.\textsuperscript{114}

It should be pointed out that, during his Kulim inspection on 11 June, the acting resident councillor, W.E. Maxwell, had laid particular stress on four points in discussions with the sultan. One of the most important of these points was the necessity to take prompt steps to restore confidence in the Kedah government by punishing the leaders of the Huichew party. Meanwhile, the Penang community seemed to jump at this opportunity to express their dissatisfaction with the Kedah government. In its issue of 19 June, the PGSC published two letters dealing with the disturbance, its causes and effects, economic as well as political. The PGSC commented that "Together they form a very complete picture of lawless disturbance on one side and imbecility on the other. One great lesson this outbreak teaches, namely how much better off people are under British rule, than under the rule of a Government like that of Kedah".\textsuperscript{115} It was evident that the PGSC was doing its utmost to show that the Kedah authorities were unable to cope with the disturbance, leaving business interests there unprotected. In defending itself, the Kedah government displayed an active and flexible diplomatic skill, probably through the intervention of the Siamese consul Neubronner. On the same day (19 June), a letter was addressed to the editor of the PGSC signed by "One interested in the welfare of Kulim", who had obviously been instructed by the Kedah authorities. It convincingly refuted any accusation against the Kedah government, arguing that the Kedah authorities, consciously and deliberately, had acted with tact and caution, well aware Kulim was so close to British territory. Hence it was stated "The policy of the Kedah Government is to restore order in the place without bloodshed if possible". It produced evidence that there had been no fighting of any kind after Tunku Yacob entered Kulim. It disclosed that so far fifteen principal Huichews had been arrested and sent to Alor Star, and an order had been issued to the Huichews to surrender their arms. This was obeyed promptly. Then, it continued by asking "Your informants did not surely expect that the Kedah

\textsuperscript{112} PGSC, 24 April 1888.

\textsuperscript{113} PGSC, 27 April 1888.

\textsuperscript{114} SC, No.2, The Sultan to Bangkok, 24 Rejab 1305 (5 April 1888).

\textsuperscript{115} PGSC, 19 June 1888.
Government would have shot or krised every Hui Chew as soon as the armed Malays entered Kulim.  

Efforts in Penang to defame the Kedah authorities continued. For example, some Chinese, who had lost a large amount of their property and had been driven out of Kulim during the disturbances, were summoned to Kedah by the Kedah authorities. It was reported that on arriving in Kedah they were immediately put in prison. They were only released on a bail of $70,000 paid by the Kedah residents, rather than by Chinese residents in Penang and Province Wellesley. It was said that one of them was a British subject, hence a memorial had been sent to the Governor praying for an enquiry into the matter. Again on behalf of the Kedah government, this was refuted in a letter to the editor of the PGSC on 23 July signed "A Resident, Penang". The fact of the matter was, it stated, that when the Teochews arrived in Kedah and the Huichews brought counter charges against them, the Kedah government had to take notice of this matter. Accordingly the men were summoned before the Kedah court, and informed of the charges made against them by the Huichews. They were told that they could be allowed to return to Penang on bail. Some of them came back and laid information with the PGSC issue of 23 June, which was used by the Teochews against those Huichews concerned who were still at large, and also to enable the Kedah authorities to apply for their arrest and extradition. The sultan seemed highly conscious of these sentiments. "Other people had been critical of us as a result of the Kulim riots", as he wrote to Tunku Mohammed Saad.

Under these circumstances, Kedah’s problem was, firstly, how to absorb Chinese energy and management skills into the development of the local society, while in the meantime placing the immigrant element under effective native control so as not to jeopardize law and order in Kedah; and secondly, how to maintain Kulim’s economic development while not leading to political and diplomatic difficulties with the British, or with Siam. These issues were clearly reflected in the following measures taken by the sultan after the 1888 Kulim Chinese disturbance.

After the Disturbance: the Measures Taken by the Sultan
To deal with the whole matter, three measures were taken by the Sultan:
The first measure was the punishment of the leaders of the disturbance in order to restore confidence in the Kedah government: On 11 June, Tunku Yacob arrested four Huichew headmen, including Low Ah Chu. The resident councillor in Penang was also asked by the sultan to assist in the arrest of the other Teochew headmen who had escaped to Penang. Maxwell was given a list of the Chinese leaders involved. Fifteen leading Huichews were arrested and sent to Alor Star for trial. Three were sentenced to death, the other twelve were

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116 PGSC, 22 June 1888.

