Chinese family business networks in the making of a Malay state: Kedah and the region c. 1882-1941
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Chapter 4
Old Framework And New Development  1895-1905

At the international level, under the impetus of the Industrial Revolution, a new wave of global Western imperialist expansion and struggle for hegemony was in full swing in the decade 1895-1905. Prominent in the Southeast Asian battlefield was the Anglo-French rivalry, in which, owing to its own unique geographic situation, Siam found itself being a buffer between British Burma and French Indo-China, and hence maintained its symbolic independence. However, the southern Siamese Malay states including Kedah were secured by the British to obviate the penetration of any third power by the secret Anglo-Siamese Treaty of 1897. In the other parts of Malay Peninsula, British expansion was expressed in the booming export economy and the consolidation of colonial control through the construction of a modern administration, a network communications, and transport infrastructure. British Malaya became more firmly enmeshed in the colonial capitalist world system.

The opium farm continued to be the most important issue in the Penang-Kedah interaction. The British wanted to control the Kedah opium farm so as to check smuggling and guarantee revenue and thereto allied themselves with the Penang opium farm. Kedah was still dissatisfied with the British arrangements for opium, under which Kedah was placed at an economic disadvantage. This discontent simmered for a while, but then the latent internal competition within the rival Chinese farm groups generated a tense conflict between the two governments which spilled over into active resistance by Kedah. This conflict spread to politics in Penang. Centring on opium, politics in Penang was determined by competition between the local British factions, the press circles, and the rival Chinese farmers who ranged themselves behind the British and Malays respectively. All the repercussions of these frictions were mirrored in the press debate which raged in the pages of the newspapers.

One important new development in regional politics in the early 1900s was the issue of the appointing a Siamese financial advisor and a British resident consul in Kedah. This was triggered off by a debt crisis that had driven Kedah government bankrupt (with a debt of more than two million). The sultan was very sick and the raja muda had taken over the administration. It was he who initiated the securing of a loan from the Siamese government. Siam was worried about that loan, insisting on restructuring of the Kedah administration and that a Siamese financial advisor be appointed. The local British colonial authorities were apprehensive about the expansion of Siamese influence in Kedah, and did all in their powers to promote the establishment of a British resident consulate in Kedah.

So, in the long-term perspective, regionally this decade that was characterized by a stabilization of the Penang-Kedah opium farm institution and a promotion of the resident British consul system, could be regarded both as a natural outcome of the political and economic manoeuvres in the last decade (Chapters 2 and 3) and as an evolutionary step towards the great changes waiting to happen in the next decade. At the level of Chinese community, it saw a changing of Chinese family roles in the opium institution. In Kedah, the Choong family had replaced the Lim family as the sole agent of the Penang-Kedah opium institution. In the meantime the Kedah Choong family had integrated into the Penang community by moving to and making their home in Penang (for Choong family, see Chapter 2, Part 4). Their arch rivals, the Penang Lim family, had been out of the game since the 1892-94 opium crisis and resultant conflict (see Chapter 2, Part 3; and Chapter 3). Checkmated in
the opium game, the Lim family nevertheless continued to maintain their other important business interests in Kedah, successfully operating as the sole monopolist in rice milling in the state, and also remaining important farmers of other revenues and planters. The business was managed by the second generation of the Lim family. And in the space of a decade, the second generation again challenged these Penang-Kedah opium interests. This was welcomed and supported by the Kedah government with an eye to its own economic interests. The two most important competing Chinese families were ranged parallel to the two competing states of the British and the Malays, with whom they shifted their alliances. The alliance of the each Chinese family did not necessarily coincide with one specific competing state, either British or Malay. On the contrary, shifts of alliance were a frequent happening between the Chinese and the British, or between the Chinese and the Malays. The fact that Chinese regional business networks crossed the fragmented different state entities helps to explain their physical movements and conflicts.

However, the British institutional framework in Kedah was still weak no matter how strong its political influence was. The British had to rely on Chinese family business networks to channel their political and economic influence and interests, likewise the state of Kedah needed the Chinese in terms of revenues and in its interaction with Penang. Chinese business, concentrated in the hands of just a few Chinese families, continued to be the focal point of British-Malay interactions. If Lim Leng Cheak’s Kulim opium crisis and disturbance reported in the previous chapter sharpened and highlighted the regional political and economic conflicts in the period 1889-1895, then, the following case studies disclose the main underlying trends in the regional and ethnic politics and economy in the period 1895-1905. With regard to the promotion of the British consulate system and the legal case brought by Tan Ah Yu, the dynamics and the development of these complex schemes were initiated first of all by the Chinese and local British Penang authorities, then followed up by the Colonial Office and the Foreign Office via the governor of Straits Settlements in Singapore, then reached the Siamese government via the British Minister Resident in Bangkok, and were reacted to by the Kedah government. At the same time, the Penang-initiated Kedah opium farm arrangement was jointly undermined by the Chinese and Kedah government who formed an alliance manifested in Choong Cheng Kean’s role and the challenge mounted by the second generation of Lim family. In short, the initiative lay with the Penang authorities, the reaction came from the Kedah authorities, and the instrument was the Chinese. But, like the British and the Malays, the instrumental Chinese also had their own active strategies and business aims in mind.

In this chapter, I shall concentrate on four main issues: (1) British-Malay-Siamese power politics: the resident British consul; (2) Chinese-Malay legal disputes: Tan Ah Yu’s case; (3) the prominent role of a Kedah Chinese family: the Choong family business networks; and (4) the challenge by the Penang Lim family and the British-Malay opium conflict. My aim is to show how the British resident consul, the immigrant Chinese legal case, and the two Penang and Kedah Chinese family networks were closely integrated into the regional politics and economy.

1 British-Malay-Siamese Power Politics: The Resident British Consul

Nothing less than placing Kedah under exclusive British control was the aim of British policy. In order to achieve this aim, this policy involved two tactics, namely to secure privileged
rights for British enterprises and, conversely, to exclude foreign ones. The best way to achieve this would be: at the top level, to strengthen British control over the Siamese government; at the local level, to establish a resident British consul. They were in fact two interlocked chains, one forged to manoeuvre the Siamese government so as to be able to control the Siamese Malay states; and the other to appoint a resident British consul to watch over British interests on the spot. As Governor Swettenham succinctly put it, the Siamese government should grant "reasonable concessions to British subjects without making any embarrassing concessions to Europeans of other nationalities". The local British colonial officials played very important roles in this policy making.

The prime motive behind the appointment of a British resident consul was the desire to check the Siamese influence in Kedah. As early as October 1901, Anderson had pointed out, "The presence of British Consuls would have the great advantage of acting as a check on the Siamese officials in their dealings with the Malays". An order was issued to its tributary Malay states by the Siamese government to the effect that, in future, no concessions for any industry whatever were to be issued by the rajas to British subjects, or to Europeans generally. Bangkok’s policy had aroused serious concern among the Straits businessmen and authorities, as they were afraid that it would be impossible for any British subject in Penang to attain permission to mine or plant in Kedah or the other neighbouring Siamese Malay states. In December 1901, D. W. C. Brown, the representative of the Penang Chamber of Commerce on the Legislative Council, sought an interview with the Governor Swettenham and asked the latter to secure the recession of the Siamese order. On 30 December 1901, Swettenham reported to London that "this was a very serious matter...if it [Kedah] was denied to the enterprise of Penang advancers and traders", as Penang had a great deal of capital waiting to be invested, and Kedah had both the possibilities for and a need to open its economy. Swettenham also offered to help Siam to conclude treaties with Patani, Kelantan, and Trengganu, under which these states would still accept Siamese protection and control by Siam of all dealings with foreigners, on condition that the internal authority of the Malay rulers was not interfered with. At the request of the Colonial Office, Tower, the British minister and consul-general in Bangkok, was instructed to report on the exact nature and date of this Siamese order. On 11 February, Tower reported that he had been informed by Prince Damrong that the Siamese order evidently referred to the general instruction that the consent of the king of Siam was requisite before any concessions could be granted to foreigners. On 13 February 1902, the Foreign Office transmitted Tower’s telegram to the Colonial Office, taking the opportunity to point out that the Siamese instruction was in accordance with the policy which had led to the Secret Agreement of 1897, and was in fact the only security against the grant of concessions to foreigners by Malay chiefs. In the Secret Treaty of 1897, provision was made that "no special privilege or advantage, either as regards land or trade can

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1 FO 422/54, Archer to the Marquess of Lansdowne, Bangkok, 26 March 1901 & 17 April 1901.
2 FO 422/56, Colonial Office to Foreign Office, 7 February 1902.
3 CO 273/274, Brown to Swettenham, Penang, 30 December 1901; Swettenham to Colonial Office, 30 December 1901.
4 FO 422/56, Colonial to Foreign Office, 1 February 1902; The Marquess of Lansdowne to Tower, 8 February 1902; Tower to Marquess of Lansdowne, 11 February 1902.
be granted, ceded, or let, by Siam in those States to the Government or to the subject of a third power without the written consent of His Majesty’s Government. Although Bangkok seldom raised objections, the Penang capitalists still complained of the trouble caused by this procedure. They had grown impatient waiting for Bangkok’s decision, as nothing could be done before their applications were confirmed.

One new development was that, considering Kedah’s serious debt crisis, Siam was prepared to send a resident or advisor to Kedah. The reports of local colonial officers are replete with statements that Kedah was economically well developed and politically well administered. It should be borne in mind that, for the British, the view that Kedah was well developed and well administered was a strong argument to be brought into play to urge policy makers in London to maintain the current state of affairs in Kedah and to prevent Siam or any other power from intervening in Kedah affairs. As Governor Anderson later put it, “If we have objected to Siamese interference in Kedah it was on the ground that the condition of Kedah was better than the condition of Phuket under Siam.” In December 1904, Lansdowne of the Foreign Office forwarded a copy of a despatch from Beckett, the British minister in Bangkok, to the Colonial Office, reporting that Scott, the director of the Siamese Department of Mines and a close friend of Prince Damrong, had unofficially raised the question of the appointment of an advisor to the sultan of Kedah. Should the Siamese government insist on sending an advisor to Kedah, Lansdowne thought it would be difficult to oppose this move successfully. This did not mean surrender and, Lansdowne instructed Beckett in Bangkok to “do all in his power to discourage the idea” and he did Colonial Secretary Lyttelton the courtesy of asking his opinion. Lyttelton, of course, concurred with his suggestion.

In fact as late as 30 November 1904, Anderson was still maintaining that Kedah was well capable of managing its own affairs and that there was absolutely no need for Siamese intervention at the present moment. Anderson hoped that “His Majesty’s Government will oppose the suggestion by all means in their power, [...] as a Resident would be as disastrous to the interests of Kedah as to British interests in the Peninsula”. Coming in on the attack, Anderson urged that the appointment of a resident British consul should be made at the early date. In order not to afford the Siamese government a pretext for pressing the appointment of an advisor in Kedah, Anderson offered that he could: “let the Consul’s headquarters be either at Tongkah or at Penang”, even though he considered it desirable that the consul should spend most of his time in Kedah, visiting the other states from time to time.

