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**BRITISH ECONOMIC
THOUGHT AND
COLONIZATION IN
SOUTHEAST ASIA,
1776-1850.**

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Abstract

This thesis seeks to show how the eighteenth-century science of political economy influenced colonial British perceptions of Southeast Asia. The men who wrote about the archipelago and Peninsular worlds of Southeast Asia in the first half of the nineteenth century were familiar with the revolution in thought initiated by Adam Smith. In their writings on trade, labour and land they used the ideas of Classical political economy to present themselves as followers of the 'natural order'. Colonial administrators such as Raffles used political economy to persuade their superiors in London and India of the moral veracity of their ideas. 'Improvement' was one of the main legitimating terms they offered to the authorities in order to persuade them to follow their plans. Their familiarity with the theories of Classical political economy, however, did not mean they faithfully adhered to it in practice. They frequently twisted its theories to suit their ends. While their aims were often narrow and self-serving, in the writings of the one-time colonial administrator, John Crawfurd, we perhaps have the beginnings of the 'popular' political economy of the merchant classes of British colonies in the Straits Settlements.

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General map of Southeast Asia showing places mentioned in this thesis. Copied by Mary Quilty from *The Macquarie Illustrated World Atlas* (Sydney: Macquarie Library, 1987) pp 238-239.

Introduction

The period of Classical Economics is bounded by the publications of the leading British economists of the late eighteenth through to the mid-nineteenth centuries. It is usually considered to have begun with the publication of Adam Smith's *Wealth of Nations* in 1776 and to have ended with the publication of the *Principles of Political Economy* by John Stuart Mill in 1848. These works, along with Malthus's first *Essay on the Principle of Population* (1798) and Ricardo's *Principles of Political Economy* (1817) and the works of numerous other economists, major and minor, established the new discipline of political economy.

Roughly concurrent with this outpouring of foundational economic texts, was another publishing boom in quite a different area. Studies about Southeast Asia began to be written and published in increasing numbers in Britain around the same time. Beginning with William Marsden's *History of Sumatra*, first published in 1783 and ending with John Crawfurd's *Dictionary of the Indian Archipelago* in 1856, these studies also aimed to establish a new discipline - one in which knowledge of Southeast Asia was based on scientific principles rather than the fabulous tales of old.

It was perhaps inevitable that this new genre of orientalist studies of Southeast Asia should have looked to the new 'science' of political economy which overshadowed it in so many ways in the metropolis. The flowing together of these two streams of thought was perhaps best captured in the passage by James Low (quoted below) in his *Dissertation*

on the British Settlement of Penang, which was first published in 1836.¹

Midway through his *Dissertation*, which is otherwise devoted to soils, crops and customs, Low introduces a fifty-page analysis of the relevance of the 'doctrines of Adam Smith and Malthus' to the small British colony he administers on the outskirts of empire. Penang and Province Wellesley will, he promises, provide 'a fair test of at least some of these principles, in this quarter of the globe'. This test of Adam Smith's *Wealth of Nations* – the founding text of British political economy, first published sixty years beforehand – and Malthus, the man credited with having made the next most significant contribution to the burgeoning science, is recommended by Low to the reader with the following words:

To those who view the science of political economy as only strictly applicable to large and populous nations, an attempt of this kind may appear superfluous. But in reality, the principles of that science, if just, ought to adapt themselves more or less to all the gradations in the scale of nations. ...it is presumed that even a European political economist might be glad to view the degree in which his principles are likely to apply in the diversified regions of India beyond the Ganges, and especially to any one of these, the population of which enjoys the benefits of British law and protection, adhering at the same time to its

¹ Penang (Pinang) is a small island just off the Malay Peninsula. Founded as a British colony in 1786, Province Wellesley on the opposite shore was added to the Penang establishment in 1800. James Low, Superintendent of Province Wellesley from 1827 until 1840, published more than twenty-five books and articles on agriculture, history, laws and literature of Southeast Asia.

own peculiar customs, religions and rights of inheritance.²

This passage touches on some of the main themes to be addressed in this thesis. It displays both the doubts and the confidence which political economy seems to have inspired in British colonial administrators in Southeast Asia, such as Low. The doubts expressed by Low include his fear that his reader will not consider the application of political economy valid in a place so different from England as Penang. Low also worries that some might not consider political economy to be applicable to all the 'graduations in the scale of nations'. Southeast Asia or 'India beyond the Ganges' as he calls it, might be the environment in which not only does the interest of its European practitioners fail, but so too does the science of political economy itself. But, even as this doubt is raised in the passage above, Low reassures his reader that if political economy really is a science then it will be universal. It will apply beyond the Ganges as well as within it, and it will especially apply to a country whose people enjoy 'the benefits of British law and protection' while adhering at the same time to their 'own peculiar customs, religions and rights of inheritance'.

Low was not alone when he wrote his *Dissertation*. In the late eighteenth and early nineteenth centuries, numerous British colonial administrators combined their official duties with the unofficial one of educating the English public. When on leave or retired back in Britain they wrote encyclopaedic books on Southeast Asia either at the urging of friends or from the 'dictates of a duty incumbent on every person', whose experience of 'countries that are either unknown or imperfectly described'

² James Low *A Dissertation on the Soil and Agriculture of the British Settlement of Penang or Prince of Wales Island in the Straits of Malacca; including Province Wellesley on the Malayan Peninsula. With Brief References to the Settlements of Singapore and Malacca and Accompanied by Incidental Observations on Various Subjects of Local Interest in these Straits*. 1836 . Reprinted (Singapore: Oxford University Press, 1972) p 118.

compel him 'by communicating his information, to add somewhat to the stock of general knowledge'.³ These weighty, often lavishly-illustrated, tomes enshrined the self-proclaimed shift from earlier fantastical writings about Asia to 'disinterested science'. Books such as William Marsden's *History of Sumatra* (1783), Thomas Stamford Raffles' *History of Java* (1817), John Crawfurd's *History of the Indian Archipelago* (1820), as well as James Low's *Dissertation on the British in Penang* (1836) and many others aimed to educate the public about Southeast Asia. Each of these 'administrator-historians' combined a practical involvement in British colonial administration with ambitions in Asiatic research. Their books encompass what we would now call botany, geology, anthropology, linguistics, history and economics. In many instances in their texts political economy, as it was then called, dominated or at least flavoured, the other 'sciences'. These colonial administrators and historians partook of the economic view of the world that was then being popularised in Britain.

This upsurge in the writing and publication of 'scientific' works about Southeast Asia coincided with a time of heightened awareness of the founding science of political economy. In the early nineteenth century awareness of political economy was widespread throughout the United Kingdom and its colonies. On their return to England our administrator-historians could not have failed to notice that the *Wealth of Nations* had become the authority to quote as much in public discussion as in parliamentary debate.⁴ Not only Smith's work, but also that of the other

³ Symes, Michael *An Account of an Embassy to the Kingdom of Ava* 1800. (London: Gregg International 1966) p xv. For a more detailed elaboration on the educational and 'scientific' purpose of these 'Histories' of Southeast Asia and their repudiation of earlier 'fantastical' writings about Southeast Asia, see Mary Quilty *Textual Empires: a Reading of Early British Histories of Southeast Asia* (Melbourne: Monash Asia Institute, 1998) pp 1-10.

⁴ For the use of political economy on both sides of Parliament see William D. Grampp 'How Britain Turned to Free Trade' *Business History Review* 61 (Spring 1987) p 100.

famous economists written in the first half of the nineteenth century were discussed in coffee houses and newspaper columns, as well as in pamphlets put out by such groups as the Society for the Diffusion of Useful Knowledge. Best-selling books such as Marcet's *Conversations on Political Economy* (1816) and Harriet Martineau's *Illustrations of Political Economy* published throughout the 1830s, fictionalised the 'laws' of the new science to make them digestible for the general public.⁵ And it was not only in England that such ideas were discussed. The archbishop of Dublin and one-time holder of the chair of political economy at Oxford, Bishop Whatley, wrote a primer for Irish schoolchildren, *Easy Money Matters*, which was disseminated throughout the colonies and even translated into Maori.⁶ James Low's *Dissertation on the British in Penang*, with which we opened this chapter, was a book made up of the articles he had written for the Southeast Asian newspaper, the *Penang Gazette*. General interest in political economy in the British settlements of Southeast Asia must have been high as many of his newspaper columns were devoted to economic musings, including, as we have just seen, the theories of Adam Smith and Thomas Malthus.

This thesis hopes to establish the fundamental premise that political economy was widely known and used by British colonial

⁵ J.A. Schumpeter *Economic Doctrine and Its Method* (London: Allen and Unwin, 1957) p 78. Wesley Mitchell says of Martineau: 'She published a long series of tales, each story pointing out some economic moral showing what difficulties people get into if they disregard economics. These romances had extraordinary success... ten thousand copies a month were sold at the height of the vogue [early 1830s]; they were among the best sellers of their day' Wesley C. Mitchell *Types of Economic Theory: from Mercantilism to Institutionalism* vol 1, (New York: Augustus M. Kelly Publishers, 1967) p 505. On the general popularity of political economy in the first half of the nineteenth century see R. H. Campbell and A.S. Skinner's introduction to Adam Smith *An Inquiry into the Nature and Causes of the Wealth of Nations* Campbell and Skinner (eds) (Oxford: Oxford University Press, 1976) p 50.

⁶ Thomas Boylen and Timothy Foley *Political Economy and Colonial Ireland: the Propagation and Ideological Function of Economic Discourse in the Nineteenth Century* (London: Routledge, 1992) pp 15-79.

administrators in Southeast Asia in the early nineteenth century. There is relatively little literature on the role played by economic ideas in nineteenth century British colonies of Southeast Asia. While there is a vast literature on the connections between economic ideas and colonialism in general and particularly British colonialism in India, few books have concentrated on Southeast Asia. Historians of Southeast Asia have tended to ignore the extent to which British administrators theorised and abstracted their commercial and economic concerns. Political economy was one of the 'sciences' they drew on to depict the islands and peninsulas of Southeast Asia. Books such as Raffles' *History of Java* and Crawford's *History of the Indian Archipelago* made commerce and its attendant benefits the focus of their accounts of the region. Even their careful categorising of so many of the plants and animals they came across may be seen in light of the needs of commerce and the new 'science' of political economy.

Adam Smith was the template for most colonial administrators. He provided the 'common sense' framing much of what they had to say. But colonial administrators sometimes used his economic ideas very loosely. The basic principles of Classical Political economy were often just the starting point, the 'springboard' in their texts, for extrapolations and digressions that, while they still may have been 'economic' were often only tenuously connected to the 'science' as it was practised in Britain. Nor did most British colonial administrators in Southeast Asia follow the shifts that took place in the higher echelons of economic theory back in England. Malthus' 'population principle' which came out twenty years after the *Wealth of Nations* seems to have been one of the few post-Smithian ideas which was widely known and accepted among the British in Southeast Asia. Most other developments in the science largely passed

them by. The debate between Malthus and Ricardo, for example, over whether or not there could ever be a general 'glut' or oversupply in a society, is not reflected in colonial texts. With the exception of Crawford, especially his ideas about land, colonial administrators tended to repeatedly quote and use the same basic principles enunciated in the *Wealth of Nations*, or later summaries of them in Ricardo or Malthus. Furthermore Smith's economic ideas were often blurred and blended to form a 'mentality', a backdrop against which colonial texts were written. The hard 'science' of political economy was softened to provide metaphors, commonplaces or a moral, a 'sting in the tail' for their narratives of commercial folly.

While the basic aim of this thesis is to show that British colonial administrators in Southeast Asia did have some knowledge of and were influenced by contemporary economic ideas in the early nineteenth century, this thesis also hopes to explore some of the reasons colonial administrators used political economy. For there was rarely just one purpose served by their use of political economy. If one general purpose must be attributed to such a diverse group of administrators and other colonial writers, it is this: that political economy was used by them to persuade their readers. It was used to justify policy, argue against existing policy, ask for more money, to not pay taxes, or to show the authorities in the East India Company that they were acting (or refraining from acting) on 'scientific' grounds. At times it provided moral legitimacy. Sometimes, just occasionally, economic theory was even translated into policy.

The use of political economy as a rhetorical device by which to persuade those in authority points to the fact that this flow of ideas was

not completely one-way.⁷ Some of these colonial administrators tried to conduct a dialogue with the economic theoreticians in London or India. They tried to feed their ideas back into the mainstream of economic thought. One colonial administrator, John Crawford, for example, whose name appears again and again in the following chapters sought to influence major economic debates then taking place in Britain and India.

In looking at the adaptation of British economic thought in nineteenth century Southeast Asia this thesis brings at least three disciplines into conversation with each other: Southeast Asian history, the history of economic ideas and what is loosely known as cultural analysis or discourse theory. In attempting this three-way conversation, I was led to consult specialists in economics, the history of economic ideas, anthropology and literary theory, as well as historians of the Indian Raj. They gave me many insights, no doubt already familiar within those disciplines, but novel to someone who is primarily an historian of Southeast Asia like myself.

Economics seems to be a language which, perhaps because it posits itself as universal, depends on the exclusion of other languages for complete fluency. As a way of understanding the world which is deliberately reductionist, it resists analysis by other disciplines. The interrogation of economics as a cultural construct is a comparatively recent academic pursuit. Karl Marx, of course, criticised the same sort of early nineteenth-century, liberal political economy at which I am looking. But given his reforming agenda Marx could not treat political economy only as a cultural construct. He assessed classical political economy as to

⁷ By 'rhetoric' I do not mean to imply that economic ideas were used cynically to manipulate. I describe them as 'rhetorical' in the more neutral, classical sense of the word: a set of stylistic conventions employed to increase an argument's persuasive power. In this I adhere to Poovey's description of rhetoric. Mary Poovey *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society* (Chicago: University of Chicago Press, 1998) p 33, p 39.

its accuracy, as well as treating it as an ideology. The aims of this thesis are much more modest. It does not seek to measure the economic ideas of British colonial administrators against what 'really happened'. Nor does it put forward an alternative political economy. To borrow the words of the historian of economic ideas, Donald Winch: Marx 'constructed causal accounts of the history of political economy that were intended to be both explanatory and critical, hoping thereby to undermine orthodoxy and point the way towards new scientific and social Jerusalems...By comparison with such ambitious causal/critical versions of history the story I have sketched is merely that; a story, a narrative of persons, ideas and events ...'. Marx also wrote what Winch calls an 'economic history of economic thought'. Even non-Marxist historians of economic thought similarly tend to write 'economic' histories of economic thought: that is, histories which have an implicit faith in economic theory as an increasingly accurate representation of the world. Mark Blaug for example, writes the history of economic thought as the progressive 'uncovering' of economic principles that were waiting to be discovered.⁸ In contrast, this thesis is not an economic history, nor is it written by an economist, nor is it written for economists. Rather this thesis attempts to stand outside economics, treating both economic and colonial texts as literary constructs with their own internal logic and conventions.

Since this thesis is concerned with Southeast Asian history, a brief outline of British activities in the region is required. The period covered by this thesis, the late eighteenth century to the mid-nineteenth century, saw significant shifts in British power in the region. After more than a century of maintaining no more than a minimal presence, the late eighteenth century inaugurated an increase in British colonial activity in

⁸ Donald Winch 'Does Progress Matter?' *European Journal of the History of Economic Thought* 7:4, Winter 2000, p 468, p 469.

the region. Although the English East India Company had established the fortified trading post of Fort Marlborough at Bencoolen (now known as Bengkulu), on the West Coast of Sumatra in 1685, after that date British expansion in Southeast Asia was soon dwarfed by that taking place in India. By the eighteenth century Bencoolen was the only permanent reminder of early British ambitions in the region. While the territory of 'British India' grew, along with its military and administrative staff, the British presence in Southeast Asia languished. It was largely limited to Bencoolen while the rest of the archipelago was, at least nominally, under Dutch control.

But as the eighteenth century drew to a close, the British began to gain footholds along the Strait of Malacca, the strip of water which separates Sumatra from the Malay Peninsula. Penang (or the 'Prince of Wales Island' as the British called it) was established in 1787, largely at the instigation of the merchant, Sir Francis Light. Further up the Strait, from 1795 to 1818, the former Dutch colony of Malacca (Melaka) came under British military occupation. The British enjoyed a short period of control of almost all the Indonesian archipelago early in the nineteenth century, between 1808 and 1816 when they took over Dutch colonies while French Napoleonic forces occupied the Netherlands. It was during this period that Thomas Stamford Raffles ruled Java for four and a half years, introducing many changes and collecting the material and experience on which he based his *History of Java*.

British rule contracted again in 1816, after the French had been ousted from the Netherlands and former Dutch colonies were handed back to the Dutch. As well as Java, the Dutch briefly regained Malacca in 1818.

⁹ In this thesis modern place names shall be given in brackets the first time a place is mentioned. Thereafter, to minimise confusion on the part of the reader, the nineteenth-century British equivalent is used as it most commonly appears in the texts analysed.

Three years later, the founding of Singapore in 1819, saw British influence again increase. The small island of Singapore enjoyed a commercial preeminence disproportionate to its size, due to its geographical position and absence of tariffs in a region which was generally heavily taxed by the Dutch. The Dutch disputed the British claim to Singapore for its first five years until the Anglo-Dutch treaty of 1824 settled such claims. Under the terms of this treaty the British reclaimed Malacca and retained Singapore, but the Dutch acquired Bencoolen. By the time James Low wrote his *Dissertation* on Penang in 1836, the British presence was firmly established along the Malay Peninsula in three colonies overlooking the Malacca Strait: Penang, Malacca and Singapore.

Penang, Malacca and Singapore were acquired and maintained by the English East India Company for commercial and strategic reasons and to help the China trade.¹⁰ They provided ports for refitting and revictualling on the long haul between Europe, India and China. They provided 'emporiums' where the goods of Southeast Asia could be collected and exchanged for those of India and China - and it was hoped those of Britain - especially in the case of Singapore. But despite fulfilling these many functions, they were usually regarded as a sub-branch of Britain's Indian empire. These three colonies and the Malay Peninsula they boarded and the archipelago they overlooked were collectively known by a variety of names in the early nineteenth century. They were sometimes referred to as 'India beyond the Ganges', the 'East Indies', the 'Malay' or 'Indian' islands or the Malay or 'Indian archipelago'. Most confusing of all the word 'India' was sometimes used as a collective noun that included both the subcontinent ('Hindustan'), the archipelago and the Malay Peninsula. In this

¹⁰ The strategic reasoning included using Penang as a base from which the British navy could defend the Bay of Bengal but it never attracted the necessary investment. See Kenneth Tregoning *The British in Malaya: the First Forty Years 1786-1826* (Tucson:University of Arizona Press, 1965) p vii, pp 32-33, pp 135-141.

thesis, the archipelago and peninsula are identified by the nearest modern equivalent, 'Southeast Asia'.

The administration of Britain's Southeast Asian colonies from India underwent many changes in status and name. Penang, from its establishment in 1787 until 1805, was a Residency subject to the control of the Governor of Bengal. In 1805 it was designated the Fourth or Eastern Presidency, on an equal footing with the Presidencies of Bengal, Madras, Bombay and like them, subject to the general control of the Governor-General of India. When Raffles ruled Java for four and a half years, he was given the power to pass his own laws but he also had to report to the Governor-General in Council in Bengal who had the power of veto.¹¹ Until 1826 Singapore and Malacca were independent of Penang.¹² From 1819 to 1823, Singapore was a dependency of Bencoolen (where Raffles, its nominal head, was stationed at the time). Then from 1823 to 1826 Singapore was under the direct control of the Governor-General of India.¹³ Malacca was also a dependency of the Supreme Government when the British reacquired it in 1824 until 1826. In 1826 Singapore and Malacca were combined with Penang into a single Presidency with the headquarters of the government at Penang.

In 1830 the Eastern Presidency was abolished and Penang, Malacca and Singapore became collectively known as the Straits Settlements. As

¹¹ From Minto's proclamation made before leaving Java in Demetrius Charles Boulger *The Life of Stamford Raffles* (1897; reprinted, Amsterdam: the Pepin Press, 1999) p 135.

¹² Lennox Algernon Mills *British Malaya, 1824-1967* (Kuala Lumpur: Oxford University Press, 1966) p. 81 Originally a Malay settlement, Malacca was occupied by the Portuguese (1511-1641) and later the Dutch held it from 1641 to 1795. It is this latter period of British rule which is the subject of this thesis.

¹³ In turn the Governor General of India was subordinate to the Court of Directors of the East India Company, and to the Board of Control, established under the terms of Pitt's India Act of 1784 as the dual government of the Company in London. M.Turnbull *The Straits Settlements, 1826-67: Indian Presidency to Crown Colony* (London: the Athelone Press, 1972) p 54.

the Straits Settlements they formed a single Residency under the control of the Governor and Council of Bengal. The capital of the Straits remained at Penang until 1832, when it was transferred to Singapore, which had grown to be the most important of the three settlements.¹⁴ In 1851, the Straits Settlements were removed from the supervision of Bengal to that of the Governor-General of India.¹⁵ The abolition of the East India Company in 1858 saw the administration of the Straits Settlements pass to the control of the India Office, which replaced the Company. The Straits Settlements remained subject to the India Office until 1867, when they were transferred to the Colonial Office, and became a Crown Colony.¹⁶

Despite their complexity, most of these administrative changes were more nominal than real. For the purposes of this thesis, the essential things to note are: that the ancient trading post of Bencoolen was a backwater by the time our study begins in 1776; that Raffles briefly took over the rule of Java from the Dutch between 1811 and 1816; that Penang, Malacca and Singapore were known collectively as the 'Straits Settlements'; and, that for most of the period covered by this study, these colonies and Bencoolen were (administratively speaking) dependencies of British India. Not only did India regulate and tax them and appoint their administrative staff but most of that staff came from India. Crawford, for example, had been a doctor in the East India Company's service in India's North-West Provinces before being posted to Penang and then Java,

¹⁴ Buckley, Charles Burton *An Anecdotal History of Old Times in Singapore from the Foundation of the Settlement Under the Honourable East India Company on February 6th, 1819 to the Transfer to the Colonial Office as Part of the Colonial Possessions of the Crown on April 1st, 1867* (Singapore: Fraser and Neave, 1902) Reprinted Kuala Lumpur: University of Malaya Press, 1965) I, p 226.

¹⁵ Ibid II, p 553.

¹⁶ Bernard Nunn 'The Government' in W. Makepeace, G. Brooke and R. St J. Braddell (eds) *One Hundred Years of Singapore: Being Some Account of the Capital of the Straits Settlements from its Foundation by Sir Stamford Raffles on the 6th February 1819 to the 6th February 1919* (London: John Murray 1921) p 73.

where he worked under Raffles. James Low had been a captain in the Madras army before taking up his position in the Penang civil service. But there were some, such as Raffles, who did not pass through India. Raffles went straight from the Company's London headquarters in Leadenhall Street, to a position in Penang. However, Raffles regularly reported to India (or his mentor, the Governor General of India, Lord Minto, came to Java) and he travelled to India or stopped off on his way back to England, to consult with its government on several occasions.

Communications between British India and its colonies in Southeast Asia were, for the day, frequent and constant. Nineteenth-century English-language newspapers in Penang, Malacca and Singapore reprinted articles extracted from their Indian counterparts. They also provided their own running commentary on the Indian administration and its effect on the Southeast Asian colonies they ruled from afar. For the most part, the texts we shall examine, were written with at least a nod in the direction of the subcontinent. It was the Indian authorities - either the government in Bengal, the supreme government of all of British India or the India Office - which was supplicated (as was the case with Raffles) or railed against (for example by Crawford, once he had returned to London). It was India which many in the Straits Settlements felt exerted too much control over their affairs or, alternatively, ignored and underfunded them.

THE MODERN CRITIQUE

Of the three disciplines I am bringing into conversation with each other - Southeast Asian history, the history of economic thought and cultural analysis - it is perhaps the first two which are least known to each other. Most historians of economic thought look at colonialism generally, rather than Southeast Asian colonialism in particular. Donald

Winch's *Classical Political Economy and Colonies* or Alan Hodgart's *The Economics of European Imperialism*, for example, provide detailed overviews of the way economic theory related to colonialism. But since Winch and Hodgart are mainly concerned with the attitudes of major economists such as Smith and Ricardo who mainly commented on America and India, so do Winch and Hodgart.¹⁷

Historians of economic thought also often seek the reasons for empire: a large question which is outside the purview of this thesis. For example, Patrick O'Brien's 1988 article, 'The Costs and Benefits of British Imperialism 1846-1914', Lance E. Davis and Robert A. Huttenback in *Mammon and the Pursuit of Empire: the Political Economy of British Imperialism 1860-1912*, and P.J. Cain and A.G. Hopkin in *British Imperialism: Innovation and Expansion 1688-1914*, look at various economic reasons given for British Imperialism, such as the 'vent for capital' theory, before assessing them against the records of the banking, shipping and investment actually done with the colonies.¹⁸ D.K. Fieldhouse

¹⁷ For commentary on British colonialism in America and India in Donald Winch *Classical Political Economy and Colonies* (London: G. Bell and Sons Ltd, 1965) see pp 23, 47, 161-165. P.J. Marshall's *East Indian Fortunes* (Oxford: Calrendon Press, 1976) is an economic history rather than a history of the economic ideas of the British in Bengal The first two chapters of Alan Hodgart's *The Economics of European Imperialism* (London: Edward Arnold, 1977) are most useful for this thesis as they cover the period from 1776 until the end of the nineteenth century. General histories of economic thought which cover Smith's attitude towards British colonial rule in America include Ellen Frankel Paul's *Moral Revolution and Economic Science* and Charles Staley's *A History of Economic Thought*. Ellen Frankel Paul *Moral Revolution and Economic Science: the Demise of Laissez-Faire in Nineteenth Century British Political Economy* (Westport, Connecticut: Greenwood Press, 1979) p 35. Charles Staley *A History of Economic Thought: From Aristotle to Arrow* (Oxford: Blackwell Publishers, 1993) p 53.

¹⁸ Patrick O'Brien 'The Costs and Benefits of British Imperialism 1846-1914' in *Past and Present* no 120 (August, 1988). Most economic explanations such as 'vent for capital' he does not find reflected in the accounts and other records. Lance E. Davis and Robert A. Huttenback *Mammon and the Pursuit of Empire: the Political Economy of British Imperialism 1860-1912* (Cambridge: Cambridge University Press, 1987). P.J. Cain and A.G. Hopkin in *British Imperialism: Innovation and Expansion 1688-1914* (New York: Longman, 1993). Cain and Hopkin's publication lists most of the relevant publications in copious footnotes.

in *The Theory of Capitalist Imperialism* collects together famous economic explanations for empire put forward by such luminaries as Adam Smith and Vladimir Ilyich Lenin. In *Economics and Empire 1830-1914* he subjects these explanations to empirical assessment and finds most of them wanting.¹⁹ For the purposes of this thesis most of these publications, including Cain and Hopkin's book - despite the long time-frame given in their title - are too recent because they concentrate on events after the 1850s. Practically all histories of economic thought cover colonialism in depth when they come to the 'systematic colonizers' such as Edward Gibbon Wakefield and Robert Torrens. However, since systematic colonialism was mainly intended to transplant British communities to countries of settlement such as Australia and New Zealand, Southeast Asia again does not feature, except in passing.²⁰

One area in which general histories of economic thought may allude to Southeast Asia is when they come to Karl Marx and his ideas on the Asiatic Mode of Production. In a footnote they might mention that Marx was inspired by the account of oriental despotism that Raffles recounted

¹⁹ D.K. Fieldhouse *The Theory of Capitalist Imperialism* (London: Longman, 1967); *Economics and Empire 1830-1914* (Ithaca: Cornell University Press, 1973).

²⁰ Systematic colonization in relation to Southeast Asia was discussed at some length in an earlier draft of this thesis. A chapter devoted to three (failed) attempts to establish a 'second Singapore' on the northern coast of Australia in the first half of the nineteenth century has had to be cut from the final version due to lack of time, space and available archival material. Due to the paucity of India Office and Admiralty records (and travel grants) in Australia, I was unable to follow up elliptical accusations levelled at Crawford in the British Parliament for (I suspect) not disclosing his connections to the British merchants in Singapore who were behind the first attempt to found a 'second Singapore' in Australia. Crawford was certainly involved in its demise as he was asked to write the final report on the third settlement (only a second-hand summary of his report is available in Australia). The inappropriateness of systematic colonization to the Asian emigrants many wanted to attract to these Australian settlements was one possible reason for the settlements' failure. I did not feel I could do this story justice until I had sufficiently untangled the connections between Crawford, systematic colonizers and the scheme. This fascinating chapter in the combined history of Southeast Asia and Australia awaits further research.

in his *History of Java*.²¹

Another sub-branch of the history of economic thought, which does not relate directly to Southeast Asia but has obvious relevance for this thesis, are the studies of the 'imperialism of free trade'. John Gallagher and Ronald Robinson's essay of the same name, first printed in 1953, was immensely influential. It shifted attention from formal empire and its classic expression in political partition of territory to the informal means of control made possible by Britain and Europe's global economic expansion.²² Vincent Harlow's global study of the 'second British empire' which came out about same time also pursued this theme, emphasising the policy of 'trade not territory' which operated from the earliest days of industrialisation in the late eighteenth century.²³ Bernard Semmel's book on this theme, *The Rise of Free Trade Imperialism*, was also a wide ranging analysis of the links between the sort of economic theory my colonial administrators were using and the official Classical Political Economy back 'home'.²⁴

Semmel traced the notion of a 'trade empire' in the early nineteenth century - the sort of empire that was to appeal so much to Crawford and the 'reformed' Raffles (after Raffles began to espouse 'free trade').

²¹ See for example, U. Mellotti *Marx and the Third World* P. Ransford trans. (London, Macmillan Press, 1981). For more detailed commentary on Raffles and this concept see Jan Breman *The Shattered Image: Construction and Deconstruction of the Village in Colonial Asia* (Dordrecht, the Netherlands: Foris Publication, 1988); Marian Sawer *Marxism and the Question of the Asiatic Mode of Production* (The Hague: Martinus Nijhoff, 1977) p 35; Anne Bailey and Joseph Llobera *The Asiatic Mode of Production: Science and Politics* (London: Routledge and Kegan Paul, 1981) and Fritjof Tichelman *The Social Evolution of Indonesia: the Asiatic Mode of Production and Its Legacy* (The Hague: Martinus Nijhoff, 1980).

²² John Gallagher and Ronald Robinson 'The Imperialism of Free Trade' *Economic History Review* 6 (1953) pp 1 - 15.

²³ V.T. Harlow *The Founding of the Second British Empire* 2 vols (London: Longman, 1952, 1964). pp 4-6, p 62.

²⁴ B. Semmel *The Rise of Free Trade Imperialism: Classical Political Economy, the Empire of Free Trade and Imperialism 1750-1850* (Cambridge: Cambridge University Press, 1970).

Semmel quoted economists such as Torrens whose description of trade as 'that substitute for extended territory, which a flourishing external commerce confers' resonates with Raffles thoughts in 1819 on how the 'Eastern Isles' should be administered.²⁵ Much of Semmel's analysis of Torrens and others provides the template for ways in which Raffles and Crawfurd can be examined. Semmel also, perhaps inadvertently, makes the racial inflection of some nineteenth-century political economy clear. The nationalistic concerns of early Adam Smith were later transformed by other economists into concern for the 'British character' of the colonies planned by the systematic colonizers.²⁶ Crawfurd makes a brief appearance in Semmel. Perhaps because race was not Semmel's focus when he wrote the book, it is not Crawfurd's racial economy that is cited but rather Crawfurd's criticisms of the systematic colonizers' meddling with the free market in labour.²⁷

Much of the nineteenth-century debate over free trade related to India. This is the other sub-branch of the history of economic thought essential to this thesis: the influence of economic ideas in British India. The central work of this kind is still Eric Stokes' monumental study *the English Utilitarians and India*.²⁸ Stokes emphasised the ideological roots of British policy in India and the significance of the European intellectual milieu in the making of the official mind. 'British policies moved within

²⁵ Torrens quoted in Semmel *Free Trade Imperialism* 70. Raffles 'On the Administration of the Eastern Islands in 1819' Appendix in his *Memoir*. In Asian history, D.R. SarDesai's *British Trade and Expansion in Southeast Asia 1830-1914* (1977) was influenced by the concept of free trade imperialism and also the emphasis on events at the periphery, rather than the 'metropole' which had been developed by historians such as D.K. Fieldhouse in *Economics and Empire 1880-1914* (1973).

²⁶ See for example Semmel's comment: 'Torrens proclaimed "the mission of the Anglo-Saxon race to multiply and replenish the earth"; through the erection of Anglo-Saxon colonies throughout the world...' (p 195) See also p 110, p 125, p 133, p 157 and p 171.

²⁷ Semmel *Free Trade Imperialism* 116.

²⁸ Eric Stokes *English Utilitarians and India* (Oxford University Press: London, 1959).

the orbit of ideas primarily determined in Europe' wrote Stokes.²⁹ He analysed at length and in exhaustive detail the ways in which utilitarianism, liberalism, and the doctrine of rent developed by Malthus, James Mill and Ricardo shaped British legislation in nineteenth century India.

For Stokes, Crawford was the paid 'representative of the Calcutta mercantile community in the Commons'.³⁰ He quoted Crawford at length for his opposition to the East India Company and for his avocation of minimal government interference.³¹ Stokes, who seemed unaware of Crawford's Southeast Asian connections, saw Crawford's ideas as part of the mentality of the 'merchant community' both in Britain and in India.³² This mentality included demands for unimpeded British settlement in India, low, fixed land taxes and the extension of English law and procedure over the whole of the British territories in India.³³

Stokes gave a larger context to Crawford's arguments for English colonization in Southeast Asia and for a 'permanent settlement' in land, which we shall encounter in the last chapter. Stokes situates Crawford in an Indian context rather than his usual Southeast Asian one. He also shows that Crawford was not alone in his demands for English 'free hold' land-titles and permanent English settlement in Asia and that, in relation to this thesis, he did not just demand it for Southeast Asia. He made the same demands for India, along with many others, such as the pamphleteers, Robert Rickards and Gavin Young and the 'radical' Calcutta

²⁹ Ibid p xii.

³⁰ Ibid p 41, n. 2 and p 62, n. 4.

³¹ For Stokes on Crawford see Ibid pp 41, 42, 43 and 62.

³² See Stokes Ibid. pp 40-41 where Crawford's words are used to illustrate the assimilationist, Anglicising views of 'British merchants'.

³³ Ibid. p 41-42, p 62, p 130.

newspaper, the *Bengal Hurkaru*.³⁴ Stokes probably did not see Crawford's demands as adding up to an alternative 'political economy'. Nowhere did Stokes call the merchant mentality Crawford represents, a 'political economy' or even a 'mentality'. Stokes identified the merchants' views variously with the 'Anglicising movement' and 'Liberal opinion'.³⁵ He did not dignify their loosely held views with the title 'political economy'. He frequently denigrated the views of the merchants, both in Britain and India as 'largely concerned with their own immediate interests' and 'narrow', self-serving and in opposition to the 'teachings of political economy'.³⁶ By implication Stokes elevated political economy to the status of a disinterested and objective science.

Stokes' depiction of Crawford's and the merchant communities' use of political economy is perhaps closer to what N.W. Thompson identifies as 'The People's Science'. Thompson describes 'the popular political economy' of the working class press and its resistance to the orthodoxies of Classical Economics. In contrast to Thompson, however, the 'popular' political economy which will be explored in this thesis is that of the merchant classes in the colonies. It is not the economic thought of the oppressed, nor is it economic thought as it 'travels...from peak to peak, from great mind to great mind' as the historian, S. Gordon, once expressed it. Rather it is 'those of the streams and rivers of communication that carry the lighter matter of the summits down into the valleys of common

³⁴ Ibid p 65, p 120, p 60.

³⁵ Ibid p 40, p 63.

³⁶ Ibid p 41, p 43. See also p 64. Two examples of the opposition between the merchants and political economy which Stokes sets up, occur when he says 'that James Mill differed from the English mercantile community...he disliked their selfish prejudices; and believed himself to possess a scientific solution of India's ills...' (p 60). Elsewhere he describes the 'British mercantile community' as 'slow to bow before the teachings of political economy' and gives Crawford's pamphlet *An Appeal from the Inhabitants of British India to the Justice of the People of England* as an example of this particular argument. Ibid pp 129-130.

occupation'.³⁷ It is the economic ideas of people who were not professional economists but rather practising representatives of free trade who tried to present their actions and attitudes as part of larger, grander schemes.

Stokes' book was generally well-received when it came out in 1959 and provided the inspiration for other investigations into the influence of political economy in India.³⁸ But although Stokes laid the ground work for later historians, with the shift to indigenous view points in the late 1960s and 70s, there was a backlash against the dominance of his ideas. Many historians in these decades questioned whether or not external economic theory had ever been translated into practice in British India. Indigenous resistance or adaptation to that external pressure was seen as a more valid object of study. Even Stokes himself came to question the veracity with which economic theory was realised in British India. In a later essay he admitted that,

...the gap between theory and practice in the land revenue system yawns so widely that - discounting the possibility of official hypocrisy - the impression of double-think and double-speak as a defining characteristic of the official mind of the time is powerfully reinforced.³⁹

³⁷ S. Gordon 'The London Economist and the high tide of laissez-faire' *Journal of Political Economy*, 1955, quoted in frontispiece to Noel W. Thompson *The People's Science: the Popular Political Economy of exploitation and the crisis of 1816-34* (Cambridge: Cambridge University Press, 1984).

³⁸ For example Ranajit Guha *Rule of Property for Bengal* and William J. Barber *British Economic Thought and India: a Study in the History of Development Economics* (Oxford: Clarendon Press, 1975).

³⁹ Eric Stokes 'The Land Revenue Systems of the North-Western Provinces and Bombay Deccan 1830-80: Ideology and the Official Mind' in Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p 87.

In the 1960s and 70s many historians were fully prepared to credit the official mind with hypocrisy. More extreme critics even argued that external influences should not be studied at all. They accused Stokes of presuming that ideas were transplanted whole into Indian soil and of designating Britain the active agent and India the passive recipient. One historian of the Raj contended that such histories reveal 'a fundamental inability to see the history of British India as anything more than a simple extension of certain features of British or European history'.⁴⁰

However, since the initial reaction against the dominance of Stokes' book, more reflective analyses of the relationship between ideas and practice in British India have emerged. Books such as Thomas Metcalf's *Ideologies of the Raj*, Christopher Bayly's *Imperial Meridian*, Javed Majeed's study of James Mill's history of India, *Ungoverned Imaginings*, David Washbrook's analyses of English ideologies of their state and legal systems in India and recent histories of environmental ideas in British India.⁴¹ These more recent analyses shed light on how the British used ideas in Southeast Asia as well as India. Neeladri Bhattacharya, for example says

It is now generally accepted that colonial policies cannot be understood merely in terms of the influences of intellectual ideas

⁴⁰ P.H.M. van den Dungen *The Punjab Tradition: Influence and Authority in Nineteenth Century India* (London: 1972), p 15. Here he is talking about Guha's book as well as Stokes.

⁴¹ Thomas Metcalf *Ideologies of the Raj* (Cambridge: Cambridge University Press, 1997), Christopher Bayly *Imperial Meridian: the British Empire and the World 1780-1830* (London: Longman, 1989); Javed Majeed *Ungoverned Imaginings: James Mill's The History of British India and Orientalism* (Oxford: Clarendon Press, 1992); David Washbrook 'Law, State and Agrarian Society in Colonial India' *Modern Asian Studies*, 15, 3 (1981) pp 649 - 721; David Washbrook 'Progress and Problems: South Asian Economic and Social History c. 1720 - 1860' *Modern Asian Studies*, 22, 1 (1988), pp 57-96; David Arnold 'India's Place in the Tropical World 1770-1930' *The Journal of Imperial and Commonwealth History*, Vol 26, no 1, January 1998, pp 1-21; Richard H. Grove *Ecology, Climate and Empire: The Indian Legacy in Global Environmental History 1400-1940* (Delhi: Oxford University Press, 1998)

and doctrines which developed in Europe. The ideas... were selectively and their meaning judiciously reinterpreted in accordance with colonial needs.⁴²

Bhattacharya footnotes this with a warning that 'ideas' cannot always be seen as a 'convenient gloss' to 'mask the real character of colonial policy'.⁴³ While admitting that 'Abstract principles were changed or even rejected when they conflicted with colonial interests', he says that 'opposition between the two was not inevitable at all times'. Formal ideas provided the initial 'categorical frameworks within which colonial policies could be thought out' although often conclusions were reached which owed more to the 'specific local experience' acquired by colonial officials at the time.⁴⁴

But if we are now 'more clear about the limited scope that political economic theory exercised upon policy', for another historian of colonial India, Burton Stein, this raises an even bigger question: 'we are also left to wonder for precisely whom the whole debate about "rent theory"[and other economic theory] really was conducted'.⁴⁵ He adds that 'before the end of the nineteenth century that debate was neither for, nor did it involve, Indians'.⁴⁶ Stein does not answer this question (saying it is as 'puzzling to us now, as it seems to have appeared to others a century ago.') but to me the debates over rent theory and other economic ideas were, at least in part, conducted by the British for themselves. They constituted a

⁴² Neeladri Bhattacharya 'Colonial State and Agrarian Society' in Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p 115.

⁴³ Ibid p 115.

⁴⁴ Ibid p 120.

⁴⁵ Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p 27.

⁴⁶ Ibid p 28.

legitimizing discourse for their own actions. Political economy was a story they told to themselves and each other over and over again, to accustom themselves to the economic world view and comfort themselves as to where they fitted into its narrative.

But 'story-telling' and even an emphasis on 'ideas' may seem too gentle an explanation for the brute force of colonialism. Another criticism levelled at Stokes and other historians like him was that they downplayed the violence inherent in colonialism. They took seriously ideas that were really a cover for the coercive domination of the colonial state. But Bhattacharya again is a moderating voice. He points out that

after the conquest of the country only a calculated display of such coercive power and judicious repressive interventions were considered necessary to create an awareness of the power of the Raj...The element of coercive imposition was tempered by the desire to secure consent and conciliate opposition.

Bhattacharya emphasises that 'Legitimation of colonial rule was an abiding concern of the state'.⁴⁷ This concern for legitimacy explains the prevalence of political economy in the official writings which emanated from early nineteenth-century British India. For many officials in India educated by Malthus at Haileybury it was an article of faith. It also seems to have been believed to be the most powerful way to persuade authorities back home in London of the efficiency and morality of measures taken out in the colonies. The notion of oriental despotism and a conviction of the importance of the economy and the law as a regulator of social relations were recurrent elements in the writings of many British officials in

⁴⁷ Bhattacharya 'Colonial State and Agrarian Society' p 138.

Southeast Asia.⁴⁸

To colonial officials, in Southeast Asia as well as India, economic theory constituted one source of legitimacy. The many dispatches devoted to showing how far British activities in the East fitted in with Adam Smith's or Ricardo's theories contributed to the legitimation of colonial rule. Along with the rule of law, political economy 'proved' that the appropriation of revenue or natural resources was not arbitrary exaction but the legal right and economic necessity of the state. And as this thesis will show, it was not only the state which was concerned to establish its legitimacy. The concern for legitimacy extended to private British land-owners and traders in the East. Ironically they often sought to establish their legitimacy by setting themselves up in opposition to a colonial state and East India Company which they depicted as immoral and illegitimate.

As a study of the ideas of the British in Southeast Asia, rather than indigenous ideas and beliefs, this thesis is decidedly old-fashioned. As we shall see in the chapter on Raffles and Singapore, biographies of colonial administrators commonly listed influences on their subjects such as Adam Smith. Their biographical subjects were usually credited with great learning or at least wide reading. As the twentieth century wore on, however, historians of colonial Southeast Asia began to look at more general economic factors rather than concentrating solely on the 'great men of history'.

If this thesis has any pre-World War II predecessors, it is histories such as those by J. S. Furnivall who wrote in the 1930s. A colonial administrator himself, Furnivall wrote economic histories in which the ideas and perceptions behind colonial economic policy loomed large.

⁴⁸ Stokes for instance quotes Munro, who, as Governor of Madras, wrote to Canning in 1823 complaining about the records of government: 'Every man writes as much as he can, and quotes Montesquieu, and Hume, and Adam Smith, and speaks as if he were living in a country where people were free and governed themselves.' *Utilitarians* p 20.

Unfortunately his references to the influence of economic ideas on administrators were tantalisingly brief and often without footnotes.⁴⁹ More useful for our purposes, was the way he often depicted a 'functional fit' between economic ideas and circumstances. For example, he contended that the different circumstances of Britain and the Netherlands led to their very different economic policies in Southeast Asia. Although his argument has been qualified by subsequent research, its basic principles still stand: the British were looking for customers, the Dutch were looking for cheap supplies of raw produce. As Furnivall says:

The Dutch had nothing to sell ...But by 1800 England was producing vast quantities of cheap cotton goods which could undersell local produce even in British India and, whereas Dutch interest in the East centred in the supply of Eastern produce, British interest looked also to the demand for Western produce. An increase in the welfare and consuming power of the natives was prejudicial to the Dutch but profitable to the English...⁵⁰

Although the 'Imperialism of Free Trade' was a term unknown to Furnivall, his description of the advantages the British derived from free trade in

⁴⁹ See for example his contention that 'Raffles derived his guiding principles from Adam Smith.' J.S. Furnivall *Netherlands India: A Study of Plural Economy* (Cambridge: Cambridge University Press, 1939) p 69; and his unsourced assertion that there was correspondence between Raffles, Munro and Elphinstone about the new 'Liberal doctrines' of economic freedom. I have not been able to find such correspondence nor has John Bastin. Bastin thinks that in this case Furnivall may have been 'merely guessing' and that there is little chance Raffles would have written to either Munro or Elphinstone during his time in Java. J.S. Furnivall *Colonial Policy and Practice: a Comparative Study of Burma and Netherlands India* (New York: New York University Press, 1956). John Bastin, personal communication, 21 February, 2001.

⁵⁰ J.S. Furnivall *Netherlands India* p 68. See also H.R. Wright *Free Trade and Protection in the Netherlands 1816-30* (1955) and John Bastin *The Native Policies of Sir Stamford Raffles in Java and Sumatra: an Economic Interpretation* (Oxford: Oxford University Press, 1957) p xi, p 10.

Southeast Asia anticipated Gallagher and Robinson's general argument by more than a decade. Furnivall's succinct explanation for the differing colonial policies of the Dutch and English provides a useful backdrop to this thesis, especially its first three chapters in which we see so much self-congratulatory British regard for their free trade principles.

After Furnivall, the next historians who examined the economic ideas of the British colonial administrators in Southeast Asia were John Bastin and H.R.C. Wright.⁵¹ Both wrote studies of economic policy within the time period covered by this thesis. Both produced books with promising titles: Bastin's *Raffles' Ideas on Land Rent in Java* and Wright's *East Indian Economic Problems in the Age of Cornwallis and Raffles*. But despite these titles, they are more concerned with policies rather than ideas. Furthermore, at least in Bastin's case, the focus is firmly on the local influences Raffles was exposed to: the Dutch administrators and his own experience gleaned from Java. In his introduction to Raffle's Ideas on the Land Rent System in Java Bastin firmly states that he is not examining the ideas Raffles may have gleaned from political economy:

The English land tax, the ideas of Adam Smith, Sir James Stuart, Sinclair and other Political Economists of the 18th century... all properly fall within the scope of my subject. Yet I have treated none of these questions.⁵²

Instead Bastin looks at the influence of the previous Dutch administration and Raffles' consultations with the land commission he appointed. As we shall see in the 'Land' chapter, ultimately, at the end of Bastin's book we

⁵¹ John Bastin *Raffles' Ideas on the Land Rent System in Java and the Mackenzie Land Tenure Commission* (S-Gravenhage, Martinus Nijhoff, 1954) and H.R. C. Wright *East Indian Economic Problems of the Age of Cornwallis and Raffles* (London: Luzac and Company Ltd, 1961).

⁵² Bastin *Raffles/ideas* vi.

are left with little more than Raffles' mind as the only documented source of his ideas on land reforms⁵³.

Wright's book, *East Indian Economic Problems in the Age of Cornwallis and Raffles*, considers economic 'problems' other than just the 'land problem'. Wright also looks outside Java at the other economic ideas which preoccupied the British in early nineteenth-century Southeast Asia. Given the existing, indigenous sea-trade and the rivalry of the Dutch, economic ideas to do with trade and commerce assumed more importance in Southeast Asia than they did in the land-locked parts of agrarian India. Dutch and indigenous acceptance of some forms of slave-trading also constituted a more important economic problem for the British in Southeast Asia than in India. Wright considers the continuing tradition of unfree labour in Raffles' Java, as well as the opium, cotton and tin trades. Wright is also willing to refer to where people's ideas may have come from. Crawford, for example, is described as 'a true adherent of Scottish political economy...'⁵⁴ However, as in Furnivall, such references are fleeting and not examined in any detail. Furthermore, despite the title's reference to both 'Cornwallis and Raffles', Wright makes few connections between Indian and Southeast Asian economic ideas. Indeed, ideas are given even less attention than in Furnivall. Wright's chapters covering coffee, opium, cotton piece goods and tin are detailed empirical accounts of the amounts shipped, the state of the markets and subsequent changes in policy. But apart from the occasional passing reference, ideas remain very much in the background.

⁵³ Paul Kratoska's article on English and indigenous concepts of land in early Malaya is more useful than Bastin's for the purposes of this thesis but it mainly concentrates on a later period than that which we are considering. Kratoska also makes the common mistake of assuming that British concepts of land in the early nineteenth century were uncontested. See Paul Kratoska 'The Perpetetic Peasant and Land Tenure in British Malaya' *Journal of Southeast Asian Studies*, 1985, pp 19 - 24.

⁵⁴ Wright *East Indian Economic Problems* p 99.

During the 1960s and 1970s there was a general trend in Southeast Asian history away from 'Imperial' histories. As in India, such histories fell into disfavour with the Asian nationalist and independence movements at the end of the second World War. In reaction to the heyday of the British empire when the ideas and attitudes of British colonizers were often exclusively studied and glorified, the focus shifted to indigenous history. If colonial attitudes were noted at all it was in revisionist histories critical of former colonial rule. Edward Said's *Orientalism* is perhaps the best known example of this sort of history, but within Southeast Asian studies, Syed Hussein Alatas' *Myth of the Lazy Native* is perhaps most relevant to my topic.⁵⁵ Alatas' book examines the persistence of the image of the 'lazy' Southeast Asian from the sixteenth to the twentieth century. He finds the source of this myth in the 'ideology of colonial capitalism' which 'sought a justification of Western rule in its alleged aim of modernising and civilising the societies which had succumbed to Western powers'⁵⁶. Alatas' critique shows how changing economic modes such as capitalism are sustained in part by their own literary and cultural creations. He shows how political economy cannot be corralled into the 'purely economic' but flows out into other areas.

But while Alatas analyses one particular image, that of the 'lazy native' the rest of the ideology which served Western interests is left untouched. It is not looked at as part of a larger intellectual framework sustaining capitalism. Furthermore, although his argument is appealingly straightforward, his long list of examples of Western stereotypes is so one-sided that it risks caricaturing the colonizer. Any complexity or

⁵⁵ Syed Hussein Alatas *The Myth of the Lazy Native: a Study of the Image of the Malays, Filipinas and Javanese from the 16th to the 20th Century and its Function in the Ideology of Colonial Capitalism* (London: Frank Cass, 1977). Edward Said *Orientalism* (London: Penguin, 1985).

⁵⁶ Alatas *Myth* p 7.

contradiction within the colonial mind is simply not entertained. The tendency of colonial regimes to construct a stark dichotomy between colonizer and colonized is inverted in Alatas, but nevertheless reproduced.

Furthermore, while Alatas' main point is undoubtedly true – hardly a word of such colonial texts fail to legitimate colonial interests in Southeast Asia – the tradition of racial stereotyping is irreducible to a single, direct instrumental motive serving 'capitalism'. Alatas seems to suggest that the use of such stereotypes was a conscious strategy by colonists. But the obvious utility of stereotypes like the 'lazy native' as a justification for social control need not detract from the sincerity of the colonist. Elites do not have to be cynical in pursuit of their own interests. Nor does there have to be a single essence hidden behind their often contradictory and shifting strategies.

The allusions to race throughout this thesis, for example, do not mean racial ideology is being unmasked as the hidden meaning of political economy. Rather, it is one of the now largely forgotten threads that made up political economy in the early nineteenth century and one that came to the fore in the colonial context. In the time period covered in this thesis, 1778 to 1850, racial ideas themselves underwent two significant shifts. Several historians believe that between 1788 and 1830 racial ideology went on the offensive.⁵⁷ The campaign against the slave trade, the universalist challenge of classical economics, and a general interest in civil, social and political rights in this time, combined so that, according to one historian, 'the advocates of racism retreated into the isolation of

⁵⁷ See for example Seymour Drescher *Capitalism and Antislavery: British Mobilisation in Comparative Perspective* (London: Macmillan Press, 1986) p 154; Shearer West (ed) *The Victorians and Race* (London: Scholar Press, 1996) p 21; Andrew Gyory *Closing the Gate: Race, Politics and the Chinese Exclusion Act* (Chapel Hill, Carolina: University of North Carolina Press, 1996) p 13.

the unorthodox and the eccentric's⁵⁸. However between 1830 and 1850 racial theory reemerged stronger and more virulent than ever.

The limits of space allow only the briefest consideration of political economy's relation to this demise and rebirth of racial theory. Political economy's universalism may have helped end a slavery based on race, but it may also have been one of the 'sciences' that helped racial theory reemerge in a more virulent form. At least in economic textbooks, slavery was to be replaced by free competition between labourers of all races. Theoretically open competition between the races quickly grew fierce, even on paper, especially with the rise of social Darwinisms⁵⁹. Political economy was marshalled as a 'scientific' explanation for wage inequities between different races. When it was married to medical science the economics of race became about permanent features stamped on the body. As we shall see, Crawford with his medical training and extensive publications may have played a part in this shift, especially through his influence on the infant discipline of anthropology. Anthropology or ethnology, as it was known, in turn fed back into economic theory. John Stuart Mill, for example, felt that it would be no bad thing if the 'science of ethnology' as he called it, undermined the universality of political economy⁶⁰. By the mid nineteenth century anthropologists certainly felt that they had been threatened by the universalist precepts of political economy but had achieved a narrow

⁵⁸ West *Victorians* p 124.

⁵⁹ For this competition at its ugliest see 'Knox on the Saxon Race' in *The Anthropological Review* no XXI, April, 1868, p 277.

⁶⁰ See Stefan Collini, Donald Winch, John Burrow *That Noble Science of Politics: a Study in Nineteenth Century Intellectual History* (Cambridge: Cambridge University Press, 1983) pp 137 - 139.

victory thanks to the irrefutable 'truth of racial diversity'⁶¹.

The interrelations between political economy and racial theory are further complicated by the malleable nature of much racial ideology. Crawford, for example, could speak about racial features as innate and hereditarily transmissible, or he could speak of them as Lamarckian impressions left by the climate, diet and other environmental factors on the human body.⁶² Race, especially in an author as prolific as Crawford, was a fluid concept which could be deployed in a number of ways. Some of his uses of the concept of race may have contradicted each other but inevitably his use of the concept was always strategic. Race then was not the secret force behind political economy, nor was political economy merely an outgrowth of racial theory. Both could be present in early nineteenth century British minds and interact with each other and with colonial contexts in various ways.