117 PGSC, 20 July 1888.

118 PGSC, 24 July 1888.

119 SC, No.5, Sultan to Tunku Mohammed Saad, 15 Rabiulawal 1306 (19 November 1888).

120 SC, No.3, The Sultan to the Resident Councillor Penang, 4 Syawal 1305 (13 June 1888).
sentenced to life imprisonment, among them Low Chu and Chu Ah Yu who were put in chains. The sultan informed Maxwell of the decisions and sentences in the Kulim riot cases during the latter’s visit to Kedah on 7 January 1889. Particular care was taken to ensure that the sentences were carried out in Kulim, where the disturbance had taken place. It is interesting to cite the following report, which suggests a subtle sentiment on the part of both those sentenced and outsiders:

"I have been informed by one who was present at the time, that all of the Kulim rioters, who were sentenced for life, received their sentences with tears in their eyes, while the three who were condemned to death, said something about their hope that their prosecutors would meet the same fate for falsely charging them. The execution took place almost about a quarter of an hour after the sentence. One was beheaded; the other two were speared. My informant says that the executioner was not smart enough apparently, as he had to use the Parang four times before any part of the neck was cut; and even then, it was not severed from the body, and the man had to be speared before he died....There were about 2,000 persons present. Most of whom were Malays, who shouted with joy, while the celestial looked on quietly as if they were considerably afraid."

This was not the whole story. The Sultan showed caution and flexibility in punishing the Huichew headmen, taking the sentiments of the Penang merchant community into account. The number one Huichew headman, Low Chu, was originally sentenced to death, but his conviction eventually was commuted to life imprisonment in chains. Later, in response to petitions from Chinese merchants in Penang, the sultan decided to release Low Chu on 1 Muharan 1311 (14 July 1893).

The second measure was compensation for the loss suffered by Penang towkays and repayment of the delayed coolie wages, two crucial points in maintaining the stability of the economy and hence the social order in Kedah. As the Chinese towkays Chia Teik Tai and Ooi Yu Sia came from Penang and claimed compensation through the British resident councillor Penang, the sultan had to tread carefully with them, not only to entice them back to Kedah as soon as possible to do business, but also to avoid creating problems with the British authorities. The matter of the unpaid coolie wages threatened to develop into another disturbance if not dealt with promptly. It was disclosed that Chinese coolies in Kedah had complained to the Siamese consul that they had received no wages from the towkay for seven months. The coolies at Low Chu’s mine (the Huichew leader in the disturbance) had received no wages for six months either. Both compensation for losses suffered and money for the

121 The list of the 15 convicted Chinese rioters were: 1) death Punishment: Ang Lee, Teow Fatt and Ah Ngee; 2) life imprisonment plus chain: Low Chu & Chu Ah Yu; 3) life imprisonment: Lu Huat, Teow Soon, Ooi Tim, Ooi Ya Kee, Ooi Sa Mei, Yu Chong, Lee Lin, Ong Ma, Cha Boon, Ooi Kooi and Kam Hock. Source: SC, No.3, The Sultan to the Siamese Consul, no date indicated.

122 PGSC, 15 & 18 January 1889.

123 PGSC, 29 January 1889.

coolie wages were raised by the auction of Low Chu’s mines and properties in Kulim. There was a danger that the coolies might not allow the transfer of Low Chu’s mines to the new owner before they had their wages safely in their pockets. Therefore, the sultan thought the problem of the unpaid coolie wages should be tackled first, followed by the settling of the compensation for the Penang towkays’ loss. Low Chu’s mines and other properties were sold by public auction on 10 March 1889. The Chinese towkays, who went to Kedah to bid for the mines, were lavishly entertained by the Kedah authorities. The competition between Cheah Yew Ghee and his friends, and Lim Leng Cheak, Lee Chin Tuan and friends was keen. Low Chu’s principal mines were purchased by Cheah Yew Ghee for $32,735.¹²⁵ From this amount, the sultan paid $13,175.86 to cover coolie wages, Low Chu’s debt, the auction fee, and $5,300 and $3,300 to Chia Teik Tai and Ooi Yu Sia respectively for compensation.¹²⁶

The third step was to reinforce the police in Kulim. Following the disturbance, the sultan wrote to Bangkok, requesting a build up of arms in Kulim, although he had just received a new arms supplement.¹²⁷ In the meantime, through the Siamese consul, Neubronner, the sultan was negotiating to appoint an English officer (named Mitchell) as police inspector in charge of Kulim.¹²⁸ The sultan disclosed to F.A. Swettenham his reason for taking this step was that “He did not think a Malay would have sufficient authority over the Chinese miners.”¹²⁹ What the sultan failed to mention was that the appointment of the British officer in Kulim might facilitate dealing with the British authorities. One source revealed that, it was in fact at the request of the authorities in Penang that the sultan stationed a European officer as chief of the police in Kulim.¹³⁰ In this security was not his only preoccupation, his move was also directly related to the boost in state revenue, which was best illustrated by the establishment of a new gambling farm in Kulim. The Chinese were the source of this revenue, but they could present a big social problem if not kept properly under control. According to the regulations, in Kulim none but Chinese would be allowed to gamble in the shops under police control. However, Chinese, Malays and Siamese Samsams indulged in their vice in the bangsals and kongsi, some two or three miles distant from the police station. Upon mature

¹²⁵ PGSC, 12 March 1889.