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5 FO 422/56; Foreign Office to Colonial Office, 13 February 1902.
6 SE, 29 August 1903.
7 CO 273/321, Robbery on the Kedah Border.
8 FO 422/58, Foreign Office to Colonial Office, 27 December 1904; FO 422/59, Colonial Office to Foreign Office, 2 January 1905.
9 FO 422/59, Anderson to Lyttelton, 30 November.
Anderson’s real consideration may have been disclosed in another interesting development. On 16 February, he reported to London that a reduction in rent had been granted to the Penang opium and spirit farmers. This aroused apprehension at the Colonial Office that "The opium farm business will be a source of trouble in the event of a Siamese Advisor being sent to Kedah as it will be difficult to arrange for the holding of both Penang + Kedah farms by the same person as has been done hensefore".\(^\text{11}\) In March 1905, Strobel, the American advisor general to the Siamese government, forwarded a memorandum to Paget, commenting on the critical situation in Kedah. Strobel mentioned that the \textit{raja muda} of Kedah had arrived in Bangkok with minutes of a meeting of Kedah officials and letters from both the sultan himself and from the sultan’s mother. On 22 March, the \textit{raja muda} had an interview with Prince Damrong and made three requests, viz: a Siamese loan of about 2 millions dollars; the appointment of a Siamese financial advisor; and the establishment of a state council.\(^\text{12}\) Contrary to the picture Anderson had tried to present, all of these indicated that the Kedah administration was plagued by a great many serious problems. The proof had been supplied by none other than the \textit{raja muda} of Kedah himself and other members of the royal family. Anderson was very annoyed and turned his attack on the \textit{raja muda}. Anderson informed Lyttelton as follows: "How far the state of the Kedah finances is due to the conduct of His Highness the Sultan and how far to that of the Raja Muda and the other members of the Court cabal which is endeavouring to supersede him, it is impossible to say. The actual direction of affairs has been for a long time in the hands of the Raja Muda, who is by no means above suspicion. Indeed I am informed that of the reduction of 10,000 dollars per month recently granted by the government of Kedah to the opium farmer a sum of 4,000 dollars per month is paid direct to the Raja Muda".\(^\text{13}\)

So Paget suggested that, in view of the Kedah financial crisis it would be more expedient for His Majesty’s Government to give their consent to the appointment of an Siamese advisor without demur. Even after failing to prevent the appointment of the Siamese financial advisor, on 29 March Anderson telegraphed Paget, insisting that the British should secure assurances from Siamese government on three points: first, the Kedah government should be left in the hands of the local authorities; secondly, the advisor and his assistant must be of British nationality; and thirdly the appointment and removal of Siamese Advisor should be subject to British approval.\(^\text{14}\) Although Paget raised these points officially with Strobel, privately he argued to Anderson that it would not be an easy matter at all to enter into a controversy with the Siamese government along the lines suggested by him, as the onus was on Siam to prove the necessity for intervention and no complaint had been made by the natives of Kedah.\(^\text{15}\)

\(^{11}\) CO 273/308/64, Anderson to Lyttelton, 16 February 1905.

\(^{12}\) CO 273/314, Paget to Lansdowne, 31 March 1905.

\(^{13}\) CO 273/311, Anderson to Lyttelton, 20 April 1905.

\(^{14}\) FO 422/59, Anderson to Colonial Office, 29 March 1905.

\(^{15}\) CO 273/311, Paget to Anderson, 5 April 1905.
Unheeding, on 20 April Anderson was still stating to London "Whatever decision may be arrived at by His Majesty’s Government... I earnestly hope that His Majesty’s Government will insist firmly on the right to a voice in any settlement of the affairs of that country".\(^{16}\) After many discussions between Paget, Strobel, and Prince Damrong, the Siamese government accepted the first two assurances, but had reservation about the third one. Prince Damrong considered that such a control was not warranted by the circumstances of this case. Damrong argued, "The appointment of an Advisor has in this instance no political significance but is merely a business precaution adopted to secure the Siamese Government against loss in making a loan, by preventing waste of public moneys and ensuring their proper application".\(^{17}\) On 19 July 1905, Prince Damrong again stated that the Siamese government would inform the British legation in Bangkok of any important measures contingent to Kedah. Damrong particularly mentioned that this assurance would seem to include the promise that there would be unofficial consultation on the subject of the appointment and removal of the financial advisor. Damrong explained that, as the sole security of the Siamese for the repayment of its large loan rested on the ability and honesty of its financial advisor, the Siamese government should be allowed to have an entirely free hand in his appointment and removal, while remaining perfectly willing to pass on full information on this subject to the legation in Bangkok.\(^{18}\) Paget suggested to London that in a reply to the Siamese government, this particular point might perhaps be passed over in silence and left to settle itself in future.\(^{19}\)

The other factor was the European rivalry which originated from the German presence in the region. Whether or not the local British officials overestimated its serious result is not important for our discussion. The point here is that it was used by the local British officials as strong argument for the extension of British influence in the region. Local British colonial officials thought the real aim of the Siamese government was to "bring in Germany as a supporter against the pressure of France or England".\(^{20}\)

British apprehension about the German presence in the region sprang from at least two causes. One was apprehension about German interests in the Langkawi Islands. Langkawi was an archipelago 60 miles north of Penang, consisting of numerous islands. Some of the larger islands could afford a safe anchorage for vessels. They would be of great value to any maritime power as a supply base and a coaling-station. In a commercial sense, Langkawi was on the trading route between the western Siamese coast and British Malaya. It was said that Germany was approaching the sultan of Kedah for the purchase of the Langkawi Islands. It was rumoured that Russia was also endeavouring to secure them. In January 1903, Swettenham suggested that London recognize "the importance of shutting every foreign Power

\(^{16}\) CO 273/311, Anderson to Lyttelton, 20 April 1905.

\(^{17}\) CO 273/315, Paget to the Marquess of Lansdowne, 21 June 1905.

\(^{18}\) CO 273/315, Prince Damrong to Paget, 19 July 1905.

\(^{19}\) CO 273/315, Paget to the Marquess of Lansdowne, 20 July 1905.

\(^{20}\) CO 273/330, Telegram from Anderson to the Earl of Elgin, 7 January 1907.
out of the Langkawi Islands".\textsuperscript{21} The other British concern about a German presence stemmed from German mining concessions in Kedah. In November 1904, Beckett, the British minister in Bangkok, informed High Commissioner Anderson that the Siamese government had asked his opinion as to the advisability of granting two such applications.

One had been made by an Italian named Cerruti who wanted to apply for a hydraulic tin mining lease of 2,300 acres in Kuala Muda in Kedah. Cerruti was backed by two firms in Penang Martyn and Co., which was Dutch, and Goldenberg and Zeitlin, which was German. The application had the strong backing of the sultan of Kedah, and the Siamese government was prepared to grant it. The second application was made by a German named Kaulfuss, for the similar lease over an area of four squares miles in Mukim Palai in the district Kuala Muda, Kedah.\textsuperscript{22} Anderson suggested that the British minister in Bangkok firmly oppose these applications. Meanwhile, in his letter to Lyttleton on 30 November, Anderson warned that "The extent to which the trade and commerce of the Colony has passed and is passing into the hands of German cannot be viewed without apprehension, and the establishment of German firms as large mining concessionaries in Kedah would be followed by a demand for leave to set up a German Consulate there". Anderson attributed the encouragement given by the local Kedah authorities to the applicants to the lack of a resident British consul. So Anderson again urged London "That arrangements for such an appointment will be made at an early date".\textsuperscript{23} On 16 February 1905, Anderson again urged His Majesty's government not to approve Cerruti’s application on the grounds that the concession was for hydraulic mining in the basin of the Muda River, close to the northern boundary of Province Wellesley and, unless costly and special precautions were taken, the effects could be to cause disastrous floods in the neighbourhood extending to the British territory.\textsuperscript{24} Kaulfuss’s application was definitely turned down by the Siamese government out of consideration for the views of the British government.

Paget was of the opinion that in Cerruti’s case the concession should be granted. He based his argument on two consideration. Before he had ever made the application, Cerruti had already held a prospecting licence issued by the sultan of Kedah. The issue of the licence had been approved by Paget on 5 May 1904 and countersigned by Prince Damrong. And now this application came strongly recommended by the sultan of Kedah. Scott, the director of the Mining Department, thought it was not an important application and the area was not excessive. The Mining Department and Prince Damrong were prepared and pleased to go ahead grant.\textsuperscript{25} Secondly, although Strobel, the American advisor to the Siamese government,


\textsuperscript{22} FO 422/59, Beckett to Anderson, 28 November 1904.

\textsuperscript{23} FO 422/59, Anderson to Beckett, 30 November 1904; Anderson to Lettelton, 30 November 1904.

\textsuperscript{24} CO 273/314, Foreign Office to Colonial Office, 8 April 1905.

\textsuperscript{25} CO 273/314, Beckett to the Marquess of Lansdowne, 9 January 1905: Inclosure 1 in No.1, Strobel to Beckett; Inclosure 2 in No.2, Scott to Strobel, 11 November 1904; Inclosure 5 in No.1, Paget to Strobel, 5 May 1904; Inclosure 6 in No.1, Memorandum by Strobel.
was well disposed towards British interests at present, he was not a little nettled at the opposition to Cerruti’s application. Paget was afraid that to refuse Cerruti’s application would raise the question of British absolute exclusion of foreigners and foreign capital from the Peninsula. As Strobel had plainly intimated that "If the commercial interests of the United States were of sufficient importance to demand it, the United States government would strongly oppose any attempt to exclude American enterprises entirely from the Peninsula".

As a result, on 25 April 1905, the Colonial Office informed the Foreign Office that the colonial secretary Lyttelton was not prepared to press the objection to Cerruti’s grant any further, subject to his satisfactory answer to the assurance asked by Anderson. Turning to the general question of the grant of concessions to foreigners in the Siamese Malay States, Lyttelton was of the opinion that such concessions should be opposed as far as possible. The Foreign Office concurred.

The British exclusion of a German presence in the Siamese Malay States was stepped up more strongly in its later policy. They kept a strict watch on any attempt to transfer lands to the subjects of other countries. In December 1906, Frost reported that several large tracts of land in Kedah, about 20,000 acres in all, had been bought, or were being bought by a British subject from Penang. It was said that this Chinese was attached to the office of M. Katinkampf, the German consul in Penang, who was also the local manager of Behn, Meyer, and Co. He was being financed by the latter. Alerted, Beckett, the British minister in Bangkok, addressed a communication to Westengard, the acting political advisor to the Siamese government. The latter was asked to instruct the Kedah authorities to check any attempt to transfer the title. Meanwhile, the secretary of state, Sir E. Grey asked the Colonial Office to concur with the proposal to send instructions to His Majesty’s minister in Bangkok to the effect that he should draw Westengard’s attention to "the importance which His

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26 CO 273/314, Foreign Office to Colonial Office, 24 January 1905. Foreign Office to Colonial Office, 8 April 1905. The statistics of prospecting & mining licenses issued by Siam to foreigners 1901-1905 (since the Siam Mining Act 1901) is as follows:

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28 FO 422/61, Beckett to Westeagard, 28 December 1906.
Majesty's Government attaches to the matter". After having received the green light from the Colonial Office, Paget was ordered to implement this proposal. In May, Paget reported to London that he had discussed this subject with Westengard, and he had been informed that the transfer of the land title had not yet been registered owing to a mistake in the title-deeds. This seems to have been a slight misunderstanding as, according to Frost's despatch dated 1 May, the titles had now been handed over to the purchasers on the direct orders of the Siamese government. So Paget addressed a letter to Strobel hoping that the Siamese government would take the necessary steps. On 21 May, Paget was informed that strict orders had again been sent to the Kedah authorities "On no account to permit any transfer, or themselves to take any steps whatever in the matter of transfer, before referring to Bangkok for the authorization of the Siamese Government". Moreover, on the question of railway construction in the northern Malay Peninsula, it had been said the Siam government would co-operate with Germany. Anderson telegraphed London, urging "that any proposal for the departmental construction should be firmly refused. It would mean that German influence and interests would exceed ours in the North of the Peninsula".

Under these circumstances, the appointment of a resident British consul in Kedah was a high-priority point on the agenda. Earlier reference was made to the fact that the Colonial Office had already consulted Swettenham about this possibility in October 1901. But Swettenham had been afraid that the appointment of British consul would be likely to lead to similar appointments by other powers. On this point, the Colonial Office asked the Foreign Office to consult the British minister in Bangkok. In February 1902, the Foreign Office informed the Colonial Office that the British minister in Bangkok was not apprehensive that such an action would necessarily be imitated by the other powers. On 3 April 1902, Chamberlain, the secretary of State for the Colonies, decided to ask the High Commissioner to submit a detailed scheme of such matters as the salaries and suitable candidates for consul. Chamberlain asked for Landsdowne's assent. In order to promote this proposal, Anderson forwarded a copy of a communication received from a Malcolm Duncan in September 1904. Duncan had a good deal of capital and had spent a lengthy period of time in the western Malay States. In the communication, Duncan urged Anderson to propose the appointment of a British consul to these States.

Marking time, the Colonial Office did not immediately forward this communication to the Foreign Office. It was waiting for a good opportunity. The Colonial Office was afraid that because the Straits people attached importance to the presence of a resident consul, it would give the Foreign Office a further reason to bolster the proposal that it was preparing

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29 FO 422/61, Beckett to Edward Grey, 17 January 1907; Foreign Office to Colonial Office, 11 March 1907; Colonial Office to Foreign Office, 14 March 1907.