According to Anthony Reid, while revisionist histories of the sort written by Alatas have led, on the one hand, to the 'gain over the past forty years' of 'a much increased sensitivity to the cultural distinctiveness of Southeast Asia', they have also led to the 'loss, on the other hand' of 'the failure of economic history' to go 'beyond the work of the [previous] generation' of historians such as Furnivall and Bastin. 'Southeast Asia' he complains 'has scarcely been a part of the fascinating work over recent decades to explore the complex relationships between

⁶¹ Anon 'Race in Legislation and Political Economy' *Anthropological Review*; April, 1866, p 5. This article is mainly how the universalist pretensions of political economy, especially John Stuart Mill's, are defied by the racial differences observed by anthropologists. On a similar theme see J. W. Jackson 'Iran and Turan' *The Anthropological Review* No XXI, April 1868, p 136.

⁶² I cover this in greater detail in Mary Quilty *Textual Empires: a Reading of Early British Histories of Southeast Asia* (Melbourne: Monash Asia Institute, 1998)

cultural, political and economic change'.⁶³

A less defensive reading of the colonial past is surely now possible. Historians such as Greg Pemberton and Hendrik Maier have rescued histories of European colonizers from theoretical stasis⁶⁴. Ann Stoler in her book, *Race and the Education of Desire*, has injected new life into the study of Dutch colonial life with the aid of Foucaultian and feminist theory.⁶⁵ Stoler's post-structuralist account of Southeast Asian history has implications for the history of economic thought. Her representation of racial theory, for example, as taking a downward plunge to explore the hidden depths beneath the surface of things owes much to Foucault's 1970 book *The Order of Things*. In this book Foucault traced the shifts in several forms of knowledge including what we call 'political economy'.

According to Foucault, linguistics, political economy and the biological sciences at the beginning of the nineteenth century turned away from earlier concerns with visible appearances to a new concern with hidden forces and systems which reside beneath or behind the observable. As part of this shift the 'analysis of wealth' became 'political economy'. Foucault's observation, that the hidden force behind observable economic phenomena was said to be labour, would not surprise even the most conservative historians of economic thought. However his extrapolation from this to the claim that in the early nineteenth century 'the

⁶³ A. Reid 'An 'Age of Commerce' in Southeast Asian History' *Modern Asian Studies* 24, 1 (1990) p 1. Reid here is not referring to Alatas directly nor does he name Furnivall, Bastin or Wright as members of the past 'generation' of economic historians, although he would probably agree that the tiny sub-discipline of the history of economic thought in colonial Southeast Asia has featured few studies of 'the complex relationships between cultural, political and economic change' since them.

⁶⁴ Hendrik M. J. Maier *In the center of Authority: the Malay Hikayat Merong Mahawangsa* (New York: Southeast Asia Program, Cornell University, 1988); John Pemberton *On the subject of "Java"* (Ithaca: Cornell University Press, 1994).

⁶⁵ Ann Laura Stoler *Race and the Education of Desire: Foucault's History of Sexuality and the Colonial Order of Things* (Durham: Duke University Press, 1995) p 22.

development of civilizations' came to be based on the 'finite' anthropology of 'man' and his 'immediate bodily needs' would perhaps stump them, even though such claims certainly free their discipline – the history of economic thought – from its subservient role as the 'handmaiden' to economics, as Winch puts it.⁶⁶

Foucault inspired histories that owe little to orthodox histories of economic thought and even less to 'economics', as it is now practised. Histories such as Catherine Gallagher's essay on the 'Body' in the works of the nineteenth-century political economist, Thomas Malthus, and Mary Poovey's book, *Making a Social Body*, treat economic texts like any other literary texts.⁶⁷ Drawing on recent feminist studies of the body (many of which in turn have been inspired by Foucault's work on 'the body') their work treats reform treatises, novels and economic texts as constituting competing social discourses and practices in nineteenth-century Britain.

This thesis also hopes to treat economic writings about nineteenth-century British colonies as texts which belong to competing discourses. Unlike Stokes *Utilitarians and India*, this thesis does not claim hegemony for any one version of Classical political economy. Several versions competed, in part because the colonial control the British sought to exert was not complete. As Stoler and her co-editor Frederick Cooper say in their recent book *Tensions of Empire*, the centrality of the nation-state as an 'omniscient colonial apparatus' can no longer be assumed. Instead they say:

⁶⁶ Michel Foucault *The Order of Things: an Archeology of the Human Sciences* (London: Routledge, 1989) p 259. Winch 'Does Progress Matter?' p 472.

⁶⁷ Catherine Gallagher "The Body Versus the Social Body in the Works of Thomas Malthus and Henry Mayhew" in *The Making of the Modern Body: Sexuality and Society in the Nineteenth Century C.* Gallagher and T. Laqueur (eds) (Berkeley: University of California Press, 1987); Mary Poovey *Making a Social Body: British Social Formation, 1830-1864* (Chicago: University of Chicago Press, 1995).

[W]e need to ask harder questions about how official accounts were produced, transmitted, classified and stored...' so we can see the 'conflicts between plantation entrepreneurs, and the state, between local officials and metropolitan policy makers, between colonial state agents who struggled - and often failed - to coordinate their efforts from top to bottom. 68

According to Stoler and Cooper this sort of view will 'allow us to explore how limited colonial authorities may have been in putting their policies into practice, how vulnerable - and decidedly nonhegemonic - their authority was to those who subverted or pushed it aside'.69

This thesis shows the use of political economy by people who are unsure of their control. Although in some cases, such as Raffles' administration of Java, it was used by a person who had formal political control over people and land, he still had to defer to India. Raffles' lack of power in relation to the Indian government saw him use political economy to give him some sort of persuasive power - the only 'power' he felt he could exert in relation to Bengal. In many other cases, political economy was used as a compensation for a lack of knowledge. Political economy could be used by colonial administrators to fill in the gaps in their knowledge or gloss over their lack of control.

When this thesis looks at British people in the East who were not colonial administrators - merchants who actively resisted the colonial government - it again is looking at a group who felt they lacked control. The story of the resistance of colonial merchants rather than peasant or indigenous resistance is not 'history from the bottom up' but rather

⁶⁸ Introduction. Ann Laura Stoler and Frederick Cooper (eds) *Tensions of Empire: Colonial Cultures in a Bourgeois World* (Berkeley: University of California Press, 1997) p 21.

⁶⁹ *Ibid* pp 21-22.

'history from the middle-up'. The latter chapters of this thesis especially, explore the efforts of the British mercantile community in the Straits to resist the hegemony of the East India Company (and the indirect hegemony of certain economic edicts issuing from London).

The core of this thesis can be summarised roughly as trade, labour and land. However its first chapter, 'Orientalists and Economists', provides an outline of the basic principles enunciated by the foundational text of the 'science' of political economy, Adam Smith's *Wealth of Nations*. It shows how Smith's basic principles were used and adapted by colonial administrators, such as Stamford Raffles and John Crawfurd for the most mundane as well as higher purposes. It also considers the *Wealth of Nations* as a piece of writing and shows how its writerly devices were emulated by colonial administrators in their own texts. The dichotomy set up in Smith between free trade and mercantilism was especially popular in the texts of colonial administrators as they sought to present British colonialism as better than its Dutch counterpart.

The second chapter looks at the life which the concept of 'free trade' acquired beyond the theoretical concerns of political economy. It examines the popular representation of Singapore as the embodiment of free trade. It asks why Singapore was mistakenly represented as the first free port in the world. What purpose did the related 'myth' of Raffles serve? Recurring descriptions of Singapore as 'magical' in relation to free trade push at the boundaries of what can be considered as political economy. The magic of a 'free' Singapore infused depictions of the city-port as well as arguments over tax. It lent a 'magical' gloss to the labours of the Chinese 'coolie' and his opium and gambling addictions which were encouraged and

heavily taxed.

Chapter three on 'Commerce and Population', returns to a more idealised version of political economy; one that sought to increase civilization and bring about 'improvement'. The many ways in which commerce was thought to induce civilization are examined along with other indicators of 'improvement' such as increased population. The widespread use of Malthus in accounts of Southeast Asian British colonies shows how economic theories could be used to very different ends. Population increase was seen as positive in itself and because it increased the number of customers for British goods.

Chapter four, 'Labour', begins with the aesthetic contemplation of labour in the tropics and asks why the effects of irrigation especially, were so pleasing to economist-colonial administrators. Labour, the chapter argues, was a thing of beauty forever because it gave the unchanging 'real' value of things behind the transient dealings of the market place. But the radical universality of all labour implied by the labour theory of value was undercut by Smith's and Ricardo's musing on the staple diet of labourers. National foodstuffs such as rice or potatoes as well as different customary requirements in clothing and shelter were seized upon in the colonies as justification for different pay rates. The universal equality of labour in major economic texts was further undercut by trade with 'far distant places'. Comparative costs explained the unequal exchange of labour. But the unequal exchange of labour between 'far distant places' was at close range in Southeast Asia where different races, on different rates of pay, worked side by side. The international division of labour of economic textbooks became the face-to-face assertion of racial difference in the tropics.

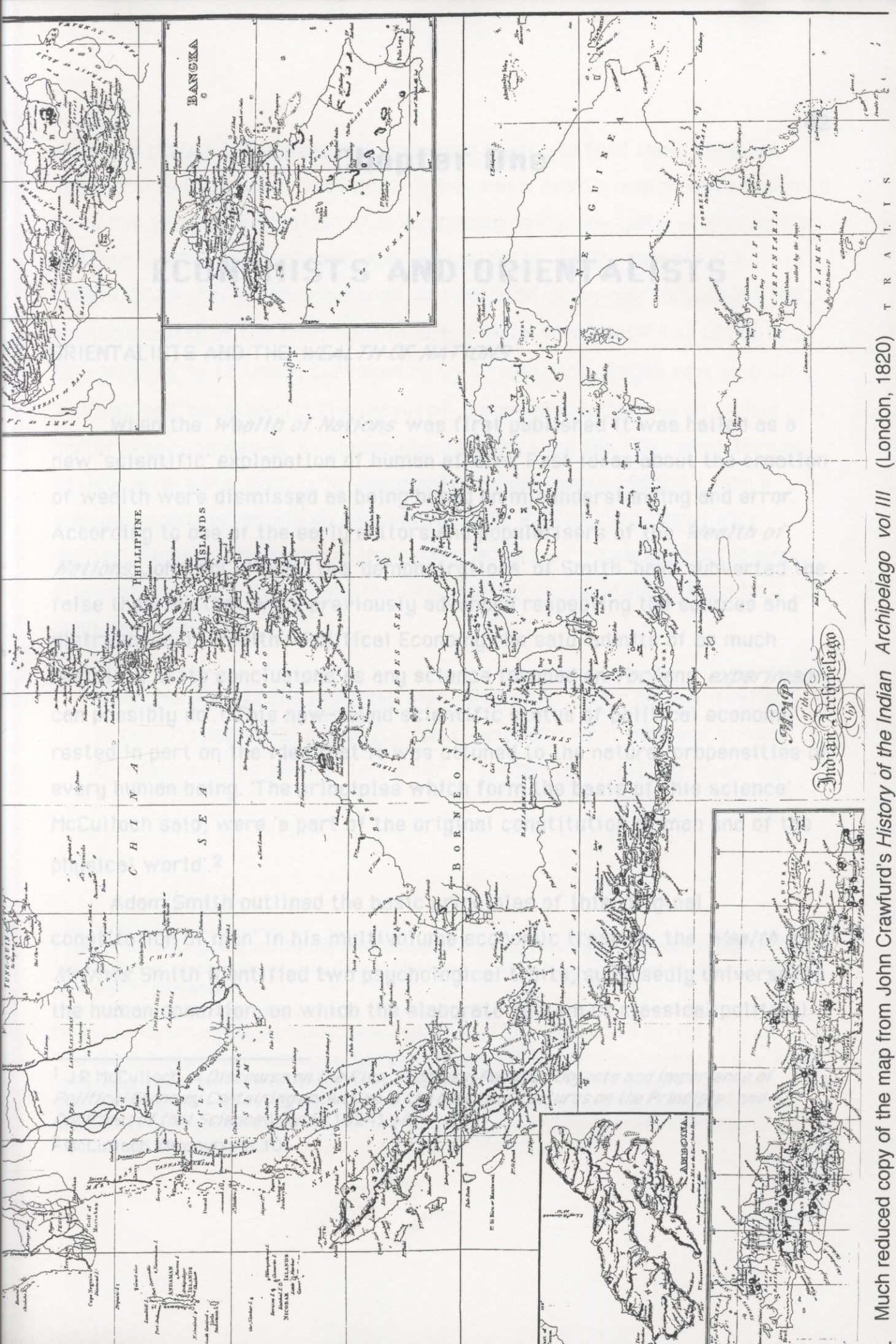
An even bigger challenge to the supposed universal equality of labour

was unfree labour; so big that most political economists assumed in their discussions that all labour was free, except for the anachronistic and economically irrational practice of slavery. Raffles and others repeated the arguments of Adam Smith against the slavery which was still practised in early nineteenth century Southeast Asia (although a much criticized exception was made by the colonial administrator John Anderson in the case of women). But in their anti-slavery rhetoric they overlooked the continuing reliance of the British colonies in Southeast Asia on varying degrees of unfree labour, convict and coolie. Of the two, convicts posed the biggest problem because their labour had a (im)moral dimension to it.

Chapter five traces land revenue back to the special power political economists attributed to land: the power to give back more than is put in – the agricultural 'surplus'. The landlord's appropriation of this surplus as rent was originally based on the Lockean notion of property rights arising from labour. The industrious 'deserve' the property that accrues to them. In the colonial context, the greater industriousness of European colonists (compared with the 'natives') in both Locke and Smith gives them property rights over 'new lands'. Raffles' Minutes on land reforms in Java leaned heavily on the morality implicit in Locke's link between labour and property. Raffles emphasised increased 'native' welfare as well as citing the land revenue systems in British India as the model for his land reforms, in the hope that his ideas would gain the approval of the Indian government.

Chapter six concentrates on one of Raffles' land commissioners, Crawford who denigrated the ryotwari land revenue system of British India after he left Java. Crawford argued against the application of differential rental theory in both India and the British colonies of

Southeast Asia theory. Due to official neglect, practical difficulties and local resistance, those who agreed with Crawford in Southeast Asia were successful for much of the nineteenth century in avoiding land tax. The 'merchant mentality' identified in Stokes was elevated to the status of political economy by the British merchant community in the East.



Much reduced copy of the map from John Crawford's History of the Indian Archipelago vol III (London, 1820)

Chapter One

ECONOMISTS AND ORIENTALISTS

ORIENTALISTS AND THE *WEALTH OF NATIONS*

When the *Wealth of Nations* was first published it was hailed as a new 'scientific' explanation of human affairs. Past ideas about the creation of wealth were dismissed as being based on misunderstanding and error. According to one of the early editors and popularisers of the *Wealth of Nations*, John McCulloch, the 'demonstrations' of Smith 'have subverted the false theories that were previously advanced respecting the sources and distribution of wealth'. 'Political Economy', he said 'admits of as much certainty in its conclusions as any science founded on *fact* and *experiment* can possibly do'.¹ This new-found scientific status of political economy rested in part on the idea that it was attuned to the natural propensities of every human being. 'The principles which form the basis of this science' McCulloch said, were 'a part of the original constitution of man and of the physical world'.²

Adam Smith outlined the basic principles of this 'original constitution of man' in his multivolume economic treatise, the *Wealth of Nations*. Smith identified two psychological traits, supposedly universal to the human condition, on which the elaborate system of classical political

¹ J.R. McCulloch *A Discourse on the Rise, Progress, Peculiar Objects and Importance of Political Economy Containing an Outline of the Course of Lectures on the Principles and Doctrines of that Science* (London: 1824) p 8.

² McCulloch *Discourse* p 10.

economy rested. All subsequent economic theorists (and their colonial admirers) extrapolated from Smith's two basic traits, which were assumed to be the natural inclination of every human being: the 'general disposition to truck, barter and exchange' and self-interest. Smith repeats the phrase, 'truck, barter and exchange' or very similar words, throughout the second chapter of the first book of the *Wealth of Nations*³ The ubiquity of this propensity to trade, conveyed by this repetition, Smith saw as both 'natural' and 'necessary'.⁴ The universal human disposition to truck and barter was accepted as a commonplace by the time the journalist Horace St John wrote his *History of the Indian Archipelago* in 1853. St John's *History*, which is mainly an amalgamation of Raffles' and Crawford's earlier accounts summarises their descriptions of 'when the Portuguese discoverers' first 'sailed into the Archipelago' in the sixteenth century. St John remarks:

When the savage and civilized man first meet, their natural feeling is one of reciprocal curiosity. Next succeeds what appears almost an instinct, the desire to barter – evidently in all parts of the

³ Smith *An Inquiry into the Nature and Causes of the Wealth of Nations* Campbell and Skinner (eds) (Oxford: Oxford University Press, 1976) vol 1, (First Book, second chapter, fifth paragraph), hereafter

WN(I.ii.5) p 30. Smith either repeats the phrase in part or in full or has the words 'by treaty, by barter, and by purchase' substituted for it. See *WN*(I.ii.3) p 27; (I.ii.1) p 25.

⁴For Smith 'natural' and 'necessary' were almost equivalent as his description of how 'Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command' shows: '...the study of his own advantage naturally, or rather necessarily leads him to prefer that employment which is most advantageous to society'. *WN*(IV.ii.4) p 454.

world the infant essay of the commercial spirit.⁵

The *Wealth of Nations* had this bartering 'instinct' at its base along with another, equally fundamental, human disposition: self-interest. The apparent 'vice' of self-interest resulted not in anti-social behaviour, according to Smith, but instead had some very sociable outcomes⁶. Self-interest was the foundation of a 'civilized society' where everyone stands in need of each other's labour and expertise: 'It is not from the benevolence of the butcher, the brewer and the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self-love...'⁷ The aggregate effect of everyone pursuing their own interest was the greater good of society. Even though Smith only mentioned his famous metaphor of the 'invisible hand' once towards the middle of his opus, it is shorthand for so much of what is evident throughout his book.⁸

As we shall see, 'self-interest' was an important concept to British colonialists who wanted to show that they were building an empire, not

⁵ Horace St John *The Indian Archipelago: its History and Present State, vol 1* (London: 1853) p 217. Horace St John (1832-88) was a leader-writer on political topics for the 'Daily Telegraph' and special correspondent for the 'Times' and the 'Standard', who turned his hand to writing history, including histories of British India (1852) and the Indian Archipelago (1853). Lee, S. and Stephen, L. *The National Dictionary of Biography* (London: Oxford University Press 1973) p 633.

⁶ Although as Fitzgibbons points out the term 'self-love' was actually employed far more often by Smith, 'self-interest' is used here as the most commonly accepted equivalent. Athol Fitzgibbons *Adam Smith's System of Liberty, Wealth and Virtue: the Moral and Political Foundations of The Wealth of Nations* (Oxford: Clarendon Press, 1995) pp 137-8.

⁷ Smith *WN*(I.ii.2) p 26-7.

⁸ Smith *WN*(V.ii.9) p 456. The full passage reads: 'As every individual therefore, endeavours ...to employ his capital...that its produce may be of the greatest value; every individual necessarily labours to to render the annual revenue of society as great as he can. He generally indeed, neither intends to promote the publick interest, nor knows how much he is promoting it...he intends only his own gain and he is in this as in many other cases led by an invisible hand to promote an end which was no part of his intention'.

only of free trade, but also of free choice. British colonial administrators liked to see themselves as allowing the 'natives' to pursue their self-interests as opposed to the authoritarian empires of the Portuguese, Spanish and Dutch. British claims that they were acting in accordance with indigenous self-interest, enhanced the moral legitimacy of their empire and sharpened the distinction between it and other types of European colonization.

But while indigenous self-interest may have been crucial to their project, there was often the unexamined contradiction in their texts that the 'natives' had to be shown what was in their best self-interest. Far from being universal and instinctual, it seemed that 'self-interest' might sometimes have to be taught. For example, Raffles, in his founding address as President of the Agricultural Society of Sumatra in 1820, requested his audience of European settlers to provide models of agricultural innovation because:

... we must assist the population by our superior intelligence and endeavour to prove to them their true interests. We must make ourselves more intimately acquainted with their character and feelings, [rouse] them to exertion and point out the means by which their happiness and prosperity may be best augmented...⁹

In the *Wealth of Nations* however, even the 'savage nations of hunters and fishers' know what is in their self-interest. Among such 'savage' nations 'every individual who is able to work', Adam Smith said, 'endeavours to provide, as well as he can, the necessaries and conveniences of life, for

⁹ Quoted in John Bastin *The Native Policies of Sir Stamford Raffles in Java and Sumatra: an Economic Interpretation* (Oxford:Oxford University Press, 1957) p 115.

himself or such of his family and tribe that are either too old, or too young or too infirm to go a hunting and fishing'.¹⁰

For Smith, these two propensities – to 'truck, barter and exchange' and self-interest – gave rise to another constant of the human condition, the division of labour. People's self-interest would drive them to specialise at whatever they did best, and the propensity to 'truck, barter and exchange' would see them sell the fruits of their specialised labour for the fruits of someone else's specialised labour. In Smith's opinion, the division of labour increased the 'productive powers of labour' to a greater degree than anything else.¹¹ Using the example of pin-making, Smith argued that the division of labour magnified productivity for three reasons: the increased dexterity of each workman, the time that it saved because people no longer had to move from task to task, and the invention of labour-saving machinery, which Smith claimed, were usually 'the inventions of common workmen, who each of them employed in some very simple operation, naturally turned their thoughts towards finding out easier and readier methods of performing it'.¹²

But although, through the division of labour, each 'man' begins to produce more than he needs, his labour can no longer supply all his wants. He is forced to rely on others for his survival in 'consequence of the division of labour'. It is through 'the assistance and co-operation of many thousands, that the very meanest person in a civilized country' is sustained. Thanks to this division of labour, Smith concludes, 'the accommodation' of an 'industrious and frugal' European 'peasant...exceeds that of many an African king, the absolute master of the lives and liberties

¹⁰ Smith *MM*(I. 4) p 10.

¹¹ Smith *MM*(I.i.1) p 13.

¹² Smith *MM*(I.i.3) p 15 and (I.i.8) p 20.

of ten thousand naked savages.'¹³

To modern ears this last from Smith (especially if taken in isolation) may sound as if he is making a racially-based estimation of the comparative worth of European and African labour. However immediately after this remark Smith opens his next chapter by re-emphasising the universality of the division of labour which led to this difference in 'accommodation' He explains that the division of labour is 'the necessary, though very slow and gradual consequence of a certain propensity in human nature...the propensity to truck, barter and exchange one thing for another.'¹⁴ This propensity arises out of the 'faculties of reason and speech' and is 'common to all men'. It is not, he says, to be found in any species of animal. It arises out of the difference which exist in the talents between men at all stages of development. Even in a 'tribe of hunters or shepherds, a particular person makes bows and arrows for example, with more readiness and dexterity than any other' and thus through bartering 'with his companions...he becomes a sort of armourer'.¹⁵ Even though Smith saw the division of labour as far more advanced in 'commercial' societies, it is his extension of the chief engine of improvement – the division of labour – to 'hunters and shepherds' that distinguished Smith's work from more static conceptions of some people as permanently at the bottom of civilizational hierarchies.

Even Smith's difference in talents is not as innate as it might seem. Far from being an accident of birth, different talents, Smith suggests, are more the effects of upbringing and practice:

¹³ Smith, *WN*(I.i.11) pp 23-24.

¹⁴ Smith *WN*(I.ii.1) p 25.

¹⁵ Smith *WN*(I.ii.3) p 27.

The difference of natural talents in different men is, in reality, much less than we are aware of; and the very different genius which appears to distinguish men of different professions, when grown up to maturity, is not ...so much the cause, as the effect of the division labour...The difference, for example, between a philosopher and a common street porter...seems to arise not so much from nature, as from habit, custom, and education .¹⁶

However this is one aspect of Smith that colonial administrators rarely imitated. When Crawford says of Javanese cloth manufacture:

This is a picture of the rude condition of manufacturing industry, of the waste of labour and of time, which results in an uncivilised stage of society, from imperfection of machinery, from indolence, unskilfulness and the absence of the subdivision of labour.¹⁷

he is not only talking about the division of labour in Smithian terms.

¹⁶ Smith *WN*(I.ii.4) p 29. This position of Smith's distinguished him from other philosophers of the day. His friend and mentor, David Hume, for example, claimed that permanent bodily differences arise out of physical differences between the classes and give rise to their different occupations: 'The skin, pores, muscles and nerves of a day-labourer, are different from those of a man of quality: so are his sentiments, actions and manners. The different stations in life influence the whole fabric, external and internal; and these different stations arise necessarily, because uniformly, from the necessary and uniform principles of human nature'. D. Hume *Treatise of Human Nature*(III, i) quoted in a footnote to Campbell and Skinner's edition of the *Wealth of Nations* p 27.

¹⁷ Crawford *History of the Indian Archipelago Containing an account of the Manners, Arts, Languages, Religions, Institutions and Commerce of its Inhabitants* 3 vols, London 1820, Frank Cass (reprinted 1967) I, 179. Crawford here might actually be more influenced by David Hume who believe that before manufacturing developed, when the bulk of people are employed in agriculture, they will be 'slothful' and 'barbaric' due to the lack of 'incentives and opportunities with which to satisfy their natural demands for pleasure and vanity'. David Hume *Essays Moral, Political and Literary* quoted in Donald Winch *Adam Smith's Politics: an Essay in Historiographic Revision* (Cambridge: Cambridge University Press, 1978) p 74.

Crawford mixes Smith's concern with the lack of the division of labour, and the resulting waste of time, labour and skill, and less advanced machinery, with far more judgmental comments about Javanese 'indolence'.¹⁸ In contrast, Smith pronounced that the division of labour would occur in all societies and amongst all people because it was the 'necessary', albeit slow and gradual, result of something common to all humans.¹⁹

Colonial administrators, like Crawford, however were not satisfied with this easy universalism. They wanted to account for why supposedly 'necessary' and universal developments such as the division of labour had not taken place to the same extent in all societies. As well as 'native indolence' and 'lack of civilization', climate was another explanation favoured by colonial writers. The eighteenth-century administrator of Bencoolen on Sumatra, William Marsden, opined that in tropical 'climates like that of Sumatra... The spring of importunate necessity there soon loses its force, and consequently the wheels of invention that depend upon it, fail to perform more than a few simple revolutions'. In contrast, peoples living in 'regions less mild' must go to 'greater lengths' so that 'in an equal space of time' they attain 'greater perfection'. This, Marsden suggested might:

reconcile the high antiquity universally allowed to Asiatic nations with the limited progress of arts and sciences among them; in

¹⁸ For the long European tradition of attributing 'indolence' to the Javanese and other inhabitants of Southeast Asia see S.H. Alatas *The Myth of the Lazy Native* (London: Frank Cass, 1977).

¹⁹ Smith *WM*(I.ii.1) p 25. Admittedly Smith also talked about that 'rude state of society in which there is no division of labour' (II.1., p 276). He said that 'the accumulation of stock must, in the nature of things, be previous to the division of labour'(II.3, p 277). But he does so in such a way that it is apparent that universal self-interest will lead to the division of labour because 'accumulation naturally leads to this improvement'(II.4, p 277).

which they are manifestly surpassed by people who, compared with them are but of very recent date.²⁰

Colonial British frustration at a people who would not fit in with their economic schemes, coupled with a need to account for difference within a world supposedly subject to universal laws, led them to supplementary explanations. Most colonial administrators fell back on climatic explanations (especially Crawford²¹) as well as explanations involving 'foreigners' who by their example and influence would either impede or speed progress among the indigenous inhabitants. As we shall see, Raffles in particular held the Dutch colonial regime responsible for the Javanese lack of progress. And, along with many other colonial administrators, he sometimes fell back on the notion of racial inferiority as an explanation for perceived differences.

In the *Wealth of Nations*, however, all people, both as individuals and in the aggregate as nations, seem capable of 'progress' and 'improvement'.²²

²⁰ William Marsden *The History of Sumatra* (London: 1811) pp 54-55, p 205.

²¹ John Crawford had attended Edinburgh University medical school between 1779 and 1781 when its major teachers such as Alexander Monro *secundus* and John Gregory emphasised the nervous system's role in connecting social development with environmental influences. This interrelation between the nervous system and environmental factors such as diet, climate and soil explains such claims by Crawford as: 'No country has produced a great or civilized race but a country that is capable of yielding a supply of *farinaceous* grain..' [i.e. wheat] (*Crawford History*), 14-16). In relation to the four stages theory Crawford believed that 'The shepherd state...could have no existence among the woods, the narrow valleys and the soft climate of Java...it is the necessary consequence of their [the Javanese] climate that they should want the hardihood and manly virtues of the semi-barbarians of severer regions' (*History II*, p 296). However it also seems likely that Crawford borrowed many ideas about stadial development and environmental influences from Montesquieu, Millar, Lord Kames and Adam Ferguson. For a longer and more detailed analysis of this see Quilty *Textual Empires* pp 28-30, pp 71-75.

²² As we shall see towards the end of this chapter, Smith himself was not immune to ideas of racial determinism popular at the time. Crawford especially focused on these 'lapses' by Smith.

As Smith explains in his preface, the wealth of a nation is the ratio between funds and people, which is not dependent on innate characteristics. Rather it is determined by 'two circumstances; first by the skill, dexterity and judgment with which its labour is generally applied; and secondly by the proportion between those who are employed in useful labour, and that of those who are not so employed.' These two factors determine the rise and fall of nations 'whatever be the soil, climate or extent of any particular nation.'²³ Smith observed his 'universal' propensities to self interest and to trade in all sorts of societies. Tartars, Arabs, Highland Scots, Romans and Brazilians all shared the stage on which these narratives of social development were played out. Sometimes these peoples were the colonized subjects of eighteenth-century British expansion such as American 'Indians'.

In part, it was these cross-social comparisons that made the *Wealth of Nations* so useful for colonial administrators. As its title indicated, Smith's book was not about the wealth of one nation only, but nations in the plural. It compared what made some nations 'progress' in wealth, some nations stationary and others decline. As colonial administrators moved about Southeast Asia, they could assess at which stage in the 'progress of opulence' were the places they visited or ruled. In a region and age when reliable statistics were few, the theories of political economy often provided them with the only way of assessing a country's potential as a market or a source of raw materials and revenue. As Raffles explains to his reader in his *History of Java*, he devotes a chapter to agriculture 'not so much in the hope of increasing the stock of agricultural knowledge, as of assisting the reader to form an estimate of the character, habits, wants

²³ Smith *WN*(I.1) p 10.

and resources of the Javan'.²⁴

There were two scales used by Smith throughout the *Wealth of Nations* along which all societies could be assessed. One scale had only three categories: the declining, rising or stationary state of each society. The other scale had four categories: the four stages of development. These two different ways of measuring a society's 'progress' were often combined in the *Wealth of Nations* and colonial texts, but for the sake of clarity, we shall first examine the two scales separately. The first scale was the material wealth built up by a country relative to its population or the 'progress of opulence', as Smith sometimes called it. This scale is outlined in the opening words of Smith's book. Smith begins his preface, the 'Introduction and Plan of the Work', with the words:

The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consists always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

Smith then goes on to explain that it is the 'proportion' between the size of this 'fund' and the 'number of those who are to consume it' which determines whether a nation will be wealthy or otherwise.

In this foundational passage, a nation's 'wealth' is not static. It is not hoarded or measured in terms of absolute quantity. In Smith, products are made and stored up on a yearly basis to be used in sustaining the labour and production of the following year. If a large 'fund' was put aside to

²⁴ Thomas Stamford Raffles *History of Java* 1817 (Kuala Lumpur: Oxford University Press, 1965) I, p 107.

sustain each person as well as provide raw materials for them to work on, then as an aggregate of such individuals, that nation would 'improve' or 'progress'. If, on the other hand, the funds available were exactly enough to sustain a nation's people and their work, year after year, then that country was pronounced 'stationary'. In a 'declining' country there were more people than funds to sustain them.

In Smith, different rates of profits, interest, wages and rents corresponded to each of these three states. In a 'progressing' or 'improving' country, rents and wages would be high, but competition between 'many rich merchants' would see rates of profits fall, along with interest rates.²⁵ The exception to this was the ultra-progressive societies of new colonies such as 'our North American and West Indian colonies' where wages, profits and interest are all high, while rents are low, since the abundant land is 'understocked'.²⁶ In 'declining' societies 'the funds destined for the maintenance of industry' are diminished and wages are low. However, profits are up since merchants can pay lower wages for the labourers who make their goods and bring them to market, and once the goods are at market, 'they get more for them' since there is general scarcity.²⁷ Interest rates are also up, since the chief lenders, the merchants, 'can well afford a large interest'. In a stationary country, wages and profits would be low. Such a country would be 'fully peopled' in proportion to the stock or funds available and 'the competition' between them would 'be so great as to reduce the wages of labour to what was barely sufficient to keep up the number of labourers'. The competition between the competing investor-merchants would also keep profits

²⁵ Smith *MM*(I.ix.2) p 105. Interest rates would fall, according to Smith, as they are determined by how much of a return merchants expect on their loan.

²⁶ Smith *MM*(I.ix.11) p 109.

²⁷ Smith *MM*(I.ix.13) pp 110-111.

down²⁸. China is given as an example of a country which 'seems to have been long stationery' and 'long ago acquired its full complement of riches'.

It was passages like this one, in the *Wealth of Nations*, which enabled Crawford to pronounce of 'the great tribes of the Archipelago' that like 'rude and unsettled states of society everywhere, mercantile profits are exorbitant, and the rate of interest high in proportion to this profit, and the risk of lending...'.²⁹ However we can see that this assessment by Crawford was not just based on the ratio of funds to people. His description of the state of society as 'rude and unsettled' is decidedly less neutral than Smith's 'declining' state (which is the 'state' indicated by high profits and interest rates). It perhaps owes more to other ways of assessing societies.

There was another scale in the *Wealth of Nations* which was distinct from, but interacted with, the progressive, stationary or declining states of society. This was the 'conjectural history' of humanity: the four stages of development through which all peoples were thought to pass. This idea of development by stages was not new to Smith. It can be traced back to Hesiod's legend of the five ages and seen in Montesquieu's climatic determinism and Pufendorf's, Hume's and Locke's stories of the historical origins of property and the state, among others.³⁰ But this idea of development in stages was strengthened in the eighteenth century by the concentration of previously innumerable stages into four main ones: the hunter-gatherer stage, the nomadic pastoral stage, the settled agricultural

²⁸ Smith *WN*(l.ix.14) p 111.

²⁹ Crawford *History* III p 94.

³⁰ P.J. Marshall and G. Williams *The Great Map of Mankind: British Perceptions of the World in the Age of Enlightenment* (London: J.M. Dent & Sons Ltd, 1982) pp 210-220; R. Wokler *Philosophy and Science in the Scottish Enlightenment* (Edinburgh: John MacDonald Publishers Ltd 1986) pp 145-168.

stage and the modern, commercial stage.

The term 'conjectural histories' was another name for these developmental theories. Coined to describe Smith's use of stages by Dugald Stewart in his *1793 Biographical Memoir of Adam Smith* Stewart said Smith used 'conjectural histories' in the absence of direct evidence about past societies:

When we are under a necessity of supplying the place of fact by conjecture; and when we are unable to ascertain how men may actually have conducted themselves upon particular occasions, of considering in what manner they are likely to have proceeded, from the principles of their nature, and the circumstances of their external situation.³¹

The very term 'conjectural histories' implied the admission that the 'pastoral' and other stages were only conjectures about a society's pre-history. In the absence of firm, historical evidence, present-day institutions such as a society's government, laws and family structures were scrutinised to see if their origins could be deduced. As Crawford put it in his *History of the Indian Archipelago* when indigenous histories 'abound in as much folly, ignorance and inconsistency' as he considered Southeast Asian histories to, 'we have a right to reckon...the story of a

³¹ Quoted in R. Meek *Social Science and the Ignoble Savage* (Cambridge: Cambridge University Press, 1976) p 113.

people still rude and uninformed'.³²

According to the historian of economic ideas, Ronald Meek, the innovation of Smith's 'four stages' theory was that it 'universalised all previous developmental theories by basing them on different modes of subsistence'. In Smith's four stages changing modes of subsistence saw greater surpluses accrue - either by the division of labour in the hunter stage, or, in the pastoral stage, the continued division of labour plus the natural increase in cattle (or other livestock). In the agricultural phase these were added to an increased 'surplus' accrued from land which produced more than necessary to sustain those who worked on it. Commercial society included all these modes of accruing wealth with the added one of trade, whereby the towns exchanged their surplus manufactures and luxuries for the surplus of the surrounding countryside.³³

While in Smith there was no regular, casual link between the three states (progressive, stationary and declining) and the four stages, there was some overlap. A society enjoying the 'progressive' state could more easily move up the four stages. Not only did the accumulation of capital propel a society up the four stages, but it was self-perpetuating. As a society progressed up through the four stages it became better able to

³² Crawford *History* II p 298. By about the 1830s the use of conjectural histories had almost died out in Southeast Asia as it had in Britain. The few writers who kept on using them included James Mill and John Crawford who expressed his admiration of Mill's *History of India* in his own *History of the Indian Archipelago* (III:52). For the rise and decline of conjectural histories see John Burrow *Evolution and Society: a Study in Victorian Social Theory* (Cambridge: Cambridge University Press, 1968). By the 1860s when John Cameron wrote *Our Tropical Possessions in Malayan India*, it seems to have become a vehicle for ironic asides and little else. The only place Cameron alludes to such theories is when, speaking of how lucrative a pawnbroker's licence is in Singapore, he says: 'Buying and selling it is said is an indication of fair civilization; and mortgaging which followed long afterwards in mercantile history, one of positive refinement. If this be so the native population have carried their refinement to a high point' (pp 218-219).

³³ Smith *WW* (III.i.1).

sustain itself.³⁴ The more efficient use of labour through its greater subdivision saw a greater surplus produced (which became the wage fund for the following year) and accumulated to support growing numbers of people.³⁵

Furthermore this 'Progress of Opulence' in Smith or the 'Progress of Improvement' as he also called it, was not just about the increased material welfare or the more efficient use of labour through its division.³⁶ There were many non-material implications arising from such progress. Not only does it lead to better machinery, a more interdependent society and a greater number and variety of employments³⁷, as we have seen, but the second, pastoral stage, also leads to the emergence of a form of property (cattle) which can be accumulated and transmitted from one generation to the next. The rise of property Smith says 'necessarily requires the establishment of civil government'.³⁸ Material progress also increases refinement in the arts and knowledge as an 'unproductive' class

³⁴ Thomas Malthus in 1798, twenty-two years after the *Wealth of Nations* had first been published, strengthened the causal link between the funds available to a society and its progression up the four stages. In his first *Essay on the Principle of Population* a decrease in one became the engine driving society up or down the civilizational hierarchy. A growing population would equal or outstrip the existing fund. This would lead to widespread hunger and misery but also innovation. General scarcity would beget agricultural and manufacturing innovations to stretch the fund further. Malthus described how it was 'want' that compelled 'savages' to settle down and cultivate the one spot and exchange their goods with each other. The ratio of people to the available fund, especially if they 'pressed' upon it, as they did in Smith's stationary and declining states, propelled a society up the four stages. However in Malthus this tendency could go too far and lead to a declining society subject to widespread famines. Malthus shall be considered in greater detail in chapter three. Thomas Malthus *Essay on the Principle of Population (1st edition, 1798) and A Summary View of the Principle of Population* Anthony Flew (ed) (Harmondsworth, England: Penguin Books, 1982).

³⁵ Smith *WN*(I.i.4) pp 15-16.

³⁶ Smith *WN*(I.xi.o.1) p 260.

³⁷ This interdependency reaches a peak in societies at the 'commercial stage': 'Every man thus lives by exchanging or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society'. *WN*(I.iv.1.) p 37.

³⁸ Smith *WN*(V.i.b.2) p 709.

of 'philosophers or men of speculation whose trade is not to do anything, but to observe everything' arises³⁹. Other social side-effects of progress include the use of metal money as the 'common instrument of commerce', and a decline in the art of hospitality.⁴⁰

The social effects associated with the 'progress of opulence' were well known to colonial writers in the late eighteenth and early nineteenth centuries. They could be used to assess the 'stages' different societies had reached. Crawford, for example, says of the 'various inhabitants' of the region that while a

few are still roaming about the forests, as useless, as unproductive and perhaps more mischievous than the beasts...by far the greater number have made a respectable progress in social order, tamed the useful animals, applied themselves successfully to agriculture, to fisheries, to navigation and even to mining. ⁴¹

Raffles seems to be talking about Smith's shepherd stage when he says that the 'Javans are a nation of husbandmen, and exhibit that simple structure of society incident to such a stage of its progress'.⁴² Raffles also seems to be emulating Smith when he speaks of the people of the Sunda districts in Java who exhibit the 'rude hospitality and union of the different gradations of society...similar to that which prevailed in the Highlands of Scotland some centuries ago, where, it is said 'those of inferior description were nevertheless considered as guests and had their

³⁹ Smith *WM* (I.i.9) 21. See also (I.iii.4) p 34.

⁴⁰ See Smith *WM*(I.iv.3-4) p 38 for money; and (III.iv.5) p 413 for hospitality.

⁴¹ Crawford *History* III, pp 275-6.

⁴² Raffles *History* I, p 106.

share both of the entertainment and good cheer of the day'.⁴³ In Smith's shepherd stage large landowners had little to expend their surpluses on, save on 'rustick hospitality' and the maintenance of large bodies of retainers.

It is difficult to say colonial writers were only using Smith as the source of their 'conjectural histories'. Belief in preordained stages of progress was so pervasive in the late eighteenth and early nineteenth centuries that colonial administrators rarely bothered to explain from whom they were borrowing their scales and criteria of development. In one rare instance of sources being cited, Marsden names three:

three scales are pointed out by different writers (Le Poivre, Robertson and Richardson) by which to measure and ascertain the state of civilization any people have arrived at: the one is the degree of perfection of their agriculture; another, their progress in the art of numeration; and a third the number of abstract terms in their language. ⁴⁴

Nevertheless, like Smith's four stages, what all these different scales had in common was the idea of progress. Like Smith's 'progress of opulence' the scales they used were about 'improvement' in language or agriculture (say), as well as material accumulation. The *Wealth of Nations* was part of what the Indian historian, Ranajit Guha, calls the 'British idiom of improvement'. According to Guha 'the idea of Improvement was the a cardinal feature of England for the greater part of a century; beginning in the 1780s'. There was 'hardly anything' in England's economic

⁴³ Ibid I, p 100.

⁴⁴ Marsden *History of Sumatrap* 170.

and technological movements or social and intellectual trends during this time, he says, that 'was not a response in one sense or another to the urge for Improvement'. According to Guha, this 'era of improvement coincided with the formative phase of colonialism in India' so that the 'raj too' got 'caught up in some of the enthusiasm radiating from the metropolis'.⁴⁵ Not only India, but all British colonies including those in Southeast Asia were to be 'improved'. As another historian, Richard Drayton says, 'What distinguishes British imperialism from the late eighteenth century onwards is this faith in its capacity and right to increase the happiness of barbarians'.⁴⁶

In Smith the 'progress of improvement' takes place with the more efficient utilisation of resources as a society progresses. As James Mill so succinctly put it in his *History of India* (1817): 'Exactly in proportion as Utility is the object of every pursuit may we regard a nation as civilized'.⁴⁷ Far from being the result of human design, this allocation is actually whatever is most 'natural'. It is the self-regulating forces of the market place, the free and 'necessary' flow of resources to where they are most needed. This paradox that progress towards greater civilization was both the cause and effect of more 'natural' ways of doing things was perhaps what Marsden was alluding to when he said that 'the next step from consummate refinement' is one 'leading to simplicity'.⁴⁸

Progress up the four stages as people discover more productive and

⁴⁵ Ranajit Guha 'Dominance Without Hegemony and Its Historiography' *Subaltern Studies* (Delhi:Oxford University Press, 1989) pp 240-241.

⁴⁶ Richard Drayton *Nature's Government: Science, Imperial Britain and the 'Improvement' of the World* (New Haven: Yale University Press, 2000) p 93.

⁴⁷ Quoted in Burrow *Evolution and Society* p 46.

⁴⁸ Marsden *History* p 210. See also where he says of 'good taste' that 'Simplicity, so essential to the idea, is the characteristic of a rude and uncivilised people; and is again adopted by men in their highest stage of refinement.' (p 270)

'natural' ways of doing things was accompanied by a waste-not-want-not mentality. As a people 'improved' efficiency increased: land was enclosed, agriculture intensified, unwanted surplus was exchanged for things that were wanted, new resources were exploited in more efficient ways.⁴⁹ This efficiency arose from the fact that the true nature of things was being accommodated, rather than fought against. As Drayton says: 'progress depended on the application of the Order of Nature to human society'.⁵⁰

Even seemingly unrelated examples such as the decline of hospitality were actually the result of 'necessary' and 'natural' flows of capital. For Smith, the excessive hospitality he (and Raffles) believed existed in the agricultural stage, occurred because of the 'necessary' flow of capital. In the pastoral stage there was little on which to spend surplus capital. 'In a country that has neither foreign commerce, nor any of the finer manufactures', Smith explains 'a great proprietor, having nothing for which he can exchange the greater part of the produce of his lands ... consumes the whole in rustick hospitality at home ... a hospitality nearly of the same kind was exercised not many years ago in many different parts of the highlands of Scotland'.⁵¹ After he has paid his workers, the proprietor's surplus must be spent somewhere. Smith saw the excessive hospitality as providing an outlet for a rich man's money when there were few others.

INTERNATIONAL TRADE AND MERCANTILISM

The necessary and natural flow of resources could also take place on an international scale. Smith saw 'foreign trade' as beneficial to any

⁴⁹ According to Drayton 'the verb "to improve", which we use in the sense of "to ameliorate" or "to perfect", originally meant to put to a profit, and in particular to enclose "waste" or common land'. Drayton *Nature's Government* p 51.

⁵⁰ Drayton *Nature's Government* p 90.

⁵¹ Smith *WN*(III.iv.5) pp 412- 413.

country which engaged in it because

It carries out that surplus part of the produce of their land and labour for which there is no demand among them and brings back in return for it something else for which there is a demand. It gives a value to their superfluities, by exchanging them for something else, which may satisfy a part of their wants and increase their enjoyments.⁵²

This in turn can increase the progress of civilization in such countries. Due to their foreign trade 'the narrowness of the home market does not hinder the division of labour in any particular branch of art or manufacture from being carried to the highest perfection'.

The benefits of getting rid of a country's surplus through foreign trade led Crawford to lambaste the Spanish colonial government for expelling the Chinese from the Philippines in 1709. According to Crawford the Spanish made the 'vulgar and absurd' error of begrudging the earnings Chinese workers in the Philippines took or sent back home:

...if they carried away to China the gold and silver of the Philippines, they must have carried off what was too abundant in the country, what it was of more advantage to the country to lose than to keep. The country was not plundered of what was taken away, for an equivalent was left in the produce of Chinese industry; and to have exported produce when money was of less value, and, of course, of less use, would have been an injury to the community.⁵³

⁵² Smith *MM*(IV.i.31) p 446. See also *MM*(IV.i.31) p 447.

⁵³ Crawford *History* II, p 463.

The benefits bestowed by international trade showed that the invisible hand is at work not only among individuals within a society but also between nations on a global scale. As Smith explains when he enlarges upon the individual psychology of self-interest to include the whole world: 'The taylor does not attempt to make his own shoes but buys them of the shoemaker. The shoemaker does not attempt to make his own cloaths, but employs a taylor. What is prudence for the conduct of every private family, can scarce be folly in that of a great kingdom'.⁵⁴ This made Smith's *Wealth of Nations* revolutionary in the context of international trade: it seemed to prove beyond a doubt that in any international exchange both trading nations could mutually benefit. Smith was writing against the idea common in the sixteenth, seventeenth and eighteenth centuries that international trade could only be conducted by a nation at the expense of another nation. Smith suggested that trade, between nations as well as individuals, could be, in today's jargon, a 'win-win' situation

The old idea that trade between nations was an unequal exchange in which one side must loose and only one side win, had appeared in various guises in the preceding centuries. Loosely gathered under the rubric 'mercantilism', many of the main proponents of mercantilist thought in

⁵⁴ Smith *WN*(IV.ii.11) pp 456-7. In his *Lectures on Justice, Police, Revenue and Arms* Smith made an even more direct comparison between individual and international actions: 'When two men trade between themselves it is undoubtedly for the advantage of both...The case is exactly the same betwixt any two nations'(p 204). Blaug points out that this is the same 'fallacy of composition that Smith had earlier condemned in the mercantilists'. Mark Blaug *Economic Theory in Retrospect*(Cambridge: Cambridge University Press, 1985) p 57.

England had been employees of the East India Company.⁵⁵ Mercantilists had demanded government interference in order to ensure that England (and themselves) would not be disadvantaged in international trade. Within mercantilist thought the possession of precious metals was one of the ultimate aims of an economy. Colonies were founded overseas in the hope they would have rich mineral deposits. Even if there were no physical gold mines in these colonies they could become metaphorical gold mines if they provided the colonizing country with a monopoly on a plant which only grew on their shores or if regulations were enacted to perpetuate a permanent imbalance of trade in favour of the mother county. Mercantilist companies were given monopolistic charters by their governments to allow them to colonize those lands which promised to supply timber, flax, or some other necessary commodity. As Smith put it:

Every European nation has endeavoured more or less to monopolise to itself the commerce of its colonies and and, upon that account, has prohibited the ships of foreign nations from trading to them, and has prohibited them from importing European goods from any foreign nation.⁵⁶

⁵⁵ Staley *History of Economic Thought* p 9. The prominent mercantilist theorist (and one time director of the East India Company) Thomas Mun summed up this view in 1664 with the title of his work *England's Treasure by Forraign Trade, or the Ballance of our Forraign Trade is the Rule of Our Treasure* Kindleberger pp 86-88, 99-100. Smith coined the phrase 'mercantilist' as a convenient umbrella term for those whose practices he wished to attack. As the historian of economic ideas, Mark Blaug explains: 'The term 'mercantilist' first acquired significance at the hands of Adam Smith...the English pamphlet writers of the 17th and 18th centuries showed no awareness of contributing to any definite stream of ideas, much less to a tradition that Adam Smith attacked under the rubric of Mercantilism...Nevertheless, throughout the 300 years of uncoordinated intellectual effort...certain doctrinal threads appear again and again.' Blaug *Economic Theory* p 10.

⁵⁶ Smith *WM*(IV.vii.b.21) p 575.

Despite his praise of self-interest, it was the self-interested way in which European nations used their colonies that raised Smith's ire. In his chapter 'Of Colonies' in the *Wealth of Nations* Smith attacks the use of colonies by mercantilists. He begins by praising the colonies of ancient Greece and Rome which only established colonies when their populations had multiplied 'beyond what that territory could easily maintain'. According to Smith these colonies were then allowed their own governments, laws, magistrates and freedom in foreign affairs: 'The mother city, though she considered the colony as a child, at all times entitled to great favour and assistance...yet considered it as an emancipated child, over whom she pretended to claim no direct authority or jurisdiction'.⁵⁷

The 'European colonies in America and the West Indies', on the other hand, 'arose from no necessity'. He outlines how it was the fourteenth and fifteenth century spice trade in which the 'great profits of the Venetians tempted the avidity of the Portuguese'. Consequently Vasco de Gama discovered India and Columbus discovered the West Indies, both in the quest for the riches of the East.⁵⁸ Columbus' reports of the mineral wealth of the West Indies led Spain to to 'take possession of countries of which the inhabitants were plainly incapable of defending themselves ...the hope of finding treasures of gold there, was the sole motive which prompted them to undertake it'.⁵⁹

His brief survey of the colonising histories of the Dutch, Spanish and English governments shows that once the colonies had attained some economic significance, the 'mother country' brought in regulations 'to

⁵⁷ Smith *WN* (IV.vii.a.2), p 556.

⁵⁸ Smith *WN*(IV.vii.a.6) p 559.

⁵⁹ Smith *WN*(IV.vii.a.16) p 561.

secure to herself the monopoly of their commerce'. A bad mother, her overriding concern became to 'confine their market, and to enlarge her own at their expence, and consequently, rather to damp and discourage, than to quicken and forward the course of their prosperity'. He adds that even though the English government's mercantilist, colonial policy has been the 'best of them all' this only means it was 'somewhat less illiberal and oppressive than that of any of the rest'.⁶⁰

Smith's even handed criticism of the English joint-stock company, as well as the Dutch one, can be seen where he discusses whether a society is 'stationary' or going 'backward' using examples from 'stationary' China and 'backward' Bengal and 'some other of the English settlements in the East Indies'. In these examples wages are pushed down by the competition amongst labourers for the employment which was decreasing as capital decreased. Smith believes that their resulting decreased wages lead to 'the most miserable and scanty subsistence of the labourer...Want, famine and mortality would immediately prevail in that class'. Smith attributes the 'backwardness' of Bengal and other English settlements in the 'East Indies' to the English East India Company, 'the mercantile company which oppresses and domineers in the East Indies'.⁶¹

Smith saw the East India Company's mercantile interests as being in conflict with the greater interest they should exhibit as a government.

⁶⁰ Smith *WN*(IV.vii.b.63) p 590.

⁶¹ Smith *WN*(I.viii.26) p 91.

Smith was vehemently opposed to joint-stock companies being rulers.⁶² The Dutch and English East India Companies both showed, by 'the manner in which they govern their new subjects, the natural genius of an exclusive company'.⁶³ Destroying crops which might lower the price of their goods, even destroying people who might compete with them in the case of the Dutch in the Spice Islands, were for Smith the natural outcomes of a system which would one day lead to the 'English company' becoming 'as compleatly destructive as that of the Dutch' in 'the course of a century or two'.⁶⁴

Smith argued that the functions of 'merchants' and 'sovereigns' were incompatible and could not both be performed by the one institution. A 'company of merchants are' Smith argued, 'incapable of considering themselves as sovereigns even after they have become such'. He accused them of regarding their job of 'sovereign as an appendix to that of the merchant ...by means of which they may be enabled to buy cheaper in India and sell with a better profit in England'. The interests of merchant and sovereign were naturally opposed. The 'revenue of the sovereign is drawn from that of that of the people' so the 'greater the revenue of the people' the greater the income of the sovereign.⁶⁵ Merchants on the other hand wanted to keep out all competitors from the countries they governed and

⁶² Smith was not opposed to imperial rule *per se* despite that characterisation of him by some historians of economic thought. For example Ellen Frankel Paul *Moral Revolution and Economic Science: the Demise of Laissez-Faire in Nineteenth Century British Political Economy* (Connecticut: Greenwood Press, 1979) p 35 and Staley *History of Economic Thought* p 53. He was only opposed to restrictive imperial governments by 'exclusive companies' *WN* (IV.vii.c.100) p 635. He actually advocated that the British government take over the rule of India, calling the 'territorial acquisitions of the East India Company, the undoubted right of the crown, that is of the state and people of Great Britain...' *WN*(V.iii.91) p 945.

⁶³ Smith *WN*(IV. vii.c.101) p 635.

⁶⁴ Smith *WN*(IV.vii.c.101) pp 636-637.