¹²⁶ The amount raised by the auction was $32,810.90, according to the sultan’s correspondence. Chia Teik Tai claimed much more than he actually got from the sultan. His claims were reduced from an original $24,003.795, to $14,498.99, to $10,000. The sultan and the Siamese consul only agreed to pay $5,000. Chia Teik Tai even turned to the resident councillor for help. In the end, Chia Teik Tai and Ooi Yu Sia received an extra $300. See SC, No.3, The Sultan to the Siamese Consul, 19 Syakban 1306 (20 April 1889); The Sultan to the Siamese Consul, 26 Ramadan 1306 (28 May 1889); The Sultan to the Resident Councillor Penang, 10 Zulkaedah 1306 (8 July 1889); The Sultan to the Siamese Consul, 27 Zulkaedah 1306 (25 July 1889).


¹²⁸ Mitchell came to Kulim on a 3-year contract, with a monthly salary of $150, uniforms, a horse allowance, a furnished house, etc. The contract was renewable after three years, Mitchell could enjoy six months’ holidays on full pay, with a free return ticket to Europe. Mitchell had been working in Kedah for about twenty years until the British took over Kedah in 1909. See SC, No.3, The Sultan to the Siamese Consul, 19 Rejab 1307 (10 March 1890), 10 Syakban (31 March 1890).

¹²⁹ CO 273/162, Resident of Perak to the Governor, Taiping, 6 November 1889. The same report is also available in FO 422/30, under the same title.

¹³⁰ PGSC, 7 July 1893.
consideration, the Kedah authorities decided not to ban gambling, but to regulate it. Therefore, a new gambling farm was established and with this an increase in the strength of the police force to keep the farm under proper control. This new gambling farm in Kulim was farmed out to a Chinese merchant in Penang, who was related to Lim Leng Cheak. It brought in Kedah a revenue of $1,000 per month.

Summary
Cutting across the political, administrative, and ethnic boundaries in the area were the British consulate, opium farm, Chinese family business networks, and the border town Kulim, all of which were sites of multi-ethnic regional interaction. They set up a framework for regional power politics and Chinese business networks. What these mechanisms disclose is a theme of linked business and politics, colonial hegemony, and local accommodation. The mentality of different ethnicities, whose strategy indicated was that they achieved their own hidden interests by standing by one of the other groups, rather than by addressing them directly, is fascinating. Each found an instrument and formed a strategy in alliance with the other against the third. All these loci: the consular system, opium farm, Chinese family business networks and the linkage town, Kulim, conspire to show how interpenetrated and interdependent were the spheres of influence of British colonialism, Chinese business entrepreneurs, and the Malay sultan of Kedah and his court. This pattern of multi-ethnic interactions and interdependence will continue to emerge in the following chapters.

The British and Chinese found the consular system, through which the British promoted their commercial and political interests without breaking up the current political arrangement concerning the position of Unfederated Malay States, very effective. The Chinese themselves had also secured an institutional framework to guarantee not only security and protection, but also to promote social and business privileges. The sultan of Kedah had managed to protect his own state economic interests through two parallel, complementary but different Chinese family business networks, one from Penang and one from Kedah, which left the sultan holding a high stake and with plenty of space to undermine the British economic infringement (e.g. opium farm), while he was busy maximizing Kedah’s access to the Penang business community. The border town Kulim assumed the position of a Chinese "special zone" for the Penang-Kedah interactions like the opium farm. A "special zone", which enabled Kedah to absorb Chinese capital and labour, while Penang could influence the Sultan’s political and economic policy, and the Chinese could justify their economic struggle and other privileges. However, the shaping of the alliance was strategic rather than primordial. The strategy contributed to the fact that the axis of British-Malay or Penang-Kedah interaction centred on the third part i.e. the economic role of the immigrant Chinese. Or, all the interests of both British and Malays were manifested in and achieved through the roles of the Chinese. The Siamese element no doubt consolidated the tendency to enrich the British-Malay encounter. Therefore for their own interests, both the British and Malays had to deal with the Siamese or with Chinese. They needed to use the Siamese or Chinese as a pretext and a justification in their dealings with each other, while keeping their hidden agenda carefully concealed in

131 PGSC, 14 March 1890.
132 PGSC, 11 March 1890.
the background. The internal differentiations in the Chinese community intensified these competing situations. The relationships between state and society or between state and state therefore grew more complex and involved other important elements because of the conditions obtaining in the region. In the following chapters, the examination of the ways, in which how these institutions developed, the strategy formed, and how alliances shifted to suit the changing circumstances, will be continued.