30 FO 422/61, Edward Grey to Paget, 21 March 1907.

31 FO 422/61, Paget to Edward Grey, 22 May 1907.

32 FO 273/330, Telegram from Anderson to the Earl of Elgin, 7 January 1907.

33 FO 422/56, Foreign Office to Colonial Office, 13 February 1902.

34 FO 422/56, Colonial Office to Foreign Office, 3 April 1902.
demanding that the Straits government should pay the costs. In February 1904, the Colonial Office suggested that the matter of appointing a consulate in Kedah might be set aside until the new High Commissioner, Anderson, had arrived in the Malay Peninsula and had had opportunity of discussing the details on the spot. The Foreign Office agreed to this suggestion and requested Anderson submit a report at an early date. On 12 October 1904, the Foreign Office suggested that if possible, a candidate with a knowledge of the Siamese language should be selected. But on 6 December 1904, Anderson suggested that ability in the Malay language would be more useful than Siamese for the resident consul, and strongly recommended Meadow Frost as candidate. In January 1905, as Lyttelton was voicing fears that such an appointment might strengthen the Siamese desire to place an advisor in Kedah, he proposed that no action should be taken at moment. Lyttelton consulted Anderson in more detail on this point. On 25 January, Anderson replied that the appointment of a consul would be sufficient to safeguard British interests for the present. In May, upon being informed that British government had agreed to the appointment of a Siamese advisor in Kedah, Anderson sent Lyttelton a wire to request "His Majesty's Government will press for the appointment of a British consul". In November 1905, M. Frost was appointed the first British resident consul to Kedah and the western Malay States.

2 Chinese-Malay Legal Dispute: Tan Ah Yu's Case

Perhaps one of the most profound and interesting characteristics of the cross-cutting interactions between region, state, and ethnicity lay in the fact that the economic integrity of the region contrasted with the political fragmentation of the state and the ethnic symbiosis of the spheres.

Bearing this in mind, the case brought by and against Tan Ah Yu can be seen not just as a legal issue; more importantly, it was a political set-to. It revolved around an issue of extra-territoriality as a result of the inequality of international relations in the imperialist era; but it involved no European subjects and the actors were all Chinese immigrants in Southeast Asia. One important relevant fact is that in the nineteenth century, the Ch'ing government in China had been weak. Unable to provide sufficient protection for the overseas Chinese, the government itself was seemingly at the mercy of Western imperialism. Only after 1876 did

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35 CO 273/303, Consul at Kedah: Malcolm Duncan to Anderson, 15 August 1904.
36 FO 422/58, Foreign Office to Colonial Office, 16 February 1904.
37 FO 422/59, Anderson to Lyttelton, 6 December 1904.
38 FO 422/59, Colonial Office to Foreign Office, 6 January 1905; Anderson to Lyttelton, 25 January 1905.
39 CO 273/311, Telegram from Anderson to Lyttelton, 2 May 1905.
40 Frost had been serving in FMS since 1898. For more than two years he was acting district officer in Pahang and had exercised a strong influence over the sultan of Pahang and his chiefs, though he was only thirty years old. Frost arrived in Kedah in January 1906 and worked on that capacity until July 1909. Frost was actually the first and only British resident consul in Kedah. After the British took over Kedah in 1909, he was transferred to Perlis as British advisor.
China appoints its first permanent legations in foreign countries. As Yen Ching-huang’s study shows, the consular establishments in overseas Chinese communities were first initiated in the period 1877-83 and the series of accreditation were only completed in the period 1893-1912. Although Yen Ching-huang challenges the established theory of the Ch’ing government’s inability to protect the Chinese, he admits that the positive new protection policy did not succeed. The confrontation between Western colonialism and the indigenous Southeast Asian powers produced a unique phenomenon, namely that many Chinese towkays turned to the Western powers for consular protection. It was a mutual exchange: the Western powers used the Chinese as an instrument to promote their interests, while the Chinese made grateful use of the extraterritoriality privileges, such as consular jurisdiction, tax exemption, and other protection. In Siam, it was common practice for many Western consulates to abuse the extraterritoriality resorted to by Chinese and other Asians.

As the Chinese in Kedah were divided into British and non-British subjects, the administration of justice in Kedah was such that Chinese who were British subjects fell under the jurisdiction of the British consular court, and those who non-British subjects came under the jurisdiction of the Kedah government. This left the tricky situation of what was to be done in disputes between British Chinese and non-British Chinese. If a British Chinese submitted a case to the jurisdiction of the consular court, by the virtue of the Siam Order in Council 1890, the consent of the other party was necessary, assuming that he was a foreigner. In the event of the other party refusing or withholding his consent, it was hoped that the Kedah government would see its way clear to appointing a fit and proper person to enquire into the case. This was clearly indicated by Tan Ah Yu’s description in his petition to the King Edward VII in 1905. Tan Ah Yu stated "That he had carried on business in the State of Kedah for the last 15 years during which time he has had great dealings with the natives there and most of them being high officials of the State, and owing to the government not having admitted him to be of British Nationality, Your Majesty’s petitioner has experienced great difficulty to recover the money due by them for the majority of his debtors, who are Kedah subjects, on learning that the government had declined to entertain his claim had refused payment to your Majesty’s petitioner". Under these circumstances, Chinese-Malay ethnic relations seemed a little more complicated.

This focus on Chinese-Malay legal dispute raises one of the most significant aspects for the migration studies, one which has been underestimated because of overemphasis on the political-cultural "sojourning" discourse. This is the legal issue of the immigrants and their socio-political accommodation in the new environment. In this instance Tan Ah Yu’s case

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43 PGSC, 2 January 1894.

44 CO 273/316, Tan Ah Yu’s Petition to the King Edward VII, received on 13 November 1905.
serves to illustrate at least four implications relevant to our discussion. The first of these is how in the specific regional context, a Chinese-Malay dispute evolved and developed into a series of complicated interplays between the British, the Siamese, the Kedah native authorities, and the Chinese. Going a step further, it suggests that Chinese-Malay ethnic relations therefore had clear implications for international power politics between the British, the Siamese, and the Malays. Secondly, the nature of Chinese-Malay disputes changed accordingly. The legal controversy was transposed into a political controversy, which clearly reflected the essence of power politics in the region. The most interesting ironic point is that the issue now became whether Tan Ah Yu was a British subject or not, rather than whether he was innocent or not from the judicial point of view. Thirdly, in the process of Chinese localization, it is suggested that registering themselves as British subjects was one of the Chinese strategies to protect their interests in Kedah. The power relationship was that by turning to the British Chinese businessmen protected themselves from the Kedah native authorities. This Chinese strategy was in turn encouraged by British policy in the region. As mentioned above, the Chinese happened to act as British agents for their commercial and political interests in the Siamese Malay States. Generally, Chinese businesses were used and promoted by the British policy in the region. This was sheer expediency and it did not mean that the British were really committed to protecting the Chinese. The British would have no hesitation in abandoning the Chinese once they were no longer of use to British political and commercial considerations. In order to understand the whole affair, it is now necessary to examine Tan Ah Yu’s case in detail.

The First Investigation 1902-1903
Tan Ah Yu was stated to be a British subject, born at Bukit Mertajam in British Province Wellesley. He accompanied his father, Chin Ah Kew alias Tan Ah Kew, to Kedah in the mid-1880s when he was fourteen years old. After five or six years, he established a goldsmith’s shop as well as dabbling in tin-mining. Sometime in 1902, he and some other Chinese traders in Kedah petitioned the government of Kedah asking for a reduction in the high rate of duties and taxes on timber and jungle produce. He also laid a complaint with the government against one local Kedah district officer, Mohammed Ariffin of Bagan Samah, for his refusal to grant mining lands despite several applications. He accused him of taking large bribes in the discharge of his duty. Two weeks later, the Kedah official, Tuan The, was sent to Bagan Samah by the sultan of Kedah to make enquiries about the petition. Tuan The telegraphed Tan Ah Yu, who was then in Kedah, asking him to come to Bagan Samah to explain matters. But Tan Ah Yu replied that he had to go to Perlis on special business. At the end of enquiry, Tuan The came to the conclusion that Tan Ah Yu had laid a false complaint and should be made to answer for it. The sultan accordingly ordered a warrant for his arrest. As Tan Ah Yu himself fled to Penang, his shop and property in Kedah were seized and distrained by the order of the court. This initiated a lawsuit between Tan Ah Yu and the sultan of Kedah which lasted at least seven years. Tan Ah Yu’s case can be divided into two stages. The first stage was 1902-1904. On the assumption that Tan Ah Yu was a British subject, he had obtained a promise of return of his property from the Kedah government through both British and Siamese intervention. The second stage was 1904 to 1908. This development arose from

45 CO 273/316, Tan Ah Yu’s Petition to The Marquis of Lansdowne, 29 December, 1904.

46 CO 273/315, Birch to Paget, 27 May 1905.
Tan Ah Yu's refusal to accept only a portion of his property and his demand for full restitution of his loss. Under British pressure, the Siamese and Kedah governments had to re-investigate the case. This time the Kedah authorities showed proof that Tan Ah Yu was not British subject, but actually China-born.

Not deterred pursuing his dispute with the sultan of Kedah, Tan Ah Yu appealed to the acting British consul, Birch. Birch then wrote to the Kedah government on behalf of Tan Ah Yu and advised Tan meanwhile not to visit Kedah until the matter was settled. Shortly after this, Birch left Penang and C.W.S. Kynnersley was appointed the acting British consul for Kedah. Kynnersley had been endeavouring to procure the return of Tan Ah Yu's property from the Kedah government. On 9 January 1903, at the request of Tan Ah Yu, Kynnersley wrote to the raja muda, asking that the property seized might be handed over to Tan Ah Yu who said he was in great trouble owing to the owners of the jewellery, demanding its return through the agency of the British consul. On 14 January, the raja muda sent certain articles of jewellery, but Tan Ah Yu refused to accept these on the grounds that there was a great deal more in his shop in Kedah when it was seized and through Kynnersley sent the raja muda a list of items.47

On 2 October 1902, Birch brought Tan Ah Yu's claim to the notice of Archer, of H. M. British Legation in Bangkok. Birch also enclosed a copy of Tan Ah Yu's petition to him. In the dispatch to Archer, Birch expressed the opinion that the sultan of Kedah had decided the matter somewhat arbitrarily and the Siamese government should be requested to intervene with a view to restoring Tan Ah Yu's property and obtaining payment of the compensation for the losses. On 18 October Archer then brought the case to the attention of Prince Damrong, urging the Siamese government to force the government of Kedah to restore the property and pay compensation. On 13 May 1903, Prince Damrong replied to Archer saying that the action of the government of Kedah had been taken without knowledge of the fact that Tan Ah Yu claimed British protection, but that the Siamese Ministry of the Interior had now instructed the Kedah government to return to Tan Ah Yu the said properties.48 On 4 June 1903, Tan Ah Yu was informed that the Siamese Minister for Foreign Affairs had stated that he "has now been informed that being unaware that Tan Ah Yu was a British subject, and when his person could not be found to answer the summons of the authorities, his properties were consequently seized according to the local laws of Kedah, and as the matter had since been examined the Ministry of the Interior had already given instructions to the Kedah government to return to Tan Ah Yu the said properties".49 Up to this stage, under the British pressure, the Siamese and Kedah governments had been very careful in their handling of this case and felt obliged to give in to Tan Ah Yu. But Tan Ah Yu claimed that he had been deprived of a monthly profit of $400 and had suffered damages amounting to $15,000 as a consequence of the stoppage of work as his tin mines and the seizure of the jewellery. Whether or not Tan Ah Yu seems to have gone too far and thus turned matters totally to his disadvantage is unimportant. What is important is the circumstance which drove Tan Ah Yu believing that


48 CO 273/315, Paget to The Marquess of Lansdowne, 9 June 1903.

49 CO 273/316, Kynnersley to Tan Ah Yu, 4 June 1903.
he could act in this way. This circumstance was that Tan Ah Yu was a British subject and he was therefore entitled to British protection whatever the circumstances.

**British Subject or China-Born?**

Owing to Tan Ah Yu's refusal to accept the "incomplete" (as he claimed) restitution of his property and Kedah's refusal to admit the seizure of the remainder, certain investigations were launched in July 1903 by Kynnersley, the British consul, and protector of Chinese, Barnes. The enquiry took place at the British consulate in Kedah in the presence of Tunku Aziz, the raja muda, Mitchell, the commissioner of police, and other Kedah officials as well as Tan Ah Yu himself. On 27 August 1903, owing to his inability to decide which party's version was correct, Kynnersley referred a memorial by Tan Ah Yu back to Paget, complaining that the Kedah authorities had offered to restore only a portion of the property seized and enclosing a list of the property claimed by the plaintiff. In his dispatch to Paget, Kynnersley admitted that, on the one hand, it was impossible to ascertain whether the list of articles prepared by Tan Ah Yu was correct or not; on the other hand he was of the opinion that Tan Ah Yu was entitled to compensation from the Kedah government for the loss he sustained as a direct consequence of the handling of the matter by the authorities. Kynnersley also expressed his willingness to investigate any charges preferred against Tan Ah Yu by the Kedah government in the consul court. The upshot was that Paget wrote to the Siamese government, representing that: "The Kedah Government, having placed themselves in the wrong by the seizure of the goods of a British subject, that Government should now restore all the jewellery taken by the police, or its value, and should make reparation for the losses suffered by Tan Ah Yu on account of the stoppage of his mines".