⁶⁵ Smith *WN*(IV.vii.c.102) p 637.

reduce 'the surplus produce of those countries to what is barely sufficient for supplying their own demand'⁶⁶. The undermining of the economy of the country they ruled was particularly absurd, Smith thought, in the case of Bengal where the revenue arose chiefly from land-rent.⁶⁷

The self-interests of sovereigns and merchants needed to be met in different ways: mercantilist companies preferred 'the little and transitory profit of the monopolist to the great and permanent revenue of the sovereign'. Proper, responsible sovereigns identified their own self-interest with their country's: 'their interest is exactly the same with that of the country they govern'. But 'as merchants their interest is directly opposed to that interest'.⁶⁸ In Smith's opinion, securing captive markets should be beneath the lofty aims of a national government. As he so scathingly puts it: 'To found a great empire for the sole purpose of raising up a people of customers' is 'a project fit only for a nation of shopkeepers'.⁶⁹

The metaphorical contrast between the founders of a 'great empire' and mere 'shopkeepers' was, Smith implied, the contrast between the narrow self-interest of petty merchants compared to the grander horizons of an imperial government.⁷⁰ In Smith's eyes, ancient Greece and Rome treated their colonies as independent children that could still expect the 'mother' country's assistance, but did not exist solely for her. In his *History of Java*, Raffles claimed this liberal 'doctrine' was unknown to the Dutch. Instead, he implied, their colonial government corresponded more to

⁶⁶ Smith *WN*(IV.vii.c.103) pp 637-8.

⁶⁷ Smith *WN*(IV.vii.c) p 637.

⁶⁸ Smith *WN*(IV.vii.c.103) p 638.

⁶⁹ Smith *WN*(IV.vii.c.63) p 613.

⁷⁰ The image of mercantilist colonial government as 'shopkeepers' can also be found in Ricardo's *Principles*, p 231.

Smith's metaphorical 'shopkeeper':

The doctrine that a colony should always be considered a distant province of the mother country, has been foreign to the political creed of the Dutch...they must have contemplated the prosperity of the eastern tribes with the invidious regret of a rival shopkeeper, and regarded their progress in civilization with the jealousy of a timid despot.⁷¹

Here, Raffles compounds Smith's slur on mercantile Company governments - that they are no better than petty shopkeepers - with another insult: that the Dutch colonial government is scared of the civilizational progress that increased material wealth would bring to 'the eastern tribes'. Like an oriental despot (and a 'timid' one at that) it is 'jealous' - not understanding that general prosperity can be shared by all, itself included.

Smith was a fierce critic of the English East India Company. However, as we have just seen, one of the Company's own employees, Raffles, like many other commentators on Southeast Asia, used ideas derived from or very similar to his, in their accounts. We will now look in detail at how two of the most powerful (at least in Southeast Asia) Company 'employees', Raffles and Crawford, cited Smith directly in their *Histories*. We will look at their direct citations of Smith, now that we have looked at Smith himself, especially his ideas on international trade. For it was international trade, especially its 'perversion' in mercantilism,

⁷¹Raffles *History*(I, p 232). Here the 'eastern tribes' refers to the 'different rajahs of the Eastern Archipelago'. In comments preceding this passage, Raffles had described various 'Dutch agreements' or treaties with these rajahs which either involved monopolies of all the 'saleable articles produced in their dominions' or bound 'the chiefs themselves to destroy the only saleable articles their country could furnish, lest the monopoly price of the Dutch should be injured by a greater quantity of such produce being brought to market'(I, p 231).

that came to dominate Raffles' and Crawford's presentation of Smith. We shall first consider Raffles' *History of Java* which includes several lengthy quotations from the *Wealth of Nations* before going on to consider the use Crawford made of him.

RAFFLES

Sir Thomas Stamford Raffles ruled Java for five and a half years when the Netherlands were overrun by Napoleonic forces between 1811 and 1816. The English government agreed to hand back all the colonies to the Dutch when they ousted the French. However Raffles was loath to hand back Java. His *History of Java* is, in large part, a polemic against Dutch rule. Although Raffles wrote the *History of Java* after the island had been irrevocably handed back to the Dutch, it often seems in his *History* that he cannot bring himself to fully accept the loss. Like a person who still speaks about someone who has recently died in the present tense, Raffles seems to employ textual strategies in his *History of Java* to solicit English interest and intervention in the island, even though it is too late.

His descriptions of the Javanese people promote them as the eminently 'economic' individuals who could have made their island prosperous and by extension, England prosperous, if only they could have remained under the light hand of an English liberal government. Raffles, like Smith, believed that given liberty, people would naturally progress up the economic and civilizational scale. In his *History of Java* Raffles makes it clear that the Dutch, by their illiberal rule of the East Indies, had 'interfered with, checked, changed in its character and reduced' the natural commerce of the 'eastern seas' because of the 'rapacity' and 'avarice' of 'a mercantile administration'.⁷² He described the '31 articles of restriction'

⁷²Raffles *History* 1, p 192.

by which the Dutch enforced their monopoly as 'serving to shackle every movement of commerce, and to extinguish every spirit of enterprise for the narrow selfish purposes of what may be called the fanaticism of gain'.⁷³ He is sure the Dutch ruined whatever it was that preceded them.⁷⁴ The Javanese as Dutch colonial subjects have not been allowed to follow their 'natural' course of development.

Raffles quoted Adam Smith three times in his *History of Java*. He first quoted Smith to illustrate similarities Java shared with Great Britain. After likening the smoothness of the Southeast Asian seas to the Mediterranean and alluding to the fertile Javanese soil which contributed to 'the high degree of civilization and of advancement in the arts, which... it once attained', Raffles uses Smith to push home his point that both Java and Great Britain share the same geographical propensity to commerce:

In short, to adopt the expressions of Adam Smith, when speaking of a very different country*, Java, 'on account of the natural fertility of its soil, of the great extent of its sea-coast in proportion to the whole of the country, and of the number of navigable rivers, affording the convenience of water carriage to its most inland parts, is conveniently fitted by nature to be the seat of the foreign commerce, of manufactures for sale to the neighbouring countries and of all the improvements which these can occasion.'⁷⁵

*Great Britain

⁷³ Ibid I, p 219.

⁷⁴ Ibid I, p 193.

⁷⁵ Ibid I, p 190. The original passage is in Smith *WN*(III.iv.20) p 424.

A couple of pages later, Raffles again quotes Smith to describe the geographical disposition of Java to trade. This time it is not the local amenities of Java that predispose it to a thriving commercial destiny but its main port's location at the hub of international trading routes. He quotes Smith's explanation for why the Dutch chose the Javanese city of Batavia (Jakarta) to be the capital of their colonial empire. According to Smith (as quoted by Raffles) they chose Batavia because it 'lies upon the most frequented road from Hindustan to China and Japan ... the ships, too, that sail between Europe and China touch at Batavia and it is..the centre and principal mart of what is called the country trade of the East-Indies...'.⁷⁶

In considering these initial quotations from Adam Smith by Raffles, it is important to remember that Smith had never been to Southeast Asia (or anywhere outside of Europe). However Raffles obviously felt that quoting the Scottish philosopher strengthened his argument. Raffles uses Smith here in the same way that some people quote scripture. By the second decade of the 1800s Smith had become for many an infallible source of wisdom. Like holy scripture, the *Wealth of Nations* was read as a guide to right action.⁷⁷ Smith's reasons for England's geographical propensity to commerce are reasons which, in Raffles' mind, also hold for

⁷⁶ Raffles *History* I, p 192. The original quote is in Smith *WN*(IV.vii.c.100) p 635.

⁷⁷ As Robert Southey complained in his article 'On the State of the Poor' in 1812: 'Adam Smith's book is the code or confession of faith of this [manufacturing] system; a tedious and hard-hearted book, greatly over-valued...' Quoted in Donald Winch *Riches and Poverty: an Intellectual History of Political Economy in Britain, 1750-1834* (Cambridge: Cambridge University Press, 1996) p 323. For more formal links between theology and political economy, see A.M.C. Waterman 'The Ideological Alliance of Political Economy and Christian Theology, 1798-1833' *Journal of Ecclesiastical History* vol 34, no 2, April 1983 in which he argues 'Christian political economists engaged' in 'converting' the natural and necessary efficiency of Smith's system into an 'ideology' which was to 'dominate popular, if not intellectual thinking until the end of the nineteenth century' (pp 231-2, p 243). See also A.L. Macfie *The Individual in Society: Papers on Adam Smith* (London: Allen and Unwin, 1967) p 134.

Java. The favoured location of Batavia strengthens the links between economic and geographical determinism. To persuade his British audience Raffles feels he must quote the man who has shown England its economic *teias*. The point of the comparison is clear: both Java and England share a common commercial destiny. Both are fitted to become commercial emporia of their respective regions and both can be the centres of large trading empires.

When Raffles next quotes Smith he is again using the Scot's second-hand opinion of Southeast Asia to bolster what he must know better himself. To his statement that 'the commercial policy adopted by the Dutch with regard to the Eastern Islands and the Malay states in general was contrary to all principles of natural justice' Raffles appends a foot note in which the observations of Adam Smith on the Dutch destruction of nutmeg and clove trees and the depopulation of the Spice Islands are quoted at length. Smith's concluding words on how the Dutch have reduced the Moluccan population 'to the number which is sufficient to supply with fresh provisions... their own insignificant garrisons and such of their ships as occasionally come there for a cargo of spices' are added to by Raffles. Treating this bit of the *Wealth of Nations* as a historical primary source, Raffles brings it up to date:

Had Dr Smith written at the present day, he might have heightened the picture by observing that so far from even being capable to supply the garrisons, these islands have long being considered incapable of raising sufficient supplies for their own subsistence....

We see here that Raffles only quotes Smith's criticism of the Dutch mercantile company. Smith's many criticisms of the English company are

not quoted. Indeed Raffles concludes his amendments to this quotation from Smith in a way which subtly contrasts the prosperity under English East India Company rule with its absence under the Dutch company: 'they have for many years depended almost entirely on Java for rice...and latterly supplies have been sent to them from Bengal'.⁷⁸

The criticisms Smith made of the English East India Company are reserved exclusively for the Dutch government of Java. This is also the case where Raffles evokes the spirit of Smith rather than directly quoting him. In his introduction, Raffles' words have Smithian overtones when he retells the history of the VOC in Southeast Asia. Raffles relates how in the mid-1700s, unable to compete with the English in 'continental India', the Dutch Company consolidated its territories in Southeast Asia. He comments that the 'original situation of the Company as a mere mercantile body, looking out for trade and not dominion, had undergone a material alteration by the acquisition it had made from the middle of the last century of considerable territorial possessions, especially on the island of Java'. The Dutch Company acquired 'the exclusive trade, and at the same time the uncontrolled sovereignty over the same country'. Raffles says in a tone reminiscent of Smith that the 'rights of sovereignty' which the Dutch Company acquired, 'were...considered at the time, merely as of increasing its mercantile profits and all its territorial rights were looked upon as subservient to its mercantile system'. This hypocritical reproof (following as it does a brief allusion to the English Company's territorial conquests in India) exemplifies Raffles' selective use of Smith's criticisms of mercantilist companies. Smith's censure of the English East India Company is erased and the Dutch Company comes to represent all that is wrong with mercantile companies which are territorial sovereigns. In Raffles only the

⁷⁸ Raffles *History* I, pp 229-230.

Dutch East India Company, the Vereenigde Oostindische Compagnie (VOC), suffers from the conflict of interest which is merchant-sovereign's lot.

Raffles differs from Smith in not criticising the English Company but his biggest difference from Smith is that he asks for *more* government regulation of inter-country trade, rather than less. Within the archipelago, Raffles wants a regulated, 'settled' traffic rather than the free-for-all it has become with private traders. Private European traders, particularly 'British traders' he says have armed pirates 'by the supply of arms and ammunition' and private European traders support natives who wished to 'throw off their allegiance' to legitimate local rulers.⁷⁹ Raffles here is falling back on one of the last remaining arguments still used in the second decade of the nineteenth century to defend the English East India Company's monopoly: the idea of private traders as 'adventurers' who, ignorantly meddling in the affairs of the countries or people with which they are dealing, offend them and thus bring English commerce into disrepute.⁸⁰

Raffles also calls for controls on the Chinese due to their 'monopolising spirit' ⁸¹, and also the 'Arab' traders especially the 'numerous adventurers who carry on a coasting trade from port to port'. These, he accuses of being frequently involved in 'piracies' and 'the slave

⁷⁹ Raffles *History* I, pp 222-223.

⁸⁰ See Eric Stokes *The English Utilitarians and India* (Oxford University Press: London, 1959) p 35. For an example of the continued use of the argument see John Barrow (permanent Under Secretary of the Admiralty) who said in his 1806 book *Voyage to Cochinchina*: 'I am decidedly of the opinion that the trade to China and Cochinchina ought never to be thrown open to individual merchants. ...The temptations indeed of large profits which commerce sometimes presents are difficult to be resisted; and when individual interest comes in competition with the public service, the latter is very apt to give way to the former... However honourable a merchant may be in his dealings, he cannot be responsible for the good conduct of a whole ship's company; nor, with the cargo which he transfers to the management of another, can he transfer at the same time character and principle' (pp 345-346).

⁸¹ Raffles *History* I, p 225.

trade'.⁸² The problems brought about by an 'unregulated' private European, Arab and Chinese trade in the region, for Raffles, 'illustrate the necessity of establishing an equal and uniform system of port regulations throughout the whole of the Malayan countries'.⁸³

Raffles does not explicitly state who he thinks will establish and enforce these regulations throughout the region. He draws the attention of 'the governing power'⁸⁴ to these problems and calls on 'the supreme European authority to interfere' in the 'commercial regulations of the different ports' and abolish the 'trading monopoly, which in most of the Malayan ports is actually assumed by the chiefs'.⁸⁵ By the time he is writing this can only mean the Dutch who have regained control of Java and most of the Archipelago. But Raffles asserts Dutch 'influence in the east' has not recovered from its 'reduction' during the Napoleonic Wars and, furthermore, their conduct has been 'contrary to the principles of natural justice and unworthy of any enlightened and civilized nation'.⁸⁶

It seems Raffles wishes the British to control the trade of the Archipelago. Only the British have the strength and the economic enlightenment to enforce 'regulated trade' throughout the Archipelago. Only Britain could be strong enough to prevent piracy 'by rendering under a system of acknowledged ports, every chieftain answerable for his own territory'.⁸⁷ He attributes official British apathy towards an extension of influence throughout the Archipelago to the sort of ignorance his *History* is remedying: 'the indifference of the British government must have

⁸² Ibid I, p 228.

⁸³ Ibid I, p 228.

⁸⁴ Ibid I, p 230.

⁸⁵ Ibid I, p 235.

⁸⁶ Ibid I, p 229.

⁸⁷ Ibid I, p 233.

originated solely in the the want of information or want or knowledge'. He advocates a British post on Borneo from which they might send out ships (and officials) to control the rest of the archipelago. He makes it clear that the Dutch have little claim on Borneo and emphasises the riches of that island.⁸⁸

All this occurred in a chapter where Raffles used Smith twice: once to recommend Java as geographically suited to become like England, the centre of trade, and secondly to illustrate Dutch rapacity. Raffles could quote Smith, like scripture, to suit his purpose. He narrowed down Smith's arguments against *all* joint-stock companies who combined trade and sovereignty, so they applied only to the Dutch. He also used Smith in the hope of convincing the English East India Company that they were capable of colonizing Southeast Asia under the liberal principles espoused in the *Wealth of Nations*.⁸⁹ He quotes Smith to show that Java and England share a similar propensity to commerce - a propensity thwarted by the Dutch. He seems to suggest that the British enable Java (and the region's) economic *telasby* regulating trade throughout the archipelago. Raffles' book is full

⁸⁸ Ibid I, p 231, pp 238-9, pp 240-241.

⁸⁹ Raffles later confessed that, while he had initially wanted to convince the East India Company's officials in Bengal of the suitability of his schemes for Southeast Asia, disenchantment set in after the signing of the Anglo-Dutch treaty of 1824. Shortly after 1824, he wrote to a friend explaining his ideas of previous years: 'My notion was to place all our stations to the eastward on the footing of commercial ports, and immediately dependent on the Supreme Government of India... Our recent treaty with the Dutch, whereby we have shut ourselves out of Sumatra and from the countries south of the Straits of Singapore... I confess when I reflect... on the little interest which the Bengal government is inclined to take in the local concerns of the place, that I am less tenacious of my former position than I once was, and that if a due and permanent provision could be made for the independence of Singapore as a free port, and for its Municipal regulations as a free town, there might be some advantages in connecting it with Pinang.' Charles Burton Buckley *An Anecdotal History of Old Times in Singapore from the Foundation of the Settlement Under the Honourable East India Company on February 6th, 1819 to the Transfer to the Colonial Office as Part of the Colonial Possessions of the Crown on April 1st, 1867* (Singapore: Fraser and Neave, 1902) Reprinted Kuala Lumpur: University of Malaya Press, 1965) p 190.

of recommendations not only on how Java should be run, but shipping throughout the entire Archipelago. Raffles seems to be recommending the English East India Company purvey the liberties Smith espoused. This is particularly so in the case of free trade. Raffles extols the new economic ideals heralded by the *Wealth of Nations* with his repeated invocations of 'free trade' in his *History of Java*.⁹⁰ But his depiction of a 'liberal' English East India Company compared to its 'mercantilist' Dutch counterpart and his request for more regulation of the region rather than less, indicates that in many ways his was a superficial reading of Smith. Raffles does not want to see that the general definition of 'mercantilism' applies to the English joint-stock companies as well as the Dutch.

CRAWFURD

Crawfurd, on the other hand, was immersed in political economy. Indeed there is much to suggest that Crawfurd saw himself as an economist. While Crawfurd's achievements as part of Raffles' administration of Java, and as second resident of Singapore as well as his trade missions to Ava (Burma), Siam (Thailand) and CochinChina (Vietnam) are well-known within Southeast Asian history circles, his career after he left Southeast Asia is less commonly known. Many of his activities and pursuits back home in Britain had an 'economic' flavour. Soon after his return, Crawfurd became the paid parliamentary agent of the 'merchants and other inhabitants of Calcutta and Bengal', at a time when economic

⁹⁰Freedom of trade or commerce is referred to directly numerous times in Raffles *History* and indirectly (for example its absence under the Dutch) innumerable times. For direct references see Raffles *History* I, p xxviii, p xxxii, p xxxviii, p xlii, p 34, p 74, p 130, p 155, p 193 and p 216.

theory was being espoused on both sides of Parliament.⁹¹ He also represented the economic interests of the Straits Settlements merchants before various Parliamentary Committees as well as being involved in coalitions of 'free traders' such as the Manchester Chamber of Commerce.⁹²

He ran unsuccessfully for parliament four times in the 1830s as an 'advanced radical'.⁹³ The philosophic radicals were a group of economists who were active in early nineteenth-century British parliament. Led in parliament by David Ricardo, John and James Mill and inspired by Jeremy Bentham, they called themselves 'Benthamites' and employed utilitarian arguments, although many of their causes and arguments also rested on related, Ricardian, economic theories. They were, as might be expected, very active in the debates over corn laws. As Crawford did not get into parliament it is difficult to know just how closely he was aligned with this group. Crawford does, however, seem to have struck up a friendship with one of Ricardo's most ardent popularisers, the minor economist and the *Edinburgh Review's* leading economic reviewer between 1817 and 1837, John Ramsay McCulloch. In the lead-up to the Parliamentary review of the East India Company's charter in 1831, an *Edinburgh Review* article 'written by McCulloch from facts supplied by Crawford' on free trade was printed

⁹¹ For details of Crawford's employment and salary by the Calcutta merchants see *Minutes of Evidence of the Select Committee on the Affairs of the East India Company*, British Parliamentary Sessional Papers, House of Commons, 1830, vol vi, p 342 (hereafter P.P.). See also P.P., 1830, vol v, p 285.

⁹² Michael Greenberg *British Trade and the Opening of China* (Cambridge: Cambridge University Press, 1969) pp 183-5.

⁹³ Stephen, L. and S. Lee, *The National Dictionary of Biography* (London: Oxford University Press 1973) p 60. Buckley says that he was candidate 'as the representative of Glasgow, his principal reasons for obtaining support being his warm advocacy for the commercial interests of England upon matters connected with India...' (p 141).

and circulated as a pamphlet.⁹⁴ McCulloch's letter to Crawford regarding how this pamphlet should be publicised (in the 'Manchester, Liverpool and Glasgow papers') begins 'My Dear John' which indicates some degree of familiarity and probably friendship.⁹⁵ Crawford was a regular contributor to the *Edinburgh Review*; an 'organ of Ricardian orthodoxy' during the time McCulloch was its economic editor.⁹⁶ He also published in that other well-known forum for radical ideas, *The Westminster Review*.⁹⁷

Crawford regularly appeared before parliamentary committees investigating the 'trade to the East' as an expert in both the East and economics.⁹⁸ He was a founding member of the British India Society, along with Lord Brougham 'a leading Liberal politician' and political economist

⁹⁴ Greenberg *British Trade and the Opening of China* p 184. As we shall see in the third chapter of this thesis, McCulloch also made extensive use of 'facts supplied by Crawford' in his 1832 *Dictionary, Practical, Theoretical and Historical of Commerce and Commercial Navigation*.

⁹⁵ McCulloch to Crawford (London, n.d.) The Houghton Library, Harvard University, BMS Am 1631 (268).

⁹⁶ Bernard Semmel *The Rise of Free Trade Imperialism* p 44.

⁹⁷ James Mill and his son John Stuart Mill 'helped to establish the *Westminster Review* as the the organ of Benthamism and as a rival of the *Edinburgh Review*' in 1824 because they thought the *Edinburgh* was 'the organ of the Whig aristocracy'. [David Martin *John Stuart Mill and the Land Question* (Hull: University of Hull Publications, 1981) p 7]. Crawford in his later life seems to have switched, as regular contributor from the *Edinburgh Review* to the *Westminster Review* because of these journals' changing stances on 'systematic colonization'. According to Semmel, 'After Bentham died in 1832 there was a split among the philosophic Radicals between Bowring and Perronet Thompson, on the one hand, and James and John Stuart Mill, George Grote, Molesworth, and Buller on the other and one of the grounds of division was 'systematic colonization'. During the period (1820-1836) when Bowring and Thompson controlled the *Westminster Review*; that journal was vociferous in denouncing Wakefield's ideas...' and he gives as an example of this, Crawford's articles in the 'New South Australian colonies'. Bernard Semmel 'The Philosophic Radicals and Colonialism' *The Journal of Economic History* vol XXI, no 4, December, 1961, p 519.

⁹⁸ For examples of Crawford being called as an expert witness on economic matters in the East, see *Minutes of Evidence of the Select Committee on the Affairs of the East India Company*, P.P., 1820, pp 15-20; P.P. 1830, vol v, p 285 and vol vi, p 342; P.P. 1832, vol 12, p 58 and pp 92-100; P.P. 1847-8, vol ix, p 358.

who described himself as the 'Apostle of Free Trade'.⁹⁹ Crawford became one of the first presidents of the Ethnographical society from (at least) 1861 until 1863 and wrote articles on the way race impinged on economic progress.¹⁰⁰ In the final year of his life (1868) he was elected president of the Straits Settlements Association which was formed to put 'political pressure on the Colonial Office' regarding trade matters.¹⁰¹ Towards the end of his long life he also engaged in furious debate with the 'Colonial Reformers'. He saw their schemes for assisted emigration as interfering with market forces. Labour would naturally flow to where it was needed, he argued, without government intervention. One of the most significant economic texts of the colonial reformer, Robert Torrens, is addressed to Crawford. The first half of Torren's *Colonization of South Australia* is a two hundred and twenty-six page refutation of Crawford's criticism of systematic colonization which had appeared as an article in the *Westminster Review*.¹⁰² We will look at Crawford's economic ideas and activities in more detail in later chapters. For the time being we shall restrict ourselves to Crawford's use of Adam Smith in one of his earliest and most famous and influential publications, the *History of the Indian*

⁹⁹ Brougham was one of the founding economist-editors of the *Edinburgh Review*. In his only book on political economy - *The Colonial Policy of European Nations* (1803) - he advocated both free trade and colonialism (Semmel *Free Trade Imperialism* pp 71-72). As the following pages will show, Crawford maintained a similar stance advocating both 'free trade' and colonialism. For a (scathing) critique of the 'manifesto' [sic] which Crawford wrote for the British India Society see the 'Revenue System of British India' *The Edinburgh Review*, October 1839-Jan 1840, vol LXX, no CLXII, pp 391-426 .

¹⁰⁰ See for example his articles in *Transactions of the Ethnological Society of London*, vol 1 'Conditions which Favour, Retard, or Obstruct the early Civilization of Man' (1861) and 'On the Classification of the Races of Man' (1861).

¹⁰¹ C.N. Parkinson *British Intervention in Malaya 1867-1877* (Singapore: University of Malaya Press, 1962) p 20.

¹⁰² Robert Torrens *Colonization of South Australia* (London: 1835) pp x -226; John Crawford 'New South Australian Colony' *The Westminster Review* no XLII, October, 1834, vol XXI, pp 441- 476.

Archipelago

Crawfurd's *History* written just after he had helped Raffles administer Java, but before he governed Singapore, gives only two direct quotations from the *Wealth of Nations*, but evokes it indirectly far more often than Raffles' *History*, especially in its criticism of mercantilist practices. In his *History of the Indian Archipelago* Crawfurd also follows Smith far more closely in his criticism of joint-stock companies. Unlike Raffles, he takes the logical step of criticising his employer, the East India Company along Smithian lines.

Crawfurd's first full quotation taken from Smith shows how he does not simply notice similarities between Smith's description of England and his own observations of Java. Nor does he unthinkingly cite Smith as an authority, to persuade his English audience. Although he too employs Smith to argue his case, he also engages with Smith in a more analytical way. For this reason, Crawfurd's quotations of Smith are far more complex than their equivalent in Raffles. For example, Crawfurd describes how the 'Sovereign of Java' extracts one half to one third of a peasant's produce. This tax is then 'expended on revenue'. That is, it is not reinvested as capital but used to pay for the 'unproductive' machinery of the state, its 'court, its officers and its agents'. From this Crawfurd proceeds to argue that

If, according to Adam Smith, the opulence or poverty of a nation 'depends very much, in every country, upon the proportion between that part of the annual produce which, as soon as it comes either from the ground or from the hands of the productive labourers is destined for reproducing a capital, and that which is destined for constituting a revenue, either as rent or profit' Java and every

other country of the Archipelago are really poor countries and must, in spite of a soil the most eminently gifted, always continue so while a land tax founded on the native principle...is persevered in.¹⁰³

Here, Crawford quotes Smith to show that under a 'native' tax regime the surplus produced by labour is not reinvested as capital but rather is frittered away as revenue. He also seems to have in mind another maxim of Smith's that the 'retinue of a grandee in China or Indostan ...is... much more numerous and splendid than that of the richest subjects in Europe'.¹⁰⁴ This may have been what Crawford had in mind when he complained that Javanese sultans spend the revenue they raise on their 'court' and its 'agents'. But above all, Crawford seems to be using Smith to implicitly criticise the indirect rule and land tenure schemes Raffles had introduced into Java.¹⁰⁵ The land-tenure system propped up a native 'unproductive' class which, in Crawford's eyes, was a waste of money. It is the reinvestment of the surplus as 'improving' capital that leads to a progressive society. He has it on good authority, the authority of Smith, that Asian 'grandeess' were more profligate than their European counterparts. Furthermore, Smith also showed that too much revenue going to government either signifies or can lead to the poverty of nations rather than their wealth.

Crawford was a universalist with a strong particularist bent. The potential for the four great economic stages to combine with the universal propensities of humanity, while allowing for and explaining their

¹⁰³ Crawford *History* I, p 63.

¹⁰⁴ Smith *WN*(l.xi.g.28) p 223.

¹⁰⁵ We shall consider the land tenure system Raffles introduced to Java and Crawford's criticisms of it in more detail in the last chapter.

differences in a hierarchical and often judgmental fashion, was fully realised in Crawford. His second quotation from Smith picks up a theme in the *Wealth of Nations* which is not very often commented on in the literature on Smith. This is the theme of racial or cultural determinism. As we have seen, Smith in his efforts to over-turn the determinism of birth, was usually at pains to point out that it is 'nurture' or life's experiences (particularly one's job) which determines a person's demeanour rather than 'nature'. However there are a couple of times when Smith (who like everybody else was a product of his times) assumes that the blood-lines of certain peoples determine their destinies. Crawford picks up on one of these lapses into racial determinism by Smith when he is discussing the impact of Europeans on Southeast Asian history. After describing the inadvertent discovery of the Americas and India while searching for a route to the Spice Islands (in a way that is very reminiscent of Smith's potted history of the same events) Crawford declares that 'whatever is ennobling or bears the marks of genius and enterprise in the civilization of the Asiatic nations may be fairly traced to the European race'. He footnotes this statement with the following quotation from Smith:

'In what way therefore' says Smith 'has the policy of Europe contributed either to the first establishment or to the present grandeur of America? In one way and in one way only, it has contributed a good deal. *Magna Virum Mater* It has bred and formed the men who were capable of achieving such great actions and of laying the foundations of so great an empire and there is no other quarter of the world of which the policy is capable of forming, or has ever actually formed, such men. The colonies owe to the policy of Europe the education and great views of their active and

enterprising founders; and some of the greatest and most important of them, so far as concerns their internal government owe to it scarce any thing else'.¹⁰⁶

This footnote is left unadorned. No further comment is added. The 'policy' which Smith refers to here is the policy of freely colonizing the new world with immigrants from Europe.

It is likely that Crawford's reader having got this far - the third volume of his *History*- would have picked up on a few of Crawford's more persistent themes related to this quotation of Smith. The first was that Crawford was an ardent advocate of the free colonization of Southeast Asia by Europeans.¹⁰⁷ The second was that he liked to compare Southeast Asia to America. Crawford declared Southeast Asia to be another 'new world' like America but it is even 'richer and more interesting than America'.¹⁰⁸ The above quotation brings these two themes together, while leaning on, as in Raffles, the persuasive authority of Smith. If free colonization by Europeans had 'bred and formed the men' now establishing an American 'empire', then free European colonization in Southeast Asia

¹⁰⁶ Crawford *History* III, p 205.

¹⁰⁷ Raffles also advocated European colonization in Southeast Asia, although not as insistently or consistently as Crawford. According to Bastin, Raffles favoured European colonization at Bencoolen. In 1821 he wrote to the Directors that 'The Districts dependent upon Bencoolen are capable of maintaining as large a population of Europeans and employing as great a capital as Jamaica and the country and people would benefit by such an accession of enterprise and wealth'. Bastin admits 'However these ideas were never carefully worked out, and from 1817 he can be better regarded as accepting the traditional policy of establishing commercial outposts designed for trade and not for settlement. This is made all the clearer when his ideas on colonization are contrasted with those of John Crawford...' John Bastin, 'Sir Stamford Raffles and John Crawford's Ideas of Colonizing the Malay Archipelago' *Journal of the Malaysian Branch of the Royal Asiatic Society* [hereafter *JMBRAS*] vol 26:1, 1953, pp 83-84.

¹⁰⁸ Crawford *History* III, pp 212-213.

could form 'the foundations of [another] great Empire'.¹⁰⁹ As in Raffles, Smith is here used again to suggest an economic destiny; however this time it is made dependent on racial or cultural factors rather than geographical ones.

Crawfurd in many ways adheres much more closely to Smith than Raffles. Like Smith he distinguishes between the mercantilist European colonization which took place in America and the mercantilist rule of foreigners in Southeast Asia. He invites his reader to 'contemplate the difference which has characterised the policy pursued by European nations in these countries and in America, which became known to Europeans nearly around the same time'. But in contrast to Smith he does not entirely blame their subsequent fortunes on the difference between the British government of America and the East India Company government of India. Crawfurd's climatic and cultural determinism leads him to also blame those countries themselves. While he admits, 'Avarice was the mainspring of their policy with respect to both countries', it was the different states in which they found these 'nations' which dictated their future progress. The 'gold of America' was, according to Crawfurd, 'soon exhausted' and the persecution of the 'natives' which had accompanied it 'soon ceased' in part because the 'Americans had no rich commerce to persecute'. American soil produced no rare spices which these Europeans wished to engross. Thus 'colonization was consequently early resorted to, and consequently the

¹⁰⁹ Smith was not opposed to a British Empire in America. Indeed, Smith seems to have envisaged some sort of Imperial Federation in which 'white' colonies pay tax in return for representation in the British Parliament. He recommended 'extending the British system of taxation to all the different provinces of the empire, inhabited by people of either British or European extraction' and 'admitting them to British parliament, or if you will into the states-general of the British Empire...' He was even prepared to predict the removal one day of this Imperial parliament to America if those colonies grew larger than the mother country. *MV* (V.viii.77) p 939; (V.iii.92) p 946.

prosperity of America has been comparatively great and progressive'.¹¹⁰

Crawfurd contrasts this to the 'Indian Islands' which 'were found to have an industrious and commercial population, and abounded in highly prized commodities peculiar to themselves'. Soon the 'attainment of these commodities by violent means...became naturally the object of the European adventurers of all nations'. Furthermore this policy of obtaining produce by coercion has continued down to the present day: 'a systematic injustice which has, in every period of European connection, generated a train of evils and misfortune to the native inhabitants, of which no other portion of mankind has been so long the victim'.¹¹¹

In part, Crawfurd sees the 'evils' of mercantilism as stemming from the fact that it is, in his opinion, a remnant of an earlier economic stage. Crawfurd seems to have refined Smith's four great stages and divided up the fourth and last commercial stage into two: an early mercantile stage 'before trade had had time to produce its legitimate effects, humanity and civilization', and a later more civilized, freer commercial stage. It is the 'Indies' misfortune that they 'were discovered at the first dawn of commercial enterprise when mercantile cupidity had just awakened... at a moment when religious bigotry was at its height - when manners were rude and ferocious...'.¹¹² Crawfurd evokes Smith in his condemnation of both Asian and European mercantilism.

For Crawfurd some Asian countries are still stuck at this first, 'semi-barbarous' part of the commercial stage. He sees contemporary China as guilty of the same mistakes which Europe made in the past, and is still making in some quarters; that of 'interference and over governing' in

¹¹⁰ Crawfurd *History* II, pp 392-3.

¹¹¹ *Ibid* II, pp 392-3.

¹¹² *Ibid* II, pp 394-5.

'foreign commerce'. Similarities between China and Europe abound: 'in China we discover all the errors and absurdities of the mercantile system of political economy, the ridicule of the present generation, though the boast of the our predecessors'. The government of China, Crawford believes, 'carry the principle of the mercantile system to an extreme'. Like 'European politicians of the early part of the last century' they 'believe that money is wealth; and they are particularly prepossessed in favour of that foreign trade, which appears to bring in the largest share of it; and they prohibit its exportation'.¹¹³

Crawford however thinks Europeans should know better. The only time Crawford seems to (almost) forgive European mercantilism is when it occurred in the past. Rapacious joint-stock companies are understandable in the context of more primitive, barbaric economic times. He explains the formation of Dutch monopolistic companies as a part of an earlier stage in the history of commerce. He relates how in the late 1500s the Dutch sent several 'private ships to India... down to the year 1602 when the parties conducting these enterprises united to the formation a *joint stock company*'. Crawford is willing to concede that this might be appropriate to the rudimentary stage their commercial society was then at: 'The restricted income of a republican government and, at the same time, the necessity of combining for security against the hostility of Spain, naturally gave rise to this measure, one probably indispensable in that early and rude period of commerce and government...' However he is scathing about the continued use of joint stock companies by 'the Dutch and all other European nations' which 'has since, by its example, had so

¹¹³ Ibid III pp 170-1. There are however limits to the similarities between European and Chinese mercantilism. Crawford sees the Chinese 'security merchants' - the intermediaries who trade on behalf of the Chinese government in return for a impost on exports and imports - as 'completely different from...our joint stock companies...though they have absurdly enough been compared' (Ibid III, p 170).

pernicious an influence upon the commercial history of the East'.¹¹⁴ While he understands why such Companies may have first formed, he cannot tolerate their continued use by 'enlightened' Europeans.

Like Smith, Crawford laments that joint stock companies combine 'at once in the character of traders and sovereigns...'. It is this 'combination so unnatural' which 'excite[s] the distrust of nations' ending 'in the expulsion of the monopolists or the restriction of their trade, wherever they have not been able to maintain themselves by the power of the sword...'.¹¹⁵ Crawford is also like Smith in seeing mercantile companies as not only harmful to the countries they monopolise and control but also harmful to the mother-country and the companies themselves. The self-defeating nature of mercantilist monopolies is one of his most oft-repeated points. Speaking of the 1600s he says that 'As the Dutch had the most power' of all the European powers then in the archipelago, 'they pursued the phantom of commercial monopoly in regard to the native states to the greatest lengths and became, of course, the most signal victims of the delusion'.¹¹⁶ The delusion he speaks of is that of expecting to make profits while ignoring the universality of self-interest. Again, while Crawford seems to almost excuse this error in the early stages of commercial society, he cannot accept its continued existence:

It cannot be supposed that the delusion of expecting profit to the trading companies, by restricting the commerce of the natives and

¹¹⁴ Crawford *History* II p 413.

¹¹⁵ Crawford goes on to cite the recent arrival of American free traders as proof that free trade to the Archipelago can work. He sees them as opening up a new era in Southeast Asian history: 'The first appearance of an Anglo-American trader in the ports of India in the year 1784 is the true era of the commencement of fair and legitimate commerce between India and the civilized nations of the west' *History* III, p 252.

¹¹⁶ *Ibid* III, p 233.

destroying the incentives to industry, the sure methods of ruining all commerce, belonged only to the earliest and rudest periods of the European connection with the Indian islands. The principle at least has actuated the conduct of the Companies and their servants without interruption down to the latest times.¹¹⁷

Here Crawford is talking about all European companies. He is as scathing about the *English* East India Company as he is about the Dutch. He dates 'the ruin of free trade' from the union of the old and new English East India Companies in 1702. He calls it 'the triumph of monopoly principles and of course the cessation, as far as Great Britain was concerned of all useful trade - a blank of 112 years'.¹¹⁸ Like the Dutch Company, the English East India Company is a self-made victim of the 'delusion' of profitable monopolies. Unlike Raffles, Crawford roundly condemns all joint-stock companies, 'our East India Companies', English as well as the Dutch.¹¹⁹ When he lists places in the Indies 'ruined' by 'European connections', he includes Balambangan from which the English were expelled in 1775.¹²⁰ This example plus numerous others - admittedly mainly Dutch - he feels 'are quite sufficient to prove the utter inutility in a commercial point of view, and the certain mischief in every other, of all establishments formed on the ruinous and illiberal principles hitherto acted upon by the European nations'. Indeed so at odds with the interests of a European nation or

¹¹⁷Ibid III, p 289.

¹¹⁸Ibid III, p 249.

¹¹⁹ Ibid III, p 247. This lumping together of European Companies does not mean Crawford believed there was any cooperation between them. Due to 'the contemptible spirit of commercial jealousy which they displayed towards each other' the 'English traduced the Dutch, - the Dutch the English; and both vilified the Spaniards and Portuguese...' (Ibid III, pp 221-2).

¹²⁰ Ibid III, p 240.

company does Crawford make mercantilism appear, these repeated disasters threaten the supposedly ubiquitous nature of self-interest:

When the failure of every new attempt, one after another, afforded fresh proof of the absurdity and injustice on which they were formed, the wonder is how, in a long period of 200 years, they should still continue to be persevered in.¹²¹

If anything, the British have even less justification than the Dutch for the continued pursuit of monopoly since it was they who first discovered the 'truth' of political economy. When, for example, Crawford likens the 'delusion respecting the value of spices' to 'that which has prevailed respecting gold', he finds it 'natural' that such an 'erroneous opinion should be entertained in the 15th and 16th centuries'. However he finds it 'strange' that spices should still continue to be thought of as 'intrinsically valuable in themselves'; and that this 'chimera should continue to haunt the imaginations of the politicians of the present age' especially in Britain, 'one of the most polished nations of Europe' and 'the country which gave birth to the science of political economy'.¹²²

Crawford adhered more closely to Smith than Raffles on 'free trade' as the solution to the problems caused by European mercantilism. Crawford really did mean private individuals trading freely - unassisted by the East India Company. He concludes halfway through his chapter on 'Commerce with European Nations':

From the statements now given, we are left to the alternative of

¹²¹ Ibid III, p 240.

¹²² Ibid III, p 213.

admitting that the Indian trade, like every other trade, can only be conducted by separate and individual enterprise. This principle is indeed more peculiarly applicable to the Indian trade than any other...¹²³

Crawfurd explains how Adam Smith's idea of free trade is particularly applicable to Southeast Asia because of the vast gap that exists between European nations and Southeast Asian ones. A 'trade conducted by a joint-stock company, with civilized and powerful nations' may be 'slovenly and expensive', but is essentially harmless. However 'one conducted by such a body, with [the] half civilized, timid and strange nations of Southeast Asia is open to far more serious abuses. In complete contrast to Raffles, Crawfurd sees trading companies, 'armed with political and arbitrary power' as almost driven to act destructively. In contrast, the private trader 'is compelled by necessity to accommodate his conduct to the institutions of the people with whom he trades' and 'acts of aggression are neither in the nature, nor compatible with the interests of the peaceful pursuits of commerce...'.¹²⁴

In conclusion, this chapter looked at how British accounts of Southeast Asia in the early nineteenth century were influenced by political economy. They were written at a time when the popularity of the *Wealth of Nations* was at its height. These accounts recognised Smith's incontrovertible psychological traits: one was the propensity to 'truck,

¹²³ Ibid III, p 250.

¹²⁴ Crawfurd *History* III, p 251. Although Crawfurd also contradicted his confidence in the natural suitability of the private trader, calling him the 'inexperienced trader of Europe' who would do best to dispose of his goods to the Malaysian traders through 'an intermediate class in whom both can repose confidence'. He concluded that 'A colonial establishment becomes the only means of effecting this'. Ibid, p 263.

barter and sell' and the other was self-interest. These two combined to give rise to the division of labour, which along with other ways of increasing the surplus led to the progression of opulence whereby a society increases not only in material welfare, but also refinement and civilization.

'Mercantilism' was the term used by Smith to describe the government-supported imbalance between nations; the anachronistic notion that trade could only benefit one country rather than being mutually advantageous. Smith saw this as a continuing fault of joint-stock companies in his day. In particular Smith condemned the practice by joint-stock companies of combining the functions of 'merchant' and 'sovereign' without the impetus of self-interest to do the latter function properly. The company's interest as sovereign was not aligned with that of their subjects. For this reason, Bengal was 'declining' severely under the English East India Company's rule.

Despite Smith's criticism of the English East India Company, two of the Company's employees, Raffles and Crawfurd used Smith with great respect. They quoted him as an authority on the places they administered, despite the fact he had never been to Southeast Asia. The term 'mercantilism' in its most derogatory sense was taken up with enthusiasm by them. However Raffles selectively used Smith to boost the image of the English East India Company as opposed to its Dutch equivalent, the VOC. Raffles was not a thorough going Smithian in his economic views. In many ways his devotion to Smith's doctrines such as 'free trade' was undermined by his devotion to his employer, the English East India Company. He seems to have used Smith to try to persuade the East India Company to regulate the archipelago, rather than condemn them. In contrast, his subordinate John Crawfurd, used Smith with far more theoretical dexterity, quoting

him for example on complicated economic issues such as revenue and how it is best spent. Crawford also picked up on what little racial or cultural determinism there is in Smith. *Magnum Virum Mater* hails the English race which, in Smith, will lead to the greatness of the American colonies and, in Crawford will lead to the greatness of the East Indies, if only free, European colonization was allowed as it had been in the American colonies.

Crawford found Smith's criticisms of joint-stock companies combining the roles of merchant and sovereign equally applicable to both the English and the Dutch East India Companies because of the inherent conflict between the Company's roles of merchant and government. But he also found the cause of the differing impact of the two types of rule in the countries themselves. It was the uniqueness of the spices of the East Indies, which led to Portuguese and Spanish adventurers and Dutch and English companies using violence and it was the 'barbarity' of their peoples which meant they were virtually unopposed. Crawford divided up Smith's commercial stage into an early mercantile stage and a later more economically rational stage. Thus he found the actions of the early companies more excusable than the continued use of monopolies and force by companies in more recent times. He found their atavistic mercantilism inexcusable in a period supposedly enlightened by the 'science' of political economy.

But perhaps the biggest difference between Crawford and Raffles lay in Crawford's advocacy of 'free traders' - private individuals - as 'necessarily' more civilized and accommodating in their trade with the indigenous inhabitants. In this it can be seen that the system of natural liberty evoked by Smith, could mean very different things to different people. Both Raffles and Crawford used Smith in their accounts of Southeast Asia but both read him in different ways and to very different

ends.

Chapter Two

FREE TRADE

DIFFERENT MEANINGS OF 'FREE TRADE'

The first chapter gave a broad overview of Adam Smith's ideas and some indication of the way they were used in the writings of colonial administrators. This chapter will concentrate on just one idea of Adam Smith's, that of free trade and its manifestations in the person of Raffles and the port of Singapore. The other side to the 'myths' of Raffles and Singapore shall be exposed: another side which was far removed from the exalted 'freedom' which came to be so closely associated with both man and port-city.

Free trade was the concept by which Smith was most distinguished from his mercantilist predecessors. It was the concept used by the British to distinguish themselves from all previous European powers in the East, particularly the Dutch. Free trade was evoked with increasing frequency in the nineteenth-century British Parliament. However, it was not as simple a concept as those who most frequently used it seemed to believe. It could have a number of different meanings in a number of different contexts. It could have a number of different meanings even when used repeatedly in the same context.

One use is apparent in the first report the 'Select Committee Appointed to Consider of the means of Maintaining and Improving the Foreign Trade of the Country' presented to Parliament in 1821. The

Committee's opening summary told Parliament the merchants of the United Kingdom were ready to be relieved 'from a variety of restrictions which the policy of a former period imposed upon it'. There was an element of patriotism in the summary. The Committee had concluded from their investigations that 'the skill, enterprise, and capital of British merchants and manufacturers, require only an open field for exertion; and ... unlimited freedom from all interference...'.¹ Here the Committee is talking about free trade as freedom from government interference. They make it clear that they are advocating free trade because they perceive Britain to be leading the world in manufactures. The abstract principles of political economy coincided with a very knowing awareness of their country's advantageous position. The British lead was such that government intervention could only hinder it.

'Free traders' also use the word 'free' in its most mundane sense. They wanted their trade to cost nothing, or next to nothing: it should be subject to minimal tariffs, harbour duties and other imposts. If it could not be conducted completely 'free' of charge, it should at least be very, very cheap. Again, this call was made with a very knowing consciousness that in Southeast Asia, Britain could afford such largess while other nations probably could not. In an extract from a letter on the subject of Singapore dated 15 April, 1820 appended to the Committee's report, its author, Raffles, (although the authorship is not given) recommends making

our station free ports...for our continental possessions [India] will enable us to do that, without considering it as a loss, which no other nation could do, except at a dead loss, in consequence of the

¹ 'Report from the Select Committee appointed to consider of the Means of Maintaining and Improving the Foreign Trade of the Country', *British Parliamentary Papers*, Sessions 1820-21; vol I, (Shannon, Ireland, Irish University Press, 1968) p 3.

greater distance of their power; this is particularly applicable to the French, Russians and Americans. We can... maintain our Eastern stations without levying duties at them [and] improve the general trade and consequent prosperity of our continental possessions. No other nation could afford to maintain such stations, without levying duties.²

The armies of the East India Company stationed in continental India enabled British ports in Southeast Asia to waive port dues or tariffs. The Southeast Asian ports could forego that income because military protection was available at relatively small expense. Compared to the expense of transporting troops from Europe, transporting troops from India was relatively cheap. These troops could also be trained in India, replenished from there and commanded from there, saving the Eastern islands the expense of the higher ranking officers' salaries.

Free trade was not usually connected with the East India Company. Indeed, in the minutes of evidence collected by the Committee we see 'free trade' at times being used to describe specific practices which were opposed to those of the Company. Crawford was called by the Committee on 13 June, 1820, to give evidence on the trade with the East Indies. Crawford, opinionated as ever, made it clear that the merchants of England could only benefit from the lifting of the East India Company's monopoly and all the other restrictions which were placed in their way (such as the minimum tonnage requirement on ships trading to the

² That the author is Raffles is proven in a privately printed paper by John Bastin 'Sir Stamford Raffles's Historical Sketch of the Settlement of Singapore'. Raffles' sketch, as Bastin shows, appeared in part or whole in various journals including the *Calcutta Journal* of 1819 and a private letter to the Marquess of Lansdowne in 1820. John Bastin 'Sir Stamford Raffles's Historical Sketch of the Settlement of Singapore' (Privately printed, Eastbourne, 2000) pp 4-5.

archipelago). As the exchange between the Committee, Crawford and other interviewees reveals, the term 'free trade' had a variety of usages, including quite specific technical ones.³ At one point the Committee asked Crawford if he knew 'whether the Dutch trade in these seas is a free trade, or is it restricted to a trading company?'⁴ In this question 'free trade' and trade conducted by a Company are mutually exclusive. In a similar vein, Crawford told the Committee that the country trade of the East India Company between India and Southeast Asia had decreased since 'the free traders of this country have begun to frequent the Indian islands'.⁵ 'Free traders' here were private individuals who, unconnected with a joint-stock trading company such as the English East India Company were selling and buying in the region.

When interviewing an agent of the Company who had had long experience in China, James Goddard, the Committee asked him about 'knowledge of British manufactures in China' since the end of the Company's 'exclusive trade'. Goddard answered 'that in consequence of the free trade, the British manufactures...have found their way to China'. The Committee, striving to clarify his answer, asked him if 'till the free trade' and 'previous to the free trade' the Company ever exported cotton goods to China 'on their own account...'⁶ Here, 'the free trade' refers to a particular period. It refers to the time after the Company's charter was reviewed in 1813 when the East India Company's monopolies were slashed to all but those involving direct trade with China. The 'free trade' watershed of 1813 saw a flood of goods into the Indian and East Indies

³ 'Report from the Select Committee appointed to consider of the Means of Maintaining and Improving the Foreign Trade of the Country', *British Parliamentary Papers*, Sessions 1820-21; vol I, (Shannon, Ireland, Irish University Press, 1968) p 16.

⁴ *Ibid* p 18 [My italics].

⁵ *Ibid* p 17.

⁶ *Ibid* p 14.

markets.

Crawfurd in his interview invoked the concept of freedom in other ways as well. He told the Committee there should be a 'perfect freedom' of ships to visit every Southeast Asian port⁷; he spoke of the need for British capital to be given 'free scope'⁸, and the need for a 'perfect freedom of communication' to exist between the East Indies and Britain so that 'the tastes of the inhabitants could be studied' by merchants.⁹ As we shall see later in this chapter, Crawfurd, in his constant incantation of the words 'freedom' and 'free' (like many other advocates of free trade) was yoking the economic principle of free trade to the moral righteousness of the anti-slavery movement in nineteenth-century Britain. During the upsurge in discussions of abstract rights that followed the American declaration of independence and the French Revolution, progress towards greater freedom was an assumed 'given' in early nineteenth-century discourse. It gave a moral gloss to the free traders' pragmatic and materialistic aims.

ADAM SMITH AND FREE TRADE

By 1813 the basic right to trade in India had largely been achieved. Most of the Company's privileges had been revoked. Now the 'free traders' demanded complete freedom from government interference including the government-sanctioned tea monopoly.¹⁰ This demand for a freedom 'from' something, in contrast to a freedom 'to' something was typical of classic liberalism. As in Crawfurd and Raffles' histories, free trade in Adam

⁷ Ibid p 16.

⁸ Ibid p 17.

⁹ Ibid p 19.

¹⁰ C.R. Fay *Imperial Economy and its Place in the Formation of Economic Doctrine 1600-1932*(Oxford: Oxford University Press 1934) p 106.

Smith is espoused more in the breach than put forward as a positive theory. As we have seen, in his criticisms of mercantilism Smith by implication frequently supports free trade.¹¹ However positive references to the actual content of 'free trade' are rare in the *Wealth of Nations*. Liberal thought generally defines 'freedom' as the absence of coercion, repression or restrictions. Similarly free trade in Smith is not defined by positive criteria so much as the absence of such things as excise duties, tariffs and other government restrictions on trade.

The few instances of Smith positively espousing the virtues of free trade in the *Wealth of Nations* include his discussion of how free trade on a global scale can ensure adequate supplies of gold and silver just as it can ensure adequate supplies of wine¹². Smith's other major endorsement of free trade is found outside the *Wealth of Nations*. In his *Lectures on Jurisprudence* Smith concluded that 'it appears that Britain should by all means be made a free port, that there should be no interruptions of any kind made to foreign trade'. Of course the mercantile 'restrictions' also earned revenue for the government. Keeping this in mind, Smith says

that if it were possible to defray the expence of government by any other method, all duties, customs and excise should be abolished, and that free commerce and liberty of exchange should be allowed with all nations and for all things.¹³

¹¹ For a summary of Smith's 'negative' espousal of free trade, see chapter 10 'The Negative Argument for Freedom of Trade' in J. Shield Nicholson *A Project of Empire: a Critical Study of the Economics of Imperialism with Special References to the Ideas of Adam Smith* (London: Macmillan and Co, 1910) pp 136-152.

¹² Smith *WN*(IV.i.11) p 435.

¹³ Adam Smith *Lectures in Jurisprudence* quoted in Campbell's and Skinner's introduction to their edition of *WN* p 21.

By the early nineteenth century this is mainly what the concept of free trade amounted to in practice: ports free of 'duties, customs and excise' in places where the government could earn revenue through other means. As we shall see Singapore, in many peoples' minds, came to epitomise the free port *par excellence*, a place where Smith's dream of international 'free commerce and liberty of exchange' was made manifest.

THE MYTH OF RAFFLES

The establishment of Singapore in 1819 is usually attributed to the energy and ambition of one man: Sir Thomas Stamford Raffles. It is seen as the outlet for his imperial ambitions which were thwarted when the British government gave Java back to the Dutch to keep peace with them in Europe.¹⁴ After Java, Raffles returned briefly to England (and wrote the *History of Java*) before being sent to Sumatra to take charge as the Lieutenant-General of the English factory at Fort Marlborough at Bencoolen (Benkulen) and its surrounding districts of coffee and pepper plantations.

By Raffles' time Bencoolen had been an isolated backwater for centuries. When Raffles first arrived there he wrote to his friend Marsden that it was 'the most wretched place I ever beheld...We will try and make it better...'.¹⁵ He tried to improve the settlement by applying the same liberal ideals he felt he had enforced in Java: freeing the Sumatrans from the forced cultivation still allowed on the pepper plantations, abolishing

¹⁴ Raffles imperial ambitions for himself were actually thwarted some months before the British handed Java back to the Dutch. While in Java he had tried to extend British influence by making subsidiary treaties with the chiefs of Borneo and Sulu. The East India Company disavowed these treaties and removed him from his office as Lieutenant-general of Java for overstepping the bounds of his authority some nine months before the island was handed back to the Dutch. Bastin *Native Policies of Raffles* p 137.

¹⁵ Quoted in Charles Wurtzburg *Raffles of the Eastern Isles* (London: Hodder and Stoughton, 1954) p 429.

slavery and gaming farms.¹⁶

However the stagnant outpost was not enough to contain Raffles' ambitions. In 1819, for example, he made a treaty with the 'Emperor' of the central Sumatran kingdom of Menangkabau. He prevailed upon the Emperor as the 'ancestral father of the Malay' to appoint him, Raffles, as his 'Representative in all the Malay States'. As Raffles said in a letter soon afterwards: 'I would assume supremacy without interfering in the just independence of other states...I would, in fact, re-establish the ancient authority of Menangkabau, and be the great Mogul of the Island'.¹⁷ Once again however, his hopes of establishing a British empire in Southeast Asia met with the disapproval of both the East India Company and the British government and the treaty was annulled.

With the establishment of Singapore in 1819, Raffles' ambitions are seen as being finally fulfilled. Most biographers of Raffles depict the founding of Singapore as the greatest achievement of his career. The late Victorian biographer, Demetrius Boulger put the establishment of Singapore at the pinnacle of Raffles' life because it enabled the English to 'triumph over the Dutch'. Boulger makes it clear that 'the real claim of Raffles to rank in the front group of English statesmen' lies in what Singapore did to the Dutch: 'His claim is based on his long struggle with the Dutch, of which that measure was the concluding incident.' According to Boulger 'Raffles threw himself single-handedly in their path and [with Singapore] at last accomplished their discomfiture'. Without Singapore, he contends 'our trade to this hour would be fettered by the suspicious and

¹⁶ John Bastin has shown how many of these 'reforms' were far more impressive on paper than in reality. As in Java, Raffles' description of his achievements in Sumatra are one part wishful thinking, one part sober assessment and one part self-aggrandisement. See Bastin *Native Policies of Sir Stamford Raffles* p102 and p137.

¹⁷ Raffles *Memoir* Raffles to Thomas Murdoch, October 9, 1820, p 480. See also Saul Rose *Britain and South-east Asia* (London: Chatto and Windus, 1962) pp 31-2.

grudging competition of the Dutch...'.¹⁸ A more recent biographer of Raffles, Maurice Collis, claims even greater things for the port-city. Collis depicts the founding of Singapore as ushering in a new age for Asia. He concludes his biography of Raffles by describing him as the 'great friend of the Malay race' who:

longed to deliver them from their servitude under the Dutch and launch them as free individuals to make their way in the new world which was dawning for Asia...his founding of Singapore prevented the Dutch from extending their mercantile system over the Malay states of the Peninsula... He had opened the door, he had pointed to the path, he had provided the idea, he had performed the act. Singapore stood... The stage was set for Europe's decisive incursion into East Asia. Old Asia was to disappear, a new Asia to be born, the Asia of the modern world. Such were the forces which

¹⁸ See D.C. Boulger *The Life of Sir Stamford Raffles* (London, 1897) p 390.

Raffles set in motion by founding Singapore.¹⁹

Such biographers also tend to be impressed that in securing Singapore Raffles defied the British government and East India Company. Their representations of Raffles' founding of Singapore can be seen as part of a genre we shall call 'liberal heroics': the far-sighted, freedom-loving individual who overcame an interfering and restrictive government. They attribute the existence of the port-city to his single-handedly convincing the reluctant governor-general of India, Francis Rawdon-Hastings, 1st Marquess of Hastings (Warren Hastings), of the necessity of a strategically placed British entrepot in the archipelago. In these narratives, Raffles alone recognised that the British needed an entrepot, a central collection and distribution point, where they could exchange the

¹⁹ Maurice Collis *Raffles* (London: Faber and Faber, 1966) pp 218-219. Wurtzburg's *Raffles of the Eastern Isles* offers a more muted version of the English triumphalism of Collis and Boulger on pp 454-501. A more recent expression of similar views can be found in Dorothy Geary's article, 'Founding Singapore Capped an Empire Builder's Great Dream' *Smithsonian* 1982 13 (1):130-149. A complete absence of triumphalism marks the Andayas' account of the establishment of Singapore, nevertheless they do see it as marking a new era in Malaysian history. Speaking 'in terms of Malay history' they say 'Singapore signalled the end of the end of the entrepot under Malay rule or even, as Riau, functioning under Malay auspices. With two British ports, Penang and Singapore, there was now no need for British traders or Chinese junks to frequent Malay harbours...a port such as Singapore, controlled by Europeans and controlled primarily for their benefit, was different from any others which had previously existed in the area'. They quote Raffles' Malay scribe who wrote that Singapore was like 'the sun when it has just risen, waxing stronger and stronger...a new world is being created, the old world destroyed' B. and W. Andaya *A History of Malaysia* (London: the Macmillan Press, 1982) pp 111-112. Carl Trocki however argues that from the Malay point of view 'Singapore was simply a slight adaptation of the typical Malay port which sustained their ancestors for centuries... to the Malays, it was simply one more variation on a very old theme. Practically every Malay state known to history had been based on a trading city. In the maritime world, the entrepot was the major political structure.' C. Trocki *Prince of Pirates: the Temenggongs and the Development of Johor and Singapore 1784-1885* (Singapore: Singapore University Press, 1979) p 51. Needless to say, many Dutch historians of Southeast Asia take an even more jaundiced view of Raffles' achievement, especially his securing of Singapore by making a treaty with the pretender to the local sultanate (the reigning sultan's older brother). See for example Bernard H.M. Vlekke *Nusantara: a History of Indonesia* (The Hague: W. van Hoeve, 1959) pp 280-3.

raw produce of the Archipelago for the products of their burgeoning manufacturing sector. Thus in late 1818 he went to Calcutta where he convinced the reluctant governor-general, Warren Hastings, to let him establish a British port in the southern archipelago. Hastings duly gave the required orders and Singapore was founded in early 1819 when Raffles was on his way to Acheen (Acheh)²⁰.

The loss of Java is also depicted in the same liberal heroics: the great individual versus an unimaginative or bungling government. Hugh Clifford's short story, for example, relates how Raffles learnt of 'the mandate of the British government restoring Java - his Java! - to Holland and so laid his life work in ruins about his feet!' at a party. Government ineptitude is the main villain in this 'bitter tragedy'. Java, that 'splendid paradise which had been wrested from the Dutch by the genius and foresight of Raffles...was lost to us forever...because of the dispatches in which Sir Stamford disclosed the richness of the new colony lay neglected and unopened in a pigeon-hole of the Foreign Office!' According to Clifford: 'Years after these priceless documents were unearthed their seals [were] still unbroken...' Thus the 'sin of some obscure shirker of duty' was visited upon the Javanese. Raffle's individual 'genius' had been defeated by the faceless machinery of government: 'It is not pleasant to think of the weight of responsibility which rests upon the shoulders of that unknown

²⁰ However Anthony Webster has convincingly argued that Raffles was not the sole architect of Singapore and that Hastings was just as active in securing the entrepot. See Anthony Webster 'British Export Interests in Bengal and Imperial Expansion into South-east Asia, 1780 to 1824: The Origins of the Straits Settlements' in *Development Studies and Colonial Policy* (eds) Barbara Ingham and Colin Simmons (London: Frank Cass and Co, 1987) pp 163-5.

bureaucrat'²¹. But while, in the case of Java, irresponsible, anonymous, bureaucratic ineptitude overcame the individual genius of Raffles, Singapore is seen as his triumph.

Many biographers of Raffles have linked his founding of Singapore to the general concept of freedom. The early twentieth-century biographer, William Cross for example in talking of Raffles' dreams to establish a British Malay empire, said: 'Let the freedom of the seas be established! ... Let slavery be abolished!... Let kindly civilization, with freedom of trade, freedom of religion, freedom of education, bring peace to the torn and plundered islands of ancient Malaya!'²² He saw Raffles' 'eagerness to found Singapore' as 'a deliberate blow at tyranny and monopoly and racial prejudice'.²³ While more recent historians tend to no longer write of Raffles as the 'great Man' of history, they are likely still to attribute Singapore's establishment to the lone hero of Raffles, though they do so in less glowing terms. And they still associate the port-city with freedom. The historian Kenneth Tregonning for example has said of the Malaysians and Chinese which came to Singapore almost immediately after its

²¹ Hugh Clifford *Heroes of Exile - Being Certain Rescued Fragments of Submerged Romance* (London: Smith, Elder and Co, 1906) pp 39-41. The notion that Java was lost by bureaucratic error was traced by Charles Buckley to an anonymous article which was later attributed to Crawford. It first appeared in the *Monthly Scottish Magazine* of October 1836, where, according to Buckley, 'It attracted much attention and was reprinted in full in the *Free Press* of 30th March 1837'. Boulger mentions a similar story. But he gives what is now the more accepted explanation, that Java was relinquished because it was a drain on the Company's finances and it was thought its return would strengthen the Dutch economically and make them allies in war-torn Europe. Charles Burton Buckley *An Anecdotal History of Old Times in Singapore from the Foundation of the Settlement Under the Honourable East India Company on February 6th, 1819 to the Transfer to the Colonial Office as Part of the Colonial Possessions of the Crown on April 1st, 1867* (Singapore: Fraser and Neave, 1902) Reprinted Kuala Lumpur: University of Malaya Press, 1965) p 176.

²² Rev William Cross 'Stamford Raffles - the Man' in Walter Makepeace, Gilbert Brooke, Roland St J. Braddell *One Hundred Years of Singapore Being Some Account of the Capital of the Straits Settlements from its Foundation by Sir Stamford Raffles on the 6th February 1819 to the 6th February 1919* (London: John Murray, 1921) p 48.

²³ *ibid* p 38.

foundation:

They were attracted to Singapore... because it suggested freedom. This became the outstanding feature of Singapore. Whereas all the ports in the remainder of the Southeast Asia exacted customs, dues and levies, Singapore despite numerous attempts by the Company in India to change it, began and remained a free port. Raffles should be given full credit for this...²⁴

Part of the reason Raffles became synonymous with 'freedom', especially free trade, was due to his own self-promotion. In retrospect, he presented Singapore as a moral duty incumbent on him in his ongoing fight for basic human rights: as a continuation of his fight against monopoly and for freedom. Towards the end of his life, the directors of the East India Company sought to censure the way in which he had so often overstepped his orders. Writing in his own defence Raffles presented his securing of Singapore as a continuation of his 'achievements' on Java:

This lovely and highly interesting portion of the globe had, politically speaking, long sunk into insignificance from the withering effects of that baneful policy with which the Hollanders were permitted to visit these regions, when it fell to my lot to direct...Java and there on the ruins of monopoly, torture and oppression...to re-establish man in his native rights and prerogatives and reopen the channel of an extensive commerce. Political events required our secession from that quarter, but the establishment of Singapore...have no less afforded opportunities

²⁴Tregonning *The British in Malaya* 153.

for the application and extension of the same principles.²⁵

In this passage, the founding of Singapore was presented as a continuation of the 'principles' Raffles had tried to enforce on Java: the fight for freedom against the monopolistic and unenlightened Dutch. Free trade was presented as the natural inclination and therefore one of the 'native rights and prerogatives' of all peoples. Freedom to trade was freedom to indulge in one of Smith's most basic human characteristics: the propensity to 'truck, barter and exchange'. As we have already seen it was presented in Raffles and Crawford as the natural inclination of most Southeast Asians: an inclination that had been thwarted by the Dutch.

Also significant in Raffles' close association with freedom was his involvement in the anti-slavery movement. What has been described as Raffles' 'absentee membership of the Clapham Sect'²⁶ saw him, while he was still in charge of Java, interest the famous anti-slavery campaigner, William Wilberforce, in his Java Benevolent Society which looked to the moral and intellectual 'improvement' of the Javanese. In 1819 he wrote to Wilberforce from Bencoolen asking him to take the 'Eastern Islands' under 'your paternal wings' as he had 'the unfortunate African'. He told Wilberforce that the Eastern Islands now offered an especially wide field for 'the attention of the philanthropist' because of Singapore:

Singapore, at the southern extremity of the Malayan Peninsula, has given us the command of the Archipelago as well in peace as in war: our commerce will extend to every part, and British

²⁵ Raffles to the Court of Directors, 20th January 1824, quoted in Wurtzburg *Raffles* p 683.

²⁶ Lea E. Williams 'Indonesia's Chinese Educate Raffles' *Indonesie* 1956, 9 (5), p 383, n 25.

principles will be known and felt throughout.²⁷

In the year Raffles legislated against slavery in Singapore, 1823, he wrote to another friend boasting not only of Singapore's uniqueness but also its role as a bastion of freedom in the region. He wrote: 'I have had everything new-mould from first to last; to introduce a new system of energy, purity and encouragement... Singapore is now perhaps the only place in India where slavery cannot exist'.²⁸

The promotion of Raffles in conjunction with Singapore only accelerated after his death. As John Bastin remarks in his introduction to the reprinted version of Raffles' *Memoirs*, a collection of his letters and writings edited by his widow:

The historical reputation of Sir Thomas Stamford Bingley Raffles owes more to his second wife, Sophia Raffles than to any other person....It was Lady Raffles's *Memoir* of her husband, published in ...1830, which at once established his public reputation as one of the most liberal and enlightened of all British governors in the

²⁷ Raffles to Wilberforce, September, Bencoolen, 1819, Raffles *Memoirs* pp 409-410. However, like free trade, Raffles was not always the anti-slavery campaigner of later fame. Wright talks about how Raffles countenanced slavery on Java for the sake of profit and allowed slaves under the age of 14 to continue to be bought and sold. See H.R.C. Wright 'Communication: Raffles and the Slave Trade at Batavia in 1812' *The Historical Journal*, III, 2 (1960), p 185. Raffles himself possessed a young slave boy, 'Dick', who accompanied him back to England. See James Boon *Affinities and Extremes* (Chicago: University of Chicago Press, 1990) p 37.

²⁸ Quoted in Winstedt *A History of Malaya* 218 and in Raffles *Memoir* Raffles to an unnamed correspondent, 'Off Borneo', 12 June, 1823, pp 548-9. In 1823, Raffles had legislated that 'all persons... having his or her fixed residence under the protection of the British authorities at Singapore cannot hereafter be considered or treated as a slave, under any denomination, condition, colour or pretence whatever'. Raffles 'Report to the Bengal government on the Laws and Regulations of Singapore', March 29 1823, *Memoirs* pp 543-544.

East.²⁹

The merchants of Singapore also honoured his memory. A 'Raffles Club' was founded in 1827 which held annual dinners in his memory.³⁰ They soon collected money for a statue of Raffles³¹ – a positively prodigal gesture for a community which consistently refused to contribute towards its own public works such as bridges, drains and a lighthouse on the grounds that they were 'more for the benefit of Government than for the public convenience'.³² The Singapore mercantile community's abhorrence of paying taxes became linked to their eulogising of Raffles. Throughout the decades following his death, Singapore's mercantile community strategically used the memory of Raffles as a talisman to stave off the threat of port duties and tariffs by the East India Company.³³

From 1826 the Company tried to make Singapore pay its own way.

²⁹ John Bastin Introduction to *Raffles Memoir* p v.

³⁰ *Singapore Chronicle* 19 July, 1827.

³¹ Merchants in Britain were also to honour his memory along with freedom and Singapore. The *Glasgow Evening Post* of 11th September, 1830 contained an account of 'a dinner given to Mr John Crawford, by the Lord Provost and upwards of 100 Glasgow merchants and others'. Among the many toasts was one to 'The free port of Singapore and may its rising prosperity add another proof to the advantages to commerce which result from freedom'. Buckley *Anecdotal History of Singapore* p 141.

³² W. Read on expenditure of the Assessment fund, *Singapore Free Press*, 23 January, 1845. See also *Singapore Free Press*, 13 February, 1845 for an account of another public meeting at which protests were made against the 'assessment' being spent on sign-boards.

³³ The first time that the East India Company made the attempt to impose taxes on the commerce of Singapore was in 1826, when the Court of Directors wished to levy a duty of 2 1/2 percent on the goods in transit warehoused in Penang, Singapore and Malacca, which were about to be united under the Penang presidency: 'The court contended that it was unjust that the Indian Government should have to subsidise the cost of administrating these three settlements, which would be the case if Penang, Malacca and Singapore were made free ports, when the benefits accruing from a free trade policy had to be shared along with the merchants of England and other countries'. However the Board in England, in consultation with the Lords of the Committee inquiring into the trade to the East with which we opened this chapter, decided to keep Singapore a free port. Wong Lin Ken 'The Trade of Singapore 1819-69' *IMBRAS* 33 (4), December 1960, p 179.

But in each case the merchants of Singapore (with the help of their London-based lobbyists such as Crawford and their agency houses) successfully protested.³⁴ The Indian-trained Governor of Penang, Fullerton, suggested Singapore be made a customs port in the late 1820s without success. From 1833 to 1836 the Government of the Straits Settlements tried again to impose taxes on the trade of Singapore in order that its merchants contribute to the cost of efforts to suppress piracy in the immediate region.³⁵ It was in the midst of these successive attempts that an 1831 edition of the *Singapore Chronicle* sung the praises of Raffles. Its article, 'The Trade of Singapore', opened with the obligatory quotation from a political economist on the improving nature of trade³⁶, before going onto say:

The establishment of a commercial mart in such a happy situation as Singapore, whereby ample means are afforded for extending the distribution of British commodities amongst the inhabitants of the

³⁴ An article in the *Singapore Chronicle* in 1836 on proposed duties on trade regrets that Crawford's role as a lobbyist is confined to London. It also gives some idea of the following he obviously enjoyed amongst the Singaporean and British mercantile communities: 'the execution of all such projects remains with the Indian government and consequently out of the reach of that effective opposition that would be given to it by all public men like Mr Crawford. The resistance must and ought now to proceed from the [Singapore] community...and if we have not many of the capacity of a Crawford, we have a sufficiently numerous and respectable body of merchants to give weight and efficiency to any petition against duties being levied at this port'. It then quotes a two year old letter by Crawford on similar proposals that were then made: 'If they be proposed here I shall resist them and I think effectively too with the assistance of the press and my influence with the merchants of Liverpool, Manchester, Glasgow, Bristol and Hull.' *Singapore Chronicle* 9 January, 1836.

³⁵ Wong 'The Trade of Singapore' p 183.

³⁶ The full quote in the newspaper reads: "Trade" a plain though useful writer on Political Economy says "increases the wealth of a nation, not by raising produce, like agriculture, nor by working up raw materials, like manufactures; but it gives additional value to commodities by bringing them from places where they are plentiful, to those where they are scarce; and by providing the means of a more extended distribution of commodities, it gives a spur to the agricultural and manufacturing classes". *Singapore Chronicle* 29 December, 1831.

rich and populous nations and islands by which we are surrounded, while we receive in return the natural productions of each place, must ever claim for the enlightened and liberal founder of this Settlement, the thanks of his country, and the gratitude of the whole mercantile world. Commerce being generally the precursor of civilization and improvement, we must consider that man a public benefactor whose great mind not only comprehends the advancement of the commercial and political interests of his own country, but the moral improvement of the uncivilized and savage tribes with whom an extended intercourse may be established by means of commerce.

Such a man was Sir STAMFORD RAFFLES, the bona-fide founder of this Settlement, this emporium, of the rapid and extraordinary success of which history presents us with few or no precedents.³⁷

Raffles' name continued to be evoked in the fight to maintain Singapore as a free port for a long time. During the 1850s administration of E.A. Blundell as Governor of the Straits Settlements there was an attempt to introduce port dues on shipping, which the merchants successfully opposed. The government effort was described at a public meeting as 'in direct violation of the principles upon which the Settlement was

³⁷ *Singapore Chronicle*, 29 December, 1831. In 1852 the Indian Government tried to introduce tonnage duties on ships which called at the port in order to pay for a lighthouse near Singapore. The Singapore Chamber of Commerce in December 1851 petitioned the Indian Government on 'the injustice of collecting the tonnage duty at Singapore alone. It pointed out that the light was not a local light, as it benefited all vessels passing through the eastern entrance of the Straits of Singapore, many of which did not visit the port. Wong 'The Trade of Singapore' p 184, p187.

established and calculated to endanger the very existence of its trade.’³⁸ The repeated attempts of the Indian Government to impose taxes on the port of Singapore were the immediate cause of its transfer to the Crown in 1867. However the possibility of customs at Singapore continued under the Colonial Office which needed additional taxes to meet the costs of the new administration. One of the last appointments held by Crawfurd was President of the Straits Settlement Association, which was formed in 1868 to oppose the proposed taxes. In a memorandum to the Secretary of State on 30 April 1869 the Association charged the Governor with trying ‘to ignore the whole past history of the Colony and the dependence of its very existence on the Free Trade Policy inaugurated by its founder Sir Stamford Raffles’.³⁹

RAFFLES BEFORE FREE TRADE

However Raffles did not always embrace the policy of ‘free trade’ for which he was so fondly remembered. There was not even the seamless continuity, as he represented it, between his policies on Java and those at Singapore. When he first took over Java he was, in the words of John Bastin, ‘more inclined to look for commercial than territorial revenues to provide for the civil and military establishments on Java’. That is, he looked to Dutch-style duties on commerce, rather than land revenues like

³⁸ Bernard Nunn ‘The Government’ in W. Makepeace, G. Brooke and R. St J. Braddell (eds) *One Hundred Years of Singapore: Being Some Account of the Capital of the Straits Settlements from its Foundation by Sir Stamford Raffles on the 6th February 1819 to the 6th February 1919* (London: John Murray 1921) p 89.

³⁹ Quoted in Wong Lin Ken ‘The Trade of Singapore’ p 193. Similar evocations of Raffles continued into the twentieth century. The Singapore newspaper, the *Mya Tribune* of 1931 when a Singapore Customs Union was imminent, commented in their editorial ‘It must be expected that the “free port” diehards in the Colony will put up a sturdy fight for continual reverence of the Raffles dictum’. The *Mya Tribune* editorial, 2 October, 1931. See also the *Mya Tribune* editorial, 25 January, 1932. I am grateful to Ai Lin Chua for bringing these articles to my attention.

those of British India. In March 1812, he informed the Directors of the difficulty of immediately applying enlightened British principles to the Dutch colonial system and concluded that the revenues of the island would 'at least for some years to come, be closely connected and entirely dependent on its mercantile management under the ...East India Company'.⁴⁰ Initially under Raffles the revenue of the island was derived from forced deliveries and contingents of coffee, rice, tin and spices and a government monopoly on opium.⁴¹ He also hoped for a monopoly on 'unfree' shipping in spices via Batavia.⁴² As H.R.C. Wright says, 'Raffles' thought was mercantilist, although he tried to dress it in the language of his own enlightened age'.⁴³

When free trade was introduced to Java, Raffles only gave it qualified support. After the conquest of Java, at the urging of Minto, he decided to discontinue the Dutch monopolies as being 'so much at variance with the principles of political economy which enlighten the present age', but only 'as far as the immediate interests of the local government would admit'.⁴⁴ When the desired profits did not materialise Raffles tried free trade as his new strategy.⁴⁵ According to Bastin, it was only after Java was returned to the Dutch 'that Raffles began to expound that fully-fledged doctrine of free trade which later established his fame' because 'by then he had come to realise that this was the most useful weapon at his command for undermining Dutch commercial and political power in the

⁴⁰ Bastin *Native Policies of Raffles* p 17.

⁴¹ Ibid p 17.

⁴² Ibid p 18. Wright also says 'Raffles even advocated destroying the 'produce of the spices' like the Dutch had before him.' *East Indian Economic Problems* p 66.

⁴³ Wright *East Indian Economic Problems* p 67.

⁴⁴ Ibid pp 69-70.

⁴⁵ Ibid p 66. Bastin also says that Raffles argued that Indonesians not advanced enough for free trade with Westerners on equal terms *Native Policies of Raffles* p 119.

Eastern Seas'.⁴⁶

A further qualification to Raffles' credentials as a free trader can be seen in his halting, gradual and incomplete adoption of one of free trade's secondary features, encapsulated in the slogan, 'trade not territory'. Free traders presented themselves as neither wanting nor needing territory. All they needed was a base from which to pursue their business.⁴⁷ Vincent Harlow gives a number of reasons for this relinquishing of territory for the sake of trade in the late eighteenth and early nineteenth centuries. Tracing it back to 1782 when Shelburne said with reference to North America 'We prefer trade to dominion' Harlow saw the 'second British Empire' as one which hoped to 'find a vent for the widening range of British manufactures ...and a diversity of exotic commodities, earned by home production would flow back to British ports.' The 'revulsion against the idea of colonization', he says, 'was naturally accentuated by the quarrel with the Americans, but the root cause was the fear that colonial communities would become breeding grounds of industrial competition.' Thereafter, 'the expense and friction attending the establishment of territorial jurisdiction was to be avoided. The ideal was a chain of trading posts, protected at strategic points by naval bases'.⁴⁸

But what free traders gave up in territorial dominion they claimed back as moral high ground. The reduced need for territory was presented as respect for the freedom of foreign peoples. No longer would Britain try to control other peoples or their lands by military or political means.

⁴⁶ Ibid p 139.

⁴⁷ See Loh Poh Ping *Chinese Society in Nineteenth Century Singapore* (Kuala Lumpur:Oxford University Press, 1978) p 11.

⁴⁸ Vincent Harlow *The Founding of the Second British Empire 1763-1793, vol 1* (London: Longmans, Green and Co, 1952) p 4.

Instead 'peaceful and civic' trade gave her a more legitimate power in foreign lands, because theoretically it was in accordance with 'native' wishes as well as the principle of mutual advantage⁴⁹. In the nineteenth century, for example, the Calcutta mercantile community 'renounced all desire for territorial power as an end; ...it wanted to secure ..a world empire of trade'. As an article in the *Sunday Times*(which the *Bengal Hurkaru*reprinted in 1828) expressed it, it must be 'our policy to abandon altogether a narrow system of colonial aggrandisement which can no longer be pursued with advantage, and to build our greatness on a surer foundation, by stretching our dominion over the wants of the universe'.⁵⁰ It was this that Raffles had in mind when he wrote, after the establishment of Singapore, that 'trade and not territory is our object...'.⁵¹

But Raffles' conversion from 'territory' to 'trade' was not overnight nor was it complete. He made the transition in stages. Broadly, he went from advocating territorial dominion for the Company over Java and other islands (and the land revenue thereby gained) to advocating a 'chain of posts' and extensive regulation of commerce by the English Company throughout the archipelago, to seemingly being content with the three colonies of Penang, Singapore and Malacca. Just after he had published his

⁴⁹ This is taken from the minor economist Thomas Chalmers, who said of the indirect power Britain gained from her foreign trade: 'we are enabled by the mere conveyance of our manufactures, to obtain a right over the property and services of a country in some distant part of the world. Instead of taking back in imports the value which we have exported, we may transfer it by loan to the government of the country; we may subsidise its sovereign... thus [the] ascendancy of Britain ... her influence in other lands [is due] to the simple circumstances of her being able, by manufacture, to comprise much value in little room, of her dealing in such light and transportable wares.' Thomas Chalmers *On Political Economy in Connexion with the Moral State and Moral Prospects of Society*(Glasgow, 1832) pp 206-208.

⁵⁰ *Bengal Hurkaru*, 21 October, 1828 (editorial). Quoted in Stokes *Utilitarians and India* p 43 . See also Stokes quotation of Macaulay's 'eloquent expression' of this preference for trade over territory on pp 43-44.

⁵¹ Raffles 'Admin. of the Eastern Islands' p 12. See also his letter to Colonel Addenbroke quoted in Wurtzburg *Raffles* p 520.

History in 1817, before he returned to the East, Raffles drew up a paper for the President of the Board of Control, George Canning, entitled 'Our Interests in the Indian Archipelago'. This document can be seen as transitional between his concern to deliver territorial possessions to the Company and his later free trade policy of 'trade not territory'. In it he reduces his demands for territory to advocating the 'immediate possession of new ports in the Eastern Archipelago' because he says the East India Company's stations at Bencoolen and Penang are 'too remote from the scene'. He suggests the Dutch government be made to acknowledge and uphold the treaties, whether of alliance or independence, made during the British occupation of Java.⁵² Bangka, Bintan or West Borneo are suggested as suitable for 'out-posts or stations erected for the convenience and security of our general commercial interests...'.⁵³

Although he described these envisaged ports 'not as governments intended for rule and detailed management of a dominion' they still did constitute some territory. And the envisaged territory was enlarged the following year. In 1818 Raffles wrote a dispatch from Bencoolen, urging a strategic chain of stations extending down the entire west coast of Sumatra from Acheen (Achin) to the Sunda Strait without a break (except for the port of Padang) and linked to Penang by a station either located at Banca (Bangka) or at Rhio (Riau). About a month later, in the face of Dutch expansionism in South Sumatra, he wrote again to the Secret Committee

⁵² J.S Tay 'The Attempts of Raffles to Establish a British Base in South-east Asia 1818-1819' *Journal of Southeast Asian History* 1, 2, September 1960, pp 30-46.

⁵³ 'Our interests in the Indian Archipelago' is reprinted fairly completely in Boulger *Life of Raffles* pp 268-273. See also the pamphlet by Charles Assey, who had been secretary to the Government of Java under Raffles, published in the same year: *On the Trade to China and the Indian Archipelago* (London, 1819) especially p 48 where he suggests 'Sumatra and Banca, together with the Straits of Malacca and the adjacent islands, to be occupied by the British, while the Dutch retained Borneo, Java and the different islands to the eastward of the Strait of Sunda.'

contending that all islands east of the Sunda Strait should be occupied by the Dutch and those on the western side of the Strait should be regarded as British territory. He even dispatched soldiers to raise the British flag in a suitable bay on the Sunda Strait and remain encamped there to mark their possession. The Dutch complained to the supreme government in Bengal who disavowed Raffles' attempts and ordered him to withdraw the soldiers. Undeterred by this reprimand Raffles then suggested that the island of 'Sumatra should be under one European power alone, and this power is of course the English'.⁵⁴ He made his way to Menangkabau in the interior of Sumatra and signed provisional treaties with chiefs and sultans giving the British East India Company possession of a considerable part of central Sumatra: 'full sovereignty' from Menangkabau in the interior down to the port of Padang and the 'islands lying off the same'.⁵⁵ Once again the Dutch objected and Bengal agreed with them, disavowing Raffles' treaties.

However in the same year, 1819, despite these territorial ambitions, Raffles, in a complete about-face could write to the Company that 'trade not territory is our object...'.⁵⁶ This declaration seems to have been inspired by the foundation of Singapore. Raffles seems to have finally realised that the Company did not want the expense or administration involved in ruling more territory. Thus he represented Singapore as

⁵⁴ Tay 'Attempts of Raffles to Establish a British Base' pp 37-38.

⁵⁵ Ibid p 40.

⁵⁶ Raffles 'Admin. of the Eastern Islands' 12. See also his letter to Colonel Addenbroke quoted in Wurtzburg *Raffles* p 520. His minute on the 'Administration of the Eastern Islands in 1819' signals his capitulation when he says: 'The supremacy of Great Britain having now been established over the whole of the continent of India...our connection [to the Eastern Islands] should be confined to purely commercial objects...The extent and high value of our possessions in India renders the acquisition of further territory particularly in new and less civilized countries, comparatively unimportant and perhaps objectionable. Raffles *Memoirs* 'Admin. of the Eastern Islands' pp 11-12.

providing the benefits of Empire in a highly concentrated form. A small, inexpensive colony that was so perfectly positioned it would give returns disproportionate to its size. Running costs would be negligible but the leverage it provided would be great. As Raffles wrote of the newly-founded Singapore in 1819, it

bids fair to be one of the most important and at the same time of the least expensive and troublesome [colony], that we possess. Our object is not territory but trade, a great commercial Emporium, and a *fulcrum* whence we may extend our influence politically...⁵⁷

Of course 'emporia' like Singapore entailed some sort of territorial control, however limited. But Raffles implies that the area is so confined it does not amount to 'territory' as such: it is 'not intended' as 'dominion'. However in the long legal wrangle that followed Raffles' claiming of Singapore it is obvious the Dutch did not agree and the British government were also unconvinced that Singapore was, territorially speaking, negligible.⁵⁸

At first, the idea of making Singapore a free port appears to have occurred to Raffles as an afterthought. It does not seem as if he even thought it would last very long. In his proclamation of the English occupation of Singapore, Raffles wrote as point twelve that 'It is not

⁵⁷ Raffles to Colonel Addenbrooke, Singapore, 10 June, 1819, reprinted in *JMBRAS* 42 (1), August, 1969, p 74.

⁵⁸ One person whom Raffles seems to have convinced, at least of the moral magnitude of Singapore, if not its small physical size, was Charles Grant the influential East India Company director (and another member of the Clapham sect). Grant supported retention of Singapore, even though he had always opposed territorial expansion in India. According to Embree: 'The explanation for this apparent inconsistency is that Raffles succeeded in convincing Grant that to acquire Singapore was justifiable from 'a moral, political and commercial view'. A.T. Embree *Charles Grant and British Rule in India* (1962) pp 278, Webster *Gentlemen Capitalists* p 86 and Wurtzburg *Raffles* pp 582-83.

necessary to subject the trade of the port to any duties – it is yet inconsiderable; and it would be impolitic to incur the risk of obstructing its advancement by any measure of this nature'.⁵⁹ However as Singapore rose to prominence, so too did Raffles' free trade sentiments. When he returned to Singapore in 1822 he wrote to his friend, William Marsden, informing him that he was writing a 'constitution for the place, on the principle of establishing it permanently as a free port in every sense of the word'.⁶⁰ Five years after its foundation Raffles wrote a code of regulations for the settlement of which the first point 'declared that the port of Singapore is a free port, and the trade thereof open to ships and vessels of every nation, free of duty, equally and alike to all'.⁶¹ On his departure from Singapore in 1823, in his reply to a farewell address by the Merchants of Singapore he disregarded the history of the East India Company and proclaimed that 'It has happily been ... accordant with the principles of the East India Company, that Singapore should be established as a Free port'. Furthermore he predicted, 'That Singapore will long and always remain a free Port and that no taxes on trade or industry will be established to check its future rise and prosperity I can have no doubt. I am justified in saying thus much, on the authority of the Supreme Government of India...'⁶² On this score, as we have seen in our brief allusions to the Company's efforts to impose duties at Singapore, he was wrong.

⁵⁹ Wurtzburg *Raffles* 497-8. According to Wong, in the decades following its foundation, the mercantile community of Singapore was to add to the meaning of a 'free port' in a way which 'went far beyond the original concept of a free port by Raffles who did not object to the levy of moderate port charges or the demand for a small fee on all port clearances' Wong Lin Ken 'The Rise of Singapore: 1819-69' *JMBRAS*, 33, (4), December, 1960, p 197.

⁶⁰ Raffles to William Marsden, 30 November, 1822 *Memoir* p 526.

⁶¹ Raffles to the Bengal Government, exact date not given, 1823 *Memoir* p 541.

⁶² Raffles to Alexander Morgan, Esq. and other European and Native Merchants of Singapore, 9 June, 1823 *Memoir* pp 546-7.

THE MAGIC AND MYTH OF SINGAPORE

There is no doubt Singapore is perfectly located as a trading hub. Situated just off the southernmost tip of the Malay Peninsula jutting out into the China sea, Singapore island has to be rounded by those ships taking the shortest route between Europe and China or India and China. It stands at the nexus of the the main shipping routes to India, China and the archipelago. Raffles was merely adding to the attractions of its location when he made it a free port. Yet free trade was to become essential to the self-perception of Singapore's mercantile community. As every issue of the *Singapore Free Press* proudly proclaimed just below the headline for the 'Prices Current' page, 'In this Port there are no Duties on Imports and Exports and Vessels of all Nations are free of all Charges'.⁶³

Singapore was lauded for being the first to carry out the brave new experiment of free trade. Crawford in his 1828 account of his embassy to Siam and Cochin China described Singapore as 'the first settlement, in which the principle of free trade and unshackled intercourse has been fully and fairly acted upon in India'.⁶⁴ The soldier/administrator and orientalist Thomas Newbold declared in 1839 that 'The first port of modern times, in which the principles of free-trade have been carried into practice is Singapore'.⁶⁵

Often this 'uniqueness' was described with recourse to the metaphor of magic. It was ironic that, while free trade was supposed to be 'natural',

⁶³ The *Straits Times and Singapore Journal of Commerce* also carried a similar declaration.

⁶⁴ John Crawford *Journal of an Embassy from the Governor-General of India to the Courts of Siam and Cochin China: Exhibiting a View of the Actual State of those Kingdoms* (London 1828) p 567.

⁶⁵ T. J. Newbold *Political and Statistical Account of the British Settlements in the Straits of Malacca Viz: Pinang, Malacca and Singapore; with a History of the Malayan States on the Peninsula of Malacca in Two Volumes* (London, 1839) vol 1, p 290.

its epitome, Singapore, was often spoken of in 'supernatural' terms. For instance, soon after Singapore's occupation, the *Calcutta Journal* of 19 March, 1819 reported on the conclusion of Raffles' treaty in magical terms: 'The spell of Dutch monopoly, so justly reviled and detested, and which had nearly been again established, has been dissolved by the ethereal touch of that wand which broke in pieces the confederacy that lately threatened our Continental possessions'.⁶⁶ The 'ethereal wand' here was actually the sledge-hammer of the East India Company's military might. In the case of the 'conquest' of Singapore it had consisted of Raffles' squadron of four vessels - small compared to the armies of the subcontinent but hardly 'ethereal'.⁶⁷

Raffles frequently described the effects of Singapore's free trade policy as 'good magic' counteracting the 'bad magic' of the Dutch. For instance, after striking the initial treaties giving Singapore to the British with the local Temenggong and Sultan in late January 1819 - permanent treaties were to result in 1824 after protracted negotiations with the Dutch - Raffles wrote a letter in which he claimed that 'one free port in these seas must eventually destroy the spell of Dutch monopoly...'.⁶⁸ In another letter written about the same time he described how Singapore could singlehandedly demolish Dutch restrictions on commerce in the region: 'the spell is broken and one independent Post under our Flag may be sufficient to prevent the reappearance of the system of exclusive

⁶⁶ Continental possessions here refers to the campaigns against the Mahrattas and Pindaris which the British had recently undertaken on the subcontinent. The *Calcutta Journal* 19 March, 1819, quoted in Wurtzburg *Raffles* p 504.

⁶⁷ Boulger *Life of Raffles* p 306.

⁶⁸ 31 May, 1819, Raffles to Colonel Addenbrooke quoted in Wurtzburg *Raffles* pp 520-521.

monopoly which the Dutch once exercised in these seas...'.⁶⁹ The 'spell' cast by the Dutch in these references is like one cast on a sleeping beauty who must be awakened from the paralysing sleep into which she has fallen. By inference Britain will not only awaken the sleeping beauty of Singapore but in doing so, drive back the wilderness that has overtaken the archipelago and restore order and prosperity again.

Ironically, the 'good magic' wrought by the British to counter the 'darker arts' of the Dutch consisted of the application of scientific principles believed to be eminently rational. The laws of 'economic science' worked so effectively that its results seemed like magic. For example, three years and eight months after Singapore's founding, Raffles returned (for the first time) to the port-city and enthused: 'The enterprise and activity which prevails are wonderful and the effects of a free-trade and liberal principles have operated like magic'.⁷⁰ In another letter, also written on the same trip back to Singapore, he described the transformation in 'little more than three years' from 'fishing village' to 'prosperous town, containing at least 10,000 inhabitants of all nations actively engaged in commercial pursuits which afford to all a handsome livelihood...'. He concluded that '[t]his may be considered as the simple but almost magic result of that perfect freedom of Trade which it has been my good fortune to establish...'.⁷¹

This rapid transformation was perhaps the main source of the 'magic' Raffles saw in Singapore: in 1819 he had left a straggling fishing village just nine days after landing there. In 1822 he returned to find the

⁶⁹ Raffles to John Adams, 13 February, 1819 quoted in Wurtzburg *Raffles* p 504. For further instances of 'magical metaphors' being used to describe Singapore, see Mills *British Malaya* p 59; Egerton *Raffles* p 181; Boulger *Life of Raffles* pp 305-6.

⁷⁰ Raffles to T. Murdoch, 4 December, 1822 in Raffles *Memoir* (1835) p 531.

⁷¹ Raffles to Duchess of Somerset 11 October, 1822 in Wurtzburg *Raffles* p 607.

place transformed. The burgeoning port-city's rapid growth outstripped the 'natural' growth expected of more organic cities and towns. It had seemingly come from nowhere to be a booming centre of trade. Its efflorescence seemed beyond the 'rational science' of economics, beyond human agency even. Free trade alone in these quotations accounts for the supernatural phenomenon of the rise of Singapore.

Years later the permanent under-secretary of the Admiralty, John Barrow spoke of Singapore 'which had risen like an enchantment and become the most important station we possess in the Eastern Archipelago'.⁷² At the time, Barrow said these words while recommending a repeat of its phenomenal success by the planting of a free port, a 'second Singapore' on the northern coast of Australia. Prosaic considerations like the prime location of the original Singapore gave way before a wishful belief in the 'magical' efficiency of free trade.⁷³ There may have been some element too, that the magic was peculiarly English, latent under Dutch restrictions but unleashed through the 'perfect liberty' allowed their business skills in Singapore. This crediting of 'magic' to English business acumen became more marked as the nineteenth century wore on and racial delineations became more marked. In 1887, Singapore's annual Christmas pantomime for children ended with lines (spoken by the Midshipman, the hero of the play) prophesising the ongoing success of the 'magic island':

Until our Isle, Enchanted then no more,
Will to the world be known as Singapore;

⁷² John Barrow to Wilmot Horton, 22 January, 1824. Colonial Office records 201/153, Public Record Office, London.

⁷³ For an overview of Barrow's involvement in the North Australian settlements see Jim Cameron 'Traders, Government Officials and the Occupation of Melville Island in 1824' *The Great Circle* vol 7, no 2, October 1985.

A Magic Island still, its Magic then,
The energy and work of Englishmen.⁷⁴

SINGAPORE'S PREDECESSORS

One of the reasons Barrow recommended the establishment of a free port on the northern coast of Australia was the fear that the Dutch were about to establish a free port on the Western tip of New Guinea. Like all magic, 'free trade' could be turned against those with whom it had originated. Good magic could be turned into bad and used against its original perpetrators. Contrary to the supposed universal applicability of the doctrines of political economy and its supposedly universal benefits, the British wanted to keep the occult power of free trade to themselves.

Paradoxically, the British derided the restrictions the Dutch put on free trade while also expressing their anxiety that the Dutch might set up a free port somewhere else in the Archipelago. For example, during the French wars the Dutch had surrendered Malacca in 1796 to the British. Under British rule Malacca had prospered as a free port. However it was known that Malacca would be returned to the Dutch at the end of the war. The merchants of neighbouring Penang worried that when Malacca was returned to the Dutch, they would retain the British free trade policy, to the detriment of Penang.⁷⁵ Penang itself had been established ten years earlier as a free trade port. If both it and Dutch Malacca were of equal standing as free ports, it was feared Malacca would attract the custom of

⁷⁴ Buckley *Anecdotal History of Singapore* 788.

⁷⁵ Wurtzburg *Raffles* pp 57-8. After Singapore was established, some Dutch officials noted its prosperity and urged their governor-general Van der Capellen to follow its free trade example in Malacca but in vain. Vlekke *Nusantarap* 281.

Arab and Malay traders from the Eastern Archipelago who were unwilling to incur the additional hazards of an extra 250 miles to the British port of Penang.⁷⁶ Ironically, the magic of British free trade only 'worked' while Britain had a monopoly on free trade.⁷⁷

The instances of Penang and Malacca being free ports, well before Singapore was established in 1819, contradicts Crawford's and Newbold's earlier claims that Singapore was the first free port. As we will see, free ports preceded it in the West Indies. It was not even the first free port in the Archipelago. It was the second or third British free port and the fourth (or more) 'free' port of any nationality in the region. The British had briefly tried to institute a free port at Balambang, an uninhabited island a few miles off North Borneo, in 1803.⁷⁸ But the most famous free port prior to Singapore was Penang. When Francis Light first established Penang in 1787 he declared it a free port.⁷⁹ Bengal concurred with this policy but pointed out that it denied them their one usual source of

⁷⁶ The threat posed by Malacca and Penang to the early success of Singapore was recognised by Thomas Prinsep, a Captain in the Bengal Corps of Engineers, who was travelling through Singapore on his way to Australia in the late 1820s. He described early Singapore as an 'infant Hercules of commerce, which has already strangled the two snakes, Penang and Malacca, that thought to eat him in the cradle'. Quoted in John Bastin (ed) *Travellers' Singapore: an Anthology* (Kuala Lumpur: Oxford University Press, 1994) p 19.

⁷⁷ Fear of competition was behind the unease which the establishment of the free British port at Labuan (near Brunei) in 1846, the Dutch free port at Macassar in 1847 and Hong Kong in 1847 created amongst Singapore merchants. See Wong Lin Ken 'The Rise of Free Ports in the Malay Archipelago' and 'The Trade of Singapore with China', *JMBRAS* Vol 33, part 4, December 1960, pp 87-105, p 129.

⁷⁸ Wellesley sent Farquhar to set up a naval base at Balambang. When Farquhar arrived at Balambang he wrote a long report which echoed the free sentiments of the founder of Penang. Farquhar, as Francis Light before him, held that 'a great nation which imposes the fewest restraints upon and affords the most liberal encouragement to the exertions of the community, consults its own general benefit as much as the happiness and advantage of individuals'. The island was abandoned by the British in 1805 when Dundas (Lord Melville) in London became aware of what he considered to be unnecessary expenditure on a remote outpost. Tregonning *British in Malaya* p 134.

⁷⁹ *Ibid* p 110.

revenue in customs and harbour duties. The Company gave Light eighteen months to come up with an alternative source of revenue. When Light failed to meet this dead-line they asked him for suggestions. But all Light's suggestions for alternative taxes would have relied on an educated and adequately paid staff which the Company never attempted to acquire for Penang. According to Tregonning, its failure to find alternative means by which to raise revenue meant 'Penang, as with Singapore later, was maintained at a loss by the Company for the benefit of its few employees and the private merchants trading to China and the eastward islands'⁸⁰. The free-trade experiment of Light was ended in 1801 when the new Lieutenant-governor of Penang imposed import and export duties.⁸¹

According to Tregonning, Light's 'declaration of a a Free Port' made Penang 'unique in Southeast Asia, as it would seem the rulers of every other river and port in that area, whether Asian or European, exacted taxes on goods passing in and out'. However he notes that 'The solitary exception to this general practice was the Bugis habit, both at Macassar, until it fell to the Dutch in 1667 and then at Rhio, of encouraging trade by nominal customs duties, consistently levied'. Tregonning suggests the interesting possibility that Light obtained his idea of a free port from Bugis tradition rather than from the economic texts which had anticipated Smith such as the pamphlets circulated by seventeenth- and eighteenth-century anti-monopolists in England lobbying against Company privileges. An unlearned but very experienced trader, Light would have known of the Bugis practice of Free Trade when, according to Tregonning, 'there was no European

⁸⁰ Ibid p 60.

⁸¹ Ibid p 63. Penang was made a free port again when all British ports in Southeast Asia were declared free in 1823. See Wurtzburg *Rafflesp* 617.

example to inspire him'.⁸²

The Bugis had instituted free trade (or light and consistent port duties and customs at least) at their ports at Macassar (Makassar) and Rhio in the early seventeenth century.⁸³ Bugis' free trade was not just some haphazard inability to collect taxes by an unsophisticated people but part of a larger ideology of 'freedom'. Before the Dutch East India Company finally brought their ports under control the Bugis were one of the few pre-colonial Malay states to institutionalise their freedoms.⁸⁴ The Bugis, the dominant people in southern Sulawesi, had 'developed their states relatively late and with little of the Indian-derived rhetoric of universal kingship which influenced Java and Sumatra'. Each local Bugis community acknowledged its own leader, retaining them even during the fifteenth and sixteenth centuries when these communities were federated into larger states. Within these federations each Bugis 'underking' was bound to a

⁸² Tregonning *British in Malaya* 59. Tregonning seems unaware of the European examples that already existed in the West Indies, which we will consider on pages 121 - 125 of this chapter.

⁸³ The Malay port of Riau was on the island of Bintan in the Riau or Rhio archipelago at the end of the Malay archipelago near Singapore. Macassar is across the Archipelago on the southern arm of the island of Sulawesi (or Celebes as it used to be called). On the 'free trade policy adopted in Johor and Riau as a foil to the Dutch monopoly system' see Jeyamalar Kathirithamby-Wells 'Restraints on the Development of Merchant Capitalism in Southeast Asia before c.1800' in A. Reid ed. *Southeast Asia in the Early Modern Era: Trade, Power and Belief* (Ithaca: Cornell University Press, 1993) p138.

⁸⁴ The following argument is largely taken from Anthony Reid 'Merdaka: the Concept of Freedom in Indonesia' in *Asian Freedoms: the Idea of Freedom in the East and Southeast Asia* David Kelly and Anthony Reid (eds) (Cambridge: Cambridge University Press, 1996). According to Reid, besides the Bugis, other examples of explicitly defined freedoms and autonomy in pre-colonial Southeast Asia included the *perdikan desa* ('freed villages') in Java's interior which were given a charter freeing them from the usual obligatory taxes or services to the king (p. 143) and the *orang merdeka* (free people) on the upper reaches of the Musi River in southern Sumatra: highland peoples with no king who 'explicitly declined to submit in even the most nominal way to the downstream ruler of Palembang' (p 145). H.R. Wright also attributes free trade sentiments to the people of East Ceram in 'The Moluccan Spice Monopoly 1770-1824' *Journal of the Malayan Branch of the Royal Asiatic Society* vol XXXI, Part 4, (1958), p 6.

series of contracts and obligations to ensure he respected the 'rights' of his people. During the seventeenth century both Indonesian kings and the Dutch succeeded in subduing these kingdoms, including the Bugis state of Wajo' in Southwest Sulawesi but only briefly.

The Wajo' chronicles written after the Bugis 'liberation' of 1737 make explicit that the Wajo' people are 'free from birth'. The chronicles instruct all present and future rulers 'not to interfere with the people's wishes...not to forbid the expression of opinion', not to restrict their travels and not to take their family, property or slaves away from them. The kingdom of Wajo' was from the late seventeenth century to the late nineteenth, the main source of those seafaring entrepreneurs, the renowned Bugis mariners who traded throughout the Indonesian Archipelago as far west as Cambodia and as far south as Australia. According to Anthony Reid: 'There was clearly a connection between this individual entrepreneurship and the attachment to an ideology of freedom, both of which were well established in the eighteenth century'.⁸⁵ The wandering Bugis had established themselves in 1722 at the end of the Malay Peninsula at Riau. Here they were only under nominal rule by the Malay sultans of Johore. These puppet sultans had to share most of their authority after 1722 with the Bugis underkings.⁸⁶ These 'Buginese princes' on Rhio, the Dutch complained, 'threw open the trade there to all and sundry without the slightest attention to...existing treaties between the Netherlands East India Company and the kingdom of Johore.' In violation of these treaties they 'admit to Riouw [sic] not only foreign Europeans but

⁸⁵ Reid 'Merdaka' pp 147-8.

⁸⁶ Tregonning *British in Malayap* 19.

also smugglers of tin, pepper and other contraband goods'.⁸⁷

Francis Light was impressed by the enterprising spirit of the Bugis. When he wrote to inform Bengal that he had secured Penang he expressed the desire that it would become a port at which 'the Malays and the Bugees[sic] will have a place of safety to come and purchase opium and piece goods and European manufactures'.⁸⁸ Crawford and Raffles also admired the enterprising spirit of the Bugis although they did not mention their tradition of free trade. Crawford came closest to mentioning it when he wrote about the prosperity of Macassar before the Dutch invaded in 1660:

.. the enterprising state of Macassar ...[with] the convenience of the port and the energy of the government attached to it, during the period it flourished, a considerable commerce and we discover the native traders of the Archipelago, the European nations and the maritime nations of continental Asia resorting to it as a great emporium.⁸⁹

Crawford wrote of the 'Waju' as he called them in his *History of the Indian Archipelago* saying that the 'people of Celebes are now the most considerable and enterprising of the navigators of the Indian islands and among them the Bugis of Waju are the most distinguished'. After recounting where they lived he said that 'from the analogy of other

⁸⁷ 'Trade in the Straits of Malacca: a Memorandum by P.G. de Bruijn, Governor of Malacca' (1786) Translated from the Dutch by Brian Harrison *JMBRAS*, vol 26, Part 1, 1953. p 56. In 1784 the Dutch attacked Riau, drove the Bugis out, and installed a Resident, a garrison and high customs and port duties for non-Dutch shipping.

⁸⁸ Straits Settlements Factory Records, vol 1, Captain Light to Bengal, 23 January, 1786. Quoted in Tregonning *British in Malayap* 38.

⁸⁹ Crawford *History* II, p 889.

situations we may safely infer, that a territory which has given rise to so much comparative civilization, and so much mercantile enterprise is a land of considerable fertility' which was high praise indeed from an environmentalist like Crawford.⁹⁰

Raffles was so convinced of the natural suitability of the Bugis to free trade that when he tried to establish an intermediary class of Buginese officers to control the 'natives' in the Out-Residencies of Benkulen, their duties included control and management of the bazaars and responsibility 'for the roads, bridges and ferries...and for preventing any undue exaction or restriction which can in any way interfere with the freedom of trade'.⁹¹ However despite this recognition of Bugis enterprise, their tradition of free ports seemed to slip from European memory. Bickmore reported in 1869, without a trace of irony, that 'In 1847 Macassar was made a free port in imitation of Singapore'.⁹²

Perhaps the longest-standing British predecessors to Singapore as 'free ports' were the free ports of the West Indies. Dominica and Jamaica had been made free ports in 1768 in order to capture the commerce of Spanish America.⁹³ These British colonies in the West Indies were well known in Singapore and frequently mentioned in its newspapers. But in Singaporean eyes the continued presence of slavery in the West Indies resulted in the discounting of their ports as truly free. The distinction

⁹⁰ Crawford *History* III, p 149.

⁹¹ Quoted in Bastin *Native Policies of Raffles* p 107. Raffles wanted to undermine the power of the local chiefs so he imported Buginese to take over their roles. Bastin talks about how different this was from his policy in Java where Raffles had 'aimed at reducing the power of the Regents [native rulers] and establishing a strong, centralised European Government acting directly with the peasants...'. In Sumatra, on the other hand, the 'natives' were deemed not to be ready for direct European rule and it was the Bugis who were to introduce 'the disciplined stage'. Ibid pp 98-99.

⁹² Albert Bickmore *Travels in the East Indian Archipelago* 1869. (Reprinted Singapore: Oxford University Press, 1991) p 103.

⁹³ Drayton *Nature's Government* p 92.

between free trade and free men was deliberately blurred in the search for market-share⁹⁴. There was competition between the East and West Indies in the British market where they were trying to sell the same products, such as sugar and coffee. In this competition Singapore was aligned with all things 'free' and the West Indies were presented as its antithesis. In the debate with the West Indies the British merchants of Southeast Asia were able to overlook their differences with the agency houses of British India and the East India Company. When the context was the respective advantages of the East and West Indies, a strategic alliance was struck between all parties covered by the term 'East Indies' which stood for both British India and the British settlements in Southeast Asia.