This time the Siamese government changed its tactics. The Siamese government was no longer content to listen passively to the British demands. Prince Damrong informed Paget that he had instructed Giles, the director of the Provincial Revenue Department, who was staying in Puket at that time, to proceed to Penang and to investigate Tan Ah Yu's case in consultation with the British consul. Giles carried special instructions to look into Tan Ah Yu's nationality. In January 1904, Giles went to Penang. His first action there was to suggest to the Kedah authorities that they enquire whether Tan Ah Yu had ever appeared as a witness in any court proceedings as then he would have had to have stated his nationality. Accordingly an enquiry was made in the Kedah court records. The Kedah government had found a statement made in court in the year 1890 by Tan Ah Yu himself to the effect that he had been born in China. Giles thus threw an entirely new light on the case. It now appeared that Tan Ah Yu was not entitled to registration as a British subject. On 18 February 1904, Birch also informed Paget that he had been unable to find evidence to support Tan Ah Yu's claim to be a British subject. Birch particularly mentioned to Paget that upon examination he had found the Kedah court records concerned to be genuine. On 22 February, Birch formally addressed Tan Ah Yu's lawyer stating that he was unable to assist Tan Ah Yu or recognize him as a British

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50 CO 273/316, Tan Ah Yu's Petition to The Marquess of Lansdowne, 29 December 1904.
51 CO 273/315, Paget to The Marquess of Lansdowne, 9 June 1905.
52 CO 273/315, Birch to Paget, 27 May 1905.
53 CO 273/315, Birch to Paget, 18 February 1904.
subject.\textsuperscript{54} While in March in Bangkok, Prince Damrong also informed Paget to the effect that there was no longer any need for the Siamese government to burden Paget with any more details of Tan Ah Yu’s case.\textsuperscript{55}

From then on, the whole issue centred on whether or not Tan Ah Yu was a British subject. Recognition of this point by the British authorities now became the key to the solution of his case. Tan Ah Yu had actually been registered by the former British consul, Skinner, in Kedah in the year 1897. The certificate had been signed by Skinner in the presence of all the Kedah officials. At that time, none of Kedah officials had raised any objection or made any mention about Tan’s being China-born.\textsuperscript{56} In fact, this British nationality had been accepted until lately by the government of Kedah. And Tan Ah Yu was still in possession of the certificate stating he was a British subject, signed by the present British consul Birch. In his efforts to prove his claim to be a British-born subject, Tan Ah Yu had to expend a great deal of time and lodge many petitions. There is no need to go into all this in detail. A brief review in the Table 4.1 should suffice.

There is no doubt that the attitude of the local British colonial authorities (Resident Councillor Birch) was the key to the long delay in settling Tan Ah Yu’s case. The real motive behind the change of attitude towards Tan Ah Yu’s case may never be known, although it seems to have resulted from the new findings in the Kedah court records of 1890. It is interesting to mention Birch’s report on the petition by certain Penang traders dated 10 September 1904. Birch reported to Anderson that "This man [Tan Ah Yu] is no longer resident in Kedah and informs me he has no intention of doing so, he cannot therefore be registered by me as a British Subject. ... I think the man is absolutely worthless". Even more interesting are the minutes of the Colonial Office, which record "He denies the truth of the statement that he formerly claimed to be China born. This question is unsolvable. But even if he is British born, there is no reason why the consul should be made to protect him if he doesn’t think him worth it". Therefore the Colonial Office proposed the Foreign Office refuse to intervene.\textsuperscript{57}

Another important coincidence should be mentioned here, namely that during the latter half of 1903, the British Penang authorities had great difficulty in the securing the Kedah opium farm for the Penang farmers. The sultan of Kedah decided to tender the Kedah opium farm separately from that of Penang and granted the Kedah farm to another syndicate led by Penang Chinese Lim Eow Hong, which will be described in the following section. It may be impossible ever to prove that a deal was struck concerning the opium farm and Tan Ah Yu’s case. But it is absolutely certain that the Penang authorities needed the co-operation of the Kedah government and were very careful to avoid irritating the sultan of Kedah on the other matters (see Part 4 of this Chapter). The role of the British in Tan Ah Yu’s case indicates that immigrant Chinese issues could either be a justification and pretext or a problem and burden depending on the regional and local political circumstances and needs.

\textsuperscript{54} CO 273/316, Birch to Messrs Presgrave & Matthews, 22 February 1904.

\textsuperscript{55} CO 273/315, Damrong to Paget, 11 March 1904.

\textsuperscript{56} CO 273/316, Petition of certain Penang traders to Anderson, 28 August 1904.

\textsuperscript{57} CO 273/300/315, Petition respecting Tan Ah Yu.
Table 4.1: A Brief Review of Tan Ah Yu's Petitions

<table>
<thead>
<tr>
<th>Date</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 August 1904</td>
<td>Teo Joo Meng and the other nine undersigned traders of Penang, Bukit Mertajam, and Province Wellesley, petitioned John Anderson, the governor of the Straits Settlements. They testified to the fact that Tan Ah Yu was a British subject.</td>
</tr>
<tr>
<td>29 December 1904</td>
<td>Tan Ah Yu petitioned the Marquess of Lansdowne, the Secretary of State for Foreign Affairs on the subject of his claim. A report was called from Bangkok and a letter was accordingly addressed to Tan, stating that Lord Lansdowne could not see any way to support his claim because of Tan Ah Yu's own statement in the Kedah court in 1890. Tan Ah Yu was also informed that his certificate of registration as such had been retained for cancellation.</td>
</tr>
<tr>
<td>25 October 1905</td>
<td>Tan Ah Wang and others from Kulim, Kedah, again petitioned the Secretary of State for Foreign Affairs, asking that Lord Lansdowne's decision be reconsidered. But a similar reply was given to Tan.</td>
</tr>
<tr>
<td>13 November 1905</td>
<td>Tan Ah Yu's petition reached the King Edward VII, praying the King to intervene.</td>
</tr>
<tr>
<td>7 December 1907</td>
<td>Frost reported to Paget that, following the investigation, he agreed with Birch that Tan Ah Yu was an impostor. As to the court records in 1890, Frost confirmed that &quot;There is no doubt that the statement attributed to Tan Ah Yu is genuine enough&quot;. On 30 March 1908, the Foreign Office informed the Colonial Office of the Frost's report. This signalled that Tan Ah Yu's case was over with no result.</td>
</tr>
</tbody>
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3 The Prominent Role Of The Kedah Choong Family

In Chapter 2, the scene was set for the two most important Chinese families: the Penang Lim family and Kedah Choong family (Parts 3 and 4). The interaction between family and state, centring on the Lim family of Penang, has been discussed in detail in Chapter 3. Now the spot light turns to the Choong family of Kedah. An the beginning of this chapter, it was said that as a result of opium politics, the period 1890-1895 witnessed significant changes in the position of the two most important Chinese families in their relationship to the Kedah opium farm. Following the withdrawal of the Penang Lim family from the Kedah opium farm in 1894, their place was taken by the Kedah Choong family. As agent for both the sultan and the Penang farmer, the Choong family now had the whole Kedah opium farm which was previously shared with their rivals, the Penang Lim Leng Cheak, under their sole control. Riding on a wave, this period witnessed the rise to prominence of the Kedah Choong family and the expansion of their business, which was comprised of networks characterized by three

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58 CO 273/343, Frost to Paget, 7 December 1907; Paget to Grey, 7 February 1908.
segments: their Kedah-based business, the opium agency, and their integration into the Penang community. From the Kedah perspective, Choong family provided an example of another pattern of both the Chinese business networks and socio-business mobility.

**The Opium Political Economy**

Before the Choong family business networks are examined, it is essential to understand the general background to the opium political economy as this affected both Kedah and Penang, which allowed Choong to rise to prominence as a key player in the interaction between the Kedah government and the Penang farmers. Central to the Penang-Kedah opium institutional linkage, the following three points which had been the focus of controversy, were essential to the interests of Kedah. First and foremost loomed the question of who should be responsible for the Kedah opium farm if it was incorporated into the Penang opium farm? This was the most important point dominating the negotiations from their inception. It was also the basic point in the public notice of the tender 1892-1894 opium farm. The Kedah side particularly emphasized: "It is to be distinctly understood that the said farms can only be held in the names of residents of Kedah". The second point concerned calculations. How many months should be calculated for a three-year term, thirty-six months according to Western calendar, or thirty-seven months according to Muslim calendar? And how many months deposit should be paid without interest for the Kedah farm? There had never been any consistent stipulations on these points which had been controversial during the whole period. For example, for the 1898-1900 Kedah opium farm, the term was calculated at thirty-six months for three years and the deposit was paid for four months. The 1904-1906 Kedah opium farm was paid for according to Muslim calendar for thirty-seven months and the deposit was paid for six months (see Part 4 of this Chapter). The third question revolved around what percentage the Penang farmer should take in the Kedah farm? As the Kedah government came off second best in this opium linkage arrangement, the more the Penang farm held, the more the Kedah government suffered. Only after the trouble surrounding the tender for the 1904-1906 farm was there a clear agreement finally reached on this point. This was a highly relevant point in the notice for the 1907-1909 opium farm: "It will be a condition of the purchase that the successful tender should permit the holder of the Penang opium farm to take up shares in the Kedah farm, up to 50% of the value of the said farm should be so desire it". On the other hand, this long-running series of conflicts and compromises, suggests that Kedah never stopped fighting for its own interests, even though eventually it had to give in in the face of the British pressure. This then was the wider economic background against which the two competing Chinese families functioned as an instrument for the Kedah government in its opium confrontation and compromise with Penang.

The political economy of the opium farms must be examined in relation to the wider environment. The immigrant population, the global economic situations, the transitional construction of the Western bureaucratic machinery, and the subsequent reliance on Chinese revenue farmers, all contributed to the context of the revenue farming and the Southeast Asian

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59 PGSC. 15 August 1891.

60 SC, No.7, Notice of the Tender of Kedah Opium Farms 1898-1900.

61 SE, 1 August 1906. But according to Chinese newspaper, it was 58%. See PSP, 3 August 1906.
transition in the later nineteenth and early twentieth centuries, in which Chinese immigrants played a dynamic role. Many Malays in Kedah smoked opium and even after Malays were no longer allowed to smoke legally in smoking shops after 1910, this situation continued. As the Malay *rakyats* in Kedah were very poor, the Malay opium smokers were usually to be found among the upper middle class, including the well-to-do paddy planters and such like people. However, an analysis of the opium revenue 1892-1909 in Kedah indicates that Chinese immigrant labourers were still the main source of revenue for the economy. During the later nineteenth and the early twentieth centuries, the general prosperity of the revenue farming usually coincided with the growth of the colonial economy and the large inflows of the immigrant labour, while changes in the opium revenue during this period suggests that it was very closely related to the changing world trading situations and resultant fluctuating numbers of immigrants. Compared to the previous term 1895-1897, the annual rent of the Kedah opium farm for 1898-1900 increased by nearly 25%. This increase was attributed to the development of Kedah by Chinese capital and immigrant labour. The local press commented: "There are now already eight steam engines at work in Kedah and Kulim at the rice mills and on the tapioca and sugar estates, and the population is consequently steadily increasing. We are, therefore, not surprised at the rise in the value of the opium farm of the sultanate [Kedah]". An even sharper increase in opium revenue took place during the next term 1901-1903, jumping from $125,000 to $212,400 per annum, a rise of $87,400 a year. This increase was not only significant in itself, but also a token of a belief in the continuance of this prosperity and progress, a conviction felt in both Penang and Kedah. This economic progress and the rise in the number of immigrants were both reflected particularly in the change in the local socio-economic consumption index. For example, in the last few years before 1900, in Penang, house rents had risen by leaps and bounds, varying between 50% and 100%; wages had gone up by some 40%; and the necessities of life had shown a proportionately mounting cost. The situation swung the other way with the onset of the trading recession and the consequent decrease in the number of immigrant labourers arriving. Table 4.4 shows that the gradual diminution of the sales from the year 1907 to the year 1909 stemmed from the recession of tin mines and the emigration to new areas of work of the Chinese miners. The year 1910 was terrible: a severe drought, a widespread cholera epidemic, and the failure of the rice harvest left their marks on the whole state in every conceivable way. The increased sales in 1911 were due to the influx of Chinese labour on the rubber estates. By the beginning of 1913, the number of Chinese coolies on all rubber estates and on the railway had increased so enormously that the British advisor, W. George Maxwell, was "much surprised that any decrease of consumption should be possible".

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62 Even in 1921, an attempt was made in Kedah to take a census of the Malay opium smokers and the total number was returned at 7,468. According to the acting British advisor, E.C.H. Wolff, this number was certainly far below the true figure, people not owning up to the habit for fear of public opinion and the suspicion of possible registration. See, *Opium Committee Report*, 1908, Vol.II, p.538. *Opium Committee Report*, 1924, pp. B63-B79, pp. C176-C183.

63 PGSC, 23 August 1897.

64 PGSC, 8 August 1900.

65 CO 273/399/287, the British Adviser Kedah to the High Commissioner, 30 December 1912 & 5 March 1913.
Family and State

Having sketched in the general background to the political economy of opium, the next step is to examine the state opium agent, Choong Cheng Kean. Lack of sources has prevented the contextualization of the family business activities in Kedah. However, the networks are clearly presented in Tables 4.2, 4.3 and Figure 4.1, which indicate that Choong family dominated the state economy, their influence penetrating almost every district in Kedah. As the biggest revenue farmer in Kedah, Cheng Kean was the de facto state treasurer of Kedah, assuming a similar role as Lim Leng Cheak had performed for the sultan in Penang. It is not beyond the bounds of possibility that, for the sake of convenience, the sultan appointed Cheng Kean as his agent to complement or run parallel to the his Penang agent, Lim Leng Cheak. However, the sultan’s distinction between the Kedah Chinese and the Penang Chinese was no doubt shaped by his active strategy of developing two interlocked but different communication channels in the Kedah-Penang linkage. Especially, after the sultan had fallen out with Lim Leng Cheak in 1894 over the paddy farm, the former depended much more on Cheng Kean in his routine dealings with the Penang community, probably since Choong Cheng Kean had also taken over from Lim Leng Cheak there as well (for details see Chapter 3). Cheng Kean’s role can be divided into three separate functions.

1. **The sultan’s personal manager:** Many of the letters the sultan wrote to Penang passed through Choong Cheng Kean’s hand. Cheng Kean certainly seems to have played an important part in the sultan’s routine institutional communications with the Siamese consul, the Penang agent, Lim Leng Cheak, other members of the Chinese community, and even with the British resident councillor. His most important part involved the opium farms because these involved multi-channel communications, for instance the sultan - the Siamese consul - the British resident councillor - the Penang farmers including Lim Leng Cheak - the Kedah opium farmer. As he was the Kedah opium farmer, there was absolutely no way that Cheng Kean could not be involved, in the sense of acting as a representative of Kedah in terms of the state economic administration, the Kedah-Penang economic linkage, and even the political relationship. As he remained behind the scenes, it left the sultan plenty of room to manoeuvre.

2. **The manager or treasurer of the sultan:** Cheng Kean’s role in this respect can be divided into at least two parts. One was simply to pay bills for the sultan and the other members of the royal family. Two examples will suffice. In 1892, Cheng Kean was asked by the sultan to go to Penang to deal with settling Tunku Rahman’s debt bill of $600. In 1895, the sultan asked Cheng Kean to give the Siamese consul $1,000 for the payment of the cost of cleaning the Kerian River. Apart from paying bills, like Lim Leng Cheak, Cheng Kean

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66 For example, see SC, No.5, The Sultan to the Siamese Consul, 17 Jamadilawal 1309 (18 December 1891), 27 Jamadilawal 1309 (28 December 1891), 18 Rabiulawal 1310 (9 October 1892), 14 Rejab 1312 (10 January 1894).

67 For example, when the sultan asked Lim Leng Cheak to take care of repairs to his Penang’s house, the plans of the dome of the house were given to Cheng Kean to pass on to Lim Leng Cheak. See SC, No.3, The Sultan to Lim Leng Cheak, 16 Rabiulakhir 1307 (9 December 1889).

68 SC, No.5, The Sultan to the Siamese Consul, 18 Rabiulawal 1310 (9 October 1892).

69 SC, No.5, The Sultan to the Siamese Consul, 14 Rejab 1312 (10 January 1895).
also had the task of securing loans from the Penang community. As manager, Cheng Kean’s other role was to arrange for the sultan’s horse-racing activities in Penang. Here he had also taken over the role of Lim Leng Cheak. For example, in July 1897, races were scheduled to be held in Penang. The sultan of Johor, who would bring seven thoroughbreds with him, was also expected to arrive in Penang. It was said that Choong Cheng Kean’s Penang partners, Lim Kek Chuan and Chuah Yu Kay, had made arrangements to prepare Choong Cheng Kean’s country residence, in Scotland Road, for the sultan’s use. The sultans of Johor and Kedah had presented cups valued at $300 and $200 respectively for the race-meeting. In the end, the sultan of Johor did not lodge at Choong Cheng Kean’s country residence, but at the Eastern and Oriental Hotel. However, the fact the idea was even entertained suggests that Choong Cheng Kean was closely involved in the sultan’s horse-racing activities, as were his Penang opium farm partners. I believe that there may have been many of this kind of business connection between Cheng Kean and other important members of the Malay elite. For example, the tapioca farm in Kulim and Karangan was applied for in the name of Wan Mohd Saman Alwal, the uncle of the sultan. It was at the request of Wan Mohd Saman that the tapioca farm, yielding the annual revenue of $7,000, was granted him for six years from 1897. But on 18 August 1897 (20 Rabiulawal 1315), Wan Mohd Saman’s name was replaced by that of Cheng Kean, a move which was approved by the raja muda.

(3) Business Partner: given the circumstances that both the revenue farming and the Malay political system, in which the sultan was the state, even if the institutional boundaries were sometimes unclear, it should be pointed out there was a shareholding business partnership between the sultan and Choong Cheng Kean. Whether this Chinese-Malay bureaucratic-capitalist shareholding was symbolic or substantial was not important. A typical example of this shareholding partnership between the sultan and Cheng Kean was in the shipping business. There had been a strong competition on the Kedah run, which is shown by the fact that there was an increase in the number of passengers sailing between these two states. It was reported that, in December 1897, the S.S. "Chan Tai" and the S.S. "Sportsman" owned by Leng Cheak & Co. generally carried: "...a great many more passengers than they are..."

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70 For example, on behalf of the raja muda, Cheng Kean went to Penang for a loan of $11,000. Lim Kek Chuan, one of Cheng Kean’s partners, was asked to arrange this loan and act as the surety for his debt to Awang Titik. The raja muda had been indebted to Awang Titik in Penang for a long time and wanted to pay back in instalment at $500 per month now. See SC, No.3, The Sultan to Lim Kek Chuan, 26 Rejab 1307 (17 March 1890).

71 PGSC, 23 July 1897.

72 PGSC, 26 July 1897.

73 PGSC, 28 July 1897.

74 SC, No.7, Raja Muda to Wan Mohd Saman and Cheng Kean, 1 Jamadilakhir 1315 (27 September 1897).

75 For example, in 1895 Low Cheang put two new steamers on this routine. It was reported that on some of the steamers on the run, fares had dropped accordingly to five cents per head for passengers and freight was calculated in proportion. And, Low Cheang was reported to have purchased another boat, the Cecil C. Smith, and supplement his other two on the Kedah run. See, Straits Maritime Journal & General News, 1 May 1895.
licensed to", even exceeding 50% above the limit.\textsuperscript{76} Cheng Kean and the sultan joined forces and bought a 49-ton steamer, the "Leong Ho", and put it on the Penang-Kedah run in September. This joint business was deliberately declared by Cheng Kean in the form of a notification, more than an advertisement, in the local press.\textsuperscript{77} Seen in the light of the later strong competition between the sultan and Cheng Kean's jointly owned "Leong Ho" and Leng Cheak's "Chan Tai" and "Swee Leok", this joint partnership and notification obviously reflected Cheng Kean's active strategy, by which he aimed to cope with the strong competition from Penang. No doubt a weapon in this competition, the fares suddenly went down. In November 1901, the passage to and from Kedah had already been reduced from $1 to 20 cents, and freight for cattle from $1.25 to 50 cents per head.\textsuperscript{78}

As in the earlier example of Lim Leng Cheak in Penang, from the Kedah perspective the fact that a Malay state depended heavily on a Chinese family for revenue, again shows to what extent an immigrant Chinese had penetrated into the Malay society in terms of economic life and political relationship. Like the alliance with the Penang Chinese, Lim Leng Cheak, from the point of view of the sultan, it suggests that his alliance with Choong Cheng Kean was also consciously based on realistic considerations, as the sultan needed capital badly to develop his country and the Chinese were the most suitable capital brokers available at that time. Hence, the early modern development depended almost completely on Chinese capital and labour resources, coming either directly from Penang or connected to it, and Choong Cheng Kean's rise exactly coincided with the early modern development of Kedah in the 1880s.

Table 4.2: Select List Of Revenue Farms in Kedah Under Cheng Kean's Name 1897-1909 (including opium farms which were shared with the Penang farmer Lim Kek Chuan)

<table>
<thead>
<tr>
<th>Name of Farm</th>
<th>Area</th>
<th>Term Y M</th>
<th>Period</th>
<th>Annual Rent $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opium</td>
<td>Whole State</td>
<td>3 1</td>
<td>1898-1900</td>
<td>125,000</td>
</tr>
<tr>
<td>Opium</td>
<td>Whole State</td>
<td>3</td>
<td>1901-1903</td>
<td>212,400</td>
</tr>
<tr>
<td>Opium</td>
<td>Whole State</td>
<td>3 1</td>
<td>1904-1906</td>
<td>516,000</td>
</tr>
<tr>
<td>Opium</td>
<td>Whole State</td>
<td>3</td>
<td>1907-1909</td>
<td>462,000</td>
</tr>
<tr>
<td>Gambling</td>
<td>Kota Star</td>
<td>6</td>
<td>1897-1903</td>
<td>25,000</td>
</tr>
<tr>
<td>Gambling</td>
<td>Sala</td>
<td>4 9</td>
<td></td>
<td>250</td>
</tr>
<tr>
<td>Gambling</td>
<td>Singkir</td>
<td>4 1</td>
<td>1900-1904</td>
<td>600</td>
</tr>
<tr>
<td>Tin</td>
<td>Kulim, Bandar &amp; Karangan</td>
<td>5</td>
<td>1898-1903</td>
<td>7,200</td>
</tr>
<tr>
<td>Tapioca</td>
<td>Kulim &amp; Karangan</td>
<td>6</td>
<td>1900-1906</td>
<td>7,000</td>
</tr>
</tbody>
</table>

\textsuperscript{76} SE, 11 May 1906.

\textsuperscript{77} PSP, 10 September 1901.