Up until the mid-nineteenth century the British ports in the West Indies enjoyed preferential tariffs on the export of their produce to Europe. The debates concerning sugar and coffee duties in the second quarter of nineteenth century linked these colonial preferences to the difference between slave-grown and free-grown produce. According to historian Arthur Redford: 'the main conflict was between the West Indian and East Indian interests, and in this conflict the Lancashire merchants were active on the East Indian side'. The Lancashire merchants, hoping to develop a large market in India, realised that in order to pay for their manufactured goods the Indian peasant had to be encouraged to cultivate cash, export crops such as cotton, indigo, coffee and sugar. To the large-scale cultivation of these commodities in India there was, however a

⁹⁴ Free trade and free labour were not only synonymous in Singapore. Seymour Drescher talks about how 'many taboos of British society were violated by the [slavery] system. The first was the market itself'. Its growing incompatibility with post-Smithian notions can be seen when the slave trade was described in 1790 as '*a libel on the character of commerce*'. Although by the nineteenth century West Indian interests were also using free trade arguments to defend slavery. However as Drescher says the 'stain' was 'all the deeper because British capitalists were the single largest polluters of the moral order of the marketplace'. Seymour Drescher *Capitalism and Antislavery: British Mobilisation in Comparative Perspective* (London: Macmillan Press, 1986) p 163.

serious barrier in the heavier duties imposed on East Indian as compared with West Indian produce. Proceedings of the meetings of the Manchester Chamber of Commerce throughout the 1820s and early 1830s, as well as their 1821 petition on sugar duties consistently linked anti-slavery sentiments with the espousal of free trade in 'East India'.⁹⁵

A similar link was made in the *Singapore Chronicle* in 1827. The article 'Importance of the Trade to the East Indies', contained a long extract from the Appendix 21 of the Report of the Anti-Slavery Society. It quoted the Anti-slavery Society as saying, in remarkably economic terms, that:

At a time when the manufacturing districts in this country [Britain] are suffering most heavily for want of a market for their goods, it is of great importance that we should be fully aware of the vast field which India opens for our relief, and of which we are only prevented from availing ourselves, to an extent almost unlimited by the heavy duties upon imports from the East Indies, beyond what are laid on similar articles from the West Indies.

It then gives the Anti-Slavery society's long list of examples of greater duties on East Indian products such as sugar, coffee, cocoa, turmeric, rum

⁹⁵ Arthur Redford *Manchester Merchants and Foreign Trade 1794-1858* (Manchester: Manchester University Press, 1934) p 144. For examples of two other volleys fired in the debate between the East and West Indies see James Cropper 'Letters addressed to William Wilberforce, M.P. recommending the encouragement of the cultivation of sugar in our dominions in the East Indies as the natural and certain means of effecting the total and general abolition of the slave-trade' (London 1822), and Charles Patton *Emancipation of the Negro Slaves in the West Indian Colonies Considered with Reference to its Impolicy and Injustice; in Answer to Mr Wilberforce's Appeal by the Author of 'A Statement of the Claims of the West India Colonies to a Protecting Duty Against East India Sugar'* (London 1822). On West Indies slavery compared to the 'free' East Indies see *Singapore Chronicle* 14 August, 1828.

cotton, mahogany and hides compared to their West Indian counterparts. Economics are fused with morality as the article quotes the Anti-slavery society's claim that Britons pay the duties 'imposed upon this country, to enable the planter of the West Indies to continue the ruinous system of slave cultivation (which without such support, he would long ago have been forced to abandon)'. In conclusion, the *Singapore Chronicle* gives the Anti-Slavery Society's estimation of how much the West Indies cost the British government to maintain in 1824 ('one million 600 1,000 pounds').⁹⁶

Anti-slavery activists insisted that the West Indies 'possessed the monopoly of the Home market' in Britain because of the low duties they enjoyed in comparison to high duties imposed on the same produce coming from British colonies in the East.⁹⁷ In the Eastern colonies opposition to this 'monopoly' was fused with opposition to slavery. Adam Smith provided the economic arguments against slavery as he had against monopolies. With regard to slavery Smith had argued that 'the work done by slaves...is in the end the dearest of any'.⁹⁸ Not only did the slave-owner have to pay for the 'wear and tear of a slave', while that of 'a free servant is at his own expense'⁹⁹, but slaves had no incentive to work hard or make improvements:

A person who can acquire no property, can have no other interest but to eat as much, and to labour as little as possible. Whatever work he does beyond what is sufficient to purchase his own maintenance, can be squeezed out of him by violence only, and not by any interest

⁹⁶ *Singapore Chronicle* 5 July, 1827.

⁹⁷ Joseph Bedlam *A Review of the Late Proposed Measure for the Reduction of the Duties on Sugar, so Far as it Relates to Slavery and the Slave Trade*(London, 1841) p 13.

⁹⁸ Smith *WN*(III.ii.9) p 387.

⁹⁹ Smith *WN*(I.viii.41) p 98.

of his own.¹⁰⁰

Echoes of Smith's arguments against slavery can be heard when Crawford said 'Wherever the services of freemen may be obtained on nearly the same terms, the obvious disutility of slavery becomes evident'.¹⁰¹ That such arguments were strikingly commercial in tone rather than moral did not bother the abolitionists. The anti-slavery orator, Cropper, defended the 'principle of competition as a legitimate Anti-Slavery argument' by arguing that 'if a beneficent Creator has inseparably connected interest and duty' it would be presumptuous to call it 'an impure association'.¹⁰²

The economic advantages of free labour were such that the abolitionists believed free and open 'competition between free and slave

¹⁰⁰ Smith *W*III.ii.9, pp 387-388.

¹⁰¹ Crawford *History* III, pp. 42-43. For other criticisms of slavery see Marsden *History* p 215, p 253, 273, pp 216-217, p 316; Raffles *History* I, pp 77-79, 129, 151, 202-203, p 225, p 233, 262 and II Appendix; memoirs p 75, p 145, p 232; Anderson *Mission to the East Coast of Sumatra* p 128, pp 298-299; Symes *Embassy to the Kingdom of Ava* p 123.

¹⁰² Cropper quoted in Bedlam, *Review of the Proposed Measure for the Reduction of the Duties on Sugar*, p 16. Bedlam quotes Crawford's *History of the Indian Archipelago* the cost of growing sugar with Javanese 'free' labour (p 39). Just in case Divine Intervention failed to coalesce with market forces there was also a popular movement was organised in the late 1820s to 'discourage the use of West Indian sugar, because it is made by Slaves' and use as 'a substitute the sugar of the East Indies, Because *that*, the boycotters argued 'is the produce of *free labour*'. This popular sentiment was cited by George Saintsbury in his 1829 pamphlet *East India Slavery* (p 3). Saintsbury, a spokesman for West Indian interests, argued against this boycott on the grounds that it would, amongst other things, 'deny them [West Indians] a vent for their produce' and they would starve (p 4) indicating of how widely accepted were the ideas of Classical political economy. He also argued, along Ricardian lines, that the 'British labourer' worked 'for a subsistence' in contrast to the 'West Indian labourer' who received 'in return for his labour, ample food, adequate clothing, a comfortable home, proper medicines..' (pp 37-38). This supports Drescher's argument that the slave traders as well as the abolitionists could use liberal economic theory. See Drescher *Capitalism and Antislavery* 180. Supporters of slavery could also use the discourse of improvement. Saintsbury inverted the intention of reports such as Charles Grant's on the 'State of Society among the Asiatic Subjects of Great Britain' (in which Grant argued for a greater concentration on the 'moral improvement' of India by such measures as more missionaries) to show that upper castes' oppression of lower castes was a form of slavery (pp 6-31) and therefore 'East India' was no better than the West Indies.

labour' was all that was needed to drive slavery out of the marketplace.¹⁰³ Free labour was so much more efficient and effective that once the West Indian 'monopoly of the Home Market' was demolished East Indian products would naturally dominate. In shielding the Caribbean slavers from direct competition with the products of free labour, their 'monopoly was considered by abolitionists generally as one of the principal obstacles to agricultural improvement, to colonial prosperity, and to the general interests of freedom'.¹⁰⁴

Crawfurd in his *History* directly compared the cost of producing the same commodities in the East and West Indies. Javanese Coffee for example is cheaper than its West Indian counterpart because of Java's cheaper land and cheaper 'free' labour: 'In a state of fair trade, and with equal duties in the markets of Europe it is evident enough from this that the the produce of the West India islands...would stand no chance of competition with that of Java'.¹⁰⁵ Jamaican sugar, Crawfurd estimates to be '125 per cent dearer than Java sugar'.¹⁰⁶ In both cases he believes Eastern production could out-strip that of the West Indies if only the Dutch would allow that 'the culture should be completely free and unshackled and that no injudicious impost should be levied upon it'.¹⁰⁷ Raffles was also willing to pit the free labour of the East against the unfree labour of the West Indies. When he returned to Bencoolen after establishing Singapore, he wrote in 1820 that he would 'introduce the cultivation and manufacture of sugar on the same principle as the West

¹⁰³ Joseph Bedlam *A Review of the Proposed Measure for the Reduction of the Duties on Sugar, so far as it Relates to Slavery and the Slave Trade* (London, 1841), p 12.

¹⁰⁴ Bedlam *A Review of the Proposed Measure for the Reduction of the Duties on Sugar*, p 17.

¹⁰⁵ Crawfurd *History* III, p 377.

¹⁰⁶ *Ibid* p 379.

¹⁰⁷ *Ibid* p 375. See also p 379.

Indies', with the difference that the free labour available around Bencoolen was much cheaper than that of the West Indies. He predicted a sugar-work may be established here at less than one-sixth of the expense which must be incurred at Jamaica...our soil is superior, our climate better ...The negroes would there [Jamaica] cost ten or twelve thousand pounds more, while here labourers may be obtained on contract, or by the month, with a moderate advance, at wages not higher than necessary for their subsistence.¹⁰⁸

It is notable that not once in their writings comparing the East and West Indies did Southeast Asian administrators such as Raffles and Crawfurd or the Straits newspapers mention the 'free ports' of the West Indies. In contrast to the heightened awareness of Singapore's status as a free port, the equivalent ports in the West Indies which gave an equal 'freedom' from duties and tariffs were overlooked.

SUSTAINING THE MAGIC

There was a dark underside to the image of Singapore as the freest (in every sense of the word) of free ports. It was an underside that was in part caused by the very 'freedom' of the place. For the identification of Singapore with free trade, raised the question, especially in the minds of the East India Company officials in Bengal, of how to raise revenue. How was a port-city to pay for itself if it charged no port dues or tariffs? As we saw, to identify free trade as the essence of Singapore was in part a strategy by the British mercantile community for evading taxes. But apart from customs duties Singapore had few other ways of raising money.

¹⁰⁸ Bencoolen he said had to be developed agriculturally because it was 'shut out from the general trade of the Eastern Islands' due to its rough surf and want of anchorage. Raffles *Memoir*, Raffles to the Duke of Somerset, Bencoolen, 20 August, 1820, p 466.

There was no income tax and hardly any agricultural land on which to charge rent.

At times the mercantile community seemed to almost argue that the port city had no taxable features at all. The *Singapore Free Press* quoted Crawford's argument against port duties at Singapore, that they should not be charged because that would be like taxing a floating ship: 'the place is a mere Depot for merchandise in Transit and duties ought no more to be thought than levying them on a ship at sea in a particular latitude and longitude'.¹⁰⁹ This perhaps was the most magical trick of all desired by the merchants: making Singapore float with no obvious means of support. The liberal dream of enjoying an orderly economy and infrastructure under the protection of a supportive government without paying taxes was to be realised in Singapore. If we mix our metaphors for a moment, Crawford's image of Singapore as a 'floating' island, suggested the magician's trick in which a lady floats without any visible means of support. However with this particular trick you did not have to look very hard to see the strings attached.

Singapore, that urban epitome of freedom, was largely sustained on the back of the coolie labourer and his addictions. Although it was the proud boast of its British administrators that labour 'flocked' to Singapore instead of being forced, it was not free but indentured 'coolie' labour. We will look more closely at its unfree nature in the chapter on labour. For the time being let us consider the Chinese labourer as the main source of revenue in Singapore and elsewhere in the Straits Settlements where the British farmed out gambling, opium and liquor licences. The first two, gambling and opium, were items of overwhelmingly Chinese consumption and for much of Singapore's history the most important of

¹⁰⁹ *Singapore Free Press* 9 January, 1836.

these was opium. The preparation, distribution, and consumption of opium was an integral part of the economy of Singapore. According to Carl Trocki, opium

was not only part of the system of labour exploitation but actually made the system work to the profit of the shopkeepers, the secret societies, the revenue farmers and the colonial government. Opium was the grand 'common interest' of the Anglo-Chinese elite of Singapore. For the labourers it was both the worst thing and the best thing available to them.

Although opium was addictive 'and habituated consumers were ready to sacrifice first their profits, then their labour, and finally their lives and futures to obtain it', according to Trocki, it also 'made them insensitive to the long-term damage their exhausting labour was doing to their bodies'. Trocki adds that 'in an environment so deprived it was virtually the labourers' only source of pleasure'.¹¹⁰

The official mechanism for profiting from opium consumption was the 'opium farm', which gave the 'farmer' a monopoly for the retail sale of prepared opium to the population of Singapore. Licences for these monopolies were 'farmed out' or sold to the highest bidder by the government. Much like today's liquor and casino licences it was a way of both containing 'vice' and making money from it. Raffles disapproved of opium but he was prepared to raise revenue from it in Singapore. Whereas in Java he had lamented the 'malignant influence' of opium and berated the Dutch for allowing a 'paltry addition to their finances to outweigh all

¹¹⁰ Carl A. Trocki *Opium and Empire: Chinese Society in Colonial Singapore 1800-1910* (Ithaca, New York: Cornell University Press, 1990) p 67.

regard to the ultimate happiness and prosperity of the country'¹¹¹ in Singapore he hoped that the junk-trade would increase the sale of opium in China and the Archipelago.¹¹² While Raffles forbade the licensing of gambling farms in Singapore he let the opium trade continue and supported the retention of the opium monopoly. The taxes paid on opium were profitable as well as acting as a deterrent. Crawford estimated in his *Dictionary* that opium in Singapore paid an annual 'impost of 30,000 /'and explained that under the British, opium 'consumption is restricted by heavy taxation'.¹¹³

Crawford downplayed the deleterious effects of opium describing it as 'the substitute of the Indian islanders for wine and spirits'.¹¹⁴ He defended the British dominance of the opium trade saying: 'There is 'no more foundation for saying we poison and demoralise the nations we supply with this drug, than there would be for asserting that the French by supplying the other nations of Europe with wines and brandies, inflicted upon them similar injuries'. He deemed the opium trade to be 'one with which the moralist or the legislator has no pretence for interference'.¹¹⁵

Crawford was the 'resident' in charge of Singapore from 1823 until 1826. In contrast to Raffles, he took the same liberal attitude to gambling as he did to opium. Crawford insisted that gambling was so ingrained in the Chinese character that it was pointless to try and outlaw it. In a letter written when he was Resident of Singapore to Fort William,

¹¹¹ Raffles *History* I, pp 102-103.

¹¹² Wong Lin Ken 'The Trade of Singapore' *JMBRAS* vol 33, part 4, December 1960, pp 27-28, pp 114-115.

¹¹³ Crawford *Dictionary* pp 313-314.

¹¹⁴ Crawford *History* III, p 72. The Singapore press agreed with Crawford and also represented its increased use among the 'lower classes in England' as no bad thing. See 'Use of Opium in England' *Singapore Free Press*, 23 May, 1839.

¹¹⁵ Crawford *Journal of an Embassy to Siam* pp 561-563.

Crawfurd argued 'Gaming licences' had been abolished by Sir T. Raffles' due to:

a belief that to licence gaming was to encourage the vice, and that the Revenue which Government received from this source must necessarily be obtained at the expense of the morals of the people and therefore unworthy of the character of Government.¹¹⁶

However, Crawfurd's source of moral legitimacy was different from Raffles. Not only did Crawfurd argue that the 'passion for Gaming pervades all ranks' of 'the Chinese and Malays' and was 'incurable', but he also argued that there was a difference between Chinese and Europeans in the 'character' of 'the vice'. For the Chinese, gaming facilitates labour rather than hinders it: it is 'an amusement and recreation which the most industrious of them are accustomed to resort to' especially as they have 'no holidays and scarcely any Amusements besides...'. Even laws in China itself proscribing 'Gaming' did not prove that gambling was not an innately Chinese activity. Such laws, Crawfurd said, were 'scarcely more valid than [the Chinese] interdiction of foreign Trade and Emigration to the disregard of which' Singapore owed its 'principal' trade in opium and its 'most numerous and industrious class', the Chinese. Like the 'valid' free trade in opium and the free flow of labour he infers gambling is natural, necessary and if unimpeded, beneficial. 'Gaming' is not only inherent in the Malay and especially the Chinese populations, but to attempt prohibit it would be to interfere with the natural order of things

¹¹⁶ Crawfurd to Swinton, 15th July, 1823, National Library of Singapore, NL 59, vol L:19, Raffles Letters to Singapore, p 162.

on which any rational economy should be based.¹¹⁷

In a 1838 *Singapore Free Press* article Crawford argued that of all taxes, taxes on gambling and other 'luxuries' (such as opium) were most suited to the Straits Settlements:

The least burthensome, the most productive, and the most suitable sources of revenue in the circumstances of the Straits Settlements, are excise duties on objects of luxury, or vitiaus enjoyment, collected on the Farming principle.

In the same article he boasts that during his administration of Singapore, 'by restoring the tax on gaming' the revenue rose and 'covered the whole civil and military charges of the settlement'.¹¹⁸ That the revenue he raised in this way was paid almost solely by the Chinese did not concern Crawford nor other administrators who earned most of their revenue from Chinese gambling and opium consumption.

Later administrators pointed out that the burden of taxation fell on the Asian population, especially the Chinese, while the Europeans paid not more than one-tenth of the revenue.¹¹⁹ The Governor of the Straits Settlements in 1869, Sir Harry Ord, found that it was 'an axiom' that 'the European community' could not be asked to 'contribute more than a small portion of their share of the revenue of the Settlements'.¹²⁰ There was outrage when taxes were proposed that would have to be paid by Europeans. In 1845, for example, the *Straits Times* complained that a

¹¹⁷ Ibid pp 162-163. See also the Minute of the Resident of Penang which condemned bans on gaming as 'English ideas' applied out of context. National University of Singapore, Straits Settlement Reel 6322, Penang Consultations, A. 13. Appendix no 1, 26 February 1818.

¹¹⁸ *The Singapore Free Press* 11 October, 1838.

¹¹⁹ Wong Lin Ken 'The Trade of Singapore' p 182, p 193.

¹²⁰ Ibid p 193.

proposed tax 'on fermented and spirited liquor will fall entirely on Europeans' in the Straits Settlements. The article argued that such a tax would not be within the limits of what was defined as 'revenue' by political economy and explained that 'these liquors, rightly or wrongly' have become 'articles of necessity... the greater proportion of Europeans in India are in the Company's service and to lay additional burdens on them is in reality to reduce their pay'.¹²¹

PERPETUATING THE MYTH

It is highly probable that both Crawfurd and Raffles were aware of previous free ports such as Penang, those in the West Indies and probably those operated under the Bugis in the Archipelago. Why then did they say 'Singapore' was the first truly free port? And why did Crawfurd and Newbold not acknowledge these previous free ports in the archipelago (both British and Bugis) in their praises of Singapore's 'primacy'? Penang especially was well-known and its early success, before it had port duties or competition from Singapore, was attributed to Light's policy. Crawfurd in his *History of the Indian Archipelago* praises Light's policy and Penang's other free traders. After listing European establishments in Southeast Asian history which floundered on their own mercantile greed (looked at in the last chapter) he points out that Penang is an exception. His list of mercantile failures does 'not include Prince of Wales Island, because' he explains

it was not established on monopoly principles. It was formed

¹²¹ 'Indian Import Duties' *Straits Times and Singapore Journal of Commerce*, 29 July, 1845. Crawfurd's tax on gaming in Singapore was overturned after his Residency there. Licenses were no longer given out and gambling itself was prohibited.

chiefly by two private merchants and may be looked upon as the first European settlement ever made in the Indian Archipelago on principles of true wisdom and liberality¹²².

Why then did Crawford also declare Singapore to be the first free trade port in the archipelago? Certainly it can not have been the fan-fare with which Raffles announced the policy at Singapore. It does not even appear as if Raffles believed it would last for long, perhaps no longer than it had at Penang. It was only later that Raffles was seen as instituting the policy in accordance with political economy. Free trade in Singapore came to be seen as embodying both the British love of science and freedom. In contrast to the Bugis ports it was a free *British* port. Therefore it was not based on tradition, custom or 'native' guile, but rational enlightenment. And in comparison to the previous British attempts at free ports at Penang, Malacca and Balambang, Singapore was the most successful and longest-lived of all the free trade experiments performed thus far.

Furthermore Singapore, unlike the free ports of the West Indies, was unsullied by connections with slavery. In the campaign against preferential tariffs for the West Indies, Eastern interests were happy to elide the different kinds of 'freedom'. Free ports and free labour merged into a general evocation of 'freedom', with Singapore as its most concrete embodiment.

Perhaps another reason for the claims that Singapore was the 'first' was that Singapore was established at a time when free trade was beginning to be frequently talked about in the British Parliament and in the colonial press. The principles of Adam Smith and the Lancashire lobby

¹²² Crawford *History* III, p 242. Raffles also made an exception of Penang in his general criticisms of 'English' conduct 'towards the Malayan nations'. His criticisms he said were 'not intended to apply to the traders of Pinang (Prince of Wales's Island) who are in general well-informed and most honourable in their dealings...' Raffles *History* I, p 231.

groups had entered common parlance by the time Raffles landed in 1819 to claim the island. The four years of protracted negotiations with the Dutch which followed, saw commissions of inquiry set up into the 'Eastern trade' and intensive lobbying by interest groups such as the Manchester Chamber of Commerce. The Navigation Acts and Corn Laws were also being debated in the British Parliament at this time. Both Corn and Navigation legislation were seen as the outmoded remnants of a seventeenth-century protectionist structure which sought to control shipping, commerce and the colonies as well as the food supply. The Navigation Acts legislated that all goods arriving at ports in England be carried by English ships, as well as all goods carried from or to English colonies. While Adam Smith favoured the Navigation Acts as necessary for Britain's defence¹²³ his disciples tended to see these acts as yet another unnecessary interference by the government which conferred unfair benefits on British ship-builders and ship owners. They were repealed in 1849.¹²⁴

The Corn laws, which resulted in a sliding scale of tariffs applied to imports of foreign wheat depending on domestic prices, were seen as part of a wider range of prohibitions and tariffs which impeded the flow of goods into and out of Britain. The idea that British corn - that is, wheat - producers should be protected in order to keep Britain independent of foreign supplies of its major food-stuff was hotly debated by 'free-traders' and those who represented them in Parliament such as the 'Radicals' or 'Utilitarians'. Radical arguments against protection, such as increased costs to consumers, saw major economic thinkers such as Adam

¹²³ While Smith believed the Navigation Acts were 'not favourable to foreign commerce or to ...that opulence which can arise from it', he reasoned that the carrying trade supplied the navy with crewmen and since 'defence...is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations of England.' *WN* (IV.ii.30) p 464-5.

¹²⁴ Anthony Howe *Free Trade and Liberal England 1846-1946* (Oxford: Clarendon Press, 1997) p 2.

Smith and Ricardo - who himself was a member of parliament and leader of the Radicals - frequently quoted in Parliamentary debates.

In the midst of this Singapore came into being. Its supposed uniqueness lay in its exemplifying what was then so widely discussed and advocated in Britain. Its success seemed to prove the rightness of political economy. It was the exotic, bustling embodiment of the disembodied, dry 'science' of Smith and Ricardo, a science furthermore that was regarded as native to Britain. Singapore was the city which showed the 'unique' trading spirit of the British who were, 'to their great honour, of all people, the least subject to wretched spirit of monopoly.'¹²⁵ Its praises as a haven for free trade in the midst of Dutch monopolies were sung particularly by the British merchants who came to reside there.

Free trade had become an unassailable virtue and Singapore its most visible Eastern embodiment. The British colonial world was dazzled by the 'magic' of Singapore and attributed to its version of free trade rising levels of civilization in all who came under its spell. The next chapter on 'Commerce' will continue the focus on political economy's idealised self-image when it considers in more detail how international commerce was thought to be a civilizing force.

¹²⁵ C.R. Fay *The Corn Laws and Social England* (Cambridge: Cambridge University Press, 1932) p 8.

Chapter Three

VEHICLES OF IMPROVEMENT: COMMERCE, POPULATION AND COLONIZATION

While the first two chapters looked at mercantilism and its antithesis - free trade - this chapter will look at the general idea of international commerce. It was an idea which received far more attention from Smith than free trade. While free trade amounted to the absence of government interference (and in practice a 'free port'), the idea of international trade or commerce was developed more substantially by Smith and later by Ricardo. Both of them argued that commerce bestowed myriad benefits both material and social. The doctrines of the political economist, Robert Thomas Malthus, will also be introduced in this chapter.

Malthus was the next major political economist, after Smith, to be used by most colonial administrators in Southeast Asia. His 'population principle' presented a challenge to the general optimism of Smithian political economy. In Malthus, the benefits bestowed by commerce could be undone by a population explosion, resulting in famine and misery. However, as we will see, the adaptation of Malthus' 'population principle' to Southeast Asia was yet another example of how political economy could be changed to suit the purposes of its colonial adherents. In colonial texts, Malthus' 'population principle' was used in triumphalist projections of population increase under British rule. It could also be used to estimate what the population 'ought' to be and to prompt calls for colonization to

make up for the perceived lack of people. The topic of colonization, especially Crawford's plans for large-scale British colonization, will return this chapter to the theme of commerce. In Crawford's texts, colonization was depicted as both extending the market for British commodities and reinforcing the civilization commerce was expected to bring.

IMPROVING THE CUSTOMER

For the most part the British in Southeast Asia presented their commercial activities as not simply garnering profit but also spreading civilization and 'improvement'. When Raffles criticized the restrictions the Dutch colonial government placed on Southeast Asian trade he saw himself as defending commerce in general. He spoke of the damage done by Dutch restrictions to the indigenous trade in the region as causing 'the loss of that commerce which may be said to be as much the growth of the country as any of its indigenous plants'.¹

The British in Southeast Asia, perhaps not unexpectedly, tended to stress Smith's doctrines concerning trade and commerce, especially commerce between countries, even though Smith himself had put agriculture first, before international trade.² They also tended to ignore Smith's 'natural' sequence of trade which started with the 'home trade' ('purchasing' and 'selling' in different parts 'of the same country'), then foreign trade ('purchasing foreign goods for home consumption') and lastly

¹ Raffles, *History* 1, p193.

² Smith in the *Wealth of Nations* maintained that agriculture gave the most profitable returns and that of 'all the ways in which a capital can be employed it is by far the most advantageous to society' (II.v.12). This gave agriculture priority in his natural sequence of investment: 'According to the natural course of things... the greater part of the capital of every growing society is, first, directed to agriculture, afterwards to manufactures, and last of all to foreign commerce'. (*WN* III.i.8, p 380).

the carrying trade ('carrying the surplus produce of one foreign country to another').³ British merchants in Southeast Asia necessarily inverted this sequence, ignoring the 'unnaturalness' of their activities within Smith's framework and instead concentrated on how they obeyed his dictates regarding free trade and commerce.

In a notable exception, Smith's 'natural' sequence of home-trade before foreign-trade, was alluded to by the soldier-author, John Begbie, but in such a way that it made inter-island trade within the Dutch East Indies equivalent to the 'home trade' and it was the Dutch who violated the natural order. Begbie in his book *The Malayan Peninsula* describes how the Dutch government at Malacca in 1818 raised import and export taxes at Rhio on both Dutch and foreign vessels. Not only did they ignore the 'fundamental principle of political economy' that 'the road to wealth does not lie in immoderate duties', they treated one of their East Indies colonies as if it was a separate country. Begbie explains that 'Java and Rhio being constituent portions of the same government, the international import duties should have been very light...to encourage the growth of commerce between these two ports' especially as Java 'was the principal mart for Rhio produce'. Begbie footnotes this with a long quotation explaining Adam Smith's natural sequence of trade:

Commerce is of three kinds: the home trade, the foreign trade, and the carrying trade. The home trade is of all others the most advantageous. In the exchange, which takes place here, both the commodities, whose value is raised, belong to the same country and consequently a double benefit accrues to the society. The returns also, of such a commerce are much more quick. With the

³ Smith *WN*(II.v.24) p 368.

same capital therefore, a much greater number of transactions will take place at a given time.⁴

Here, Rhio is the equivalent of the Dutch Indies 'home trade' and in the 'natural' course of things the Dutch should be encouraging its growth, before they move onto foreign trade. In Begbie's eyes they are confounding the 'home' and 'foreign' trades, to their own detriment. Once again it is the Dutch who are perverting the 'natural' system of political economy.

Raffles inadvertently followed Smith's 'natural' order when he first insisted on the agricultural nature of the Javanese in his *History of Java*, before switching his emphasis to foreign trade in later publications. As we saw in the last chapter, after the British government perfunctorily handed Java back to the Dutch, Raffles seems to have gradually accepted that the East India Company did not want control of large swathes of territory. In his publications at least, he changed his tactics to advocating influence through 'commerce' – an influence which he depicted the 'native' 'customer' as wanting. Hoping his schemes would prove more acceptable to the East India Company, Raffles shifted from dangling visions of vast populations of revenue-paying cultivators in front of their eyes to enticing them with hordes of potential customers. Furthermore, he had it on the authority of political economists that commerce bestowed moral legitimacy because of its improving function. Britain would be exercising its influence more legitimately and cheaply through 'commerce'. Raffles

⁴ Begbie, *Malayan Peninsula* p 333. Even though Begbie does not cite the source of the quote it most likely came from McCulloch who paraphrased Smith and other economists in various glosses on political economy in the early 19th century, many of which contained passages similar to this one. It is difficult to tell which work of McCulloch's is being quoted here as he reprinted large sections of his own writing in different books and articles, sometimes amended, sometimes not. As Poovey comments: 'one of McCulloch's major theoretical texts is as good as any other'. Poovey *Fact* (p 380, n 56). For the original passage in Smith on the 'unnaturalness' of this sort of inversion see *MW*(II.v.31) p 372.

moved his gaze from the political economy of land to that of commerce. Like most of his colleagues Raffles began to concentrate on the many positive benefits international commerce was thought to bestow.

Despite his agricultural and domestic bias, Adam Smith had praised the benefits of commerce. It led to greater material wealth through the division of labour according to each country's special talents. As Smith said in his *Lectures on Justice, Police, Revenue and Arms* (1763):

All commerce that is carried on betwixt any two countries must necessarily be advantageous to both. The very intention of commerce is to exchange your own commodities for others which you think will be convenient for you. When two men trade between themselves it is undoubtedly for the advantage of both...The case is exactly the same betwixt any two nations.⁵

As we saw in the last chapter, international commerce benefited nations by carrying out the surplus of one country and bringing 'back in return for it something else for which there is a demand.'⁶ It led to an international division of labour whereby each country does that which 'their geographical situation, the physical capacities of the soil, their national characters and habits fit them to excel.'⁷

In contributing to this international division of labour, commerce ensured the best distribution of labour and capital. It also contributed to international peace and harmony, as each nation became dependent on other nations. Ricardo waxed lyrical about the natural rightness of

⁵ Adam Smith *Lectures on Justice, Police, Revenue and Arms* (1763) ed by E. Cannan (1896) p 204.

⁶ Smith *WM* (IV.i.31) p 446.

⁷ J.R. McCulloch quoted in Poovey *Fact* p 303.

unfettered international trade. It was, Ricardo said,

important to the happiness of mankind that our enjoyments should be increased by the better distribution of labour, by each country producing those commodities for which by its situation, its climate, and its other natural or artificial advantages it is adapted, and by their exchanging them for the commodities of other countries as that they should be augmented by a rise in the rate of profits; while, by increasing the general mass of productions it diffuses general benefit and binds together, by one common tie of interest and intercourse the universal society of nations throughout the civilised world.⁸

Ricardo formulated a concept of 'comparative costs' (also called 'comparative advantage') which showed that all countries must benefit from international trade, even if they did not have an overall advantage over other countries. Using the example of Portuguese wines and English cloths he showed that it was best if countries exchanged those things which they were best at producing.⁹ Begbie again quoted an unnamed political economist who had summarised this idea, to show how the Dutch did not appreciate this fundamental truth of international commerce. Begbie said by 'stifling her English trade' the Dutch 'drove merchants to more hospitable shores, thus acting against her own interests'. He then gives the following long quotation which summarises Smith and Ricardo's

⁸ Ricardo *Principles of Political Economy* pp 80-81.

⁹ Ibid p 82. Ricardo's example of Portuguese wines and English cloths which compared number of labour hours exchanged (and shall be looked at in the next chapter) was different from Smith's vent-for-surplus argument. However colonial commentators ignored this difference and concentrated on the benefits both espoused. See Fieldhouse for a short summary of Ricardo's theory of comparative costs and how it differed from Smith. D.K. Fieldhouse *The West and the Third World* (Oxford: Blackwell, 1999) pp 10-13.

stance on international trade:

Restrictions upon the intercourse with a particular country, which is supposed to have a balance against us, are unreasonable...For, if we can get our commodities cheaper from that nation, and sell ours to it with greater advantage, the balance will, on the whole, be more in our favour than if we carried on the same transactions with any other nation. If we can get wine cheaper from France than from Portugal, the annual value of our imports for wine will be diminished by dealing with the former country. Besides, what is imported may often be so, only for the purpose of reexportation to some other country'.¹⁰

We will return to Ricardo's theory of comparative costs in the next chapter. For now let us consider the sorts of social 'side-effects' which were believed to flow on from the increase in material wealth brought about by the international division of labour. Smith had asserted that the 'communication of knowledge' and 'probity and punctuality' follow from the introduction of commerce to a country.¹¹ He also believed that 'commerce and manufactures gradually introduced order and good government and with them, the liberty and security of individuals among

¹⁰ Begbie *Malayan Peninsula* pp 322-323.

¹¹ Smith *Lectures on Justice, Police, Revenue and Arms* 253. In the same lectures he cited what he regarded as one of the few ambiguous effects of commerce: that it lessens the 'martial spirit' of a people and makes them 'effeminate' (p 258). See also *WN* (V.i.a.1-44) pp 689-708. Drayton says that 'Smith in chapter vii of Book IV of the *Wealth of Nations* (1776) had asserted that 'The mutual communication of knowledge and all sorts of improvements [follows necessarily from] an extensive commerce, from all countries to all countries' but I am unable to find the original in Smith. (*Nature's Government*, p 202).

the inhabitants of the country' to which they were introduced.¹²

But the most important 'side-effect' of unfettered commerce was that it bought about a 'natural system of liberty'. At the end of his chapter on 'Colonies' Smith predicts the benefits unfettered commerce will bring once the mercantilist system is overthrown:

All systems either of preference or restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest in his own way, and to bring both his industry and capital into competition with those of any other man...¹³

This 'system of natural liberty' will allow the state to withdraw to let the natural order take care of itself.¹⁴ Under the system of natural liberty, the duties of the state are reduced to just three: first, protecting the society from invasion; second, protecting 'every member of the society from the injustice or oppression of every other member of it'; and thirdly 'erecting and maintaining certain publick works and certain publick institutions which it can never be for the interest of any individual to maintain...'.¹⁵

¹² *WN*(III.iv.4) p 412. At this point, Smith acknowledges Hume as having previously made the same point. Of course Hume was not the only predecessor to Smith in this regard. As Donald Winch lists Smith's predecessors 'in dealing with the commerce and liberty theme' as Montesquieu, Lord Kames, Adam Ferguson, William Robertson, John Millar as well as Hume. *Adam Smith's Politics*, p 70.

¹³ Smith *WN*(IV.ix.51) p 687.

¹⁴ Smith *WN*(IV.ix.51) p 687.

¹⁵ Smith *WN*(IV.ix.51) pp 687-688. Or, as Dugald Stewart more famously put it (quoting from one of Smith's now lost manuscripts): 'Little else is requisite to carry a state to the highest degree of opulence, from the lowest barbarism, but peace, easy taxes and a tolerable administration of justice'. Smith *WN*(IV.ix.51) pp 687-8 including footnote.

Crawfurd went even further than Smith in advocating the withdrawal of the state under the system of 'natural liberty'. We have already seen how Crawfurd believed trade was better conducted by private individuals than by the Company. For Crawfurd, even 'public works' were better left in the hands of private enterprise. In his 1833 publication recommending the British colonization of India, Crawfurd argues that 'public' works in India could be financed by private British settlers. The East India Company, he says, have constructed a 'paltry' number of works so far. But that is to be expected, he says, since:

It is not, in fact, from the state, but from the activity and enterprise of private adventurers, that works of great and extensive public utility are to be expected in a civilized community, or under any form of regular government.¹⁶

SHOPPING YOUR WAY UP THE CIVILIZATIONAL HIERARCHY

Raffles' belief in the civilising effects of free commerce was most apparent in a document we have already briefly considered: his lengthy minute to the Bengali government, 'Upon the Administration of the Eastern Islands in 1819'. In this memo Raffles anticipates a time in the not-too-distant future 'when the seas shall be open to the free current of commerce, and when the British flag shall wave over them in protection of its freedom and in promotion of its spirit'. Despite sounding as if he is recommending a continuation of his earlier attempts at empire-building, this document is remarkable in its hearty recommendation of policies which the East India Company had been trying to force Raffles to follow

¹⁶ John Crawfurd *Notes on the Settlement or Colonization of British Subjects in India with an Appendix of Proofs and Illustrations* (London 1833) p 33.

for the preceding decade. Now that he has established Singapore he depicts free trade as the surest and most ethical source of wealth.

With the ardour of a recent convert, he suggests in this document, that the East India Company become, like him, a 'free trader'. He points out that up until the present 'the Company's trade in this quarter has not only been a losing one to themselves but has tended to the depression of industry among the people, and to the exclusion and discouragement of the private merchant'. He explains that this is 'in great measure owing... to the erroneous system of combining the speculation of commerce with the powers of government'. He gives the East India Company a basic lesson in Adam Smith, stressing the fallacy of combining the functions of merchant and sovereign. Raffles urges the Company to separate 'entirely the two departments'. When it does this, the Company will reap something even more important than profits, moral legitimacy:

It can no longer be the interest or duty of the East-India Company to carry into the Indian administration that union of monopoly and coercive exaction, which has so long been exploded as impolitic and unjust. She now stands on a higher and more exalted footing; the strongest bulwark of her constitution will be found in the attention which she pays to the improvement and happiness of her subjects, and in the sacrifice she is always willing to make of her pecuniary interests, when these appear to stand in the way of civilization and advancement of the human race.

Raffles emphasises that the East India Company is now a government with responsibilities rather than a trader acting on mere self-interest: 'the time is past when the Company looked for profits from the sale of a yard

of broad-cloth or a pound of nails'. Raffles tempers his criticism of the Company in the above passage - that its 'union of monopoly and coercive exaction' in India was 'impolitic and unjust' - with the flattering suggestion that this was perhaps necessary in the past because India was then at a lowly stage in the progress of opulence, but now, thanks to 'her fostering and enlightened rule ...the energy and enterprise of individuals are excited in no common degree'. The Company can now conduct her trade 'on the same principles as it would in the mother country'.

In this minute Raffles does not suggest that the Company give up her trading function altogether. But her trade would be done by intermediaries. To ensure 'the fabric of her civil administration would remain unshaken, her purchases would be made by contact with inferior capitalists, who would collect the articles, and... distribute them.' This document marks the transformation of Raffles into one of those rare creatures, a pro-East-India-Company-free-trader. All that has to happen, he suggests, is that the Company become a free trader with him. She will become one free trader among many, albeit one which will enjoy the advantages which 'her great capital' and 'long experience of rule' in Asian countries will give her over other traders. She will still trade but through intermediaries, and under the principles of free commerce. With the aid of her capital, her customer-subjects will increase their commerce and thus rise in civilization:

...In no part of the world perhaps, is capital more wanted than in the Eastern Islands, and were that of the Company thrown into it, so far from repressing the industry of individuals or checking the improvements contemplated, the additional stimulus would only tend to excite and encourage new energies, to accelerate the

progress of general commerce and the civilization to which it must inevitably lead.

Not only the infusion of capital, but commerce itself, will spread civilisation throughout the region, not by formal political control, but even more effectively by leaving the 'natives' free to follow the example of the English who will be happily confined to their small entrepots:

By confining our national regulations to the society which may collect at our proposed emporia, they will become centres of civilization as well as of commerce; while avoiding with the native states all interference which may be of a political nature, we shall expose to their view, and recommend for their adoption, those arts and rules of civilized life, which contribute to our superior happiness of our condition.

Like all good merchants, in this scenario, the English will not force their wares, their civilization, on their customers, the Malays, but rather 'leave them free to adopt and to apply among themselves, in the degree and manner which may be most accordant with their own notions and feelings'.¹⁷ The 'native inhabitant who will be first attracted by commerce, will imbibe a respect for our institutions... he will not fail to profit by them. Our civil institutions and political influence are calculated to increase the population and wealth of these countries, and cultivation of mind seems alone wanting to raise them...'.¹⁸ The various 'native races' which will 'collect' at the proposed emporia will voluntarily 'Europeanize'

¹⁷ Raffles 'On the Administration of the Eastern Islands in 1819' Appendix in his *Memoir* p 20.

¹⁸ *Ibid* p 31.

through the experience of living and trading side-by-side with Europeans. They will then spread European influence throughout the Archipelago. Raffles' native beneficiaries are the privileged 'customers' of British civilisation. Like all customers they choose those things 'most accordant with their own notions and feelings', British 'arts and rules of civilized life' adapted to local tastes and desires.

For those who had not yet reached the highest stage, it was believed that more trading could push them up a stage or two. As Raffles said upon the founding of the Malay College in Singapore in 1819: 'Commerce is universally allowed to bring many benefits in its train and in particular to be favourable to civilisation and general improvement'.¹⁹ While commerce brought societies that ranked low in terms of civilisation into contact with peoples and goods that were more 'sophisticated' it also ensured that these contacts were voluntary. The beauty of consumer goods as civilizing agents was that they civilized eager customers, not unwilling, conquered subjects. In a letter on the subject of British trade with the Malays, Raffles made the relationship between civilization and commerce almost mathematical:

The consequence of this constant and friendly intercourse [with the 'Malays'] has been the establishment of numerous independent states throughout the Archipelago - these have advanced considerably in civilization and as their knowledge increased so did their wants, and their advancement in civilization might be estimated in the ratio of their commerce ...²⁰

¹⁹ Raffles *Memoir*. 2nd Appendix: 'Minute on the Establishment of a Malay College at Singapore, 1819' p 24.

²⁰ Quoted in Wurtzburg *Raffles* p 520.

The commodities brought by commerce seem to have their own civilizing effect. It is not just the contact with 'higher races' (especially Europeans) but also their artifacts which promote civilization. Free trade brought peoples into contact with the artifacts of higher races and gave them a desire for those artifacts. These artifacts, through the longing they engendered, thus became the agents of civilization. By their presence and purchase, they could nudge a people onto the next developmental stage. As Richard Cobden, the anti-Corn laws crusader and one of the more stirring orators in the British Parliament said in 1835: 'Not a bale of merchandise leaves our shores but it bears the seeds of intelligence and fruitful thought to the members of some less enlightened community.'²¹ Or, as Raffles put it:

The advantages of commerce so conducted [on liberal principles] are reciprocal; if it enriches the one party, it raises the other in the scale of civilization, it creates new wants, and by opening new sources of enjoyment encourages industry and emulation.

He added that thanks to 'the luxuries supplied' to Malays by 'Europeans, the humanising arts of life will also find their way and we may anticipate a more rapid improvement...'²² The committee he appointed to investigate the state of Bencoolen in 1819 also assumed civilization was acquired when one acquired a desire for its artifacts. The development of native commerce, they reported, even in the absence of 'higher races', such as the British, would bring with it 'improvements in the arts of life, a taste for

²¹ Richard Cobden 'Commerce is the Grand Panacea'. Document 37 in *Western Liberalism: a History in Documents from Locke to Croce* E.K. Bramstead and K.J. Melhuish (eds) (New York: Longman, 1978) p 356.

²² Raffles *Memoir* 'Admin. of the Eastern Islands' p 20.

its luxuries and a more regular and organised system of things'.²³ With the purchase of certain goods, it seems, one also bought their civilizing aura.

In his *History of the Indian Archipelago* Crawford retold world history so that commerce became one of its prime movers. Commerce caused change and revolution in human experience and had done so since the beginning of time. Yet commerce was also still one of the highest achievements of the human race. It was both the engine and mark of civilization. Near the beginning on his chapter on 'Commerce', Crawford comments that 'The value and extent of the commerce which distant nations are capable of carrying on with each other, is in direct proportion of their wealth and civilization'.²⁴ It is the commodities which institute change and propel societies up the civilizational ladder. It was commodities which, against all the odds, initiated contact between Europe and Asia:

Ignorant of geography and navigation, the half civilized nations of Asia, notwithstanding, made their way to the Indian islands, the commodities of which were spread over Asia, and through a hundred hordes of barbarians, finally reached the civilized nations of Europe long before the latter knew even the name or situation of the country which produced them.²⁵

In Crawford's narrative the commodities themselves change the course of history. When the Brahmins expelled the Buddhists from India in the second century, the Buddhists went to the 'Indian islands' where they

²³ Quoted in Wurtzburg *Raffles* p 544.

²⁴ Similarly Smith says 'rich and civilized nations can always exchange to a much greater value than with one another, than with savages and barbarians' *MM*(IV.i.32) p 448.

²⁵ Crawford *History* III, p 141.

'contributed to civilize their inhabitants, taught them the use of two of their own commodities heretofore unknown to them and spread the use of these these novel luxuries over the whole world, to all succeeding generations'.²⁶ These two commodities, the clove and nutmeg²⁷ led to the European spice race and set the development of Europe in process. 'In later times' he explains

the productions of the Indian islands constituted the most important articles of that oriental commerce which lighted the embers of civilization in Italy in the middle ages, and finally, it was the search for them that led to the discoveries of Gama and Columbus, the two grandest events in the history of our species.²⁸

Thus the clove and nutmeg inaugurated 'much of that civilization which preeminently distinguishes the modern European from every other race of men in any age or climate.'²⁹

If commodities civilized the willing customer, by happy coincidence, they delivered profits at the same time. Raffles, for example, spends most of his document on the 'Administration of the Eastern Islands in 1819' extolling the 'unbounded' prospect awaiting 'the tide of commerce' when it is 'allowed to pursue its free and uninterrupted course.'³⁰ However he does spend one paragraph focusing on 'some points...more immediately connected with our own interests'. He admits that despite all the predicted benefits which will flow to Southeast Asia

²⁶ Ibid III p 195.

²⁷ Ibid III pp 87-89.

²⁸ Ibid III, p 142.

²⁹ Ibid III, p 195.

³⁰ Raffles 'Admin. of the Eastern Islands' *Memoir* p 19.

with free commerce, in 'the intercourse between a manufacturing country and a people who have made but little advance in the arts, it must be to the manifest advantage of the former'. One of the benefits bestowed by this free commerce will be the free immigration of more customers in the form of Chinese labourers to Southeast Asia. The British, both in India and at home in England, will benefit from the rising consumption of manufactures which accompanies this emigration:

It has been shewn that the extent of the demand for British and Indian manufactures is proportioned to that of the population, and that the tendency which exists to a rapid increase in that population by accessions from China is almost without limits.

If commerce had a civilizing effect, its absence could produce the opposite result. Raffles in his *History of Java* described the devastating interruption to the civilizing process caused by pirates driving 'safe, uninterrupted commerce with its attendant blessings' from part of the Javanese coast. The people thus 'left neglected, without capital, without a safe navigation, almost without laws, the government disunited, the people groaning under vassalage and slavery' must necessarily go backwards: 'these races must descend still further in the scale of degradation' until they have, according to Raffles, almost ceased to exist politically or historically.³¹

The committee appointed by Raffles to investigate the condition of the people around Bencoolen in 1819 also came out with a similar argument in favour of free trade. They found the absence of free trade on the Sumatran coast provided no incentive to people to work their way up the

³¹ Raffles *History* I, p 224.

civilizational hierarchy. Indeed they seemed to be sliding back down it:

...the people debarred from all legitimate objects of exertion, condemned to a species of servitude in the supply of the article of pepper... could not but degenerate and retrograde in civilization.³²

MARKETS FOR BRITISH MANUFACTURES

These accounts of the civilizing effects of commerce were riddled with constant references to British manufactures being consumed in Southeast Asia. As the Company factor, James Goddard, said when interviewed by the Committee of Lords inquiring into the 'Trade with the East Indies and China' on the 1st of June, 1820, traders could 'go to any part of the eastern islands' and find 'a ready market for articles of British manufacture'.³³

Goddard's testimony was in keeping with a general feeling that British manufactures only needed the removal of all restrictions and British manufactures would dominate the markets of Southeast Asia. In the first few decades of the nineteenth century British manufacturers clamoured for the free access of their goods to India and Southeast Asia. Keeping in mind that for the first half of the nineteenth century 'India' usually included Southeast Asia as well as the subcontinent, both places were probably referred to in the 'barrage of petitions that poured into Parliament in 1812 and 1813' demanding that 'the trading monopoly should be abolished and that all the ports of Britain should be allowed to trade

³² Quoted in Bastin *Native Policies of Raffles* p 83.

³³ 'Minutes of Evidence (before the Committee of Lords) Relative to the Trade with the East Indies' P.P.1820, Goddard p 12.

freely with India'. According to Embree, in most of the petitions 'the great proof' of the Company's 'incompetence was its inability to expand the trade between India and Great Britain'. Charles Grant, then a member of the Court of Directors of the Company, pointed out that

for two hundred years...the Company had tried - usually at a loss to itself - to find a market for woollen cloth, and yet the Sheffield merchants were absurd enough to suggest that 'where no demand existed, the enterprising spirit of merchants could have the effect of creating it'.³⁴

A concern with markets for British goods occupied the parliamentary enquiry in 1820. The committee of Lords asked practically every witness who appeared before it: 'What species of British manufactures find the readiest market in those islands?' and practically every one answered, like Goddard, that 'There is a very extensive market for English manufactures in all the eastern islands...'.³⁵ Crawford, who was another witness, was also asked if there was a Southeast Asian

³⁴ A.T. Embree *Charles Grant and British Rule in India* pp 262-3, p 266.

³⁵ 'Minutes of Evidence (before the Committee of Lords) Relative to the Trade with the East Indies' P.P.1820 Goddard p 12; See also Goddard p 14; Goddard on p 15 says the the 'demand for woollen goods is very extensive' in China and they have a 'strong disposition' to purchase 'British manufactured goods'; Crawford was another witness who on p 18 assures the committee that 'almost every staple manufacture of Great Britain' would be in demand in Southeast Asia including light woollen cotton goods ...iron... glass ware, crystal [sic] and carriages'; Various people who identified themselves as 'merchants', 'ship owners' or agents for East India Houses also testified that there was a ready market for British manufactures. See A. Robertson p 39, p 42; J. Mitchell p 50; and Fairlie p 205. The exception was Charles Grant who stressed 'that British merchants resident in India have greater advantages for the carrying on of that trade [to Southeast Asia] than the merchants of Great Britain can have; because they are much nearer...they inhabit another division of the region of Asia; they know perfectly the wants of the Asiatic people ...the trade to the eastern Archipelago will be better made by the British residents in India than by the British residents in Great Britain' (p 121).

'taste' for 'British manufactures' and he answered in the affirmative: 'A decided taste...the consumption is yearly increasing'. He was then asked if 'the increase in that taste' had 'contributed to excite the industry of the inhabitants?'. Crawford admitted that he lacked 'distinct proof' that it had, but he went on to assure them that 'the increase of commerce must inevitably produce its natural effects, in civilizing the inhabitants and furthering the progress of industry'.³⁶

Goddard included amongst the British manufactures which were in demand: 'Cotton goods; also hardware such as knives, scythes, swords and a number of articles adapted for the Indian seas, which were well known in this country, and made according to the fashion of the people'. He added that these manufactures must be 'adapted to the particular taste of the inhabitants'. The Malays, he thought, 'are very particular with regard to it [their tastes] and they require to have it accurately attended to'.³⁷ These tailor-made articles, said Goddard, are 'known by the name of Malay articles'.

With this in mind, encyclopaedic accounts of the archipelago, such as Raffles and Crawford's histories, can be seen as examples of early market research. They contain long lists of Southeast Asian tastes in cotton wares, iron wares and food stuffs. Book Four of Crawford's *History of the Indian Archipelago*, for example, called 'Commerce' devotes almost five hundred pages to descriptions of the commodities circulating the region, their production, the trade routes, the different traders, acceptable currencies and the future prospects of each market.

The theoretical concerns of Raffles and Crawford's *Histories* and other accounts of Southeast Asia did not stop them from also providing

³⁶ Minutes Relative to the Trade to the East Indies and China, P.P., 1820, p 17.

³⁷ Minutes Relative to the Trade to the East Indies and China, P.P., p 12.

very practical guidance of how to do business in the region. As J.R. McCulloch said in his preface to his *Dictionary, Practical, Theoretical and Historical of Commerce and Commercial Navigation* 'to be generally useful, a work on commerce should combine practice, theory and history'.³⁸ McCulloch then goes on to quote from the works of Crawford in his entries on Southeast Asia. He combs Crawford's *History of the Indian Archipelago* (and one of Crawford's statements before Parliament) for practical advice for merchants and manufacturers on currencies, prices, markets, types of commodities and their quality and availability.³⁹

Raffles certainly seemed to think manufacturers would read his *History of Java* for information on how to produce 'Malay articles'. In his chapter on commerce he seems to be speaking directly to such English manufacturers when he says:

English printed cottons, of peculiar patterns adapted to the taste of the natives and the Chinese...always meet a ready and extensive sale; but...[they] want permanency in the colours.

He advises that this fault be overcome if British manufacturers want to

³⁸ J.R. McCulloch *A Dictionary, Practical, Theoretical and Historical of Commerce and Commercial Navigation* (London 1832) p v.

³⁹ Although McCulloch shortens the full title of Crawford's *History of the Indian Archipelago* to the *East. Arch.*, rather than the *Ind. Arch.*, it is obvious by comparing references that he is talking about the same book. See McCulloch *Dictionary* p 57 for references to Crawford's *History* on benzoin; p 117 for Crawford on betel-nuts; pp 120-121 for Crawford on birds' nests; p 209 for Crawford on camphor from Sumatra; see pp 221-222 for Crawford's evidence before the parliamentary committee of 1830 on the 'native foreign trade of China'; see pp 261-262 for Crawford on cloves; p 293 for Crawford on the coffee and soil of Java; see p 786 for Crawford on nutmeg; and p 1037 of McCulloch for Crawford on teak. For an example of the use of McCulloch's *Dictionary* (and through it, Crawford) see John Bowring *The Kingdom and People of Siam* vol I. 1856 (Kuala Lumpur: Oxford University Press, 1969) where he comments on how McCulloch's *Dictionary* lists Siamese currency 'on Mr Crawford's authority' (p 260).

increase sales. He tells the cautionary tale of a 'very extensive and valuable assortment of these cottons imitated after the Javan and Malayan patterns' which was imported to Java by the East India Company. The first sale produced good prices but before the second sale, 'the natives had discovered the colours would not stand and the remainder were no longer in any demand'. He recommends that 'the enquiries of scientific men in India' be directed to remedying this problem by investigating (and copying) the 'dye stuffs used in Asia' and the 'native' methods for fixing colours.⁴⁰

Crawfurd explains at the beginning of his chapter 'Description of Articles of Importation' that he will 'dwell' on those 'modifications' which will make the 'merchandise imported into the Indian Islands' from Britain even more suited 'to the tastes and manners of the consumer'. He then gives many pages of very practical advice to manufacturers and traders of goods to the Indies. To give but two brief examples of his advice:

The principal description of cotton goods in demand are chintzes or printed cottons... the natives... have a decided aversion to black, and no chintz in which it is a prominent colour will sell, let its texture be ever so fine. The favourite colours are red and green, and next to these yellow and brown. In short, the colours should be as bright as possible, and the pattern should occupy as much as possible of the ground, but still be very distinct and not crowded or confused. They

⁴⁰ Raffles *History* I, p 216. For even more direct instructions to British manufacturers, see Wurtzburg's reprint of a letter from Raffles to Jacob Bosanquet (chairman of the Court of Directors) on the 29 October 1812, in which Raffles talks of transferring the manufacture of the types of cloth that British India has sold to Java, to England: 'Under this idea it is my intention to send home musters of the different descriptions of descriptions of cloth with the sale price in Java affixed to them each with a recommendation that an adventure in the same at least to the extent of 30,000 pounds be made'. According to Wurtzburg, 'the first of these cloths, made in the Javanese patterns were to arrive there at the end of 1814, forming the beginning of a long and prosperous British trade'. Wurtzburg, *Raffles*, p 269.

ought never to be large, and the favourite figures are running flowers.⁴¹

and:

The bandana handkerchiefs, manufactured at Glasgow... would be still more suitable to the taste of the native consumer. The white, for example, might be changed for green or yellow flowers, and handsome coloured borders would particularly suit the fancy of the wearer. ⁴²

John Anderson presented the exposition of commercial prospects as the *raison d'être* for in his 1840 book on *Acheen and the Ports on the North and East Coasts of Sumatra*. In its preface he explained that

The object of the present work is to introduce to the notice of the merchants and manufacturers of Great Britain, connected with the trade to the East Indies and China, certain places of great commercial importance which are very little known in this country although they have long been marts for the sale of a great variety of British manufactures and have afforded produce of great value not only to Europe, but to China and to America.⁴³

⁴¹ Crawford *History* III, p 503.