\textsuperscript{78} PGSC, 18 November 1901.
<table>
<thead>
<tr>
<th>Service</th>
<th>Location</th>
<th>License No.</th>
<th>Period</th>
<th>Duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pig</td>
<td>Kota Star</td>
<td>3</td>
<td>1900-1903</td>
<td>2,100</td>
</tr>
<tr>
<td>Customs</td>
<td>Kota Star</td>
<td>6</td>
<td>1908-1914</td>
<td>46,000</td>
</tr>
<tr>
<td>Pawn-broking</td>
<td>Kota Star</td>
<td>6</td>
<td>1908-1914</td>
<td>8,000</td>
</tr>
<tr>
<td>General Farm</td>
<td>Langkawi</td>
<td>6</td>
<td>1904-1910</td>
<td>7,000</td>
</tr>
<tr>
<td>Fish &amp; Fowl</td>
<td>Langkawi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Export Duty</td>
<td>Langkawi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customs</td>
<td>Langkawi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customs</td>
<td>Kuala Muda &amp; Merbok</td>
<td>2  7</td>
<td>1908-1911</td>
<td>19,000</td>
</tr>
<tr>
<td>Pawnbroking</td>
<td>Kuala Muda &amp; Merbok</td>
<td>6</td>
<td>1908-1914</td>
<td>1,000</td>
</tr>
<tr>
<td>Gambling</td>
<td>Kuala Muda &amp; Merbok</td>
<td>2  2</td>
<td>1908-1910</td>
<td>34,000</td>
</tr>
<tr>
<td>Spirit</td>
<td>Kuala Muda &amp; Merbok</td>
<td>2  2</td>
<td>1908-1910</td>
<td>10,000</td>
</tr>
<tr>
<td>Pawnbroking</td>
<td>Kulim</td>
<td>6</td>
<td>1909-1915</td>
<td>2,000</td>
</tr>
<tr>
<td>General Farm</td>
<td>Krian</td>
<td>6</td>
<td>1907-1913</td>
<td>10,000</td>
</tr>
<tr>
<td>Tapioca Export Duty</td>
<td>Kuala Muda &amp; Merbok</td>
<td>2  7</td>
<td>1908-1911</td>
<td>7,000</td>
</tr>
</tbody>
</table>


Figure 4.1: Penang Opium Farm Syndicate 1880-1909

1880-1882 Chop "Ban Bee"
Cheah Chen Eok  Gan Kim Swee  Cheah Tek Soon  Lee Chin Chuan  Khoo Thean Poh

1883-1885 Chop "Ban Bee"
Cheah Chen Eok  Gan Kim Swee  Cheah Tek Soon  Lee Chin Chuan  Khoo Thean Poh

1886-1888 Chop "Ban Bee"
Cheah Chen Eok  Gan Kim Swee  Cheah Tek Soon  Lee Chin Chuan  Ng Ah Tye

1889-Sept.1890
Chew Sin Yong  Chan Lye Kum
Oct. 1890-Dec. 1891
Ng Ah Thye    Khoo Thean Poh    Lim Ah Kie

1892-1894
Chew Sin Yong    Chan Lye Kum

1895-1897  Chop "Ban Hong Bee"
Gan Hong Kee    Khoo Chew Eng    Gan Ngoh Bee
Cheah Scung Geok    Yeow Ooi Gark    Khaw Joo Ghee
Lim Kek Chuan    Tay Hee Hoon    Thio Tiauw Siat
Ho Tiang Wan    Gunn Tong Eng

1898-1900  Chop "Ban Gi Bee"
Gan Ngoh Bee    Ho Tiang Wan    Yeow Ooi Gark
Lim Kek Chuan    Khaw Joo Ghee    Thio Tiauw Siat
Tay Hee Hoon    Yeo Boon Chit

1901-1903  Chop "Ban Lian Bee"
Gan Ngoh Bee    Thio Tiauw Siat    Yeo Boon Chit
Cheah Choon Seng    Yeow Ooi Gaik    Khaw Sim Bee
Lim Kek Chuan    Ho Tiang Wan

1904-Dec. 1904  The same as last term

1905-1906  Chop "Ban Chin Bee"
Gan Ngoh Bee    Chung Thye Phin    Wong Choo Keng
Gan Teong Tat    Kam Teik Sean    Khoo Chew Teong
Thio Jian Siat    Yeo Boon Chit    Choong Cheng Kean

1907-1909
Lim Kek Chuan    Yeo Boon Chit    Tan Khean Hock
Yeo Ooi Gark    Cheah Tatoo    Leeong Fee
Goh Boon Keng    Cheah Kid Geok    Lim Soo Ghee
Lim Eow Hong    Chew Cheow Teong    Choong Cheng Kean
Ho Tiang Wan    Lim Mah Chye    Lee Teng See
Goh Teik Chee    Lim Seng Hooi    Lim Cheng Teik
Quah Beng Kee    H. Jessen

Source: Singapore and Straits Directory issues 1882-1909.

Table 4.3: The Sales of Chandu in Kedah 1907-1912

<table>
<thead>
<tr>
<th>Year</th>
<th>Tahil</th>
</tr>
</thead>
<tbody>
<tr>
<td>1907</td>
<td>262,914</td>
</tr>
<tr>
<td>1908</td>
<td>236,400</td>
</tr>
<tr>
<td>1909</td>
<td>225,000</td>
</tr>
</tbody>
</table>
Table 4.4: The Kedah Opium Farmers 1895-1909

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Farmer</th>
<th>Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1892-94</td>
<td>$44,000</td>
<td>Chew Sin Yong</td>
<td>Choong Cheng Kean</td>
</tr>
<tr>
<td>1895-97</td>
<td>103,000</td>
<td>Gan Hong Kee</td>
<td>Choong Cheng Kean</td>
</tr>
<tr>
<td>1898-00</td>
<td>$125,000</td>
<td>Lim Kek Chuan</td>
<td>Choong Cheng Kean</td>
</tr>
<tr>
<td>1901-03</td>
<td>$212,400</td>
<td>Lim Kek Chuan</td>
<td>Choong Cheng Kean</td>
</tr>
<tr>
<td>1904-06</td>
<td>$516,000</td>
<td>Lim Kek Chuan</td>
<td>Choong Cheng Kean</td>
</tr>
<tr>
<td>1907-09</td>
<td>$462,000</td>
<td>Lim Kek Chuan</td>
<td>Choong Cheng Kean</td>
</tr>
</tbody>
</table>


Family and Region

"In the former days it was the practice for Chinese to open a shop in Penang, where they would live to avoid squeezing by the Kedah officials, and trade with Kedah ", a Penang Justice P.J. Sproule explained in delivering judgement in a case of banishment, in which a Chinese claimed to be a British subject.  

Although this observation was a typical reflection of British imperialist and ethnic hegemonic attitudes, it exactly describes the pattern of business and residential mobility displayed by prominent Kedah Chinese. If an integral geopolitical and geo-economic region defines its people’s business networks, then, the people’s activities and business networks in turn reshape and redefine the formation of the region.

In this citation two basic elements for this mobility are disclosed: one was business considerations; the other was socio-political security. Both these two elements were inextricably bound up with the position of Penang as a regional political and economic centre for the northern triangle. In order to protect their business, Chinese businessmen always went to Penang for political and social identity. In Kedah, the main capital channel and business agents were from Penang and Penang Chinese, so almost every important Kedah Chinese businessmen, after they made fortune in Kedah, went to Penang and became a Penang Chinese. Cheng Kean is a case in point. Around 1900, Cheng Kean left Kedah, moving to and

79 PGSC, 6 May 1912.
settling down permanently in Penang. Cheng Kean’s first wife, Lim Gaik Kee, their two sons, Choong Lye Hock and Choong Lye Hin, and their families also joined him to live in Penang where Choong Cheng Kean certainly had two dwellings. At the time of his death in 1916, the first wife, Lim Gaik Kee, their younger son, Lye Hin, and his family live at the family house No. 145 Acheen Street. The elder son, Lye Hock, and his family lived separately at No. 43 Malay Street. His Tongkah secondary wife, Lim Gaik Teen, also came to Penang in 1902 or 1903, when her son, Lye Teong, was born. Lim Gaik Teen first lived in Maxwell Road for a little over seven years before she moved to No. 180 Burma Road. When his Tongkah secondary wife was living in Maxwell Road, Cheng Kean lived sometimes with her, and sometimes elsewhere with his first wife or with his Kedah secondary wife. Cheng Kean had been living permanently with his Tongkah secondary wife for eleven years. While his Kedah secondary wife, Ong Ee Gaik, formerly lived in Acheen Street in Cheng Kean’s house, her permanent residence was in Alor Star, occupying one of his houses in Kedah. For the maintenance of his regional business and social connections, after he moved to Penang, Cheng Kean was in the habit of going to Kedah frequently. He went once, sometimes twice a month. On average, each time Cheng Kean stayed there around a week. He went also to Tongkah as he had a pawnshop there.

Although Cheng Kean moved to Penang, his business in Kedah was still his main concern at least before the early 1910s, when the British took over Kedah and the revenue farming system went into a decline. During this period, Cheng Kean still retained his position as the most important leader of the Kedah Chinese merchant community. His close involvement in Kedah was clearly reflected in the fact that he continued to secure the Kedah opium farm (till 1909), and also that he did not relinquish his leading role in the Kedah Chinese community. In 1901, joining with other prominent Chinese towkays Lim Eow Hong, Chew Eng Seng, Cheah Khay Hoon, Chong Sin Yew and others, Cheng Kean initiated the establishment of the "Fu Shou Gong" (The Palace of Felicity and Longevity) in Alor Star, the predecessor of the Kedah Hokkien Association. The purpose behind the establishment of the "Fu Shou Gong" was to provide basic schooling facilities for the Chinese children and a refuge for the weak and sick. A stone inscription written in the name of Choong Cheng Kean, which still exists today, leaves no doubt about this beneficent purpose. In Kedah, there was a organization called "The Chinese Merchant Club" for the Chinese business community. One of its functions was that it was the place where the Chinese farmers opened the tender for the sub-lease.

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80 PGSC, 6 February 1918.
81 PGSC, 1 February 1918.
82 PGSC, 5 February 1918.
83 PGSC, 5, 6, & 7 February 1918.
84 Sin Chew Ji Bao, 8 August 1980.
farms. For many years Cheng Kean had been its president. Cheng Kean and his "Chinese Merchant Club" played a prominent role in the Kedah Chinese community.

Family and the Penang Business Community
Through his strong position in Kedah and in the Penang-Kedah functional linkage, Cheng Kean mixed intensively with the Penang business community. Two interlocking points are essential in understanding his regional networks with Penang. First, the Penang business community was used by Cheng Kean to secure capital for his business in Kedah and his later expansion into Penang. Second, conversely Cheng Kean was in his turn used by the Penang community to promote their business in Kedah. Cheng Kean was "the broker" between the sultan of Kedah and the Penang Chinese community.

The evidence suggests that as early as the 1880s, Cheng Kean had already established capital and partnership connections with Penang. In the discussion about placing the Kedah opium farms under Penang syndicate held between the sultan and the resident councillor, the sultan mentioned that Cheng Kean’s capital came from Jenik [or Gunny], probably an Indian businessman in Penang. His period as Kedah agent for the Penang-Kedah opium syndicate gave Cheng Kean a splendid opportunity to cultivate a long-term social and business relationship with the Penang elite community. In 1900, when the family of Lim Hua Chiam, a powerful Chinese secret society headman in Penang, was celebrating the birth of a new baby boy, a magnificent ceremony was held. On the list of about 200 people who came to offer their congratulations, Cheng Kean’s name was only twelfth from the top. In partnership with the Penang towkay Lim Kek Chuan, Cheng Kean held the lease of the Kedah opium farm for fifteen years, 1895-1909. When the group of opium farmers formed their own social club, the Penang Literary Association in 1901, the trustees were Lim Kek Chuan, Gan Ngoh Bee, Ycow Ooi Gark, Chuah Yu Kay, and Ng Pak San. Lim Kek Chuan was president in 1901. The treasurer was Gan Ngoh Bee and committee members included Foo Choo Choon, Chuah Yu Kay, and Cheng Kean. All of them were among the most prominent members of the Chinese elite in Penang. However, because he came from the Kedah community, Cheng Kean’s position in the Penang community was mainly socio-business oriented, and he functioned as a wealthy Chinese towkay. Unlike their high profile in the Kedah Chinese community, at that time Cheng Kean’s family kept relatively quiet in local community politics in Penang.

For many years the Kedah Chinese had been the agents for the Penang Chinese business community. This is an indisputable fact but as almost nothing of the details is known, it is impossible to document these connections. At this point, by focusing on a case study of the

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85 For example, in 1910 the new Penang Chinese gambling farmer, Lim Eow Hong, came to Alor Star to receive and open the tender for the subgambling farms. He arrived in Kedah with many Chinese residents from Penang. Many other respectable Chinese were arriving daily from Penang for these subfarms. Therefore, it was said that the Merchant Club premises were fully occupied by the Penang Chinese towkays. See SE, 16 September 1910.


87 PSP, 30 July 1900.

Choong-Lim [Phual] family business co-operation, the dual roles and their strategy, which both Penang and Kedah Chinese adopted in the Penang-Kedah regional business linkage, will to some extent be revealed (for Genealogical Tree of Phuah family, see Appendices Figure 3). Each party had respective advantage in either Penang or Kedah. The Choong family needed access to Penang capital and the market there through the Lim’s (Phual) position in Penang. For its part the Lim (Phual) family also wanted to secure the Kedah market through Choongs’ position in Kedah.

Before business co-operation between the Choong Cheng Kean family and the Lim Hin Leong family is discussed, I should like to turn back for a moment to the Lim Leng Cheak family, which was discussed in Chapter three, because during the last two decades of the nineteenth century, these three families played the most important role in the Kedah economy in general and Penang-Kedah rice milling and trade in particular. In 1890s, there were two rice mills in Penang processed the Kedah paddy. One belonged to Lim Hin Leong, the other was the property of Lim Leng Cheak. Mention has already made of the fact the sultan and Lim Leng Cheak had a falling-out in 1894. This was caused by the Kedah famine and the subsequent lease of the Kedah paddy farm to Lim Hin Leong. Taking into account the business competition between Lim Hin Leong and Lim Leng Cheak on the one hand, and between Lim Leng Cheak and Choong Cheng Kean on the other, it is obvious that the business co-operation between Choong Cheng Kean and Lim Hin Leong had wider implications. Cheng Kean had been a paddy trader in Kedah, as well as being the most important revenue farmer. It was no coincidence that Choong Cheng Kean had maintained a close business connection with Lim Hin Leong since 1895. In that year Cheng Kean, Lim Hin Leong, and several other businessmen joined forces to open three branches in Penang and other places under the names of Chop "Jin Leong Bee", "Cheng Nam Bee", and "Jin Nam Hin".\textsuperscript{89} In Kedah itself, there is also evidence to indicate that these two families had a partnership in the paddy business. It might well be that at some time around the mid-1890s the Lim Hin Leong family joined Choong Cheng Kean to open a paddy shop, Chop "Ban Heng Bee" and a cloth shop, Chop "Ban Wah", in Alor Star. This partnership lasted some sixteen years, only being dissolved in 1911, which coincided with the circumstance that Cheng Kean had his own two rice mills in Penang at that time.\textsuperscript{90} The paddy shop "Ban Heng Bee" later developed into a large rice mill in Alor Star, which suggests that Cheng Kean had been engaged in the rice trade in Kedah before his sons opened their own rice mill there later (see Chapter 6, Part 4). In addition to their rice and cloth businesses, the Choong family also worked together with the Lim Hin Leong family to secure revenue farms in Kedah. For example, Cheng Kean secured the pawnbroking farms in Kota Star, Kuala Muda, and Kulim for six years starting from 1908.\textsuperscript{91} The lease was in the name of Cheng Kean, but actually it was undertaken in partnership with Lim Cheng Teik, the eldest son of Lim Hin Leong. After securing the farm, they placed an advertisement in the local newspaper calling for sub-tenders.\textsuperscript{92} This long-term, close family

\textsuperscript{89} PSP, 10 May 1897.

\textsuperscript{90} PSP, 11 January 1911.

\textsuperscript{91} Sharom, 1984, appendix six.

\textsuperscript{92} PSP, 17 October 1908.
business co-operation was also reflected in the other important social activities such as marriage ceremonies.  

In any discussion of the Choong family’s regional socio-business relationships, it is essential to draw attention to their connection with the European community. In such a disquisition, three points are crucial to the discussion. In common with the Baba Chinese towkays, an important Singkeh Chinese towkay also had to have close socio-business relationships with the European power-brokers through hidden partnerships or other links. These long-term relationships are yet another indication of how central Chinese businessmen were to local trade networks and resources, particularly before the inflow of European capital at the beginning of the twentieth century. Secondly, the functional relationship with the professional legal institutions suggests that even Singkeh Chinese towkays knew how to employ the so-called Western legal practice to protect their interests. Thirdly, the network (Table 4.5) was only one select part of the Choong family connections with the European power-brokers, which arose from the case of the disputed will. All the signs point to the supposition that there was much more close open and covert business co-operation with other ethnic communities, which it has proved impossible to document.  

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93 For example, when Lim Cheng Teik’s sister, Lim Saw Khim, married Ong Oh Leng in May 1906, there was a celebration. Among those present were Ong Hun Chong, Lim Teng Seang and Choong Lye Hock. At the marriage ceremony of Lim Leng Cheak’s daughter, Lim Kwee Guan, there was no mention of Choong family name among the present guests. See SE, 11 May 1906.
Table 4.5: Select Relationship Between Choong Cheng Kean and European Community (Till 1916)

<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>H. G. Gomes</td>
<td>Had been practising medicine in Kedah for over 36 years</td>
<td>Had Known Cheng Kean about 33 years. Met Cheng frequently in Kedah, treated him from time to time and frequently visited his house. Had some properties in Cheng Kean’s name: a brick house in Alor Star and some property near Alor Star. Claiming that in his last talk with Cheng Kean in 1916, Cheng Kean even asked after the sultan. Also asked him how Chepin [Ariffin], the government secretary and Cheng Kean’s personal friend, was.</td>
</tr>
<tr>
<td>A. L. Hoops</td>
<td>State Surgeon, Kedah since 1906; Acting advisor during Hart’s absence</td>
<td>Claimed he knew Cheng Kean very well from 1906-1915; Attended Cheng Kean some time prior to 1911; Cheng Kean came to say goodbye to him before going to China in 1915.</td>
</tr>
<tr>
<td>T. Gawthorne</td>
<td>Advocate &amp; solicitor Penang since 1889.</td>
<td>Had known Cheng Kean for over 20 years. Having done professional work for Cheng Kean before; Also had knew his sons, Lye Hock &amp; Lye Hin, quite well for a long time past; Drew up Cheng Kean’s second will.</td>
</tr>
<tr>
<td>Messrs Logan &amp; Ross</td>
<td>Advocate &amp; solicitor Penang since 1874.</td>
<td>Had known Cheng Kean professionally for a long time (at least no less 10 years); Drew up Cheng Kean’s first will in 1912.</td>
</tr>
<tr>
<td>W. H. N. Bright</td>
<td>Had practised medicine in Penang since 1905-06</td>
<td>Had attended to Cheng Kean professionally 1911-1916</td>
</tr>
</tbody>
</table>

Source: SE; issues in 1918.

4 The Challenge by the Penang Lim Family and British-Malay Opium Conflict

As the whole Kedah opium farm had been placed under the Penang opium farm since 1895, Lim Leng Cheak turned his attention to Singapore, where he was a director of the Singapore opium farm 1898-1900. He seemed to be losing interest in Kedah as also around 1894 seeds of dissension were sown between the sultan and Lim Leng Cheak over the reduction in the rent of the rice farm owing to the drought. The sultan instructed that the Kedah rice farm be taken away from Lim Leng Cheak and handed over to Phuah Hin Leong, another Penang prominent rice miller, for a term of six years at $24,000 per annum, from the first of the Malay month of Muharam 1313 (4 July 1894). This period also saw the rise of the second generation of the family. Lim Leng Cheak’s business in Kedah continued but was conducted mainly by his eldest son-in law, Goh Boon Keng, who later ran the business together with Lim’s eldest son, Lim Eow Hong. The second generation, was also characterized by a business alliance between the Kedah state and the Lim family, making a united front against

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94 SIPC, 18 July 1894; see also Khoo Khay Jin, 1988, pp 15-16 & note 75.
the challenge of the opium institution. The family was again used by the Malay state to protect its own economic interests.

The Second Generation: Goh Boon Keng and Lim Eow Hong

Somewhere in the mid-1890s, Lim Leng Cheak’s eldest son-in-law, Goh Boon Keng, began to assume the role of chief business assistant. Goh Boon Keng was the fourth son of the late Goh Ooo Bee, merchant of Penang, who died around 1890. Goh Boon Keng was born in Penang in 1872 and was educated at the Penang Free School. After finishing school, he entered the Mercantile Bank so as to obtain a financial training. Three years later he entered the service of Messrs. Behn Meyer and Co. In 1894, he married Lim Kwee Sean, the eldest daughter of Lim Leng Cheak. It was said that in 1896 Goh Boon Keng started out on his own account as general revenue farmer. There is reason to believe that this must be done with the help of his father-in-law and under the name of Lim Leng Cheak’s family business, Leng Cheak & Co., as the son-in-law had probably moved in to live with his parents-in-law after marriage, according to the Hokkien custom in Penang. This is also confirmed by other evidence. For example, in December 1897, Goh Boon Keng was sent to Ceylon by Lim Leng Cheak to open up the rice trade between Penang and Colombo. Goh Boon Keng’s activities were reported in a long leading article in the Times of Ceylon. It was said that "Mr Goh Boon Keng is a young Chinaman in partnership with his father-in-law, Mr Leng Cheak, a wealthy ship-owner and planter, and proprietor of three rice mills at Penang." As representative of the Lim Leng Cheak family business, at one time Goh Boon Keng ran some twenty customs, opium, gambling and other farms in Penang, Kedah, Perlis, Setul, Perak, Negri Sembilan and Selangor.

Goh Boon Keng was appointed one of three executors and trustees in Lim Leng Cheak’s last will and testament dated 30 March 1900. The other two were Lim Leng Cheak’s brother, Lim Phee Cheak, and his eldest son, Lim Eow Hong. After Lim Leng Cheak died in February 1901, Goh Boon Keng continued to work in Leng Cheak & Co. In 1902, as the most important revenue farmer in the district of Kuala Muda and Merbok, Goh Boon Keng arranged the biggest loan, no less than $234,000, for the sultan of Kedah from a Penang Chetty. Goh Boon Keng was asked by the sultan to stand guarantor for him. As representative of the Lim Leng Cheak family business, Goh Boon Keng played an important role in the establishment of the Penang Chinese Chamber of Commerce in 1903. He was one of the five committee members who were responsible for drafting the rules and regulations for the Chamber of Commerce. As befits his pioneering role, Goh Boon Keng was one of the first committee members of this institution, but only served one term (1903-04). In

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96 PGSC, 13 December 1897.
98 SE, 10 November 1926.
100 The other four committee members were Leong Lok Hing (later was vice-President), Koh Cheng Sian (later was elected as Secretary), Yeoh Phaik Tatt (Later became Treasurer) and Lim Seng Hooi.
1904, his place on the committee was taken by Lim Eow Hong, the eldest son of Lim Leng Cheak, which suggests that Goh Boon Keng was in fact acting on behalf of the Lim Leng Cheak family.

At almost the same time as Goh Boon Keng was finding his feet, Lim Eow Hong, the eldest son of Lim Leng Cheak, assumed the responsibilities incumbent on the chief assistant in his family business. As Lim Eow Hong later went bankrupt in 1924, it is pity that his important business activities are so little known to the public. Lim Eow Hong was born in Penang in 1878 and was educated at the Free School (English) and a Chinese school. According to Wright, Lim Eow Hong became assistant to his father at the age of seventeen, which suggests that this might have been around 1895. Four years later, Lim Eow Hong was appointed manager. This coincided the establishment of a sugar mill in Lim Eow Hong’s name in Alor Star in 1899. In his note of his official tour in 1900, the resident councillor and consul for the Siamese Malay States, C.W.S. Kynnersley, wrote that "Another Chinaman has opened up a sugar estate on the banks of the river below Alor Star". This was a reference to Lim Eow Hong.

The Tender of Kedah Opium Farm 1904-1906

If it was the great change-over in the opium farms in the late 1880s which large rises in revenue created and fuelled murderous competition with encouragement from government, then another similar change in the early 1900s saw a similar confrontation between the Lim Leng Cheak family and the Kedah government on one side, and the Penang farmer and the British authorities on the other. Very interestingly, the second generation of Lim Leng Cheak’s family, after remaining on the sidelines for a decade, again joined forces with the sultan to challenge the Penang opium farm and the Straits government (details on opium politics and conflict, see Chapter 2, Part 2; Chapter 3, Parts 2 and 3). The coinciding of interest between family and state again compelled them to form an alliance, expressed in the tender for the 1904-1906 Kedah opium farm. As always, Kedah was determined to maximize its revenues, while the British were anxious to prevent illegal opium trade in Kedah which could damage the Penang revenue. Unofficial arrangements between the British and the Penang farmers were also a possible motivation for a rapprochement between the sultan and the Lim family.

Compared to situations prior to 1903, the tenders for the 1904-06 opium farm revealed some significant changes of circumstance and new implications. The first point is that the Straits government was anxious to raise revenues by deliberately instigating strong competition among Chinese opium farmers. The government was very dissatisfied with the fact that: "It has apparently been the custom to issue the usual notices calling for tenders and then after considerations in Executive Council, to come to an arrangement with those who made the most favourable offer...". Considering the great proportion the opium income occupied in the total revenue of the colony (more than half prior to 1903 and more than two-thirds after

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101 Wright, A. 1908, p.820.

102 C.W.S. Kynnersley, "Notes of a Tour through the Siamese States on the West Coast of the Malay Peninsula, 1900". JSBRAS., July 1901, p.65. Based on the tour, Sharom wrongly inferred it was established in 1900. See Sharom, A. 1984, Ibid., pp. 22-23. In 1907, this sugar mill exported 4,250 baskets of unrefined sugar at £4,783, according to Frost’s Consular report for 1907. See SE, 17 July 1908.
1904), and the fact that the Straits government had no effective control over the Chinese opium farmers and their business, in 1904 and the years which followed the government was anxious to change "this state of affairs". An "Opium Amendment Ordinance" was passed in 1903, which provided for the appointment of superintendents and inspectors of excise farms in each of the Settlements. The superintendents and their staff would be placed under the protector of Chinese. By imposing effective government control over the opium farmers and by stimulating stiff competition among the Chinese opium farmers, the authorities succeeded in making the tendering for the 1904-1906 opium farms even more complex.