⁴² Crawford *History* III, p 505.

⁴³ John Anderson was in the East India Company civil service in Penang from 1813 until 1829, first as writer, then 'factor' then 'Junior Merchant' and 'Senior Merchant'. After his retirement he was 'occupied with commerce in London' but retained his interest in and perhaps connections with, the East Indian merchant community judging by his inclusion of an 'Extract from the Annual Report of the Committee of the Glasgow East-Indian Association, 1840' regarding 'Dutch injury to British trade' in Southeast Asia at the end of his book on Acheen.

Anderson went on to list the British merchandise which could find a market in the region and Southeast Asian merchandise which could be sold in Britain.⁴⁴ But Anderson was not only presenting a neutral list of commercial 'markets' and suppliers of produce. He was not just addressing his book to British merchants in order to help them increase profits, but also in the hope that they might be persuaded to bring pressure to bear on the British government to defend states on the Malay Peninsula against encroachments from other powers'.⁴⁵

Siam, from the late eighteenth century, had been trying to assert its authority over the Malay states, sometimes inciting warfare between them, and occasionally intervening directly. In 1821, Kedah was invaded by the Siamese and its Sultan compelled to seek asylum with the British at Penang. Across the Strait, the Dutch were engrossing Northern Sumatra, directly opposite Penang. Such an unstable atmosphere threatened the profits and security of British traders in the region. John Anderson, who was Penang's tin agent was hardly an impartial observer when he wrote *Acheen* in the 1820s. Although his book was not published for another 20 years,⁴⁶ Anderson hoped by writing it to convince British authorities to help local sultans resist Siamese claims to the Malay Peninsula and also to oppose Dutch claims to the whole of Sumatra. With this last he hoped to interest the 'merchants and manufacturers of Great Britain, connected with the trade to the East Indies and China' in intervention in the

⁴⁴ Anderson *Acheen* pp 160-165.

⁴⁵ A. Reid's introduction to Anderson *Acheen* p vi.

⁴⁶ A. Webster *Gentlemen Capitalists* p 75 and Lee Stubbs-Brown 'Trade and Shipping in Early Pinang' *Malaysian History* 21, 1978, pp 17-35.

Sumatran state of Acheen.⁴⁷

The political agenda behind Anderson's apparently neutral recounting of the commercial bounty awaiting the merchant in Sumatra shows just how important public opinion back home was believed to be. For, as Anderson says, it is British public opinion and through it, parliamentary opinion that works such as his hoped to persuade. Raffles' *History of Java* was perhaps the last major 'scientific' work about Southeast Asia which tried to appeal mainly to the East India Company, its directors and its Tory supporters.⁴⁸ Subsequent accounts of Southeast Asia recognised that since the East India Company lost its monopoly, first, of greater India (including Southeast Asia) in 1813 and then of China in 1833, those with economic interests in Southeast Asia had increasingly to appeal to influences outside the Company. As Anderson admitted in his introduction

⁴⁷ Anthony Reid in his introduction to the reprint of Anderson's *Acheen* tells how the Dutch were taking control of more and more of north Sumatra at this stage, thanks to a string of military successes and in late 1839 a post was established close to Penang on the north-east coast of Sumatra, close to the important exporting district described by Anderson (on pp 195-6). These forward moves provoked a string of complaints and appeals to Whitehall from interested merchants in the Straits Settlements and London, all of which obliged Palmerston to take the matter up with Holland. In *Acheen* Anderson advocated retrospective recognition of the treaty Raffles and Coombs had made with Acheen in 1819, and the commercial arrangements Anderson himself had made on the island of Sumatra in 1823, just before the 1824 Anglo-Dutch treaty brought an end to direct British political interest in Sumatra. Anderson was unsuccessful. Reid recounts that Palmerston finally made use of the idea of Raffles' Acheen Treaty in May 1841 'in remonstrating with the Dutch'. The idea of British obligations to Sumatra under Raffles' treaty was 'revived from time to time thereafter, and was not finally said to rest until 1893, twenty years after the Dutch invasion of Atjeh, when a member received a negative answer in the British Parliament to his question whether Britain would honour its obligations to Atjeh under the 1819 Treaty' (ix). However even then it was not entirely put to rest: in 1999 the exiled 'king of Acheh, Hasan di Tiro', campaigning for Acheh's independence from Indonesia, asked 'Britain to honour a commitment made by the colonial administrator Sir Stamford Raffles in 1819 that promised a "perpetual peace, friendship and defensive alliance" between the two states'. As a result of Raffles' commitment di Tiro anticipated Acheh would one day join the British Commonwealth. *The Age*, 26 November, 1999, p 13.

⁴⁸ With the exception of Burrow, the permanent Under Secretary of the Admiralty who, if we include his 1806 *Voyage to Cachinchina* for its comments on Southeast Asia, defended the British East India Company's monopoly, as we have seen.

'our ultra-Gangetic possessions... under the immediate management of the Honourable East India Company' were no longer of interest to the Company. Now that 'that body has ceased all commercial intercourse with China' the 'settlements in the Straits of Malacca' have become 'a burthen to the rulers of India' although they are 'a source of considerable national wealth as an outlet to the manufactures of Great Britain, and as depots for the collection of valuable produce of this country'.⁴⁹ It is to these British manufacturers and Indian traders to Southeast Asia that colonial authors began to appeal after 1813. Recognising that the East India Company had no motive to intervene in the region nor any desire to protect traders or administrations who were not contributing to her security or profits, most authors openly aligned themselves with private or 'free traders', even though often this placed them in opposition to the East India Company.

An awareness that various colonial authors were hoping to appeal to British public opinion, especially its free trade factions, helps us make sense of an apparent contradiction between the constant references to the commercial prospects awaiting British manufacturers in Southeast Asia that one finds in their accounts and the theories of historian Anthony Webster. Webster disagrees with the traditional interpretation of British expansion in Southeast Asia 'as being driven by the need for new markets for British manufactures'.⁵⁰ According to Webster, this view is based 'on a particular interpretation of the motives of Thomas Stamford Raffles'. According to Webster, Raffles and British expansion generally in Southeast Asia, were driven not so much by concerns to 'provide a growing market for British manufactures, especially cotton goods' but rather to

⁴⁹ Anderson *Acheen* p. vi.

⁵⁰ Webster *GentlemenCapitalists* pp 66-67.

provide a market for goods from British India.

After the East India Company's monopoly on trade with India was lifted in 1813, British goods flooded the Indian market. There was a glut and a severe downturn in the economy of British India. It was this recession, rather than the one in England, which Webster maintains was uppermost in Raffles' mind when he suggested a chain of trading posts and eventually founded Singapore. Webster maintains: 'Raffles was a career East India Company servant whose skill, knowledge and priorities were directed exclusively to meet the needs of his employers. He was acutely aware of the problems confronting British commercial interests in India, particularly those concerning the China trade and trade with the Malay Archipelago'.⁵¹ Raffles, Webster believes, pursued expansion in Southeast Asia to secure markets for India, rather than Britain.⁵²

Webster relies heavily on a passage from Raffles' 'Substance of a Memoir on the Administration of the Eastern Islands' in which Raffles spoke of his desire to:

ensure a market for the manufactures of India, and thus promote its industry and prosperity, and an advantage beneficial to the energy of its people... The extraordinary advance of British manufactures having in great measure excluded those of India from the European market, it is to the populous and less civilised countries of the further East that we can alone look to for a

⁵¹ Webster *GentlemenCapitalists* p 67.

⁵² See also p 71 where Webster says of Raffles, 'the interests of the East India Company were always paramount. He was motivated primarily by the commercial needs of British India. Raffles wanted British expansion in Southeast Asia to protect access for Indian commodities at a time when they were losing ground in Europe.'

permanent demand.⁵³

However this passage was written by Raffles to urge the greater political control of Southeast Asia from British India. In this instance he wished to show that Southeast Asian 'trade is intimately connected and interwoven with the interests of British India'. It was part of a long memoir by Raffles arguing 'that the existing establishments' of Britain in Southeast Asia 'be reformedand that the general superintendence of these stations be vested in the hands of the Supreme Government of India' in order that the Indian authority 'exercise such political influence over the native states, as circumstances and the security of our interests may render necessary'.⁵⁴ Wishing to interest the Indian authorities in assuming direct responsibility for Southeast Asia, Raffles had necessarily to show the region was entwined with their financial interests.

Against it can be counterpoised many other passages by Raffles which speak of promoting the interests of British manufacturers at 'home' in England, as well as, or instead of, the interests of British India. For instance, in 1820 he described Singapore as helping the cotton industry of Britain rather than that of India: 'Upwards of ten thousand tons of raw cotton are annually sent to China from our territory in India' he wrote, adding

why should we send our raw produce to encourage the industry of a foreign nation at the expense of our own manufactures? If India

⁵³ Webster *GentlemenCapitalists* p 71. From 'Substance of a Memoir on the Administration of the Eastern Islands by Sir Stamford Raffles'. Webster uses the original in the Raffles Papers, (Eur Mss D/742/39) of the India Office, London. But the same passage can be found in 'On the Administration of the Eastern Islands' in Raffles' *Memoirs* pp 11-12. For Webster's other citation of the passage see 'British Export Interests' pp 162-3.

⁵⁴ Raffles *Memoirs* 'Admin. of the Eastern Islands' p 12, p 13.

cannot manufacture sufficiently cheap, England can; and it is idle to talk of the cheapness of our goods unless we can bring them into fair competition. I see no reason why China may not be, in a great measure clothed from England...⁵⁵

While Raffles was, as Webster suggests, 'a career East India Company servant' aware of the 'needs of his employers', it obviously depended on who he was writing to, as to how much Company loyalty he displayed. Raffles also had ambitions and a patriotic regard for British industry which, at times, mitigated against the desires of 'his employers'. His personal ambition to extend his influence over Southeast Asia sometimes caused him to disregard the Company's wishes.⁵⁶ The divergence in his and the Company's aspirations was made clear when the Company investigated him for overstepping his duties in Java, dismissed his plans for a chain of ports throughout the Archipelago and castigated

⁵⁵ Raffles *Memoirs* p 459-460 Raffles to the Rev. Dr. Raffles, Bencoolen, 17 July, 1820. See also the letter by Raffles to Bosanquet, Java, 29 October, 1812 in which he says 'cloths from Western India have always formed an important branch in the commerce of Java and it occurs to me that in the present state of manufacturing in England, a very material proportion of this trade might with advantage be transferred to England where the cloth might be manufactured even at a lower rate than in India...' (Quoted in Wurtzburg *Raffles*, p 269); and Raffles' letter to an unnamed correspondent, dated Bencoolen, 26 December 1821 where he points out Singapore's 'great advantages; such as the introduction into China of manufactured cottons, in lieu of twenty thousand tons of raw material, that we now send them from India' (*Memoirs* p 505).

⁵⁶ In speaking of the 'Company's interests' it is difficult to speak of 'the Company' as having one unified set of aspirations. This further complicates Webster's thesis. Webster takes little account of differences between the Board of Control, the Board of Directors and officials at Bengal and the policy changes as new directors and Governor-Generals were appointed. The 'Whiggish' Governor-General of India, Lord Minto, for example, who sponsored Raffles' conquest and rule of Java found upon his return to Calcutta from Java in 1812 that he had been 'superseded' by the Earl of Moira who was supported by a rival Tory faction. 'Minto's determination' to 'purge the Eastern side of the globe of every hostile or rival European establishment' was looked upon unfavourably by them, while others in the Company supported it. S. N. Das Gupta *The British in the Malay Indies* (Lucknow: Maxwell Co, 1972) p 117, p 130.

him for the establishment of Singapore. Whatever the reasons for Raffles' personal ambitions in Southeast Asia, they often clashed with the will of the East India Company. Many of his writings, particularly his use of political economy, can be seen as attempts to convince a reluctant East India Company that its interests were aligned with his own plans for the region. The passage Webster uses in which Raffles speaks of wanting to 'ensure a market for the manufactures of India' occurs in a document which can also be seen as promoting Raffles' own interests even more than those of his employer. The overall purpose of the document is to convince Hastings of a scheme to convert all the archipelago settlements to residencies modelled on Singapore, under a single authority to be designated 'Superintending-Authority-of-the-Eastern-Islands'. It was Raffles' expectation that he be appointed to the post once it was created.⁵⁷

Certainly it cannot be suggested that Raffles always empathised with the people of India. The passage (quoted by Webster above) where Raffles expresses a desire to 'ensure a market for the manufactures of India, and thus promote its industry and prosperity, and ... the energy of its people' is one of the few places where Raffles promotes the cause of the 'people' of the subcontinent. Elsewhere Raffles promotes the people of Southeast Asia at the expense of the people of India. In 1819, for example, Raffles wrote of 'striking and important differences' between Indians and 'Malays'. By 'Malays' he meant the inhabitants of the archipelago as well as the Peninsula. Among the Malays he said 'we find none of the obstacles which exist among the more civilized people of India, to the reception of new customs and ideas'. They are not caste-conscious and more importantly they 'are addicted to commerce'. Malays are more worthy of

⁵⁷ See J. Kathirathamby-Wells 'Early Singapore and the Inception of a British Administrative Tradition in the Straits Settlements (1819-1832)' *JMBRAS* 43, 2, 1969, p 52.

the Company's attention than Indians: not only because of the 'wants which will be created' as their 'intercourse with Europeans' increases, but also because Malays are 'quick discerners of superiority' compared to the degenerate but still proud Indians of the subcontinent. Among Malays, Raffles says:

we may anticipate a much more rapid improvement than in nations [ie India], who having once arrived at a high point of civilization and retrograded in the scale and now hardened by the recollection of what they once were, are brought up with a contempt for everything beyond their own narrow circle, and who have for centuries bent under the double load of foreign tyranny and priestly intolerance.⁵⁸

Malays are, in short, a better investment for British capital and administrative energy than Indians.

Webster is right in providing a necessary corrective to earlier Anglocentric histories which emphasised the long-distance trade between Britain and Southeast Asia at the expense of more local trading systems. He is also right to point out that not all non-Company businesses in the region eschewed monopolies. Webster emphasises the importance of 'agency houses' in British India: private businesses which provided banking and investment opportunities for East India Company officials, who, after Cornwallis' 1785 reforms, were no longer able to engage directly in commercial enterprises. These agency houses, using Company servants' money, financed the late 1790s and early 1800s upsurge of Bengal exports into Southeast Asia - mainly cotton-goods and opium. Their control over the trade and their complicity with the Company meant that even though

⁵⁸ Raffles *Memoir* 'Admin. of the Eastern Islands' p 20.

they were private (as opposed to Company) traders they were by no means 'free' traders. Their interests were very much aligned with those of the Company. According to Webster, in the first two decades of the nineteenth century, 'the Malay archipelago fulfilled a vitally important marginal market function, providing a much needed outlet for Bengal opium when the China market was depressed. This helped maintain the high price of opium and high profits of the agency houses and the Company.'⁵⁹

Although Webster provides a necessary corrective to earlier anglocentric views, he perhaps downplays the patriotic appeal of 'British' exports. While there may have been more actual merchandise going from India to Southeast Asia than from England⁶⁰, in the published works of colonial historians and administrators of Southeast Asia at least, just as much emphasis was given to English goods.⁶¹ They were referred to out of all proportion to their actual consumption in the archipelago. Webster may be right when he says: 'there was little evidence of direct lobbying in Britain by export or manufacturing interests for the establishment of a new port in the Malay archipelago' before the establishment of

⁵⁹ Webster *Gentlemen Capitalists* p 153.

⁶⁰ Although Webster's tables *Gentlemen Capitalists* (pp 171-174) contains tables of Bengal exports to Southeast Asia, there is no table comparing these exports to Southeast Asia from Bengal with exports to Southeast Asia from Britain, which would seem to be necessary if Webster is to prove his thesis. There is support for Webster's thesis however in contemporary sources however, such as Milburn's *Oriental Commerce*, which pronounced Southeast Asia a poor market for British goods compared to those from India. See for example Milburn II, p 301, p 328, p 361.

⁶¹ A subchapter in Raffles' *History of Java* for example, which is entitled 'Imports from Europe' is about two pages long, the same length as his section entitled 'Imports from Western India'. In his account of 'Imports from Europe' Raffles contends British cotton pieces and broad-cloths are 'in demand by the native population' of Java. Showing little understanding or sympathy for the cause the glut of European goods in Bengal he pronounces the Javanese 'free from those prejudices which preclude an expectation of the introduction of European manufacture into Western India' The Javanese instead, 'generally indulge in them according to their means'. (*History*, p 217)

Singapore.⁶² But in saying this he overlooks the substantial, pre-Singapore 'lobbying' for a new port in the Malay Archipelago by non-manufacturers such as Raffles and Assey. As we have seen Raffles' lobbied' for new emporia for British manufactures in Java as well as a string of ports. Similarly Raffles' chief secretary, Charles Assey, published a pamphlet in which he suggested Archipelagaic colonies as potential emporia for British manufactures.⁶³

Almost immediately upon the founding of Singapore there was lobbying by British merchants and manufacturers for its retention, much of which represented Singapore (in hindsight) as the answer to a longstanding complaint about the lack of emporia in Southeast Asia.⁶⁴ As part of their persuasive tactics generally it helped to talk of opening up Asian markets for British manufactures. As we saw, merchants with Southeast Asian experience testified before Parliamentary committees of enquiry that British manufactures were in demand. That the Parliamentary committee asked what may be considered leading questions on the subject only shows the high level of concern about markets for British manufactures in Southeast Asia. In imitation (and to counter) the professional lobbying by representatives of the West Indies interests, the merchant communities of India and Southeast Asia requested Crawford to represent them in Parliament and to publicise their cause back in

⁶² Webster 'British Export Interests' p 162.

⁶³ See Assey *On the Trade to China* 18, p 21, pp 38-39, p 46.

⁶⁴ For a long list of merchants' representations to parliament for emporia and expanded trade in Southeast Asia from 1819 on, see the footnotes of Wong Lin Ken 'The Trade of Singapore' pp 28-33.

England.⁶⁵ Not just Crawford but other authors of books and pamphlets on Southeast Asia make repeated references to the Southeast Asian markets for British goods that exist (or will soon exist if their schemes are followed). If we consider the purpose of their writings - to influence the East India Company and the British parliament either directly or through public opinion - then boasts of 'selling Asian products to other Asians' would not have carried the same patriotic impact, as 'selling British products to Asians'.⁶⁶ Commodities, as we have seen, were more than just neutral, profit-making objects. They could be carriers of civilization and improvement, presented as part of the natural order and wrapped up with nationalistic pride.

⁶⁵ On West Indian lobbying of the British government see P.J. Marshall 'The Moral Swing to the East: British Humanitarianism, India and the West Indies' Kenneth Ballhatchet and John Harrison (eds) *East India Company Studies* (Hong Kong: Asia Research Service, 1986) pp 76-77. Crawford admitted he was paid 1,5000 pounds a year to be the parliamentary agent of 'the inhabitants of Calcutta' during a Parliamentary enquiry in 1830. It was subsequently reported in the *Singapore Chronicle* 4 November, 1830. P.P., 1830, vol v, p 285, question 3652.

⁶⁶ Not even 'Selling the products of British India to Asians' would have the same appeal, even if it was British capital and carriers being used. Especially since, as we saw in the last chapter, one of the main Indian products which was sold by the British in Southeast Asia was opium. While many British merchants in Southeast Asia argued the effects of opium were no more deleterious than alcohol, they could hardly argue that it was the harbinger of civilization or improvement. The exceptions include an extract from a 'Memoir of a Residency of the Northwest Coast of Borneo' which was reprinted in the *Singapore Chronicle* of 24 October 1827. It reads: 'Commerce is one of the principle means appointed by Providence for civilizing mankind, and is the only one which has hitherto operated in partially civilizing these Daya who are not equally savage than their brethren...'. It then advises the Dutch colonial government that it should only put light duties on opium in order to sell more to the Daya, thereby increasing revenue and trade and 'raising them in civilization'. The 'Memoir' however was by a Dutchman and so perhaps cannot be treated as evidence of an English mentality (although the very British *Singapore Chronicle* reprints it without demure). J. Phipps, the author of several commercial handbooks in the early nineteenth century, wrote in 1835 that the increased opium production in India 'has enhanced the value of the land fourfold, enriched the *Zemindars*, maintained thousands of people employed in collecting and preparing the drug and benefited the commerce and shipping of Calcutta'. Quoted in Michael Greenberg *British Trade and the Opening of China 1800-42* (Cambridge: Cambridge University Press, 1969) p 105. See also Greenberg's quotation from S. Warren on p 106.

COLONIZATION, POPULATION AND COMMERCE

Colonization was seen by both Raffles and Crawford to be related to increased commerce. In Raffles' *History of Java* even the agricultural Javanese could provide a market for British commodities since 'so much of her [Java's] bounty can be collected with so little labour to pay for manufactures from abroad'.⁶⁷ As part of the population increase that would occur if free commerce were allowed the Javanese would increase in number, 'filling up' the empty islands and hopefully buying more British goods. In Crawford, colonization was more directly related to British commerce. Crawford advocated unrestricted colonization by British settlers throughout Southeast Asia. His British colonies would augment the benefits bestowed by commerce in two ways: firstly, they would provide bigger markets for British manufactures; and secondly, the presence of British settlers would reinforce the civilization brought by commerce. But before we get to that point, let us first consider how, in their optimism regarding the population increase brought about by commerce, Raffles and Crawford and other colonial writers were following Smith who had assumed that population increase was good. We shall look at how they rose to the challenge presented to this optimism by the theories of Robert Thomas Malthus.

MALTHUS

In formulating his theory of population, Malthus had been inspired by the passage in the *Wealth of Nations* where Smith proposed that the number of human beings is proportional to the demand for their labour. The population of any country is regulated by demand, just like 'any other commodity'. Smith concluded that this is why population growth is

⁶⁷ Raffles *History* I, p163.

'rapidly progressive' in 'North America', 'slow and gradual' in Europe and 'altogether stationary' in China and diminishing in India where the mercantile companies had depleted the funds which would have employed and fed people.⁶⁸

Smith believed that all new colonies, like those in America, offered unlimited land and thus unlimited food for a growing family. In the new colonies of America he said 'a numerous family of children instead of being a burthen is a source of opulence and prosperity to the parents. The labour of each child, before it can leave their house is computed to be worth a hundred pounds clear gain to them...'⁶⁹ At the other extreme Smith cited China as having being for too long 'one of the ...best cultivated... and most populous countries in the world'. Even before Marco Polo visited it 'more than 500 years ago' it had 'acquired the full complement of riches which ...its laws and institutions' would allow. Thus there was now a surplus of Chinese labourers compared to the employment and food available to them. According to Smith, for the Chinese labourer, 'If by digging in the ground all day he can get what will purchase a small quantity of rice in the evening he is contented'. If the number of births had not decreased it was only because infanticide was so widely practised.⁷⁰

In Smith there was a strong connection made between new colonies and population growth. The prosperity enjoyed in the fast progressing state of North America was a feature shared with most new colonies. The first generations of 'colonists' to fill up 'empty' or thinly populated spaces increased rapidly in number because there was far more land available than workers or stock to fully utilise it. Smith's assumed that 'the natives' of a 'thinly inhabited' land would 'easily give place to the

⁶⁸ Smith *WN*(I.viii.40) p 98.

⁶⁹ Smith *WN*(I. viii.23) p 88.

⁷⁰ Smith *WN*(I.viii.24) p 89.

new settlers'. In the *Wealth of Nations* at the start of his long section on 'Causes of the Prosperity of New Colonies' Smith states as a general rule:

The colony of a civilized nation which takes possession, either of a waste, or one so thinly inhabited, that the natives easily give place to the new settlers, advances more rapidly to wealth and greatness than any other human society.⁷¹

Thus Smith says: 'Every colonist gets more land than he can possibly cultivate. He has no rent and scarce any taxes to pay'.⁷² This is why population growth is 'rapidly progressive' in 'North America'.⁷³ America, like all new colonies offered unlimited land and thus unlimited food for a growing family.⁷⁴

In this respect Smith continued a millennia-old tradition of seeing rapid reproduction as an index of the health of the 'body politic'. David Hume, for example, had said: 'Every wise, just and mild government, by rendering the condition of its subjects easy and secure will always abound most in people, as well as in commodities and riches'.⁷⁵ Most British colonial administrators in Southeast Asia, like Smith, seemed to believe

⁷¹ Elsewhere, Smith states: 'High wages of labour and high profits of stock, however, are things perhaps, which scarce ever go together except in the peculiar circumstances of new colonies...They have more land than they have stock to cultivate' it with. The land which new colonists do cultivate is 'only what is most fertile and most favourably situated...' *WN* (I.ix.10-11). In another example when talking of the Spanish colonies that 'a fertile soil and happy climate, the great abundance and cheapness of land' is 'a circumstance common to all new colonies...' *WN*(I.ix.g.26, p 222).

⁷² Smith *WN*(IV.viii.b.1) p 564.

⁷³ Smith *WN*(I.viii.40) p 98.

⁷⁴ Smith *WN*(I. viii.23) p 88.

⁷⁵ Quoted in Catherine Gallagher 'The Body in Thomas Malthus' p 83.

that the more people, the better⁷⁶. A large and growing population was a sign that a country was well-ruled and prosperous. It was synonymous with the strength and vigour of its people. As the colonial trade ambassador, Michael Symes, said on visiting Ava [Burma]: 'the strength of an empire consists in its population...a prince is great and powerful more from numbers of his subjects than from the extent of his government'.⁷⁷

The filling up of empty lands with these growing populations was the demographic equivalent of the 'waste-not-want-not' attitude prevalent in classical economics. As we have seen, for example, the idea that a country's surplus be sent abroad to wherever it could be most useful, assumes that the maximum utilization of everything is the ideal. Populationism combined with the moral imperative to avoid waste, with the result that the populating of islands deemed to be under-utilized became a moral duty. The waste lands would become useful and the 'idle' people of England, unemployed following the Napoleonic Wars, could be sent abroad to tame the wilderness. As Crawford put it:

innumerable islands of the vast Archipelago are still unappropriated, and to colonize them is, therefore, not only consistent with natural justice, but, in the existing state of the European world, might almost be urged as a moral duty.⁷⁸

Robert Thomas Malthus broke with almost all his contemporaries' thinking on population when he published his first *Essay on the Principles of Population* in 1798. His radical reconceptualization of population

⁷⁶ D.E. Bland's calls this loosely-held set of beliefs, 'populationism' in his article 'Population and Liberalism 1770-1817' in the *Journal of the History of Ideas* 1973, no 34.

⁷⁷ Michael Symes *An Account of an Embassy to the Kingdom of Ava* (London, 1800) p 72.

⁷⁸ Crawford *History* III, pp 263-264.

growth, influenced not only other economists but also British colonial administrators. Malthus denounced popular notions favouring more and more people. His warnings about the 'power of population' turned the long-standing view of population growth as something good, into something to be feared. His 'principle of population' asserted that the growing population which characterises a prosperous society soon outstrips the resources of that society. Malthus saw in the healthiness of a growing society, the seeds of its own destruction.⁷⁹

Like Smith, Malthus used the framework of civilizational development in which all peoples pass through four or more stages. The long title of chapter three of Malthus' first *Essay on the Principle of Population* indicates his use of stadial development theories:

The savage or hunter state shortly reviewed - The shepherd state or the tribes of the barbarians that overran the Roman Empire - The superiority of the power of population to the means of subsistence - the cause of the great tide of Northern Emigration.

In this chapter, population growth becomes the motor driving societies up through the four stages. Malthus shows how in European history, populations grew as they progressed up the four stages of development.⁸⁰ Yet even before they have reached the highest stage, people might reach the upper limits of their food supply. Then they declined or migrated until

⁷⁹ On readings of Malthus as the turning point between 'optimism' and 'pessimism' in political economy see Donald Winch *Riches and Poverty* p 9.

⁸⁰ 'In the rudest state of mankind, in which hunting is the principal occupation, and the only mode of acquiring food, the means of subsistence being scattered over a large extent of territory, the comparative population must necessarily be thin'. Malthus *Population* p 81.

the food supply was once again ample when a new cycle of growth set in.⁸¹

Malthus counterpoised this unlimited human fecundity with the limited fertility of hard-pressed land. For this he borrowed the incipient 'Law of Diminishing Returns' which had been most clearly stated by the eighteenth-century French physiocrat, Anne Robert Jacques Turgot.⁸² Turgot, with the physiocrats' emphasis on land and agriculture had speculated that there might be a limit on how much more food could be produced by improvements in agriculture. His law was based on the observation that successive inputs into agricultural land, such as labour or fertiliser, made less and less difference each time they were applied. So while the first application of fertiliser might yield a bumper crop, the 'return' on each successive application would be less and less until it almost ceased to exist.

Malthus combined these two ideas into a theory of population. His theory contradicted the prevailing optimism that commerce (especially if it was unfettered) would encourage the progress and prosperity of all. What he opposed to this optimism was the fear that the number of people would outrun the means of the land to supply enough food for them. Given the 'passion between the sexes' human population levels, he asserted,

⁸¹ Following Malthus, Crawford also saw population growth as engendering progress. Noting that 'The intercourse between the Indian islands and the Hindu-Chinese nations is very limited' Crawford explained that the 'spirit of foreign mercantile adventure does not belong to nations so little civilized as the inhabitants of either country. Until there is long domestic tranquillity, a dense population, the good land of the country exhausted and the population begins to press against the means of subsistence, foreign voyages, which imply both mercantile speculation and colonization are not thought of in such states of society'. *History* III, p 185.

⁸² As Catherine Gallagher says on 'the difficulties of increasing agricultural production, Malthus's arguments tend to be vague, for the Law of Diminishing Returns was not worked out until twenty years later'. Catherine Gallagher 'The Body Versus the Social Body in the Works of Thomas Malthus and Henry Mayhew' in *The Making of the Modern Body: Sexuality and Society in the Nineteenth Century* Gallagher and Thomas Laqueur (eds) (Berkeley: University of California Press, 1987) p 105.

increase exponentially. Two children grow up and give birth to two more children each, who in turn grow up and again doubled their numbers. Thus every

twenty-five years ... the human species would increase in the ratio of - 1, 2, 4, 8, 16, 32, 64, 128, 256, 512, etc and subsistence as - 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, etc. In two centuries and a quarter, the population would be to the means of subsistence as 512 to 10: in three centuries as 40096 to 13...⁸³

This alarming scenario would be 'alleviated' by the resulting massive famines which would see a fall-back in numbers until they were under the subsistence level, when their numbers would commence inexorably to rise again.

In subsequent editions of his book, Malthus proposed that two kinds of 'checks' - positive and preventative - could obviate excess population. 'Positive' checks were all those which increased the death-rate, like wars and famines. Preventative checks were those which diminished the birth-rate which Malthus called 'moral restraint' and 'vice'. 'Moral restraint' meant sexual abstinence, even within marriage. Malthus originally listed sexual restraint as a form of 'vice' because, he argued, sexual passion is healthy and natural in adults and its suppression causes 'misery'. After being publicly berated for equating chastity with misery, however, he introduced the category 'moral restraint' in subsequent editions of the *Essay*. The category 'vice' remained but Malthus was coyly vague about what exactly was left in it. Since he said 'vice' prevented population growth, he might have been referring to divorce, contraception or

⁸³ Malthus *Population* 75.

infertility caused by venereal disease.⁸⁴

So widely known was Malthus' principle of population that colonial administrators were baffled if they observed its absence. John Anderson was one such colonial administrator who visited Sumatra in 1823. In Sumatra he observed a low population growth throughout its provinces. This was, he said, despite finding 'In the countries [he] visited few if any of these checks and assuredly none of those causes which are styled preventative checks...'. Abundant means of subsistence and wars which 'though frequent are not sanguinary' provided 'a favourable set of circumstances' for population increase. Hence his baffled conclusion: 'yet there is not that abundant population which one might expect to find under such a favourable set of circumstances'. He lamented that 'it is seldom indeed that a woman bears more than six children'.⁸⁵

Raffles did not believe population growth was a bad thing. We have already seen how in his minute 'On the Administration of the Eastern Islands in 1819' he predicted that islands of British civilization would 'increase the population and wealth of these countries...'.⁸⁶ Even in the case of England, he scoffed at Malthus' doomsday scenario. In a letter he wrote in 1822, he discussed England's population growth in a way which showed he was familiar with Malthusian ideas but interpreted them very differently:

It is very amusing to hear complaints of the ruin of the country [England] in consequence of its too great riches and abundance... I can never bring my mind to suppose our case desperate, while we

⁸⁴ Gallagher 'The Body' pp 88-8, p 105.

⁸⁵ Anderson *Mission* p 208.

⁸⁶ Raffles *Memoirs* Appendix one, 'On the Admin. of the Eastern Islands' p 31.

have not only more people, but more food and money than we know what to do with. Were I to land, for the first time on some large and highly populous island... what would be my first impression? Not that it was a ruined, but a badly governed country... I look highly on the resources of the country, I consider them inexhaustible and that the days of our true greatness are now approaching.⁸⁷

In his *History of Java*, Raffles devotes six pages to Malthusian musings. He recounts the demographic history of Java as 'demonstrative of the strength of that principle of population...' But again despite his obvious knowledge of Malthus' ideas he does not share Malthus' pessimism. Raffles instead uses Malthus' ideas to celebrate maintenance of the Javanese population in the face of Dutch oppression and boasts of its renewed growth under British rule. Raffles lists the 'depopulating causes that existed under the Dutch administration' as forced recruitments of Javanese into the Dutch army, forced building of roads and deliveries of food and Javanese deaths incurred during insurrections against the Dutch. That the Javanese population remained stable under these conditions indicate for Raffles 'the force of that tendency to increase which could overcome obstacles so powerful'⁸⁸. He adds that 'most of these drains and checks were removed during the short period of British administration..'. If they are not reintroduced by the Dutch he feels 'Java, might in a short time, be expected to be better peopled'. Unlike Malthus he feels 'there are no restraints on forming family connexions by the scarcity of subsistence or supporting children'.⁸⁹ Indeed Raffles echoes Adam Smith on the utility

⁸⁷ Raffles *Memoirs* p 515.

⁸⁸ Raffles *History*, p 67.

⁸⁹ *Ibid* I, p 69.

of children when there is plenty of land:

Children, which are for a very short period a burden to their parents, become early the means of assistance and the source of wealth. To the peasant...who has more land than he can bring into cultivation, they grow up a species of valuable property...during their infancy...they take little from the fruits of his industry but bare subsistence.⁹⁰

Raffles tempers Malthus's gloomy prospects for the children of each successive generation with Smithian-style estimates of their utility as producers of wealth. Unlike Malthus, he is careful to say that the children of a growing population do not suffer from neglect. They may die of diseases during infancy but 'never from scanty food or criminal neglect of the parents'. Even the 'two moral causes [checks] which ...counteract the principle of population...the facility of obtaining divorces and the practice of polygamy' do not leave children abandoned as might be the case in England because in Java 'children are always valuable'.⁹¹ Easy divorce might be

detrimental... to population in a different state of society, by leaving the children of a marriage so dissolved to neglect and want, [but] it has no such consequences in Java.⁹²

Raffles' admission here that parts of Malthus's theory might not apply in Java implicitly questioned the universality of economic theory. When two

⁹⁰ Ibid I, p 70.

⁹¹ Ibid I, pp 72-73.

⁹² Ibid I, p 72.

major economic theorists such as Smith and Malthus disagreed over such a fundamental idea as whether or not population increase was good or bad, it was hard to treat the science as universal. Raffles resolves the problem by making Malthus' population principle specific to a particular developmental stage. Malthus had theorised about the contemporary English working classes. In the 'different state of society' inhabited by Javanese peasantry, parts of Malthus' theory did not apply.⁹³ In the different state that is nineteenth-century Java, Malthus' new theory could be yoked to the old pre-Malthusian optimism about population growth.

While admitting he has 'no precise data' to estimate how fast the 'increase of population on Java' will occur, Raffles expresses the hope that 'if tranquillity and good government were enjoyed, to anticipate a gradual progress in the augmentation of inhabitants and the improvements of the soil for a long course of time'. Like Malthus he looks centuries ahead in anticipating future population growth:

Suppose the quantity of land in cultivation to be to the land still in a state of nature as one to seven, which is probably near the truth and that in the ordinary circumstances of the country the population would double itself in a century, it might go on increasing for three hundred years to come.⁹⁴

But unlike Malthus he sees this centuries-long increase in population also increasing civilization, improvement and general happiness.

⁹³ *Ibid* I, p 71.

⁹⁴ *Ibid* I, p 71.

COLONIZATION

Raffles sees the 'increase of population on Java' as leading to utopia rather than dystopia. In his *History of Java* Raffles proposed that once the Javanese population had grown sufficiently large, it could continue the civilizing mission of the English. After three centuries of uninterrupted growth, Java could send her people outwards over 'the immense tracts of unoccupied or thinly peopled territories on Sumatra, Borneo and the numerous islands scattered over the Archipelago' which in 300 years 'might be ready to receive colonies, arts and civilization from the metropolis of the Indian seas'. Java could radiate a civilizing influence, it would become the metropolitan hub of a 'commonwealth' of like-minded countries:

Commercial intercourse, friendly relations, or political institutions, may bind these dispersed communities in one great insular commonwealth. Its trade and navigation might connect with the centre of this great empire with Japan, China, and the southwestern countries of Asia.

This commonwealth would spread so far as to include Australia, 'New Holland' in its 'circle' and 'colonies of Javans settled on the north, might meet with the British spreading from the south, over that immense and now uncultivated region'. The Javanese 'on the north' of the 'uncultivated region' of central Australia will introduce commerce and civilization. The British, settled on the other side of the same continent will gradually extend cultivation up towards them until all the intervening 'waste' land is being used.

In these population 'reveries', as Raffles called them, a growing population is a source of prosperity rather than poverty. A population explosion still happens in Raffles as it does in Malthus, but rather than leading to a struggle over scarce resources, it unites the peoples of the earth, as they work together to make all land useful and meet each other across the empty spaces that once separated them. Civilization increases exponentially with the number of people. Raffles concludes his 'reveries' by observing that this future population growth will see 'the present semi-barbarous condition, ignorance, and poverty of these innumerable islands, exchanged for a state of refinement, prosperity and happiness'.⁹⁵

Crawfurd was also familiar with Malthus' theory and like Raffles he used them to predict population growth which he saw as good rather than bad. For Crawfurd it was a sure sign of the progress of opulence. When he commented that the population of the town of Malacca had not varied for twenty-five years, he saw this as 'a fact which proclaims in intelligible language the decrease of wealth or at least the absence of prosperity'.⁹⁶

Crawfurd differed from Raffles in nominating Europeans rather than Javanese to populate the archipelago.⁹⁷ In his *History of the Indian Archipelago* he nominates the islands of Banka, Penang, and the newly established Singapore as the most favourable places for European

⁹⁵ Ibid I, pp 71-2.

⁹⁶ Crawfurd *Journal of an Embassy to the Courts of Siam and Cochinchina* 1828 (Singapore: Oxford University Press, 1987) p 36.

⁹⁷ In his review of Raffles' *History* in the *Edinburgh Review* Crawfurd even tried to represent Raffles' book, especially the section we have just looked at, as lending support to his advocacy of free European emigration: 'There is abundant room ...for emigrants from other countries... By the account of Sir Stamford Raffles not more than 1/7 part of the area of the Island [Java] is occupied ... Chinese...labour and skill already produce incalculable advantages to Java... We may from this ...form some estimate of what the superior genius and intelligence of European colonists could effect'. Crawfurd *Edinburgh Review* March, 1819, vol 31, p 412.

colonization.⁹⁸ Commerce is as important to Crawford's proposed colonies as it was in Raffles'. In Crawford's vision these European colonies would become 'great emporia' where the 'scattered products of the Archipelago would be accumulated and stored... for the distant trader of Europe'.⁹⁹ Like Raffles, Crawford also hoped these European emporia could become agents of civilization. There were, in Crawford's mind, 'more important and dignified objects' than trade to be 'gained by the presence of such colonies in the midst of a native and docile population' such as the communication of 'the arts, institutions, morals and integrity of Europe...to the natives'.¹⁰⁰

Crawford thought the improvement of the 'native' was more easily accomplished if inhabited islands were 'invaded' by Europeans through military conquest. He felt that a 'thorough conquest' of an island in which the European victors 'colonized it and mixed and assimilated with the inhabitants' rendered the 'evils of conquest of temporary duration'.¹⁰¹ When speaking of Europeans 'mixing' and 'assimilating' with the inhabitants he did not mean inter-racial marriages or miscegenation.

⁹⁸ Crawford *History* III, p 264.

⁹⁹ *Ibid* III, p 266.

¹⁰⁰ Crawford *History* III, p 272.

¹⁰¹ Crawford *History* II, p 394.

Crawfurd abhorred both.¹⁰² Rather he believed that the 'European conquerors' having 'mixed' with the 'native population' would 'instruct them in the arts and civilization of Europe'.¹⁰³ In a later publication he detailed how this cultural transmission would take place. Quoting the Governor-general of India, Lord Bentinck, Crawfurd said 'the diffusion of useful knowledge' would take place across the races when English settlers were allowed to settle *en masse* in India where 'mingling familiarly with the natives in the course of their profession' they would demonstrate 'by daily recurring evidence, the nature and the value of the principles we desire to inculcate'.¹⁰⁴

The superintendent of Province Wellesley, James Low, also tried to apply Malthus to Southeast Asia. In his *Dissertation* Low reflected on Malthusian 'checks' to population growth and asked 'how has it come to pass that this Peninsula has not been fully peopled?'.¹⁰⁵ With the exception of the British possessions along the Malay Peninsula (Malacca,

¹⁰² For Crawfurd's damning assessment of the progeny of miscegenation see Crawfurd *History* I, p 139 and I, pp 142-4. Although in later years, as President of the Ethnological Society he shifted his thinking slightly to distinguish between different categories of miscegenation: 'When the union is between races of equal quality, there is no ascertainable difference in the character of the offspring, such as between one variety of European or one variety of Negro, and another. But if it be between races of unequal quality, the higher race undergoes deterioration, and the lower improvement as in the examples of the cross between the European and the Negro...between the Chinese and Malay'. John Crawfurd 'On the Connixture of the Races of Man as affecting the Progress of Civilization (Europe)' *Transactions of the Ethnological Society of London*, vol II, 1863, p 202. He also reconsidered military conquest, seeing it as a legal disadvantage, at least for European colonists in Asia, as we shall see in the last chapter in this thesis.

¹⁰³ Crawfurd *History* II, p 341.

¹⁰⁴ Crawfurd *Colonization of British Subjects in India* p 49. The original speech by Lord Bentinck can be found in P.P. 1831-32, VIII, appendix, p 274, Lord William Bentinck's Minute, 30 May, 1829.

¹⁰⁵ James Low *A Dissertation on the Soil and Agriculture of the British Settlement of Penang or Prince of Wales Island, in the Straits of Malacca; including Province Wellesley on the Malayan Peninsula with Brief References to the Settlements of Singapore and Malacca* (Singapore: 1836) p 127.

Penang and Singapore) it appeared to him that the population had fallen. Among the Malthusian 'checks' he enumerates are 'the despotic and barbarous rule' of 'native governments'; 'foreign invasions' and 'the diversion of trade into new channels and into more expert hands'. And there is one last check Low adds which Malthus underrated, but which Low found significant among the states of the early nineteenth-century Malay Peninsula: 'the facility for emigration...'.¹⁰⁶ Low was particularly aware of this last factor due to the large amount of emigration from the Malay states to his own Province Wellesley caused by Siam military expansion. The neighbouring state of Kedah in particular had been depopulated. Low gave greater significance to emigration as a 'check' than Malthus who explained at the beginning of his *Essay on Population* that he would make his theory 'more general and less interrupted by the partial views of emigration' by taking 'the whole earth instead of one spot...'.¹⁰⁷ For Malthus, emigration was only a temporary solution to a long term problem.

Low also differed from Malthus in a more fundamental and broader way. Low was yet another colonial administrator who used Malthus' population principle while disregarding its pessimistic conclusions. In his *Dissertation* Low explained to those who hold 'the principle of population defined by Malthus' in 'an absolute sense' that the principle is an 'abstract' and 'conditional one'. While an 'over-peopled...globe' would be a 'desperate and hopeless' situation, 'nature [has] wisely rendered such an event impossible'. In fact, for Low, the reverse of Malthus' admonitions holds: 'it behoves man to strive himself to spread himself over the earth so that his numbers may not be *diminished*'. Low does not say it but the implication is that active efforts must be made to increase the population

¹⁰⁶ Low *Dissertation* p 128.

¹⁰⁷ Malthus *Essay* (1st edition, 1798) p 75.

of the Malay Peninsula. For he goes onto assert that an increase in the peninsula's population 'will never be effected by a native government' except if the whole peninsula were under 'European protection'.¹⁰⁸

'European protection' could remove the Malthusian checks which have led to an underpopulated Malay Peninsula and promote population growth.¹⁰⁹

Under this 'European protection' European settlement would take place. Like Crawford, Low favoured European colonization. Although he admitted that 'in a confined and local sense' a form of 'European colonization' in Penang and Province Wellesley 'in a sense...exists already' he wanted it on a larger scale. Furthermore, it is a certain class of Europeans which he wants: 'Europeans, in any considerable number, without capital, would be an evil'. Apart from the fact that the climate does not allow 'Europeans labouring in the fields', only the capitalist class can encourage the progress of Southeast Asia opulence: 'Capitalists, whether agricultural or mercantile, are the proper Straits colonists'.¹¹⁰

Crawford also wanted only capitalists as emigrants. In an 1833 pamphlet he argued that British capitalist-emigrants would enlarge the market for British goods in Asia. He addressed this pamphlet *Notes on the Settlement or Colonization of British Subjects in India* to the 'Merchants and Manufacturers of Great Britain' who 'ought naturally be solicitous...of the settlement of Englishmen in India'. Crawford attributed the 'present prosperity of Indian commerce to the current 'free British settlers' living there. Indian commerce, especially with Britain goods, could only increase if more such settlers were allowed. British settlers would extend the market for British manufactures and help organise the labour of India. Crawford quotes Lord Bentinck that to question the 'important national

¹⁰⁸ Low *Dissertation* p 129.

¹⁰⁹ *Ibid* pp 128-129.

¹¹⁰ *Ibid* p 129.

advantages' which would result from 'there being a considerable body of our countrymen and their descendants' settled in India is to 'tell our merchants and manufacturers that the habits of a people go for nothing in creating a market...'.¹¹¹

In conclusion, this chapter has shown that Low, Crawford, Raffles and other colonial administrators used and twisted the arguments of classical economists to promote their favoured strategies in Southeast Asia: trade, investment and colonization. They claimed that commerce, under Smith's 'system of natural liberty', not only brought profits to the British, but also helped their Asian customers progress and advance. The benefits bestowed by commerce were highlighted to persuade Bengal and London authorities that a huge market awaited British manufactures in the region. Although Indian trade to Southeast Asia was mentioned, references were made to British commodities out of all proportion to their actual consumption in Southeast Asia for rhetorical reasons. This chapter suggested that the patriotic appeal of 'British' manufactures was used to solicit support for the retention of territory, such as Java and Singapore, or its extension to include islands such as Banca.

In short, British colonial administrators and writers in early nineteenth-century Southeast Asia selected what suited their strategies from the Classical Economists. They used Smithian and Ricardian-style arguments based on mutual self-interest to suggest that commerce was 'natural' and beneficial both to Britain and the countries they administered. If some parts of economic theory did not really fit in with

¹¹¹ Crawford *Colonization of British Subjects in India* 49. An anonymous article on Emigration in the *Edinburgh Review* in 1828 also argued for unrestricted British colonization overseas on the basis that 'mutual wants, cemented by custom' must increase commerce between Britain and these colonies. Commerce, rather than dominion, it explains is now recognised as providing 'the only really profitable relations' which can exist 'betwixt distant countries'. 'Emigration' *Edinburgh Review*; January-May, 1828, vol VLVII, no xciii, p 205.

their discourse of improvement, such as Malthus' pessimistic theory of population, they twisted it to their ends. Rather than accepting Malthus' conclusion about an impending crisis they saw increases in population as proof of their own good government and used it to predict the colonization and civilization of the archipelago – by the Javanese in the case of Raffles or the British in the case of Crawford and Low – and ever larger markets for British manufactures. But in their texts, Asian peoples were never solely regarded as consumers. They were also labourers. Asian labour and consumption played complementary roles in British plans for the region. The next chapter will open by considering the aesthetic delight with which the 'eye of the economist' surveyed labour and its effects in the tropics. We will look at the central role 'labour' played in the texts of Classical economists and its role in British colonial texts about Southeast Asia where, once again, it was an economic idea which was reinterpreted.

Chapter Four

LABOUR

BEAUTY IN THE EYE OF THE ECONOMIST

When James Low, superintendent of the small British territory of Province Wellesley on the Malay Peninsula between 1827 and 1840, saw rice ready to be harvested he was moved to comment:

Viewed with the Eye of an economist, it is a beautiful object, a ripe waving paddie-field of ten miles or more in extent. The whole air is perfumed by a mellow aroma. The Malay is then in his glory, and all the old women and elderly matrons are seen with conical straw hats plucking the ears of corn...¹

The mastery of nature through muscular and mental exertion was a thing of beauty to Low's 'Eye of the economist'. Colonial administrators often waxed lyrical when reflecting on the place of labour in East Indian economies. Javanese rice irrigation systems were especially popular with colonial administrators who found them an almost perfect example of labour mixed with nature to produce something greater than the sum of both these parts, the surplus. It provided Low's 'Eye of the economist' with a view of labour uncluttered by machinery or other forms of capital. As the water tumbled downwards it could be directed by human exertion into more productive channels. Gravity, water, human

¹ Low *Dissertation* p 102.

effort and ingenuity combined in ways so satisfying, they were beautiful.

Crawfurd described Javanese irrigation systems as particularly 'pleasing specimens of industry'. He thought the water used in Javanese irrigation had such an 'obvious and easy' source that it required no other input to achieve results. The absence of machinery and other expensive overheads in Javanese rice paddies, for him, highlighted 'industry and perseverance, rather than efforts of skill and capital...'.² Crawfurd described how 'the husbandman... dam the brooks and mountain streams' as they 'descend forming terraces on every accessible slope and valley' until:

Not an accessible spot is to be seen in the season that is not covered with a rich harvest; and if we take into account - the brilliant tints of an equatorial sky, - the vicinity of mountains of ten thousand feet high, the more elevated portions of which are covered with forests of perpetual verdure, - valleys thickly strewn with groves of fruits trees, hiding the cottages of the peasantry, - together with the peculiar richness of the rice crop itself... rural industry cannot well be contemplated, in any portion of the globe, to greater advantage.³

In this passage the general avoidance of waste seems to appeal particularly to Crawfurd. Every nook and cranny is utilised, not a drop is wasted. The general abundance, along with the juxtaposition of human industry and its opposite in the backdrop of wild mountains produced a pleasing effect within the aesthetic of political economy.

Raffles too found the results of Javanese husbandry particularly pleasing. The eye of the economist was constantly gratified when it feasted upon the abundance called forth by the Javanese farmer:

² Crawfurd *History* 1, pp 351-2.

³ *Ibid* 1, pp 352-353.

Nothing can be conceived more beautiful to the eye, or more gratifying to the imagination, than the prospect of the rich variety of hill and dale, of rice plantations and fruit trees ...of natural streams and artificial currents, which presents itself to the eye...

The eye of the economist was not just the untrained eye of the passive spectator enjoying a pleasant view. It was the informed viewing of one who knew the true connections between the babbling brook and the waving rice paddie. The economist shared the farmer's knowledge of the effort which produced the bountiful scene. As Raffles says:

...it is difficult to say whether the admirer of landscape, or the cultivator of the ground, will be more gratified by the view. The whole country as seen from the mountains ...appears a rich, diversified and well watered garden, animated with villages, interspersed with the most luxuriant fields, and covered with the freshest verdure.⁴

The cultivator of course, like the economist, also knew that plentiful water, fertile soils and hard work were the source of his crop but his view was narrow and overly focused on the task at hand. The economist enjoyed an over-view of the labour that had gone into the paddie field and its place in the global chain of production and consumption. His was a view that encompassed both the artistic appreciation of landscape and the practical aims of the cultivator. He shared the latter's satisfaction at a job well done but did not loose sight of the crop once it was sold in the market place. Nor did he ignore the labour that had

⁴ Raffles, *History* I, p 108.

gone into its making - labour which was often overlooked by those non-economists who merely saw the commodity and not the hard work which really gave it value.

THE LABOUR THEORY OF VALUE

If labour loomed large in the economic aesthetic, it was because it was central to Classical political economy. It was the substance behind all the trucking and bartering that went on. A deal done in the marketplace might appear to involve services or commodities being exchanged for other commodities (often represented by money). But these commodities were really mere physical manifestations of labour. Labour was the only thing exchanged: either directly in the case of services, or indirectly through the medium of commodities.

A commodity's exchange value was determined by the labour which had been expended in its making, not the wages that were paid to its makers. No matter what was bartered, what the currency was or the state of the market, in a normal exchange a good which required twice as much labour as another, should cost twice as much. A good which requires three times as much labour as another good should cost three times as much and so on. The proportional cost of goods should be equal to the proportional amount of labour which had gone into each of them.

According to the economic historian Gunnar Myrdal, one of the reasons labour was so central to Classical political economy was that in the early nineteenth century economists were still searching for the 'real' and lasting value of goods and services, rather than their ephemeral exchange values.⁵ The mediaeval notion of the just price still lingered at the beginning of the nineteenth century. Weighty matters such as wages and prices could not be left solely to fleeting encounters between supply and demand lines. For Smith, and later

⁵ Gunnar Myrdal *The Political Element in the Development of Economic Theory* (London: Routledge and Kegan Paul, 1955) p 62.