The second matter of interest was that, in order to increase revenue, the Straits government was prepared to raise the price of retail chandu from $2.20 per tahil to $3.00, i.e. by nearly 40 percent, starting from 1 January 1904. The Straits government's new policy was based on the belief... "that opium was so indispensable to the Chinese that no reasonable increase in price would affect its consumption". Therefore the opium farms for the term 1904-1906 were let at the rents which, to put it mildly, greatly exceeded those for the prior period: namely by 107½% in Singapore, 81% in Penang, and 62% in Malacca. The third point arose from the fact that the system of operating of the opium farming in the Straits Settlements and Malay Peninsula had been the main source of trouble in British-Malay interactions. Kedah had been a victim of the Penang opium syndicate in terms of the great loss of revenue since the Kedah opium farm had been placed under the control of the Penang opium syndicate around 1892. For example, during the 1900-1903 term, according to the raja muda of Kedah, the Kedah government lost revenue at a rate of no less than $20,000 a month, or $750,000 for the term of the three-year lease. This was just a fraction of the cost of the rich Penang farm. The Kedah government found itself in particular in financial difficulty at the time of the 1904-06 opium farm tender. Both the need to raise revenue and the grievance born of linking the Kedah opium farm system into Penang syndicate formed a cogent rallying point in Lim Eow Hong's challenge to the Penang farm.

The tender for the 1904-1906 Penang-Kedah opium farms witnessed a scandal centred on the bargaining and the deal clinched between the Penang farmers and Straits government. Since 1903, as far as the government was concerned, the calling for tenders was not really serious. It was no more than an attempt to take the pulse of the farming community and find out what the value of the farm might be. In order to collect information concerning the farms, the secretary for Chinese affairs in the FMS, Hare, was borrowed by the Straits government to conduct these inquiries. In May 1903, Hare was sent to Penang by Governor Swettenham to conduct negotiations for the joint farms. After talks he arranged a syndicate, which consisted of Gan Ngoh Bee, the current farmer, Foo Choo Choon, a big Perak towkay, and other rich Chinese in Penang and the FMS to tender for the farms. Gan Ngoh Bee launched proceedings...
by mentioning the sum of $185,000 per month. After Hare returned to Penang from consultations in Singapore, he informed Gan Ngoh Bee that the government was prepared to let the Penang farms to him, provided that (i) Gan Ngoh Bee admitted Foo Choo Choon as a partner therein; (ii) the monthly rent was raised to $190,000. As a reciprocal gesture, the Straits government would endeavour to secure the Kedah farm for the syndicate for $20,000 per month. On 22 June 1903, an agreement was reached between Hare on the one side and the farmers Gan Ngoh Bee and Foo Choo Choon on the other. A list of names of twenty-one rich Chinese shareholders with the respective amounts of their shares was also appended to the contract.

Prior to all this, the sultan of Kedah had already agreed to let the Kedah farm to Chung Thye Phin for $25,000 a month and the sultan had duly informed the Straits government and the Siamese consul of this understanding in writing. These two private agreements concerning the Penang and Kedah farms were exposed to the public in a blaze of righteous indignation in the local paper. On 2 July, the public tenders were declared open. There were eight tenderers. The highest tender was that made by Chung Thye Phin for the Penang farm at $260,000 per month. All the other tenders were higher than Gan Ngoh Bee's offer of $190,000. As Chung Thye Phin had no previous experience of working a farm, the government had reservations about his capability to do so. The jockeying to bring the experienced farmer, Gan Ngoh Bee, into the syndicate while in the meantime pressing Gan to bid a higher price for the tender than his original offer, triggered off a constant stream of negotiations and deals between the government and Gan Ngoh Bee. Finally, an understanding was reached on the terms that: (i) the government cut the Penang opium farm from the $260,000 per month tendered by Chung Thye Phin to $220,000 (later reduced to $217,000), and agreed that the syndicate could have both the Penang and Kedah farms at an overall price of $260,000 per month; (ii) Gan Ngoh Bee could have half the farm, but the other half should go to Chung Thye Phin, whose tender was the highest; (iii) the government would undertake to secure the Kedah farm on behalf of the Penang syndicate at $40,000 per month with one-to-three months' deposits.

Far from being cut and dried, the Straits government could not come to an arrangement with the Kedah government. The sultan of Kedah insisted that he would prefer to grant it to Lim Eow Hong, whose tender for the Kedah farm was the highest at $43,000 per month. Not only

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108 For the contract, see Opium Commission Report, 1908, Vol.III, pp.127-128, Appendix XXXVII.

109 Legco, 1905, Council paper No.10, Correspondence regarding the reduction in the rent of the Penang Opium and Spirit Farms, pp.c22-23. In his letter to Governor John Anderson of 23 July 1904, Gan Ngoh Bee enclosed the Sultan's two letters as "B1" and "B2", but not printed in the Council paper No.10.

110 SE, 25 June 1903.

111 CO 273/319/461, Governor Anderson to Colonial Office, 6 December 1906.

had his bid the highest, Lim Eow Hong had offered a six-month deposit to the sultan. At the end of July, Governor Swettenham arrived in Penang. In his interview with the raja muda of Kedah on the 29th, Swettenham pressed Kedah to accept the terms offered by the Penang farmers at $40,000 per month. Swettenham also told the raja muda that he would undertake to guarantee that the sultan of Kedah would receive one or three months’ rent deposit, rather than six months, as the Penang farmers had initially only wanted to pay one month’s deposit for the Kedah farm. In the meantime the governor saw the Penang farmer, Gan Ngoh Bee, who flatly declined to raise his offer of $40,000, but reluctantly consented to pay three months’ deposit. On the 1 August, the raja muda communicated Swettenham’s offer to the sultan. In his reply, the sultan refused the governor’s terms and instructed the raja muda to execute the lease contract for the Kedah farm with Lim Eow Hong. Obeying the sultan’s orders, the raja muda informed Kynnersley, the resident councillor, of the Kedah government’ decision. The raja muda took great pains to point out that this decision had not been taken only because of the difference of $3000 a month in the tenders and the six-months’ deposit, more importantly, it was because of the "Reputation" and "Honour" inherent in the commitment to follow the regulations in dealing with the tenders. Moreover, in order not give any pretext for demur to the Penang farmers and Straits government, the raja muda mentioned that both the interests of the Penang farmers and the revenue of the Colony had been safeguarded by the Kedah government in fixing the terms of the contract with Lim Eow Hong. To prove his point, first of all he stated there was a clause by which the Kedah farmer, Lim Eow Hong, bound himself to give the Penang farmer, should the latter so wish it, a one-third share in the venture. Then he said that, at the request of the Kedah government, the Kedah farmer had expressed his willingness: should it be so desired, to maintain a representative of the Penang farm to watch over the Penang farmer’s interests.

After hearing from the raja muda, under instructions from Swettenham, Kynnersley went to see the Penang farmer, Gan Ngoh Bee. The Straits government gave an undertaking to Gan Ngoh Bee that the Colony would pay the sultan the extra $3,000 a month from the Colonial Treasury, so that it would equal the sum of $43,000 offered by Lim Eow Hong. But, eager for its pound of flesh, the government pressed Gan Ngoh Bee to pay six months’ rent in advance. Therefore, in order to secure the Kedah farm for the Penang syndicate, Kynnersley officially wrote to the raja muda informing him that the Penang farmer would be prepared to offer the same terms as those of Lim Eow Hong. Kynnersley was instructed by Swettenham that if the sultan did not accept these terms: "The friendly relations...between Kedah and this government will be seriously impaired". Governor Swettenham also requested the raja muda to go back to Kedah at once and see the sultan himself and personally explain the situation. Discretion being the greater part of valour, the Kedah government was forced to agree to revoke the contract with Lim Eow Hong and accept the

113 CO 273/291/341, Swettenham to Colonial Office, 17 August 1903.
114 CO 273/291/399, The Sultan to the Raja Muda, 10 Jamadilawal 1321 (4 August 1903).
115 CO 273/291/399, The Raja Muda to Kynnersley, 6 August 1903.
117 CO 273/291/399, Kynnersley to the Raja Muda, 7 August 1903.
proposal of the Straits government. But the *raja muda* did not hesitate to express to Kynnersley the Kedah government’s reluctance, regret, and worry about the future tender, in which Kedah was clearly a victim.¹¹⁸

After the final arrangement had been made, the *raja muda* returned to Kedah on the evening of the 14 August. What did Lim Eow Hong think of this? It is significant that the SE, of which Lim Eow Hong and Goh Boon Keng were both on the board of directors, nevertheless reported that the *raja muda* had settled the lease of Kedah farm with Lim Eow Hong, and the details would be supplied later and so forth.¹¹⁹ But this was denied a few days later by the PGSC.¹²⁰ This suggests that the dispute had still not been settled. The opium politics between the Malay state of Kedah and the British settlement of Penang, compounded by the Chinese internal competition and conflict, now became more complex and acute. As far as the Kedah government was concerned, it is certain that with Lim Eow Hong’s joining the tender, Kedah was strengthened in its negotiations with the British and Penang farmers. On the other hand, Lim Eow Hong, as Swettenham put it, was prepared to ..."make it worth the while of the Malay State officials to secure for them these monopolies and the possibilities of large gains from smuggling".¹²¹

**Summary**

The British-Malay-Chinese interactions continued to centre on the three loci of the British consul, the opium farm, and the Chinese family business networks. But as in the flux of all social processes the landscape had been changing. The British consul was promoted to become a resident one; the opium farm was made subordinate to the Penang networks; and the Choong family replaced the Lim family as the sole agent in the whole of Kedah for the Penang opium farmers. The process of transition was not smooth, but fraught with conflict, negotiations, resistance, and compromise. The competition cannot be judged simply in black and white terms. The result could be regarded as a triumph for British hegemony, but it also bore the clear imprint of Malay active resistance and manoeuvre. The Malays, in their turn, did not lose out as Chinese competition increased the amounts offered for the farm.

Chinese representation of both the British and Malay political and economic interests in Kedah formed the fundamental common interface for these multi-ethnic encounters and were also expressed in British-Malay-Siamese power politics. The interpretation and manipulation of the immigrant Chinese roles by both the British and Malays hence became a fundamental strategy and part of the mentality in shaping the regional and ethnic power struggle. Precisely, the same strategy and mentality could also be attributed to the Chinese with regard to their dealings with the British and the Malays. This emerged in the initiatives and interactions to deal with the establishment of a British resident consulate, Tan Ah Yu’s multi-ethnic legal dispute, the Kedah Choong family’s socio-business mobility, and the challenge issued by the

¹¹⁸ CO 273/291/399, The Raja Muda to Kynnersley, 13 August 1903.

¹¹⁹ SE, 19 August 1903.

¹²⁰ PGSC, 24 August 1903.

¹²¹ CO 273/291/341, Swettenham to Colonial Office, 17 August 1903.
second generation of the Penang Lim family. The British claimed to be guardians of the immigrant Chinese in Kedah, but they primarily manipulated issues to tie in with their own aims. They actively pressed the Siamese and Malays on behalf of Tan Ah Yu, but they betrayed him just as readily later. The Kedah Choong family maintained its main business base in Kedah and a long-term close relationship with the sultan, but they decided to move and settle down in British Penang. The sultan was aware of the acute competition between the two prominent Chinese families, but found co-operation with both of them useful. The sultan had a falling out relations with Lim Leng Cheak in 1894, but he also made an alliance with Lim’s eldest son, Lim Eow Hong, in the tender for the Kedah opium farm in 1903. He originally granted the Kedah opium farm to Lim Eow Hong, but he gave in to the British pressure and withdrew the offer. Chinese business strength was recognized by the British and acquiesced in by the Malays, but their politico-legal identity was still undefined. The contrast between Chinese economic dominance and politico-legal impotence also explains their active strategy and opportunism in shifting alliances between the British and the Malays. The Chinese were highly aware of the fact that here they were just contracting businessmen. They came for business and did business. No more! This was what both the British and Malays expected of the Chinese. If there was any involvement in colonial and local politics and power hierarchy, it was as a business lobby and done to promote business. They needed powerful patrons and legitimate political protection both from the British and the Malays. Such was the unique, subtle, and even contradictory mentality of the British, the Malays, and the Chinese. This was perhaps one of the fundamental historical conditions for the making of Kedah and the region.