Malthus and Ricardo, the wages of a labourer or the price of a commodity must have real and lasting origins. The day-to-day prices determined by the market were too fluctuating and transient to give the real value of things. More than what was actually paid, classical economists wanted to know what *should* be paid. They hoped to 'look behind observable exchange ratios for some 'inherent' quality, something more real, of which exchange value [was] merely a reflection'.⁶

Classical economists thought that they had found the indivisible core of value in labour. Labour imparted value to things and was valuable in its own right like any other commodity. But unlike any other commodity, labour's value did not fluctuate but remained fairly constant for three reasons. First, labour everywhere was thought to involve the same amount of sweat and toil; secondly, the food and shelter necessary to sustain labour (the labourer's 'subsistence') were also assumed to be fairly universal; and thirdly, the recompense for labour tended to the same level due to market mechanisms at work.

Smith's starting point in his arguments on the value of labour was his contention that wages must be high enough not only to enable a worker to survive but also to encourage him to reproduce. Otherwise the economy would not last very long at all:

A man must always live by his work and his wages must be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family and the race of such workmen could not live beyond the first generation.

Smith then goes on to cite Cantillon's estimate of what wages would suffice for a man who has a wife and two children to maintain,

⁶ Murdal *Political Element* p 56.

highlighting that Smith is not using the word 'man' here in a generic sense. On the issue of subsistence he limits his discussion to the needs of an English, male labourer.⁷ The widespread belief of that time that the dietary, shelter and clothing needs of female, working class and non-European people were less, do not appear, at first glance, to enter into his calculations.

When Smith discusses the value of labour there seems to be no implied cultural or racial difference between different groups of labourers. Indeed Smith believes that any labourer anywhere 'must always lay down the same portion of his ease, his liberty and his happiness'. It is this extreme universality of the nature of labour which in Smith's view makes it the one true measure of the real value of things:

Labour alone, therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price; money is their nominal price only.⁸

A bit of lace, for example, was worth so much labour rather than the nominal amount of money which was given for it.

Smith admitted that this was not the usual way in which things

⁷ Smith *MW*(I.viii.15) pp 85 - 86. Later, when again discussing how much exactly is needed for subsistence, Smith avoids what he obviously sees as a question for the statistician to answer: '...it will not be necessary to enter into any tedious or doubtful calculation of what may be the lowest sum upon which it is possible to do this', that is, support a labourer and his family. Smith believes there are 'plain symptoms' that a British labourer's wages are above subsistence level. One symptom is that wages do not fluctuate with the price of provisions. Any wage increase therefore is 'owing probably more to the increase of the demand for labour than the increase in the price of provisions' *MW*(I.viii.30). For Smith the further wages were above the 'subsistence-line' the less they were determined by the daily physical needs of the labourer.

⁸ Smith *MW* (I.v.7) pp 50-51.

were valued. Most commodities and services were paid for in money, rather than equivalent amounts of labour. And the money they were paid varied with the state of the market. However this amount was a less truthful evaluation of their real worth. According to Smith, the money that was paid to a labourer was the 'nominal' price only of his labour. The 'real' price of his labour was the quantity of the necessities of life which could be purchased with it, mirroring the amount of labour that had been expended.⁹

What was the reason for Smith and other Classical economists' search for unvarying value? Apart from the ideal of the 'just price' already mentioned, another factor may have been the increasingly direct trade Britain conducted with people of different cultures. Economists reflected this in their use of examples from around the globe: especially colonised or recently discovered peoples. North Americans, Hottentots, Chinese and East Indians illustrated the universality of their theories. Exotic products such as beaver pelts, cotton and sugar which were flooding British markets as a direct result of colonization were also used to flesh out their arguments.¹⁰ The equivalent cost of things in vastly different cultures needed to be known. A universal standard by which all commodities could be evaluated needed to be found. The exertions of the human body seemed to promise such a universal template.

Furthermore economists also wished to show that their theories held through time as well as in different places: primitive societies must be accounted for as well as ancient Greece or Persia, if their theories were to be truly universal and all-encompassing. It may have been this range of concerns that led Smith to choose labour as the unvarying standard by which all value could be measured. For no matter

⁹ Smith *WV*(1.v.9) p 51.

¹⁰ See for example Ricardo's use of beaver pelts in his *Principles of Political Economy* p 13.

what country they were in, no matter what sort of economy they belonged to, all labourers had bodies. Bodies were the atomistic element of human society beyond which it could not be broken down any further. No matter how foreign a society's mores and manners might be, one could assume that each person felt approximately the same cold, hunger or suffering as any other human being. Labour was defined by this shared experience of sweat and toil, sacrifice and pain that went into the production of a commodity.

The human body had the added advantage of not being a commodity. Despite Smith saying the demand for men is like that for 'any other commodity', as we have seen he condemned the actual practice of trading people like commodities - slavery - as economically irrational.¹¹ Slavery had been prohibited in Britain by the time Smith wrote his opus. Smith upheld a very Lockean divide between the labourer and his work. As he put it in the *Wealth of Nations* 'The property which every man has in his own labour, as it is the original foundation of all other property so it is the most sacred and inviolable'.¹² So although man was indissolubly linked to his own labour, he was not identical with it. It was his property. It was the work a body could do which was brought and sold, not the body itself.

The human body stood outside market relationships and thus defined them. It provided the foundations for the market place precisely because, since the demise of slavery in Britain, it was not for sale. By being beyond the fluctuations of the market prices it provided a stable unit of value. It was the most unchangeable element in the infinite variety contained within the 'five stages of man'. No matter what permutations human relations underwent over time and throughout the world, the same physical and psychological hardship was always incurred by work. As Smith put it:

¹¹ Smith *WN*(III.ii.9 - 12) pp 387-390.

¹² Smith *WN*(I.x.c.12) p 138.

Equal quantities of labour, at all times and places may be said to be of equal value to the labourer. In his ordinary state of health, strength and spirits; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty and his happiness. The price he pays must always be the same, whatever may be the quantity of goods he receives in return for it...it is their value which varies, not that of the labour which pays for them...¹³

In a (perhaps unwitting) act of radical egalitarianism, classical economists tended towards declaring all work to be of equal value. If there were differences they were quantitative rather than qualitative. There were of course overheads such as rent and the profits of the employer to consider but the most significant variable for classical economists was the labour input. In comparing the price of two commodities it was the number of hours of labour that went into each commodity, rather than the training or talent informing that labour which counted. This made comparisons of the true value of things easier and more straight-forward.

CORN AND OTHER STAPLES

In Smith and other classical economists who adhered to the labour theory of value there is an unspoken assumption that input equals output. As Catherine Gallagher says of political economy:

[T]he discipline takes labour to be the source of all value and measures the value of labour by the value of the commodities (food, clothing, lodging) necessary to replenish the body for the

¹³ Smith *HW*(I.v.7) p 50.

hours of labour expended on another commodity.¹⁴

This, as she points out is a 'circular logic' that does not give an absolute value to labour (as the economists hoped) or even to bodies (as one would think) but constantly defers grounding value in either. One is always evaluated in terms of the other:

[T]he value of bodies is not absolute but is rather based on their ability to create a commodity whose value is only defined in relationship to its ability to replenish the body. Food and the body, commodity and labour, thus constantly indicate each other as the source and gauge of their value.¹⁵

The purchase of his subsistence became the cause and effect of the labourer's work. It drove him to work, but it was also the way in which that work was evaluated.

In this circular fashion, Smith makes the subsistence of the labourer the manifestation of his labour's worth. The labourer's input, everything he consumes, was equated with his output, the work he did. But this equation was not as simple as it seemed. So many different items made up the three main categories of subsistence - food, clothing and shelter - and in differing quantities. For example, each labourer ate many different items of food and wore different articles of clothing. Furthermore, the 'real' price of labour, that which is 'consistent with common humanity', was the lowest rate on which it is possible for a labourer to support himself and his children.¹⁶ Thus to determine the 'real' price of labour through subsistence, required determining the myriad needs of at least three people: the labourer and

¹⁴ Gallagher 'The Body in Thomas Malthus' p 92.

¹⁵ Ibid p 96.

¹⁶ Smith *WN*(1.viii.14-16) p 86.

his two children. It was perhaps because of this complexity of calculating subsistence levels, that Smith narrowed his focus down to food and then down to the consumption of one item of food only. Whatever was the staple item of the worker's diet could stand for all his subsistence. One food would become the easily measured index of the labourer's output.

Corn was the generic term for the staple food of any given population of workers. 'Corn', which could also be rice, oats or potatoes, whatever was 'the common and favourite vegetable food of the people', was an almost perfect unit of measurement.¹⁷ Smith believed that in the same country: 'Equal quantities of labour will at distant times be purchased more nearly with equal quantities of corn, the subsistence of the labourer...'.¹⁸ That is, corn will be worth roughly the same equivalent amounts of labour. Smith's emphasis on the labourer's diet also implies that in the same country, people doing equal amounts of work ate more or less the same amount of food. However, his claim that all crops of 'corn', needed roughly equal investments of labour was significantly qualified: 'the raising of equal quantities of corn *in the same soil and climate* will, at an average require nearly equal quantities of labour'.¹⁹

Smith said 'in the same soil and climate' because the value of corn, and thus labour, was not translatable between countries. In different soils and climates, the real value of labour was different. Different soils and different climates could change the amount of

¹⁷ Smith *MW*(I.xi.e.29) p 206.

¹⁸ Smith *MW*(I.v.15) p 53. Although it is unclear it seems, ultimately, Smith found corn to be too unstable in value for it to be the universal standard. But evidently it was a close call so directly did labour translate into corn and back again. Gold on the other hand could easily be shown to be of fluctuating worth: 'Gold and silver ...like every other commodity vary in their value...The quantity of the labour which any particular quantity of them can purchase or command..depends always upon the fertility or barrenness of the mines...' (I.v.7) p 49.

¹⁹Smith *MW*(I.xi.e.28) p 206.

labour needed to grow 'corn'. In 'thinly inhabited' countries for example, Smith said 'cattle, poultry, game...are the spontaneous productions of nature' and 'she frequently produces them in much greater quantities than the consumption of the inhabitants requires'. From this Smith concludes: 'In different states of society,... therefore, such commodities will represent or be equivalent to, very different quantities of labour'.²⁰ The implication is that in such abundant countries (as the tropics were commonly believed to be) commodities are worth less, because they have been made with little or no labour. A more significant implication of this is that labour itself in those countries is worth less.

Crawfurd certainly believed the East Indies were so fertile that they were rendered productive with less labour. In his 'General Remarks on the Husbandry of the Indian Islands' he says:

Everywhere the plains and mountains are either covered with a luxuriant herbage or tall forests; and it is probable there are few acres in the extensive regions of the Indian islands, that, with a dense population and in an improved state of society are incapable of yielding some productions necessary or useful to man.²¹

Javanese irrigation, earlier referred to, is the also the source of an easy surplus. Crawfurd maintains he has 'seen an extensive tract of waste land covered in a few months with a rich harvest' after the application of 'wonderfully little labour'. The Javanese digging a few canals or drains 'multiplies the productive powers of the earth in a sextuple ratio' so according to Crawfurd it is no 'wonder that men even in their state of society should be aroused to exertion' by these sorts

²⁰ Smith *HW* (I.xi.e) p 206.

²¹ Crawfurd *History* I, p 346.

of improvements.²² Raffles also thought that the 'soil of Java' was 'remarkable for the abundance and variety of its productions' even with 'very little care or exertion on the part of the cultivator'.²³ Likewise James Low thought that in Penang, 'owing to the bounty of nature', even the poorest peasant received 'a return ample when compared with the labour bestowed on it'.²⁴

Fertile soils, favourable climates and water sources were not the only variables causing the value of labour to vary between countries. The type of staple food could mean that its production required less labour. In the above quotations from Crawford, Raffles and Low it is not only the fertile soils and tropical climate which rewards labour so handsomely, it is also the main crop grown: rice. Raffles estimated that rice cultivated in Java 'gives a return of thirty, forty or fifty fold' and in some places could yield up to three crops a year.²⁵ Adam Smith was also impressed with 'rice countries' which 'generally yield two, sometimes three crops in a year, each of them more plentiful than any common crop of corn...'. In these rice-eating countries:

...the *real* price of labour, the *real* quantity of the necessaries of life which is given to the labourer, it has already been observed is lower both in China and Indostan, the two great markets of India, than it is through... Europe. The wages of the labourer will there purchase a smaller quantity of food...[my italics].²⁶

Furthermore the staple could also more or less easily sustain the

²² Ibid I, pp 353-354.

²³ Raffles *History* I, p 107.

²⁴ Low *Dissertation* p p 144.

²⁵ Raffles *History* I, pp 107-8.

²⁶ Smith *WN*(I.xi.q.28) p 224.

labourer. In the *Wealth of Nations* Smith commented several times on the relative nutritional value of four staple foods throughout the world: wheat, oats, potatoes and rice. Each of these he identified with four respective different physical locations: England, Scotland, Ireland and 'Asia' (mainly India and China but occasionally the East Indies). Smith compares rice-eating Asians with the wheat-eaters of England, the oat-eaters of Scotland and the potato-eating Irish. The staple food affects those who eat it in large quantities. In a very unpatriotic manner, Smith declares oats to be the least nutritious staple, with the Scottish 'neither strong nor so handsome as the same rank of people in England who are fed with wheaten bread'. Potatoes on the other hand lend themselves to more desirable national characteristics: 'the strongest men and the most beautiful women in the British dominions are said to be... the lowest rank of people in Ireland who are generally fed this root.'²⁷

Oats were the least nutritious but cheapest staple food to grow. Smith was careful to point out that the Scots ate 'oatmeal' because of their low wages. This did not mean that they deserved low wages because of their inexpensive diet. The cheap oat, lacking in nutrition 'is not the cause, but the effect of the difference in their wages' compared to the higher wages of 'their neighbours' in England. Smith condemns as 'a strange misapprehension' the idea that the Scots' cheaper diet is the

²⁷ Smith *WN* (l.xi.b.41) p 177. Crawford entertained similar notions about the 'importance of food in forming the character of the different races'. In his survey of the region with which he introduces his *History of the Indian Archipelago* he compared the staple foods, sago and rice. In the western-most countries of the region, rice was the staple. As one moved eastward across the region, sago replaced rice as the staple with a corresponding fall in 'civilization' (the Philippines were the exception being prone to 'hurricanes' which 'alone gives a peculiar character to the country'). On the other side of the world, wheat had helped form western civilization. Crawford asserted that 'No country has produced a great or civilized race, but a country which by its fertility is capable of yielding a supply of farinaceous grain of the first quality. Man seems never to have made progress in improvement, when feeding on inferior grains, farinaceous roots, on fruits or on the pith of trees' (sago comes from the pith of sago palm trees). Crawford *History* I, pp 7-11, pp 14-15.

cause of low Scottish wages. He draws an analogy with the poor being forced to walk while the rich take a carriage. They use different modes of transport not because walking and carriages are most suited to their respective natures but because rich people can afford a coach, while poor people have no choice.²⁸

Malthus elaborated on this point in his *Principles of Political Economy*. He differed from Smith in that he claimed that time habituated people to choices forced upon them by economic circumstances. Quoting the above passage from Adam Smith, he insisted that 'partly from physical and partly from moral causes, the standard of comfort differs essentially in different countries... The effect ...becomes in its turn the cause..' Long periods of low wages, he explained, produced labourers who were not only used to living on less, but also prepared to marry and reproduce on less. These people 'By supplying the quantity of labour required at a low rate, would become a constantly operating cause of low wages'.²⁹

Most colonial administrators followed Malthus in this regard, rather than upholding Smith's distinction between the cause and effect of cheaper diets. They consistently saw the rice-based diets of most Asians as the cause (and not the effect) of their lower wages. Even when actual wages were unknown they could be deduced, by estimating the labourers' subsistence needs. Crawford, for example, said of Siam [Thailand] that although the 'absence of free labour' in that country 'makes it a matter of some difficulty to ascertain its actual price' he imagined 'the wages of labour to be amply paid... for the Siamese peasantry are economical in their diet' and he thought 'the necessaries of life' were 'remarkably cheap, and their climate is such as to render a

²⁸ Smith *WN*(I.viii.33) p 93.

²⁹ Malthus *Principles of Political Economy* vol I (London, 1820) Reprint ed. J. Pullen (Cambridge: Cambridge University Press, 1989) p 249.

very small portion of clothing, their dearest article'.³⁰

The chief staple of the Siamese diet was of course rice. Adam Smith also presumed that rice justified lower wages. He did not make the same careful distinction between cause and effect for rice as he did for oats. As we have seen, he thought the labour performed by people in rice-eating countries had a lower value because they more easily produced their staple. Subsistence was cheaper in real terms, as well as money terms.

Furthermore, because of the higher nutritional value he believed rice possessed, Asian countries had a higher population. Rice and potatoes were the most nourishing staples, enabling the labourer to reproduce even if he ate less of them than wheat or oats. Smith estimated the potato, along with rice, to be at least three times as 'nourishing' as wheat. Potatoes had the additional advantage of being much easier to grow: 'An acre of potatoes is cultivated with less expence than an acre of wheat'. He predicted an Asian-style population explosion should 'this root ever become in any part of Europe, like rice in some rice countries, the common and favourite vegetable food of the people...'. If potatoes ever came

to occupy the same proportion of lands in tillage which wheat ...do[es] at present, the same quantity of cultivated land would maintain a much greater number of people, and the labourers being generally fed with potatoes, a greater surplus would remain...Population would increase and rents would rise much beyond what they are at present.³¹

³⁰ Crawford 'Journal of an Embassy from the Governor General of India to the Courts of Siam and Cochin China exhibiting a view of the Actual State of those Kingdoms' (London, 1828). *The Crawford Papers* including this journal and letters he sent regarding his time in Siam. (Reprinted by the Vajiranana National Library, Bangkok, 1915) p 139.

³¹ Smith *MW*(I.xi.b.39) p 176.

Crawfurd seemed to be using this equivalence between the population growth sustained by potatoes and that sustained by rice when he estimated the rate of population growth of British India using that of Ireland. Wishing to show that the East India Company has underestimated the number of 'consumers' in the parts of India under their salt monopoly (and thus undersupplied them) he explains:

Ireland is the country which probably approaches the nearest to that portion of India of which we are speaking in rate of increase of population. In the eight-and-twenty years intervening between 1791 and 1821, the increase here was estimated at above 60 per cent. We have assumed but one-half of this rate for Bengal, in order to be strictly within bounds.³²

However Smith's idea that labourers could suddenly change their staple diet by, for example, substituting potatoes for wheat, was doubted by the colonial administrator, James Low. Low thought people were too resistant to changing their traditional fare. As Low put it: 'nature has...ordained that the population of any given country... prefer the grain or food which it yields to that of any other country, and cannot be easily induced to substitute...even [for] a better and more nutritious kind'.³³ Thus even if they are paid more, people do not necessarily eat more expensive food. In a significant admission, Low in his discussion of the 'frugal' diet of 'the Malay', pointed out that a 'higher rate of wages' was paid to Malay labourers it 'would not greatly alter the food of the people' so 'a larger surplus for obtaining articles of convenience and commerce would remain'.³⁴

³² Crawfurd *An Inquiry into Some of the Principal Monopolies of the East India Company* (London, 1830) p 12.

³³ Low *Dissertation* p121.

³⁴ *Ibid* p 161.

This brief comment by Low is worth noting for the implications it contains. If the Malay labourer was paid more, but their diet and other 'customary' outlays remained the same, their surplus would be greater. As they accumulated more surplus, they could, in keeping with Smith's 'progress of opulence', reinvest it back into the soil, they could increase their industry, or trade it for something they needed more (preferably, in Low's eyes, British manufactures). The extra surplus, originating in a combination of the Malays' traditionally 'frugal diet' with a 'higher rate of wages' could, in short, initiate or accelerate their 'progress of opulence'. However in his *Dissertation*, Low did not pursue the implications of his suggestion that Malays be paid more. He throws out the suggestion and then follows it immediately with a comparison of what English, American, Chinese and Malay labourers are paid. The pay rates (of one peck of wheat, two pecks of wheat, one peck of rice and half a peck of rice respectively) are graduated and, at least in the Straits Settlements, racially differentiated.³⁵ There are two possible reasons for this lack of discussion. One is that Low's *Dissertation*, as a collection of his newspaper columns, is often disjointed and abruptly switches topics. The other reason might be that Low felt he was still talking about the same topic. Wages in the Straits Settlements were set according to a racial scale that was partly determined by the perceived dietary needs of certain Asian peoples, and as we shall see, other reasons. Even the hope of enabling them to purchase more British manufactures could not upset the hierarchical pay scale.

THE PROGRESS OF OPULENCE

Population increase compounded the already-existing difference in the real value of labour in rice-growing countries compared to wheat

³⁵ Low *Dissertation* pp 161-2.

countries. Not only was the level of subsistence lower in rice and potato countries but also their large populations meant too many labourers competing for too few jobs. We have already seen how competition for the work funded by limited resources was one of Smith's overarching factors which influenced the progress of nations. Which of Smith's three states a country was in (the progressive state, exemplified by the rapidly progressing British colonies in America; the stationary state exemplified by miserable China; and the declining state exemplified by the backward-sliding East Indies under the dominion of the East India Company) was determined by the amount of labour compared to the funds available to pay for it.

Such was the constant equivalence between this competition for work and the capital to fund it, that Crawford used it to work backwards from wages to estimate a country's population. He assessed the accuracy of the low estimate of 'sixty-three inhabitants per square mile' in Burma by considering the level of wages there. Crawford thought that Burmese wages were high enough to indicate capitalists competing for workers. In Burma he found 'the effectual wages of labour are not low, as in fully peopled countries, but high, as in thinly inhabited ones' thus he concluded that the conjecture of sixty-three inhabitants per square mile was probably right: 'it is impossible to believe such estimates are greatly over-rated'.³⁶

In a 'fully peopled' country such as China, on the other hand, competition between too many workers lowered wages. In his *Essay on the Principle of Population* Malthus described the populousness of China as 'forced' because 'the people have been habituated by degrees to live upon the smallest possible quantity of food'.³⁷ Like Smith, Malthus

³⁶ John Crawford *Journal of an Embassy to the Court of Ava* II, part 1, p 235.

³⁷ In Smith too, if the Chinese labourer, for example 'by digging in the ground all day... can get what will purchase a small quantity of rice in the evening he is contented'. Smith *WN*(I.viii.24) p 89.

described the 'lower class of Chinese' as 'living almost upon the smallest quantity of food and are glad to get any putrid offal that European labourers would rather starve than eat. This very small margin for error results in frequent famines. Malthus added that the inhabitants of the subcontinent of India have become used to surviving (and perishing) on very little. Without reference to mercantile companies, Malthus made the poverty of continental India a longstanding lifestyle choice which compounded itself: 'It is probable that the very frugal manner in which the Gentoos are in the habit of living contributes in some degree to the famines of Indostan'.³⁸

Crawford followed Malthus in this regard. He considers only the pressure of population when comparing Burmese wages with those in India. The 'price of labour' in Burma or its rice equivalent is greater than it is in 'our old and densely populated provinces in Hindustan...The wages of the native of Bengal will purchase about eight hundred pounds of rice; that of the Burman about eleven hundred and twenty'.³⁹ The inference is that it is the density of population alone in India which causes its wages to be lower than those of Burma. Here Crawford follows Malthus rather than Smith in his depiction of the impersonal forces of population growth. He does not blame the East India Company for the lower wages of Hindus, in contrast to his rage against mercantile companies elsewhere (and in contrast to Smith). Labour is cheaper in 'our' provinces in India because they are 'densely populated'. Differences in population density between two countries gave rise to differences in labour costs and ultimately to differences in the exchange value of that labour. In Classical economic texts this sort of phenomena was explained by Ricardo's 'law of comparative advantage'. We have already briefly considered this 'law'. We shall now look at it in relation to non-British races in economic texts before we look at how

³⁸ Malthus *Essay* pp 115-116.

³⁹ Crawford *Embassy to the Court of Ava* II, part 1, pp 241-2.

it was used or flouted in colonial texts.

THE LAW OF COMPARATIVE ADVANTAGE

Smith was careful to stipulate that it was 'at the same time and place only' that money paid for a commodity was proportioned to the labour that commodity represented:

The more or less money you get for any commodity, in the London market, for example, the more or less labour it will at that time and place enable you to purchase or command. At the same time and place therefore, money is the exact measure of the real exchangeable value of all commodities.⁴⁰

Smith admitted that labour was of unequal value in places a long way away from each other or 'distant places' as he called them. There is, Smith says, 'at distant places...no regular proportion between the real and the money price of commodities...'. Smith admitted that there was an unequal exchange involved in trade between societies at different stages. When a progressive or improving country where labour is 'well rewarded' traded with a stationary or backward one in which the value of labour was comparatively low, it would gain by the exchange. In the trade in precious metals between Europe and India, as Smith described it, the metal would go from Europe to India where it, 'in proportion to the quantity of labour and commodities which it costs in Europe, will purchase or command a greater quantity of labour and commodities in India'.⁴¹

Ricardo was even more unabashed about the unequal exchange of labour between countries. His theory of foreign trade had countries taking advantage of this unequal evaluation of labour. This theory,

⁴⁰ Smith *WN*(I.v.19) p 55.

⁴¹ Smith *WN*(I.xi.q) p 224.

which we briefly considered in the last chapter (known as Ricardo's theory of comparative advantage or comparative costs) is usually simply presented as all countries specialising in what they produce best. This division of labour on an international level would result in the best possible use of the world's resources. As Ricardo promised: 'the happiness of mankind...should be increased by ...each country producing those commodities for which by its situation, its climate and its other natural or artificial advantages it is adapted, and by their exchanging them for the commodities of other countries'.⁴² Or, as James Low said in a more long-winded fashion:

...as each nation would, from its soil or geographical position or otherwise, possess distinct natural productions independent of the principal one of food, hence these would become one of the mediums for commerce and ... the surplus would become exchangeable for foreign luxuries and objects of convenience.⁴³

However despite both countries in the exchange doing better than if they tried to produce both goods themselves, there is still an unequal exchange of labour. Ricardo's 'comparative advantage' lies in the fact that equal amounts of labour are not always exchanged. A good which is made with three times as much labour as another good is not evaluated at three times its worth. An equal exchange of labour does *not* take place in far distant places.⁴⁴ Ricardo told the now famous economic parable of the Portuguese wine and the English cloth. Portugal's best and most efficient produce is wine, England's is cloth, therefore Portugal trades wine for English cloth and both benefit. Rather than

⁴² Ricardo *Principles* p 80.

⁴³ Low *Dissertation* p 122.

⁴⁴ Malthus also pointed out that the law of comparative advantage meant that unequal amounts of labour are exchanged at home as well as abroad, since most manufactured goods have some foreign ingredients in them. Malthus *Principles* p 95.

England diverting some of her resources to manufacturing wine, she concentrates on that job in which she excels.

This results in the unequal equivalents of labour being exchanged:

the quantity of wine which she [Portugal] shall give in exchange for the cloth of England is *not* determined by the respective quantities of labour devoted to the production of each, as it would be if both commodities were manufactured in England, or both in Portugal...

The advantage to each country arises from the unequal amounts of labour being exchanged as commodities:

To produce the wine in Portugal might require only the labour of 80 men for one year and to produce the cloth in the same country might require the labour of 90 men for the same time... Thus England would give the produce of the labour of 100 men for the produce of 80.

Ricardo goes on to reiterate that in the same country, where unimpeded labour and capital flows would even out the exchanges, the same amounts of labour must always be exchanged: 'Such an exchange could not take place between the individuals of the same country. The labour of 100 Englishmen cannot be given for that of 80 Englishmen but the produce of the labour of 100 Englishmen may be given for the produce of the labour of 80 Portuguese, 60 Russians, or 120 East Indians.'⁴⁵ The last words of this passage is the only place Ricardo mentions 'East Indians'. He does not give an explanation as to why the value of their labour is less than that of Englishmen, and less than that

⁴⁵ Ricardo *Principles* p 82-83.

of other Europeans. He does say, however, that this non-equivalence in labour exchanges between different countries is 'accounted for, by considering the difficulty with which capital moves from one country to another, to seek a more profitable employment, and the activity [i.e. speed] with which it invariably passes from one province to another in the same country'.⁴⁶

Distance is not the only impediment to market forces in long-distance trade resulting in unbalanced labour exchanges. Peoples' subsistence needs were also presumed to differ between countries: not only, as we saw, because of the relative value of different staple foods but also because of the different 'customs' of each country. Subsistence should not only cover the expence of the brute existence of the labourer (and his children) but also those things which by established custom were almost necessities. In speaking of the subsistence wage, Smith made allowance for customary expense and for 'those things which the established rules of decency have rendered necessary to the lowest rank of people'.⁴⁷ The necessities of life (or 'necessaries' as they were then called), Smith explained, meant 'not only commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for

⁴⁶ Ricardo *Principles* p 83. He adds that 'the fancied or real insecurity of capital, when not under the immediate control of the owner... check the emigration of capital' and 'induce most men of property to be satisfied with a low rate of profits in their own country, rather than seek a more advantageous employment for their wealth in foreign nations' (p 83). Obviously with today's free flow of capital around the world, 'men of property' can send their money abroad while staying at home. This free flow of capital however is not matched by a free flow of labour, since immigration is checked. Hence, despite talk of 'globalisation', the largest part of today's global economy involves only half of Ricardo's equation. Money flows freely around the world while labour flows (apart from those of a well-educated elite) are checked. The self-regulating market mechanisms which Ricardo observed in the one country of England are not as beneficial as he depicted them, because the world-wide 'natural' prices of capital and labour are never attained. The restrictions on immigration of the labouring classes mean that flows of capital into one area are not followed by the flow of labourers into the same area as Ricardo assumed would 'naturally' occur.

⁴⁷ Smith *NA* (l.viii.15) p 85.

creditable people of the lowest order to be without'. That this was a civilizational difference was made clear by Adam Ferguson in his *History of Civil Society*: 'The necessary of life is a vague and relative term: it is the one thing in the opinion of the savage; another in that of the polished citizen...'.⁴⁸ Adam Smith gave the example of the linen shirt and leather shoes which, although unknown to the Greeks and Romans, 'in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without...'.⁴⁹

Ricardo also factored 'habits and customs' into his subsistence level wages:

...the natural price of labour...essentially depends on the habits and customs of the people. An English labourer would consider his wages under his natural rate and too scanty to support a family if they enabled him to purchase no other food than potatoes and to live in no better habitation than a mud cabin; yet these moderate demands of nature are often deemed sufficient in countries where 'man's life is cheap' and his wants easily satisfied.⁵⁰

In this passage Ricardo is obviously comparing present day England to Ireland. The low levels of subsistence of the Irish, with their nutritious potatoes and mud cabins mean a 'man's life' is literally cheap. Despite the use of benign words like 'habits and customs', a labourer's life might indeed be 'cheap' if his customs and habits had become part of the very fabric of his being. It seems that poor living conditions meant

⁴⁸ Adam Ferguson *History of Civil Society* III, iv, (ed) Forbes (Edinburgh 1968) p 142.

⁴⁹ Smith *MM*(V.ii.k.3) pp 869-870. Bizarrely enough Smith says it is not the custom for Scottish women to wear shoes and they may 'without any discredit [but, in winter, probable frost-bite] walk about bare-footed'.

⁵⁰ Ricardo *Principles* p 55.

an Irish labourer's work was less valuable and since that provided the value for everything else in the labour theory of value, the commodities he produces were also worth less and ultimately it would seem in the above passage the labourer himself.

A particularly nutritious staple food could lead to a population explosion, thus changing the ratio of labourers to capital. Too many labourers competing for jobs lowered their worth. For Malthus, the increase of the population of Ireland, compared with other European countries was because the adoption of a 'cheaper food, which might be produced in large quantities [and]...has allowed the increase of people to precede the demand for labour'.⁵¹ The staple food could also change the value of labour because it altered the equation by which the labourer's output (his labour) was measured by his input (his subsistence, especially his food). Thus Ricardo warned his reader against too blind a faith in the constancy of labour:

It is *not* to be understood that the natural price of labour estimated even in food and necessaries, is absolutely fixed and constant. It... very materially differs in different countries.⁵²

He footnoted this sentence with the following extraordinary admission:

The shelter and the clothing which are indispensable in one country may be in no way necessary to another; and a labourer in Hindostan may continue to work with perfect vigour, though receiving, as his natural wages, only such a supply of covering as would be insufficient to preserve a labourer in Russia from perishing. Even in countries situated in the same climate, different habits of living will often occasion variations in the

⁵¹ Malthus *Principles* p 260.

⁵² Ricardo *Principles* p 54 [my emphasis].

natural price of labour as considerable as those which are produced by natural causes'. - P. 68. *An Essay on the External Corn Trade*, by R. Torrens Esq. The whole of this subject is most ably illustrated by Colonel Torrens.

When we go to the book referred to by Ricardo, Torrens' *Essay on the External Corn Trade*, we see the original context of the quotation is, again, a concern about that race just across the sea from the English, the Irish. Torrens' book is a passionate refutation of the Corn Laws. He wants the removal of any laws restricting the importation of corn into England. His book is a free trade tract with heavy reliance on Ricardo's Law of Comparative Advantage but with even greater reliance on Malthus' population principle. He is, however, an optimistic Malthusian. In Europe, at least, he believes that 'in almost every society the tendency is not to increase population faster than capital; but, on the contrary to increase capital more rapidly than population'.⁵³

Torrens' above comparison of the 'Hindustan' and Russian labourer occur in his 'Appendix on the Means of Improving the Condition of the Labouring Classes'. In this Appendix however, Torrens' focuses not on Indian or Russian labourers, but on the Irish. In the subsection explaining 'The Minimum of Wages' he says, in agreement with Smith and Ricardo, that this minimum 'consists in a quantity of the necessaries and conveniences of life sufficient to preserve the labourer in working condition and ...keep up the race of labourers'.⁵⁴ He then goes on to say that a 'labourer in Ireland will rear a family under circumstances which would... deter an English workman from

⁵³ Torrens *Essay on the External Corn Trade* (London, 1829) p 475.

⁵⁴ *Ibid* p 460.

marriage...'.⁵⁵ However he predicts 'a diffusion of instruction amongst the people might give a prudential check to marriage [and] would raise the minimum of wages in that country to an equality with their minimum in England.'⁵⁶ It is particularly important that this sort of instruction is given to the Irish because they alone of all European races do not seem familiar with Malthus' population laws. They are ignorant that ideally 'as a country approaches the limits of her agricultural resources, marriages become less frequent' and the power 'to increase and multiply' should be 'checked and controuled' [sic] by 'considerations of prudence and the desire of bettering our conditions'. According to Torrens, 'these principles are established by the actual condition of the labouring classes in every country of Europe except Ireland.'⁵⁷

A lower birthrate would bring about economic equilibrium. All labourers could benefit from 'precaution in entering the marriage state and in regulating the numbers of families' not just Irish ones. Once lower birthrates are encouraged

⁵⁵ Malthus also thought the potato, being the nutritional equivalent of a wage increase, had led to a population explosion in Ireland. The Irish had 'spent' their 'higher' wages on 'the maintenance of large and frequent families' rather than on an 'improvement in the modes of subsistence, and the conveniences and comforts enjoyed' because they lacked good government (they did not know if they could keep the fruits of their industry under just laws) and 'self-respect'. The potato had been introduced into Ireland when 'the lower classes of society were in such a state of oppression and ignorance, were so little respected by others and consequently had so little respect for themselves that so long as they could get food, and that of the cheapest kind, they were content to marry under the prospect of every other privation'. Whereas when a comparable event occurred in England in the seventeenth and eighteenth centuries (the price of wheat fell) 'The lower classes of people had been in the habit of being respected, both by the laws and the higher orders of their fellow citizens, and had learned in consequence to respect themselves. And the result was, that, instead of an increase in population exclusively, a considerable portion of their increased real wages was expended in a marked improvement of the quality of the food consumed, and a decided elevation of the standard of their comforts and conveniences'. Malthus *Principles of Political Economy* pp 250- 252, pp 253-254.

⁵⁶ Torrens *Essay* p 460. He also suggests simply introducing capital to raise wages (although he thinks this should be in conjunction with instruction to lower the Irish birth-rate).

⁵⁷ *Ibid* p 476.

then will population be at all times so regulated, that the supply of labour will be duly apportioned to the quantity of fertile land... and the labouring classes will emerge from their degradation and will permanently enjoy ease, comfort and independence.⁵⁸

According to Torrens, this would soon be happening with the British working class due to the 'useful instruction' spreading amongst them 'were it not for one fatal counteracting cause - the annual inundations of Irish labour'.

These 'inundations' of Irish labour are caused by the physical proximity of Ireland and Britain. They are aggravated by better transport which negated the effect of distance on which Smith and Ricardo relied for the safe, unequal exchange of labour. Capital and labour now flow freely between the two countries; now that the 'two islands are so intimately connected - steam navigation has brought their shores into such immediate contact - that if Irish wages do not rise to the level of English, English wages must fall to the level of Irish'. Torrens finishes his book with a rallying cry to action. He exhorts the 'people of England' to

look to this...if effectual means are not applied for improving the habits of their Irish brethren, the political degradation into which they have fallen will... sink the great body of the people throughout the United Kingdom to one common level of extreme and hopeless misery.⁵⁹

COMPARATIVE COSTS BETWEEN 'NATIONS' IN CLOSE PROXIMITY

⁵⁸ Ibid pp 476-477.

⁵⁹ Ibid p 477.

It is obvious from the above quotations from various political economists, especially Torrens, that the difference in wages between the Irish and English were felt to threaten directly English wage rates and prosperity. However it is also obvious that an even wider gap was perceived to exist between Asian and European customary and dietary wants. With the exception of the Irish, the Europeans ate staple foods, wheat and oats, that were more costly to produce than rice but were less nutritious (resulting in less labour output and lower reproductive rates). Asians also lived in a climate that required less clothing and shelter. In contrast, in the case of Europeans their more expensive customary wants had become an ingrained feature of their economic worth. This was the case even when they had moved overseas as Malthus said in his *Principles of Political Economy*.

The high wages both real and nominal of America, occasioned by the rapid accumulation of capital and the power of selling produce, obtained by a comparatively small quantity of labour, *at European prices*, are unquestionably the cause of the very rapid progress of the American population.⁶⁰

In Southeast Asia, the physical distance between the different populations was even less than between the English and the Irish. Torrens' 'annual inundations of [foreign] labour' had long since happened in Southeast Asia. Different races, on different rates of pay and with assumed different subsistence needs, lived and worked side-by-side in the British colonies of Southeast Asia. The implications of Ricardo's theory of comparative costs were played out without an intervening space (such as the Irish sea) to separate them. The comparative advantage (or cost) determined in each country by factors such as

⁶⁰ Malthus *Principles* p 260 [my italics].

differing population densities, pursued its workers over the seas. Even when they left their overcrowded home-country for better prospects in an underpopulated one, the wages determined by conditions in their home country, such as its population density, often stuck with them. Furthermore, the wages paid to the different races were determined not only by the conditions prevailing in their country of origin but also the food they ate, their supposed capacities for labour, and other factors.

Admittedly one has to look carefully for these comments in colonial texts of Southeast Asia. Ironically in most Southeast Asian colonial texts, even those texts which otherwise devote many pages to economic issues such as free trade, there is little discussion of those core elements of Classical political economy: labour and its value.⁶¹ While there was some acknowledgement of the numerous differences in wages paid to different Asian peoples (and Europeans) there was little discussion of the reasons for these differences. They were usually simply presented as a *fait accompli*. This may be because, unlike the Irish case, English prosperity was not directly threatened by differential rates of pay in Southeast Asia. In the absence of an immediate threat to English interests, there was little to discuss. If anything, British profits in Southeast Asia may have been threatened by too much questioning of the status quo. The English paid differential wages according to tradition and because they had the power to do so. They had the capital and in their small colonies throughout Southeast Asia, were largely in charge of its distribution.

Furthermore, lower wages for various races were difficult for them to fit into their discourse of 'improvement'. While they could peg

⁶¹ This is despite Torrens' assertion that, 'the principles which regulate the wages of labour form, without any exception, the most interesting and important division of Political Economy...The study of Political Economy if it did not teach the way in which labour may obtain an adequate reward might serve to gratify a merely speculative curiosity but could scarcely conduce to any purposes of practical utility.' Torrens *Essay* Appendix 'On the Means of Improving the Condition of the Labouring Classes' p 451.

the scale of wages to their perceptions of how 'improved' each race was, it was more difficult to show how such differences furthered that improvement. Racial distinctions had a permanency about them which mitigated against the very idea of 'improvement'. In our consideration above of Low's throw-away line that if Malays were paid higher wages they would buy more British goods, the 'improvement' that Adam Smith and others saw arising from higher wages was not followed up. In comparison to the many predictions and promises of improvement from other economic activities such as trade and commerce, improvement of the Asian races though increased recompense for their labour was rarely discussed.

Ricardo's law of 'comparative advantage' referred to geographical or climatic advantages possessed by different countries. But in Southeast Asia his 'law' held for face-to-face transactions too. On small islands such as Singapore and Penang, differences in climate and soil fertility were minimal; nor were there geographical boundaries slowing down the transfer of capital. Physical distance obviously did not explain the 'comparative costs' which resulted in the unequal evaluation of the labour of different peoples on Penang or Singapore.

As we have seen, Classical political economy represented unequal valuations of labour as impossible in the one place because of market forces. As Crawford said different wage rates in the one country would see labourers go to the 'places where labour is better rewarded... for in the same country there cannot be two different rates of wages'. Crawford said this in 1834 when he was criticising Torren's and other systematic colonizers' scheme for colonizing South Australia. He complained that Torrens desire for 'concentrated' labour was an attempt to make labour 'abundant' and therefore cheap.⁶² When he made this comment he was obviously not thinking of his experience in

⁶² John Crawford 'New South Australian Colony' *The Westminster Review* vol 21, no 42, October, 1834, p 450.

Penang, Singapore and Java. In his writings about Southeast Asia the difference in wages allotted to the different races had been enthusiastically upheld by him.

Differences in wages in the British colonies of Southeast Asia were common and institutionalised. Hence, the 'other factors' Ricardo referred to, such as different customs, were brought to the fore. In many cases these 'other factors' solidified into permanent 'racial' characteristics. Crawford, on his way to Siam in 1822, gave a broad overview of the different pay rates for various Asian races and the reasoning behind them:

The rate of wages paid to the different classes, when engaged in similar labour, affords a very striking picture of their relative skill, industry and physical strength - in a word, perhaps of their relative state of civilization. A Malay field-labourer works only six and twenty days in the month, and receives but two dollars and a-half as wages; a Chouliah⁶³ works twenty-eight days, and receives four dollars; and a Chinese works thirty days and receives six dollars. The labour of a Chinese therefore to himself and to the public is worth fifty per cent more than that of a Chouliah; the Chouliah's seventy-five per cent more than that of a Malay; and the Chinese no less than one hundred and twenty per cent beyond the latter. When skill is implied in the labour to be performed the disparity is still more remarkable. A Chinese carpenter at Penang receives fifteen dollars a-month, a Persee also fifteen, a Chouliah eight and a Malay six.⁶⁴

⁶³ 'Chouliahs' he explained was the European term for 'natives of the Cromandel and Malabar coasts' Crawford *Journal of an Embassy* p 19. As we shall shortly see it was variously spelt 'chuliahs' or 'choolahs' by different authors. Sometimes the term 'coolies' was substituted - although this last term was also used to describe Chinese labourers as well.

⁶⁴ Crawford *Journal of an Embassy* 20.

Crawford did not see these differential pay rates as due to 'market competition' between the races but rather their relative stages of civilization. As he goes on to say 'I have little doubt but a scale might be constructed upon this principle, which would exhibit a very just estimate of the comparative state of civilization among nations, or which is same thing, of the respective merits of their different social institutions'.⁶⁵ Wages were in part recognition of progress up the civilizational scale and the meritorious 'social institutions' which accompanied such progress. Crawford does not see differences in wages as man-made or the result of human decisions. Rather, wages in this passage reflect the true state of the comparative civilization of the different races. Wages here accommodate the 'natural order'.

INDIAN, CHINESE AND MALAY SUBSISTENCE LEVELS

Asians in Classical economics and more specifically their countries came to stand for particular economic states. In general the 'Asian' was defined as rice-eating. The 'circular' definition of labour's worth in Classical political economy which presumed that 'input' (food and customary needs) was equal to 'output' (labour), combined with a belief that rice was easy to grow and so nutritious that more labour was sustained by its consumption, saw Asian labour generally undervalued by economists. Furthermore Asian countries, especially China and India, from Smith onwards, were identified as exemplars of 'stationary' and 'declining' societies respectively. These factors combined to render Indians and Chinese as peoples who were thought to be able to exist on very little.

Immigrants from the two Asian countries which featured prominently in Classical economic texts, India and China, also figured largely in British colonial texts about Southeast Asia. However while

⁶⁵ Ibid p 20.

there was agreement between colonial and classical economic texts over the lesser needs of Indians, in the case of the Chinese in Southeast Asia, colonial administrators presented a very different image. Indians in Smith, Malthus and Ricardo, as we have seen, were credited with the ability to survive on very little, whether it was attributed to their society 'declining' under the mismanagement of the East India Company or the ease with which their staple food, rice could be grown and its superior nutritional value.⁶⁶ British colonial texts in Southeast Asia also presented the inhabitants and immigrants from the Indian subcontinent as being able to survive on very little and therefore being paid correspondingly low wages. James Low for example said that even though a 'Malay is frugal in his diet', he

could easily be undersold in the labour market by a Chuliah, provided the latter chose to make the stomach the regulator of his demands for his wages; for no class of men can here subsist on less than a Chuliah can...⁶⁷

Many colonial administrators chose to make the 'Chuliah's stomach' the regulator of his wages. Low and Crawford, for example cited Indian immigrants as receiving the lowest wages in Southeast Asia.⁶⁸

⁶⁶Political economists perhaps constructed such an image of the Indian to explain a pre-existing stereotype; one based on the frustration of the East India Company as it tried to sell British goods in India before the second decade of the nineteenth century. Compare Henry Martyn's complaint that Indians will not buy British manufactures (because they are too expensive) at the end of the sixteenth century; and David Macpherson's similar complaint that they still will not buy British manufactures in 1812 (because of Hindu religious principles and a climate which 'renders any clothing beyond what decency requires, intolerable'). Quoted in C.N. Parkinson *Trade in the Eastern Seas* (Cambridge: Cambridge University Press, 1937) p 6; and Gardner *The East India Company* (London: Rupert Hart-Davis, 1971) p 46.

⁶⁷Low *Dissertation* p 160.

⁶⁸See Low *Dissertation* p 160, Crawford *Journal of an Embassy* 20. For justifications of low Indian wages in the Straits Settlements later in the nineteenth century and early in the twentieth, see Alatas *Muth of the Lazy Natives* 90.

The 'wants' of Indian immigrants were perceived to be so low that sometimes there it was feared they could depress an economy. George Windsor Earl was a prime advocate of a 'second Singapore' on the northern coast of Australia in the 1830s and 1840s.⁶⁹ In his book on this topic, in a chapter entitled 'Sources of Labour' Earl discussed which of the 'principal labourers' at Singapore - 'Malays, Chinese and natives of the Coromandel Coast (Coolies as they would be called in England)' - should be introduced to this new colony.⁷⁰ While he thought the 'natives of India prove superior herdsmen' and cultivators of cotton, he warned of problems arising from their lack of spending.⁷¹ 'The native of continental India' Earl noted, 'is sparing in everything and saves his wages to carry back to his own country'. According to Earl this underconsumption was 'severely felt' when Indian coolie labour was first introduced into Mauritius.⁷² Earl was concerned at the effect the mass migration of Indian 'coolies' might have on Australia's economy. He was glad that earlier attempts to import Indian labour to the north-eastern Australian coast already inhabited by 'European people' had failed. The presence of 'free' Indian labour would have depressed all wages in a 'white colony':

⁶⁹ George Windsor Earl was originally a trader between Swan River (Perth, Australia), India and throughout the Indian Archipelago. He was a 'corresponding member' of Crawford's Ethnological Society, a member of the Royal Asiatic Society and the author of many papers on geography, history and ethnology in Southeast Asia. He lived at the Australian settlement of Port Essington (which lasted from 1838 until 1849) as its Malay interpreter, draftsman and Commissioner of Crown Lands, before returning to the Straits Settlements where he was Police Magistrate at Singapore before being appointed Police Magistrate, Convenor of Court of Requests and Coroner in Province Wellesley in 1859. Straits Settlements Records, N.U.S., Reel 6468, X 16, Governor's Diary, entries 16, 24, 25, 27, 28, 29, 35; *The Singapore Free Press* 28 April, 1864.

⁷⁰ Earl *Enterprise, Discoveries and Adventures in Australia* (1846) p 124. Earl declared the temperature too high for European labour and deemed Australian aborigines as too 'few in number and although they would prove useful as fishers, herdsmen and even as a source of seamen...still other sources must be looked for that combined labour necessary to produce articles of commerce or even of domestic consumption' (pp 115-116).

⁷¹ *Ibid* p 126.

⁷² *Ibid* pp 126-7.

The Indian labourers have so few wants that they can save a large portion of wages....The introduction of coolies into any colony must, therefore, have the effect of rendering it unfit for labourers of a superior description.⁷³

Like Torrens' fear that low Irish wages would depress those of the English labourer, Earl feared that Indian labourers would always be able to undersell their white Australian counterparts. European labourers in Australia would have been competing directly against Asian labourers for work and wages, unlike the Straits Settlements where European settlers were predominantly of the capitalist class, and Europeans of lower classes were actively discouraged. Indian 'subsistence' needs were thought to be so much lower than those of other labourers that they would lower the 'subsistence' rate offered in the general labour market. Furthermore, their reluctance to buy consumer goods would stymie the economic cycle. As Low said of the Indian's low subsistence rates: 'it is this circumstance which makes him, excepting as a labourer, a useless subject, since his savings are rarely spent on the spot ...'.⁷⁴ The circular flow of capital whereby the labourer receives his pay and becomes in turn a customer (preferably of British manufactures) would be halted if the labouring force was predominantly Indian and therefore lacking in 'wants'.⁷⁵

Most British colonial texts about Southeast Asia which discussed labour focused on Chinese labour. Finlayson who accompanied Crawford

⁷³ *Ibid* p 167.

⁷⁴ Low *Dissertation* p 160. Low continues: 'while Chines and Malays spend theirs liberally enough, in whole or in part'.

⁷⁵ Part of Earl's plan for the 'second Singapore' on the northern coast of Australia was that it would be an emporium for the 'south-eastern parts of Asia' where British manufactures would be consumed and exchanged for produce of the Archipelago and China. Earl *Enterprises* 106, p121. See also Earl *The Eastern Seas* pp 435-436.

on his mission to Siam said of the Chinese in the Straits that the 'most prominent feature in the character of the Chinese emigrant is industry'. He spoke of the Chinese labourer as if he inherently enjoyed the benefits Smith attributed to the division of labour:

[H]e exerts a degree of ingenuity and of bodily labour and exertion, which leaves all other Asiatics at a distance. He labours with a strong arm and is capable of great and continued exertion. ⁷⁶

In the case of Chinese labourers there were substantial differences between the images of Chinese labour in Classical economic texts and British colonial texts. Smith's and Malthus' accounts of the Chinese as desperate victims of the stationary state who are content with a 'handful of rice', differed markedly from Southeast Asian accounts. In British texts about colonial Southeast Asia the Chinese are depicted as having more agency and being more demanding in their wants. The 'loop' which saw labour ('output') evaluated in terms of 'input' (consumption) was one of the reasons given for the raised economic status of the Chinese in Southeast Asia.

In comparison with the Chinese in the pages of Smith and Malthus, the Chinese in British accounts of the Straits Settlements were better off. Low recounted that a 'common Chinese labourer' in Penang 'can easily enough earn one peck of rice' whereas in 'China it is understood, the agricultural labourer cannot earn above 12 1/2 pecks of rice in a month, by daily and uninterrupted labour.'⁷⁷ They had left behind overpopulated and static China for Southeast Asia where they have acquired many wants. They needed more food and had a taste for 'luxuries' and their industry was driven by these wants. As Finlayson said of 'the Chinaman': he 'is rarely to be seen idling or sauntering

⁷⁶ Finlayson *Mission to Siam and Hue* pp 63-64.

⁷⁷ Low *Dissertation* p 162.

about the streets: more numerous wants, more energetic occupations, more generous diet, demand more constant attention and their gratification encroaches on his leisure hours.⁷⁸ Primary amongst these wants was food.⁷⁹ Finlayson said the 'principal care' of Chinese immigrants in the Straits was 'to procure good fare'.⁸⁰ He contrasted the scant comforts of a Chinese dwelling and their 'meanness' of dress to their 'exalted sense of the pleasures of good eating':

Pork, ducks, geese, the best kind of fish, the rarest delicacies, are purchased at any price by the Chinese. The proportion of animal food consumed by them would appear to be incomparably greater than that used by any other description of labourers on the face of the earth.⁸¹

It was not only the 'wants' of the Chinese in the Straits Settlements which led to their being paid more than the Malays and Indians. Their agency in the 'haggling and bargaining in the market place' was also perceived to raise their wages compared to other Asians. Crawford

⁷⁸ Finlayson *Mission to Siam and Hue* p 16.

⁷⁹ As we have seen, opium was also probably a primary 'want' in facilitating the gruelling labour expected of the Chinese labourer. But despite its importance, opium consumption was rarely elaborated upon in colonial reflections on labour in the first half of the nineteenth century. It was not until concern about the deleterious effects of opium in the latter half of the century prompted Royal Commissions into use of the drug in Southeast Asia that it began to be treated in some detail in books such as Vaughan's guide to Manners *and Customs of the Chinese of the Straits Settlements* which was published in 1879.

⁸⁰ George Finlayson *The Mission to Siam and Hue, the Capital of Cochin China in the Years 1821-2* 1826. (Singapore: Oxford University Press, 1988) pp 16-17.

⁸¹ Finlayson *Mission to Siam and Hue* pp 62-3. Compare with Adam Smith's assumption that the working class in every country is necessarily vegetarian: '...the labourer everywhere lives chiefly upon the wholesome food that is cheapest and most abundant. Butcher's-meat ...makes but an insignificant part of his subsistence; poultry makes a still smaller part of it, and game no part of it... The money price of labour, therefore, depends much more upon the average money price of corn, the subsistence of the labourer, than upon that of butcher's meat or any other part of the rude produce of the land' Smith *WN* (l.xi.e) p 207.

described them as 'not so ignorant or inattentive to their own interests as to labour for other men's advantage.'⁸²

The indigenous inhabitants of the Archipelago and Malay Peninsula - the 'Malays' as they were generally called - were rarely mentioned in the major economic texts (with the exception perhaps of Ricardo's 'East Indiamen') but they were of great economic interest to British colonial administrators. Like the Indian, the Malay was believed to be 'frugal in his diet' but his expenditure on clothing was greater.⁸³ The quantity and type of cloth consumed by Malays was an object of immense interest to the British, who wanted to represent the region as providing new outlets for the products of their Lancashire mills. Malays completed the cycle whereby British capital expended on their wages was returned as payment for British manufactures. Their labour, even more than that of Indians or Chinese was 'two-sided': they would supply the raw produce and consume it in its transformed, value-added state. As Crawford put it:

The Indian islanders... will be for an indefinite time in a condition to supply the more civilized world with its cheap and various produce, and necessarily in a condition to pay for the manufactured necessities or luxuries of the latter.⁸⁴

Earl's comparative summary of the virtues of the three races as labourers and consumers saw the Malays shine as 'customers' to the British:

The Indian islander ['Malay'] is contented with simple food, but is expensive in his clothing and is therefore the best customer

⁸² Crawford *History* II, p 462; see also III, p 136.

⁸³ Low *Dissertation* p 61.

⁸⁴ Crawford *History* III, p 276.

to the British manufacturer. The Chinese labourer wears little clothing but expends a considerable portion of his wages in rich food. The native of continental India is sparing in everything and saves.⁸⁵

There was also a long tradition of the image of the Malay as 'lazy'. However, during the period we are considering the British usually attributed this to poor management by the Dutch. Raffles, as we have seen, criticised the Dutch for not engaging Javanese self-interest. Finlayson echoed him a few years later when he visited the 'idle' town of Malacca which was then under Dutch rule. This idleness could be turned to industry if the 'tribes of Malays' who 'surround the settlement' could only be 'encouraged by proper management' to be 'gradually brought to enter upon commercial speculations, and to increase agricultural produce, to the mutual advantage of both parties'. The other 'party' of course was the Dutch who had still to learn to trust in Smith's invisible hand and let the unfettered pursuit of self-interest lead to 'mutual advantage'. Finlayson explains that the Dutch, unlike the British, 'have still to learn how to reconcile the native powers to their system of government. A degree of suspicion and distrust is but too obvious in the intercourse they entertain with each other'.⁸⁶

⁸⁵ Earl *Enterprise, Discoveries and Adventures in Australia* p 126.

⁸⁶ Finlayson *Mission to Siam and Huep* 40. See also p 38 where Finlayson discusses the lack of rice grown at Malacca. He takes issue with Dutch explanations based on the 'indolent Malayan race' and attributes the absence of rice cultivation instead to Dutch 'mismanagement', unfavourable land tenure and 'the existence of slavery amongst the Dutch'. However not everyone considered the Malay indifference to labouring for Europeans to be the result of the Dutch. Low said of Malays in Penang that 'If the Malay would only tax his physical capacity to its utmost extent, he might drive the Chinese quite out of the labour market...'. This, Low goes on to explain, is because the lesser subsistence needs of the Malay would enable him to outbid the Chinese labourer 'without his actually performing the same quantity of work as the Chinese; for the latter could not here long endure without any further considerable diminution of his means of obtaining luxuries as well as food'. The idea that the Chinese cannot 'long endure' without obtaining their 'luxuries' (from which Low explicitly excludes food) lends further credence to the idea that one of those luxuries was opium. Low *Dissertation*, p 160.

One of the biggest advantages Earl saw in a labour force made up of many different Asian races was that they could specialise along racial lines. As he put it:

The natives of the different countries of the East are also each proficient in a different kind of labour. Thus the Malay is the best adapted for clearing new lands; the Chinese being unaccustomed to these operations from their own country having long being under cultivation. The latter again are the best agriculturalists, and the most skilful manufacturers of raw produce; while the natives of India prove superior herdsmen.⁸⁷

Crawfurd also outlined a racial division of labour throughout the Archipelago in his *History of the Indian Archipelago*. The native 'Indian islanders' in Crawfurd's opinion were 'quite unequal to the details of a business of any degree of any complexness... and the necessary consequence is that the management of the revenue falls into the hands of ...strangers.'⁸⁸ In managing the natives' affairs and finances the 'different foreign merchants in the Archipelago take their rank ...according to the civilization of the nations to which they belong'.⁸⁹ These managerial foreigners are not just European colonial powers but also the other races Crawfurd considered 'foreign' to the Archipelago: the Arab and Chinese merchants who sailed around the islands, plying their goods. The Arabs are deemed 'spirited' but 'bigoted' with their vigour and superior sailing skills.⁹⁰ The Chinese merchant class are

⁸⁷ Another advantage he saw was the lack of unity they would exhibit in asking for higher wages. Their lack of racial ties would ensure that there was 'little probability of combinations taking place for the purpose of raising wages to an exorbitant amount...'. Earl *Enterprise*, p 126.

⁸⁸ Crawfurd *History* III, p 73

⁸⁹ *Ibid* III, p 144.

⁹⁰ *Ibid* III, pp 199-210.

compared to 'the Jews... of the middle ages of Europe' in their 'pursuit of fair mercantile speculation' (but 'seldom in the invidious one of lending to spendthrifts at high interest').⁹¹ Crawford allocated the 'higher branches' of the region's commerce into 'the hands of the European merchants' but he believed that the 'details of intercourse with the natives ...fall naturally into the more supple management of the Arabs... and Chinese' who in his estimation were 'better fitted, from manners and character, for a direct intercourse with them.'⁹²

Finlayson surveyed the various races' capacities for labour with the aesthetic appreciation of the 'eye of the economist' with which we began this chapter. Increased and more efficient labour was so aesthetically satisfying that the physical frame of the various Asian workers performing it also became more pleasing. Walking along the beach in Penang he commented on the 'motley group collected on the beach' which 'consisted of malabar Mohammedans, called Chuliahs, who here, as in their own country, were readily to be recognised by their manner, partaking of as much of idleness as of expectant curiosity'. However a little further down the beach they came across a 'more interesting and more gratifying scene' of Chinese 'Industry, active, useful and manly and independent':

The indolent air of the Asiatic was thrown aside...they had lost even the slender frame of Asiatics; and the limbs and muscularity, and symmetry were those of another and more energetic race. These were Chinese, a people highly valuable as settlers, by reason of their industrious and very regular habits, who had established on this spot the mechanical arts, on a scale which might even vie with that of European artists, but which we

⁹¹ Ibid III, p 144.

⁹² Ibid III, p 144.

should look for in vain in any other part of India.⁹³

Aesthetic pleasure could be got from the orderly products of labour compared to the surrounding wilderness. Like the pleasing contrast between the terraced rice paddies and the surrounding mountains, for Finlayson, his aesthetic pleasure was intensified by the prospect of a labouring race surrounded by 'indolence':

It was a pleasing and gratifying spectacle, so much are we in India accustomed to the opposite, to see a numerous, very muscular and apparently hardy race of people, labouring with a degree of energy and acuteness, which gave to their physical character a peculiar stamp and placed them in a highly favourable point of view, when compared with the view of the nations around them. ⁹⁴

Finlayson suggests one of the reasons for this pleasure is the 'usefulness' of these dexterous people to the British. For 'under the patronage of the British Government' the Chinese 'soon acquire riches'. They are given 'entire protection of property and person' because they 'are cherished by the government, which, in return, derives benefit from their industry, and from the commercial and profitable speculations in which they usually engage.'⁹⁵

UNFREE LABOUR

Like most political economists British colonial administrators generally spoke of labour as 'free'. However, since this was often not the case in Southeast Asia, we shall briefly consider the various forms

⁹³ Finlayson *Mission to Siam and Huepp* 13-14.

⁹⁴ *Ibid* p 14.

⁹⁵ *Ibid* p 14.

of 'unfree labour' that continued under British rule. The British usually did not recognise 'unfree' labour as such. Again, it was difficult to fit unfree labour into their discourse of 'improvement'. Except in the case of convicts, where the involuntary, unfree nature of their labour was thought to be morally improving, the unfree nature of much labour in the British colonies in Southeast Asia was simply overlooked. As we have already seen the British in colonial Southeast Asia prided themselves on their opposition to slavery. In their discussions on labour they followed classical economic orthodoxy on slavery. They treated it as a special case and generally dismissed it as economically irrational and anachronistic.

However, slavery was so widespread in Southeast Asia that it was not a special case. As Crawford said in his *Dictionary of the Indian Archipelago* in his entry on slaves: 'Slavery exists in every state of society in the Malay Archipelago and in every country of it, except Java, where it is not found even in a predial form'. He attributed the absence of slavery in Java to the 'experience of the superior economy of free labour in a populous country'. The high population led to cheaper wages as more labourers competed for work. Hence to 'breed and maintain slaves was useless when the labour of freemen was cheaper and thus slavery came to be naturally extinguished' (in contradiction to Crawford's account, Raffles' *History of Java* relates that slavery was not 'naturally extinguished' by the high population of Java at all, but by a decree of Lord Minto's in 1811).⁹⁶

British opposition to slavery was one of the ways they distinguished themselves from other rulers in the region. Indigenous rulers were represented as antithetical to freedom. Even the

⁹⁶ Crawford contrasted the absence of slavery in Java to Malacca which 'when first discovered, all labour appears to have been performed by slaves, a fact which not only implies a very rude state of society, but also a paucity of population in relation to the land, or, in other words, comparative high-priced labour'. Crawford *Dictionary* 404. Raffles *History* 1, p 77.

supposedly 'free' subjects of a Southeast Asian ruler were in practice treated like slaves. Raffles quoted Montesquieu that 'in despotic countries, the condition of a slave is hardly more burdensome than that of a subject'.⁹⁷ Under despotism, by its very nature, all labour was unfree. As Crawford said of the Burmese:

Every Burman is considered the King's slave and a species of property, and his services in whatever manner they can be made available, are at all times at the disposal of the Government, whether as soldiers, artisans or common labourers.⁹⁸

British opposition to slavery in the early nineteenth century also distinguished them from other European colonial rulers such as the Dutch and Portuguese who had participated in the existing slave systems they found in the archipelago.⁹⁹ British colonial administrators emphasised the cruelty of slavery and their opposition to it to highlight that they were improving the Archipelago and bringing it 'freedom'.

However their opposition was muted in various ways. First, their anti-slavery policies were often incompatible with property rights on which the British system depended. In his *History of Java* Raffles described how when the British took over Java, they 'could not, consistently with those rights of property which were admitted by the laws which we profess to administer, emancipate them at once'. Instead they 'enacted regulations' which would 'lead to their ultimate freedom'. He amended the code governing 'this odious traffic and condition' by a 'declaration that slaves in future should not be

⁹⁷ Raffles *History* I, p 76. For the Southeast Asian origins of Montesquieu's observations on slavery see A. Reid *Slavery, Bondage and Dependency in Southeast Asia* p 2.

⁹⁸ Crawford *Journal of an Embassy to the Court of Avap* 132, See also p 136.

⁹⁹ Reid *Slavery, Bondage and Dependency in Southeast Asia* pp 14 - 18.

considered as objects of real property but as objects possessing personal rights'. This ambiguous legal status of slaves, whereby they are still 'objects' but 'objects' with personal rights, was reflected in the amendment that they have a say in their own sale: 'slaves should never be transferred from one master to another without their consent' and the further amendment that advised that unfree labour should be extracted as if it were free: 'a master should possess no other power over his slave than to exact service in an equitable manner...'.¹⁰⁰

Secondly, the absolute opposition to slavery as inimical to human nature was undermined by claims that some slaves in the East Indies were reconciled to their lot or that they did only light domestic chores compared to the plantation labour extracted from slaves in the West Indies. Crawford in his *Dictionary* entry on slaves, noted that the 'distinction between the slave and the freeman (*mardekā*)... is not so offensively' drawn by the Malays 'as to view the first as a mere chattel, for the slave can possess and inherit property, purchase his freedom and has in other respects, his prescribed rights'.¹⁰¹ The traditionally mild treatment of slaves in Southeast Asia complicated any simplistic dichotomy between the slave-ridden West Indies and the anti-slavery, 'free' East Indies.¹⁰² Absolute antipathy to slavery was qualified by 'degrees' of slavery, traditional slave-rights, and the idea that East Indian slavery was somehow 'better' than West Indian slavery. Raffles, for example, described the 'condition of slaves on Java where they were employed principally in domestic offices' as better than that of slaves in the West Indies, and was initially slow to

¹⁰⁰ Raffles *History* pp 77-78.

¹⁰¹ The 'real condition' of the slaves he says is revealed by their unequal status under Malay law, with slaves incurring much harsher penalties for the same offence compared to 'freemen'. He adds however that 'One circumstance, probably mitigates the condition of slavery among the people of the Indian islands, that the master and slave are almost always of the same race ...' Crawford *Dictionary* p 405.

¹⁰² For the comparatively mild treatment of slaves in Southeast Asia see Reid *Slavery, Bondage and Dependancy in Southeast Asia* pp 14-16.

prohibit the traffic.¹⁰³ Crawford noted that the 'slave among the Indian islanders is treated with kindness and tenderness....[like] a child or favoured domestic' and Finlayson commented on the money spent by Dutch men in 'adorning' family slaves in Malacca.¹⁰⁴

However the Penang administrator, John Anderson, went too far when he suggested that perhaps, in the case of women, the mildest forms of slavery should not have been abolished. He incurred the wrath of an English-language Singapore newspaper for his suggestion, despite the way he hedged it with condemnations of slavery in general. The newspaper was commenting on his book *Mission to the East Coast of Sumatra*. In this book Anderson had expressed his general horror at 'that abominable traffic in the human species'. However he had qualified this horror in the case of women:

It cannot be denied however, that the existence of slavery ...in former years was of immense advantage in procuring a female population for Pinang. ...The women get comfortably settled as the wives of opulent Chinese merchants, and live in the greatest comfort. Their families attach these men to the soil; and many never think of returning to their native country.¹⁰⁵

Anderson concluded that in the special case of Penang:

the abolition therefore of slavery, has been a vast sacrifice to philanthropy and humanity. As the condition of the slaves who

¹⁰³ For Raffles' tolerance of continued slavery after he first took over Java and the open slave trade during the first few years of Singapore under its then Resident, W. Farquhar, see H.R.C. Wright 'Raffles and the Slave Trade at Batavia in 1812' *The Historical Journal*, III, 2, 1960, pp 184-191. For Raffles' own 'slave' - a 'lad' from Papua New Guinea which accompanied him to England see James Boon *Affinities and Extremes* p 37.

¹⁰⁴ Crawford *History* III, p. 42; Finlayson *Mission to Siam and Cochinchina* p 41.

¹⁰⁵ Anderson *Mission to the East Coast of Sumatra* p 298.

were brought to the British settlements was materially improved and they contributed so much to the happiness of the male population and the general prosperity of the settlement, I am disposed to think (although I detest the principles of slavery as much as any man) that the continuance of the system here ...had nothing but the name against it.¹⁰⁶

The *Singapore Chronicle*'s review of Anderson's book in 1827 made much of these passages, as well as the *Quarterly Review*'s favourable review of Anderson's book. It lambasted both Anderson's and the *Quarterly Review*'s rejection of the universalism of the anti-slavery movement. The *Singapore Chronicle* warned that 'no partial advantage of this kind can ever be admitted as an apology for that which is morally wrong'. Many crimes, even murder, it argued, might be justified on such grounds despite the fact that if they were 'generally allowed [they] would fill the world with misery and confusion...' In strict Benthamite fashion, it went on to remind Anderson, the *Quarterly Review* and its own readers that:

Utility *is* the test of right or wrong, but then the utility must be *general* and not ...particular and the *general* effect of actions can only be estimated by asking what would be the consequence if such actions were universally permitted...

As a parting shot, the *Singapore Chronicle* likened the *Quarterly Review* reviewers (and by implication Anderson) to the common moral and economic foe of its readers, the West Indian planters. Anderson and the *Quarterly Review* were lending moral legitimacy to the those who participated in the West Indian slave trade, even their enslavement of women. It described 'women carried by violence or dragged from their

¹⁰⁶ Ibid pp 298-299.

families' in the West Indian slave trade as part of 'the murder and violence which must often occur in...this heartless traffic'. But it decreed these crimes to be 'things of nought in the estimation of a *Quarterly Review*' bent upon bolstering up the West India slave trade...'107

The preponderance of men to women which so worried Anderson was a common feature of another form of 'unfree' labour in the Straits Settlements: bonded or indentured labour. In his *Dictionary* entry on slaves Crawford divided all slaves in the Archipelago into two classes: bondsmen and bond-debtors.¹⁰⁸ These bondsmen and bond-debtors were people who had become slaves by selling themselves into slavery in order to pay off debts. Debt-slavery was mitigated by Raffles and other governors but it was allowed to continue as indentured labour.¹⁰⁹ Indentured labourers also had a debt to pay: the cost of their voyage from India or China out to the Straits. However in the early nineteenth century it was not generally recognised as unfree labour and certainly not as slavery by colonial administrators. According to Anthony Reid, 'colonial governments in the nineteenth century' emphasised the 'distinction between debt-bondsmen and slaves proper' because 'it enabled them to tolerate a form of slavery after the word itself had become anathema'.¹¹⁰ Indentured labour, especially from China, was the mainstay of British enterprise in Southeast Asia. Raffles said the most 'valuable import' in the trade between China and Java carried 'entirely

107 *Singapore Chronicle* 26 April, 1827 'Commentary on the "Quarterly Review" article on Mr Anderson's Sumatra' p 2.

108 Crawford *Dictionary* p 404.

109 Low relates how in 1820 the Governor of Penang had placed the same sort of restrictions on the 'debtor-servant' system as Raffles had in Java. The debtor was restricted to doing only a certain number of years of service decided by a magistrate nor could 'a man bind himself and his whole family to repay his debt' - the debt was restricted to the individual. Minors could not incur a debt of this kind and female debtor-servants could not be put in harems. Low *Dissertation* p 163.

110 Reid *Slavery, Bondage and Dependancy in Southeast Asia* p 160.

upon Chinese capital' was 'the native himself'. However by emphasising the indentured labourers' opportunities for 'self-improvement' he made it clear that this did not in any way approximate the slave trade:

Two to five hundred industrious natives [arrive] in each vessel. These emigrants are usually employed as coolies or labourers on their first arrival; but by frugal habits and persevering industry, they soon become possessed of a little property, which they employ in trade and increase by their prudence and enterprize.¹¹¹

Even after Raffles declared Singapore to be exempt from slavery, most labour which arrived in Singapore was only nominally free. Numerous indentured labourers arrived in Singapore with the favourable winds of each 'junk season'. They were then 'bought' by the Chinese brokers who came onto the ships to look them over. These labourers paid the price of their passage after being 'sold' into the hands of Chinese estate contractors by working for several years on plantations that were usually owned by Europeans or Chinese. Even though Chinese indentured labour was 'free' in that such men were, as Finlayson put it, 'banishing themselves ...voluntarily from their native country... to gain a more comfortable subsistence', where and when they laboured in the Straits Settlements and for how much was beyond their control.¹¹² The status of the labourers imported under this system can perhaps be assessed by the fact that their were called 'piglets' by their 'buyers'.¹¹³

Raffles attempted to legislate against the worst abuses of this system. In 1823 he published an ordinance governing the indentured

¹¹¹ Raffles *History of Java*, p 205.

¹¹² Finlayson *Mission to Siam and Cochin China* p 16.

¹¹³ Alatas *Muthp* 84.

labour that landed in Singapore. His ordinance however, made it clear that while indentured labourers may be abused, their labour was definitely free. It began by designating arrivals 'brought from China and elsewhere as passengers who have not the means of paying for their passage' as 'free labourers'. If 'individuals resident in Singapore' advance the amount of their fare 'on condition of receiving the[ir] services... for a limited period in compensation' he did not find 'such arrangements ...objectionable provided the passengers are landed as free persons...' He limited the passage money to twenty dollars, the period of service to two years, and ordained that all such engagements 'shall be entered into with the free consent of the parties in presence of a Magistrate' and registered.¹¹⁴ However, as Alatas points out, Raffles' ordinance did not have the 'machinery to enforce it, except the magistracy'.¹¹⁵ Furthermore once the labourers left town and arrived on the plantation estates, the 'contractors took complete charge of the coolies', providing their boarding house, all their food and wages. The indentured labourers were not allowed to leave the boarding house except when at work on the estate under supervision'. They could be:

beaten, badly fed and locked up at night to prevent their escape...The contractors supplied the coolies with chandu [opium] at high prices and encouraged its use to increase their own profits. They ...ran 'crooked' gambling and thus relieved the coolie of what little ...wages he might have. In actual fact the coolie did not receive any cash wages. His wages were credited to his account, and his chandu, gambling debts and other purchases were debited to his account. He was invariably in debt.¹¹⁶

¹¹⁴ Quoted in W.L. Blythe 'Historical Sketch of Chinese Labour in Malaya' *JMBRAS*, vol XX, pt 1, June 1947, p 68.

¹¹⁵ Alatas *Mythp* 85.

¹¹⁶ Blythe 'Historical Sketch of Chinese Labour' pp 70-71.

In their own defence colonial administrators pointed out that most Chinese labour was under the control of Chinese contractors and 'Chinese Kapitans'. They were not the responsibility of Englishmen and thus were not covered by 'rational' European economic science but by tradition and by conditions back in their homeland. The 'secret societies' and brotherhoods entered into by the Chinese were viewed as something beyond European control. Part tradition and part lawlessness, these secret societies were seen by some (like Anderson) to be the direct result of the absence of the civilizing influence of women.¹¹⁷

The imbalance of the sexes in populations of indentured labourers sometimes forced recognition of the gendered nature of political economy. In his reflections upon indentured labour Crawford combined Malthus' principle of population with a gender-specific conception of labour. He made explicit classical political economy's normally implicit assumption that 'labour' is male labour.

Commenting on the results of Singapore's 1827 census, Crawford notes that there are three males to each female in Singapore and within Singapore's Chinese population the disparity is 'one to seventeen'. He attributes this to the Chinese prohibition on female emigration and goes on to point out that this means that 'in respect to the whole population... a very large proportion consists of young men in the prime of life'. This inflates the numbers of people, for as Crawford explains, 'the effectual working and labouring population should *not* be reckoned... at 13,732' as found by the 1827 census, 'but at least double the male population, or 20,614'. Here, indentured immigration has replaced the female reproductive system at the heart of Malthus' scenario. Immigration is more efficient in supplying new labourers than women

¹¹⁷ See Carl Trocki on Chinese secret societies in *Opium and Empire: Chinese Society in Colonial Singapore 1800-1910* (New York: Cornell University Press, 1990).

and their clumsy reproductive systems. Immigration supplies a labouring population which is already adult and is the right sex and race to labour most intensely:

If we take the average value of labour, skill and intelligence of a Chinese to be in proportion of three to one to those of a native of the continent of Indian, then the effectual population of Singapore may be considered equally in efficiency to a numerical population of 332,108 natives of Hindostan.¹¹⁸

By this computation of the relative worth of each 'labouring race', amplified by the overwhelming maleness of Chinese immigration, Crawford hopes to convince his reader, once again, that Southeast Asia is a better investment than the Indian subcontinent.¹¹⁹

Similarly he says of the Chinese population of Penang:

About five sixths of the whole number are unmarried men, in the prime of life: so that, in fact, the Chinese population, in point of effective labour, may be estimated as equivalent to an ordinary population of above 37,000, and... to a numerical Malay population of more than 80,000!¹²⁰

Far from seeing the preponderance of men as a problem, in Crawford's eyes, it made Chinese labour worth more, since he considered male labour to be more productive than female. There were no women to drag down the average overall output of labour. He perhaps also thought that the famines which Malthus predicted would be postponed because this

¹¹⁸ Crawford *Journal of an Embassy to Siam* pp 553-554.

¹¹⁹ See also Crawford's claim that Indians die more easily than any other race in the Straits Settlements. Crawford *Journal of an Embassy to Siam* p 21.

¹²⁰ *Ibid* pp 19-20.

male labouring population would be so much better at extracting a living from the land, compared to more 'mixed' populations. Once again Malthusian pessimism was turned to optimism when Crawford contemplated the indentured labour forces of Penang and Singapore. Not only were both labouring populations magnified by their overwhelming masculinity but their labour was performed by that Asiatic race which was so good at it, the Chinese.

In the late eighteenth and early nineteenth centuries the British started importing another form of unfree labour in the form of convicts. In 1788 the government of India began the transportation of its convicts who were sentenced to more than seven years' imprisonment to Bencoolen. More convicts from British India along with a small number of Chinese convicts from within the region, were sent to Penang in 1790 and Malacca and Singapore became convict stations from 1825. By 1841 the Straits Settlements were described by Low as 'the Sydney convict settlements of India'. There were between 1,100 and 1,200 Indian convicts in Singapore alone.¹²¹

In the early years convicts provided the Straits Settlements with a steady supply of cheap labour and in the first half of the century the European community raised no strenuous objections to receiving Indian convicts,¹²² although some argued that convict labour was inefficient and ill-supervised and complained about convicts 'who sleep during the hours of labour and dance all night.'¹²³ Low complained of convict labour in Penang that it, like all unfree labour, 'is expensive, dangerous and demoralising; it fosters idleness and represses honest ambition'. It was not only the moral contamination produced by convicts but also the standard economic objection to all unfree labour: 'the difficulty in

¹²¹ J. Low quoted in Buckley *Anecdotal History*, I, p 364. By 1845 the number had risen to 1,500. *Straits Times* 18, 25 March, 1846.

¹²² G.F. Davidson *Trade and Travel in the Far East* (1846) p 43.

¹²³ *Straits Times*, 18, 25 March, 1846.

getting the convict to exert himself' meant it was unprofitable. Low 'computed' that the 'labour of a gang of 100 convicts with the usual complement of overseers' produced about half 'the quantity of labour which could be obtained from the free-labourer, at the same cost'. He concluded that 'the sooner unshackled labour is solely resorted to, the more speedy will be the moral improvement of the lowest and poorest class... The system seems [to be] already dying a natural death'.¹²⁴ By the 1850s opposition mounted. In 1851 the *Singapore Free Press* described the Straits Settlements as 'the common sewer ...for all the scum and refuse of the populations of nearly the whole British possessions in the East'.¹²⁵ In 1856 the transportation of Chinese convicts to the Straits was abandoned and the transportation system was discontinued altogether in 1873.¹²⁶

Only a small portion of political economy was devoted to theorising the unfree labour of convicts. The Utilitarian Jeremy Bentham is well known for his thoughts upon convict discipline, labour and reform and his innovation of the panopticon. Less well known is Bishop Whately who held a chair in political economy at Oxford University, and who later became archbishop of Dublin and wrote on the Australian penal colony system. In his *Remarks on Transportation and on a Recent Defence of the System in a Second Letter to Earl Grey* published in 1834, Whately deliberated on the problem of convict labour and reformation in ways that were obviously informed by his study of political economy. There was for him a basic conflict between the free pursuit of self-interest at the heart of Classical political economy and the negation of self-interest as part of the convict's punishment.

Whately is worth looking at briefly because of the way he so

¹²⁴ Low *Dissertation* p 164.

¹²⁵ *Singapore Free Press*, 25 July 1851.

¹²⁶ *Straits Times* 15 June 1852; *Straits Times* 3 July 1855; *Singapore Free Press*, 6 November, 1856.

clearly spelt out the problem of free versus unfree labour. The problem for 'a Governor of one of our penal Colonies', Whately wrote, is the 'accomplishing [of] two distinct and in reality inconsistent objects; - to legislate and govern in the best manner with a view to 1st. the *prosperity of the Colony* and also 2ndly. the *suitable punishment of the Convicts*[sic]. Calling convicts 'slaves...for after all it best to call things by their true names' he gives the standard argument of political economists against 'slave labour' (as he calls convict labour) that it 'is the least profitable; and can seldom be made profitable at all, but by the most careful, difficult, troublesome, and odious superintendence'. The 'most obvious way... of making the labour of the Colony, as advantageous as possible to the Colony, is to make them as unlike slaves as possible...'

To get the convicts to labour as efficiently and enthusiastically as free labour, Whately wrote, their 'masters' (who chose them as part of an assignment system) must give the convicts all 'necessaries and comforts' as well as

favourable and even indulgent treatment; in short to put them in much as possible in the *comfortable situation which free labourers enjoy*, where labour is so valuable, as from the abundance of land, and the scarcity of hands, it must be in a *new* settlement.¹²⁷

The Smithian orthodoxy that new colonies with abundant land must prosper, especially its labouring classes, because of the high wages they receive (and eventually land) here unfolds in a way that is problematic because of the moral condition of this particular labouring class. They are convicts who are in the new colony to receive

¹²⁷Bishop Whately *Remarks on Transportation and on a Recent Defence of the System in a Second Letter to Earl Grey* (London, 1834) p 31.

punishment. But their deprivation of liberty, especially their freedom to dispose of their labour as they wish, makes them an economic liability for the new colony, according to the rules of political economy. Whately worried that indulging the convicts' self-interest - 'keeping them as much as possible in a cheerful and contented state', as Smith-inspired political economy dictated, and as their 'masters themselves..perceive' in order to 'derive most profit from their servants' - may be 'at the expense of connivance at many vices'.¹²⁸

In a similar vein, Raffles came down on the side of Smithian political economy when he legislated during his rule at Bencoolen that convicts' self-interest be engaged. He wrote in 1818 that the 'object of the punishment... must be the reclaiming them from their bad habits' which he doubted previous methods had done. Raffles considered that 'coercive measures are not likely to be attended with success' and suggested instead 'affording inducements to good conduct by holding out the prospect of again becoming useful members of society, and freeing themselves...' Under his scheme 'the privilege of employing their own industry for their own ambition would become an object of ambition, and supply a stimulus to exertion and good conduct...'.¹²⁹ Raffles' faith in the 'improving' character of labour and the commerce it led to, which we looked at in earlier chapters, became redeeming in the case of the convict. He introduced his 'system of industrial training of convicts' into Singapore in 1825 and a few years later it was also introduced to Malacca and Penang.¹³⁰

Under this system the convict was deemed as capable of improvement as any other inhabitant of the Straits Settlements. For this reason, if no other, punishments leaving permanent marks upon the

¹²⁸ Ibid pp 29-30. Whately on the whole was against the convict system in New South Wales. He could not reconcile labour as punishment with the idealised free labour of Classical political economy.

¹²⁹ Raffles to Court of Directors, 1818, quoted in Raffles *Memoirs*, p 298.

¹³⁰ McNair and Bauliss *Prisoners Their Own Wardens* p 10.

body were avoided. As one administrator of convicts in the Straits Settlements recalled: in 'the early days ... it was the common practice of the authorities to brand these life convicts with a hot iron to indicate the character of the crime, and this was in some cases done with upon the forehead... This was very properly put a stop to...'.¹³¹ The same administrator also recalled that, once again, this 'improvement' was not incompatible with profits. He quotes, 'Jeremy Bentham, who once wisely said of prison labour, "It is not the less reforming for being profitable"'.¹³² While convict labour was open to all the objections that slave labour incurred - there was no incentive of self-interest for them to work - once that cardinal rule of political economy was reinstated it could be, in some colonial administrators' eyes at least, morally improving for the individual convict as well as profitable for the colony.

In conclusion, the aesthetic appreciation of labour with which we opened this chapter showed that British colonial administrators 'imagined' Southeast Asia through political economy. It was not separated out from life as a mathematical and dry science but infused even their enjoyment of landscapes. In the light of the rest of the chapter, the 'eye of the economist' surveying the paddy fields can perhaps now be seen as the panoramic view of a people who considered themselves to be at the pinnacle of the economic hierarchy. It was the overview of those who believed they were the fountainhead from which

¹³¹ Ibid p 12. McNair was 'Comptroller of Indian Convicts' in the Straits Settlements from 1857 to 1877. This remark by McNair accords with Foucault's account of the move from destructive, spectacular punishments to ones which concentrated on training and disciplining the body in *Discipline and Punish*. Another remark which also has a very (obviously completely unwitting) Foucaultian ring to it is McNair's quotation from Herbert Spencer 'that experience and experiments have shown all over the world that the most successful criminal discipline is a discipline of decreased restraints and increased self dependence'. McNair and Bayliss *Prisoners Their Own Wardens* p 161. c.f. Michel Foucault *Discipline and Punish* pp 101-139.

¹³² McNair and Bauliss *Prisoners* p 164.

flowed the capital, the enterprise and the organisation which would fertilise, improve and enrich those under their gaze. Part of their enjoyment of the view was based on the belief that they did not have to direct or control the outcome. They let the 'flows' of capital and labour which they imported, tumble down from their elevated origins until they found their own levels.

The 'natural' order of things was observed in racially differentiated pay rates believed to be based on each race's subsistence and customary needs, capacity for labour and level of improvement. Ricardo's theory of comparative costs theorised the unequal exchange of labour in which distance undid the universality of the toiling human body. However many classical political economists were worried by the threat posed to English wages by this unequal exchange because of 'annual inundations' of Irish labourers. But in Southeast Asia where different peoples on different rates of pay had long worked side-by-side the 'divide' between different races proved, in most cases, wider than the Irish sea. Basic wages were set by perceived subsistence and customary needs (although in case of the Chinese their own self-interest was acknowledged to play some part in determining their wages). Different pay rates for permanently different racial features were antithetical to the discourse of improvement; if pay rates were determined by 'permanent' racial features, there was little hope for improvement. Ironically convict labour was seen as 'improving' precisely because it was unfree; although the closer it approximated free labour, the more profitable it was for the colony. For other Asian labourers however, higher wages were not the designated path to improvement. Wages were given, not gained. In British colonial texts, land was more frequently designated as the canvas on which the Asian races could exert themselves to pursue their own betterment. In the next two chapters we will see how the British tried to

simultaneously improve the land, its cultivators and their revenue.

Chapter Five

LAND IN JAVA AND ARGUMENTS FOR ITS TAXATION

Land was an important category in the science of political economy. What Ricardo called the 'original and indestructible powers of the soil' gave extra powers to human labour.¹ The soil produced food or produce above and beyond the needs of those who had grown it. Malthus, not unexpectedly for a clergyman, represented this bonus as a gift from God. He called it the 'inestimable quality in the soil, which God has bestowed on man - the quality of being able to maintain more persons than are necessary to work it'.² God's or Nature's free gifts of air, sunlight, rain and the soil's fertility combined to produce a 'surplus' of agricultural output disproportionately greater than the sum of human inputs such as labour or capital. As Adam Smith put it 'land, in almost any situation, produces a greater quantity of food than what is sufficient to maintain all the labour necessary for bringing it to market.'³ However, while light, air and rain could not be appropriated and were generally speaking freely available to all, the soil could be fenced off and guarded. As society progressed and private property came into being, this agricultural surplus, or at least part of it, became rent, the 'price paid for the use of land'.

¹ David Ricardo *Principles* p 33.

² Thomas Robert Malthus *An Inquiry into the Nature and Progress of Rent and the Principles by which it is Regulated* (London, 1815) p 20.

³ Smith *WM* (l.xi.b.i.) p 162.

Private property gave rise to what Adam Smith called 'the three great orders of society': the landlords, the capitalists and the labourers.⁴ As society progressed and the three great orders arose, so did the respective parts of the economy separate out: rent, profits and wages. Smith recognised that rents would vary both with a land's fertility and its situation (for instance, land near a town could command higher rents).⁵ He suggested that in the long term, rental payments would tend to increase due to the progress of opulence: 'The extension of improvement and cultivation tends to raise it [the rent] directly. The landlord's share of the produce necessarily increases with the increase of the produce'.⁶ He added that the landlord's takings would also tend to increase over time, since all 'those improvements in the productive powers of labour, which tend directly to reduce the real price of manufactures, tend indirectly to raise the real rent of land'.⁷ Since rent was pure agricultural surplus, Smith argued that the landlords are 'the only one of the three orders whose revenue costs neither labour nor care but comes to them, as it were, of its own accord'.⁸

Smith described landlords as men who enjoy an 'indolence which is the natural effect of the ease and security of their situation renders them too often, not only ignorant, but incapable of that mind which is necessary in order to foresee and understand the consequences of any public regulation'.⁹ Despite this, Smith saw landlords as necessary to the 'progress of society'. Despite their indolence as a class, their investments in agricultural improvements made the increase of profits

⁴Smith *WN*(I.xi.p.) p 265.

⁵Smith *WN*(I.xi.b.4) p 163.

⁶Smith *WN*(I.xi.p.2) p. 264.

⁷Smith *WN*(I.xi.p.4) p 264.

⁸Smith *WN*(I.ix.p.4) p 265.

⁹Smith *WN*(I.xi. p. 8) p 265.

and wages possible. Society would grow wealthier and the population would increase. With the increased population, the demand for food would rise and thus the demand for land. The landlords would accrue the bulk of this windfall but it was a natural part of the 'progress of improvement'.¹⁰

British proprietors of land in Southeast Asia in the early nineteenth century tended to overlook Smith's depiction of the landlord class as 'indolent' and 'ignorant' and instead emphasised the connection he had made between landlords and 'improvement'. Landed British colonists depicted themselves as improving the land through their industry. Indeed they often reasoned that it was their industry which enabled them to possess whatever land they had. This chapter will first look at Raffles' efforts to extract revenue from the land of Java on behalf of the East India Company while the last chapter will consider later claims to land elsewhere in the archipelago which were often made in defiance of the Company. Both sides, Company and non-Company, claimed to be part of a long line of 'improvers' who earned property in the soil by their labour. We will see in this chapter that morality and religion, both Christian and Islamic, were entangled in such claims to land. God's gift of the agricultural surplus was believed to belong to his earthly representative according to some notions of Islamic sovereignty. Christian morality was part of a long English tradition in which land-ownership was seen as the reward for 'improvement' - transforming the land through one's labour - which in this chapter is traced back to Locke (although many others beside him contributed to this tradition).¹¹ British colonists fused political economy with vaguely Christian notions of 'just deserts' and even vaguer notions of Islamic

¹⁰ William J. Barber *A History of Economic Thought* (London: Penguin Books, 1967) p 44.

¹¹ For this tradition in the form of popular protest against tithes as well as formal philosophical tracts going back to the Twelfth century see Laura Brace *The Idea of Property in Seventeenth Century England: Tithes and the Individual* (Manchester: Manchester University Press, 1998).

precedents in their claims to the soil.

THE LABOUR THEORY OF PROPERTY

Writing a century before Smith, Locke had argued in systematic fashion for the ancient bonds between labour and property, especially property in land. A desire to establish the moral legitimacy of the land owning classes after the English revolution led Locke to argue for the justice inherent in private property.¹² In his influential *Second Treatise of Government*, Locke's chapter on property presented labour as legitimising the enclosure and possession of land. In his *Treatise* Locke defined property in terms of labour. Property begins with that most fundamental property of all: the property 'every man' has in his own 'person':

This nobody has any right to but himself. The 'labour' of his body and 'work' of his hands, we may say are properly his. Whatsoever then he removes out of the state that Nature hath provided and left it in, he hath mixed his labour with it...and thereby makes it his property.¹³

Labour made the 'common' bounty of nature into the property of one individual, the labourer. Locke asked what it is that made the apples that fall on the ground in the woods the property of the man who gathers them: is it his gathering them or his taking them home or his eating them? To Locke,

it is plain, if the first gathering made them not his, nothing else could. That labour put a distinction between them and common.

¹² Ronald Meek, *Studies in the Labour Theory of Value* (New York: Monthly Review Press, 1956) p 21.

¹³ John Locke *Two Treatises of Government* (London: J.M. Dent & Sons, 1984) p 130.

That added something to them more than Nature, the common mother of all, had done, and so they became his private right.¹⁴

As an agrarian capitalist and improver, Locke was particularly interested in land as a type of property. Despite being an absentee landlord, he was preoccupied with agricultural economics. His fellowship of the Royal Society brought him into contact with many other eminent 'improvers' and throughout his adult life he corresponded on husbandry and gardening, exchanging seedlings, cuttings and advice. His language echoed that of the 'agricultural improvers'. He emphasised labour and cultivation to achieve transformation, the domination of man over nature and to overcome the sin of idleness.¹⁵

The language of enclosure in particular, was central to his theory of property. Locke saw improving labour as not only justifying the appropriation of property but actually creating that property. Locke was opposed to common land on the principle that land should be used to its 'utmost worth'. Common lands, in Locke's eyes were the equivalent of waste lands and so were incompatible with God's purposes: 'it cannot be supposed he meant it should always remain common and uncultivated. He gave it to the use of the industrious and rational.'¹⁶ The entitlement of the improvers to property in land by 'the will of God' himself' was based on 'virtue and desert'. Faith joined with labour to create individuals who realised a Christian aspiration of 'improving' themselves, through labour, along with the land.¹⁷

As secretary to the Council of Trade and Foreign Plantations¹⁸,

¹⁴ Ibid p 130.

¹⁵ Brace *The Idea of Property* 161.

¹⁶ Locke *Two Treatises* p 132.

¹⁷ See Brace on how 'the discourse of Improvement brought together the...religious and the economic' in Locke. *The Idea of Property* pp 162-163.

¹⁸ W. S Carpenter Introduction to Locke *Two Treatises of Government* p vii.

Locke was well aware that land had been acquired by the English in foreign lands. Locke used the example of 'America' to postulate about the 'state of nature' but he also used it to incorporate colonization into his theory. The English have a right to land in America he implied because it is underpopulated and under-used. Therefore it 'is still a pattern of the first few ages in Asia and Europe, whilst the inhabitants were too few for the country'.¹⁹ In underpopulated countries land is not used to its 'utmost worth' - much of it goes to 'waste'. An increased population is in keeping with God's plan that humanity should utilise the entire earth. Not only are there not enough American 'Indians' to populate the land but they are not part of the global cash economy and their land is still 'in common'. Money and private property are not known to such isolated peoples at such a low stage of development. Therefore their land is there for all humanity (including the English) to take.²⁰ As the 'Indians' do not trade with the rest of the world, surplus produce cannot be sold and even an English family taming the American wilderness, cannot realise a return on any surplus food they produce. In consequence, they take no more land than is absolutely necessary to their needs. To take more than this: 'It would not be worth the enclosing'.²¹

Following on from Locke, Smith also assumed that it was best to use land, and indeed all resources, to their utmost. Like Locke, he also assumed that labour gave industrious settlers claim to the 'new lands' in colonies where the few indigenous inhabitants 'easily' made way for the colonists. In such lands, prosperity for the new settlers was assured:

¹⁹ Locke *Two Treatises* p 171.

²⁰ *Ibid* pp 138-139.

²¹ *Ibid* p 140.

The colony of a civilized nation which takes possession, either of a waste, or of one so thinly inhabited, that the natives easily give place to the new settlers, advances more rapidly to wealth and greatness than any other human society.²²

This rapid advance is also helped by the way that the 'colonists carry with them a knowledge of agriculture and other useful arts, superior to what can grow up of its own accord in the course of many centuries among savage and barbarous nations'. This along with 'the habit of subordination...regular government ...and... administration of justice' are benefits they bestow upon the indigenous inhabitants. Smith acknowledges that the act of colonization can sometimes wreak violence upon the indigenous people. But even 'the violent and arbitrary government of Spain' was justified by the progress they introduced to their American colonies. By introducing draught cattle, the plough and the use of money and iron 'the Spaniards' atoned for their 'cruel destruction of the natives' in 'Mexico or Peru'.²³ The progress and improvement (including racial improvement) introduced by the Spaniards gave their 'cruel' conquest a moral legitimacy in Smith's eyes:

[T]hese two great empires are probably more populous now than they ever were before: and the people are surely very different; for we must acknowledge, I apprehend, that the Spanish creoles are in many respects superior to the antient [sic] Indians.²⁴

Smith deviates from Locke in saying that the colonist gets 'more land than he can possibly cultivate'. Instead of limiting the amount of

²²Smith *WN*(IV. viii.b.1) p 564.

²³Smith *WN*(IV. vii.b.7) p 566.

²⁴Smith *WN*(IV. vii.b.7) p 566.

land he claims to only that which he and his family can work, as Locke's colonist does, Smith's colonist is in a very good position to hire people to help him work his abundant land. There is no rent charged on the over-abundant land of the new country. Since 'He has no rent and scarce any taxes to pay'²⁵ the colonist can employ labourers to help him. He can pay them so liberally, that they soon become land lords themselves and they, in turn, can employ other labourers. The demand for labour keeps wages high while the abundant resources keep profits up.²⁶

This notion that in a new colony land is so abundant that rent cannot be charged on it was used by the Straits merchants to fight land-taxes imposed by the East India Company. One part of Smith – the part in which he sees rent as arising naturally with the rise of private property – was pitted against another part of Smith which saw rent as inappropriate in new colonies. As we shall see, in some ways the East India Company represented rent as arising naturally from the 'property' they created in the land (albeit complicated by such things as their need for state revenue, and their citing of Mughal precedents and customary land rights). In contrast, the British merchants of the Straits Settlements and their spokesman Crawford saw the Straits Settlements as perpetually 'new' colonies. The lands of Singapore, Malacca and Penang in the first half of the nineteenth century were depicted as underpopulated and impossible to cultivate to the point where they would yield a surplus. However before we get to these arguments which were used against the notion of 'rent', particularly when it was paid to the East India Company, let us first look at the arguments in favour of 'rent' being paid as revenue to the Company. Raffles, when he took over Java, introduced such a rent and wrote long papers justifying this action. As we will see, the moral superiority of his revenue scheme was

²⁵Smith *WN*(IV.vii.b.2) p 565.

²⁶ Smith *WN*(IV.vii.b.3) p 565.

stressed by Raffles to a degree that makes it an example of an economic 'discourse of improvement' *par excellence*.

RAFFLES, LABOUR AND LAND

In a lengthy passage in the *History of Java*, Raffles quotes at length his patron and mentor, the Governor-General of India, Lord Minto, regarding land in Java. After the conquest of Java, before he returned to India, Minto encouraged Raffles to establish a new system of raising revenue in place of pre-existing Dutch duties, forced deliveries and compulsory labour. Raffles quoted Minto's presentation of the new taxation system as a moral imperative incumbent on the British. They were to reestablish the natural Lockean link between labour and land. In the words of Minto (as quoted by Raffles):

The principle of encouraging industry in the cultivation and improvements of lands, by creating an interest in the efforts and fruits of that industry, can be expected in Java only by a fundamental change in the whole system of landed property and tenure... fixed and immutable principles of the human character and of human association, assure me of ultimate, and I hope not remote success, in views that are consonant with every motion of action that operate on man, and are justified by the practice and experience of every flourishing country in the world.²⁷

This passage makes clear the link which existed in Minto's and Raffles' minds between labour and land. A 'fundamental change in the whole system of landed property and tenure', they hope, will encourage 'industry' in the 'improvement of lands'. Interestingly, these words reverse Locke's cause and effect. In Locke, labour created property. In

²⁷ Quoted in Raffles *History* I, p 153.

Minto, it is property which will encourage labour. Giving people property in the land will give them 'an interest' in the 'fruits' of their own industry. In other words, it will give them a reason to keep on labouring.

Labour, which in Locke secured property, becomes here an unassailable good to be aimed at, seemingly for its own sake. Not quite just 'for its own sake': a regular labouring force, of course, was good for the revenue of the English East India Company. The more land that was cultivated, the more land-revenue would accrue to the Company. British capital would also benefit from Javanese society being drawn into the international economy by way of export crops. A well-organised labour force would produce higher profits for British investors, giving them better returns on the capital they had invested in Southeast Asian plantations and mines. But generally these reasons are seldom mentioned in the writings of Raffles and other colonial administrators. For the most part, land and the labour it encouraged were not connected to profits but to 'improvement'.

It was not only the Javanese who needed the link between labour and land reinforced. The Dutch were also represented as not having 'laboured' hard enough in their administration of Java to deserve to keep it. Raffles quotes his chief land commissioner, Colonel Colin Mackenzie, a land-surveyor from India who had come to Java as an engineer in its military conquest and stayed on to help investigate what sort of land reforms should be implemented. Mackenzie represented Dutch administration as generally lax. Raffles quotes Mackenzie on the Dutch practice of leaving 'the whole of the details' of how much to tax Javanese cultivators to 'the native administrators' and he includes Mackenzie's suggestion that it may have been caused by Dutch 'indolence'. Raffles implies that the Dutch have lost their 'property rights' to Java for very Lockean reasons. Locke's emphasis on industriousness giving people (especially European colonizers) a

divinely sanctioned right to new lands is here given its negative counterpart: the Dutch through their neglect and indolence have lost their right to Java. Locke's emphasis on 'improvement' is more than matched by Raffles' emphasis on the same. Raffles implies the Dutch are as bad as the 'Native' government, whom he describes as 'an indolent Government, who pursue no plans of internal improvement wherein labour would be required...'.²⁸ Through their industrious pursuit of improvement the British have earned their moral right to Java. Compared to the British, neither the 'Native Princes' nor the Dutch deserve to keep it.

RAFFLES' MINUTES ON LAND

Raffles' most detailed statements on land and land revenue are to be found in two long Minutes he wrote outlining his land reforms in Java for the the East India Company's Board of Directors. Both called 'Substance of a Minute on Land Reform', the first minute was written in 1813 and the second in 1814.²⁹ Both Minutes are appeals to the Board to approve his suggested reforms. Both use economic discourse as a tool of persuasion, infusing it with the rhetoric of improvement and moral justification. In them Raffles presents his reforms as both 'an improvement in the revenue of the state, [and] as promoting the civilization and happiness of the people'.³⁰ Indeed sometimes the

²⁸ T.S. Raffles *Substance of a Minute recorded by the Honourable the Lieutenant Governor of Java, on the 11th February 1814 on the Introduction of an Improved System of Internal Management and the Establishment of a Land Rental on the Island of Java: to which are Added Several of the Most Interesting Documents Therein Referred To* (London, 1814). Appendix One: 'Substance of a Minute recorded by the Honourable the Lieutenant Governor of Java, on the 14th June, 1813' p 254. Unless otherwise stated, hereafter the title *Substance of a Minute* refers to Raffles' 1814 Minute (to which the 1813 Minute was appended when it was published, along with several other appendices).

²⁹ Although the titles of each minute would lead one to think they contain only the 'substance' of longer minutes which exist elsewhere, there are, as far as I know, no such longer minutes. In each case, the 'substance' is also the original and complete minute in itself.

³⁰ Raffles *Substance of a Minute* p 254. See also p 270 and p 276 for similar sentiments.

revenue element disappears altogether and Raffles presents the 'sole object of the present Government' as the 'simple desire of doing what was just and good'.³¹

Raffles plays down the monetary benefit to the Company of his reforms. The real aim of all revenue systems is obscured behind a thicket of moral justification. He makes it clear that the Company's financial gain runs a distant second to the moral and material improvement of the Javanese. In his 1814 minute he took direct issue with a Dutch administrator of the island who blatantly stated '*that every Colony does or ought to exist for the benefit of the Mother-country*'.³² In his Minute, Raffles quotes these words to disagree with them and to prove that the colony's and the 'mother-country's' interests can be the same. Raffles presents the payment of revenue by the Javanese to the British as a mutually beneficial transaction in the Adam Smith tradition. Both parties will gain by it. Neither *Substance of a Minute* detail how the revenue will be spent on Javanese welfare.³³ What the revenue is spent on is not Raffles' primary consideration. Rather it is the very methods by which the revenue is raised and collected, that will benefit the Javanese so much.

That the manner by which the Javanese will gain is not very clear is perhaps an indication that he is trying to link two very different and ultimately incompatible things: an increase in the Company's revenue and an increase in the welfare of the people paying that revenue. He admits that his assertion that an 'increase [in revenue] could be connected with an improvement in the state of the population' raises

³¹ Ibid p 78.

³² 'Minute Recorded by Mr Muntinghe, Member of Council, on the 26th of July, 1813' in Raffles *Substance of a Minute* Appendix Two: Mr Muntinghe's Minute p 280.

³³ The only mention of how it will be spent is when Raffles makes a passing reference to the collected revenue being spent on the 'rights, influence and authority of the European power' which is paid for 'from those resources which constitute the profits of the Mother-country'. Raffles *Substance of a Minute* p 15.

the 'question, what proportion of the one might be reasonably given up for the other'. But he immediately reassures his reader that under his administration there is no competition between 'the profits of the Mother-country' and 'improvement of the population'. Both have improved simultaneously since he introduced his reforms:

Fortunately, however in the present instance, the change has been highly productive to both...while the people have been released from arbitrary and vexatious imposts, and are secured in the enjoyment of the fruits of their labour, the public revenue is augmented, in a degree much beyond what was contemplated at the time of introducing the change of system.

Indeed, now that the British administration is dependent on land revenue, the sovereign and its subjects' interests have become aligned in a way of which would have warmed the heart of Adam Smith: 'We have obtained an actual and immediate interest in the financial prosperity of Java; we require that its resources should be called forth to relieve the British Government from expense in retaining it...'.³⁴

British India is a recurring example in Raffles minutes. Raffles reminds the board of directors that 'it can never be inconsistent with the principles of good government or of British authority, to have introduced here those rights and benefits, which have so rapidly improved the situation of British India'.³⁵ This slightly hectoring reference to British India by Raffles is repeated throughout his Minute.³⁶ He is constantly reminding his intended readers, the Company Board, what is expected of 'good government' and 'British authority',

³⁴ Ibid p 16.

³⁵ Ibid p 16.

³⁶ For other references to British India as the model for the new land system in Raffles' 1814 *Substance of a Minute* see p 12, p 85, p 114 and p 171.

even as he flatters their achievements in India. He argues for the justice and rightness of his chosen land revenue system by frequent reference to the justice and rightness of the Indian original. He implies that if the Company has acted correctly in India they are naturally bound to do the same in Java. The 'experience that has been derived in every part of British India and a review of the present situation of the inhabitants of Java' he says, show that both will improve under the proposed system, because:

Mankind are the same in both; and there can be no reason why the removal of restraints upon commerce, and of bondage, which blunts every motive to exertion and improvement, should not be equally followed by wealth, prosperity and happiness among the people.³⁷

At this point it is necessary to point out that the two major studies of Raffles' land reforms in Java, by Bastin and Wright, both assert that land tenure systems in British India had little influence on Raffles. The major study of Raffles' 1814 *Substance of a Minute* on land reform in Java is John Bastin's book *Raffles' Ideas on the Land Rent System in Java and the Mackenzie Land Tenure Commission*. Bastin accepts Raffles' professed 'surprise' after he left Java when he learned from a copy of the Fifth Report – the comprehensive review of the Company's agrarian policies in India of 1812³⁸ – which had just fallen into his hands, 'that he had hit upon the principles of the Ryotwari settlement by accident... The truth of the matter seems to be that although he visited Bengal, Raffles knew little of the details of the

³⁷ Raffles *Substance of a Minute* Appendix One: 'Substance of a Minute recorded by the Honourable the Lieutenant Governor of Java, on the 14th June, 1813' p 269.

³⁸ Burton Stein (ed) Introduction *The Making of Agrarian Policy on British India 1770-1900* (Delhi: Oxford University Press, 1992) p 1, p 4.

revenue system of British India...'.³⁹ Wright, in his book on *East Indian Economic Problems in the Age of Cornwallis and Raffles*, like Bastin, also concludes that 'Unfortunately Raffles was unable to draw much on the experience of British India, but had to learn everything for himself from his own experiments'.⁴⁰

As we have seen, however, Raffles referred several times to British India as his model. That he did so in fairly vague terms might suggest that Bastin and Wright are at least partially correct in their claims that he had limited technical knowledge of the land systems being imposed in India (although perhaps it was more than they claim). It may be that Raffles' land commissioners, most of whom were old India hands, framed their findings in such a way that a system very like one already practised in British India was suggested to their superior, Raffles.⁴¹ His 'surprise' when he later read about the Indian systems in detail may have arisen because they respectfully resisted informing him of the exact details of the original. However even if Raffles possessed a

³⁹ Bastin *Raffles' Ideas on the Land Rent System in Java and the Mackenzie Land Tenure Commission* (S-Gravenhage, Martinus Nijhoff, 1954) p 180. Bastin also dismisses the notion that ideas about land revenue in British India could have been transmitted via a Dutch reformer, Van Hogendorp, who had suggested a vaguely ryotwari-like plan based on British India, which had been read by Raffles before he ruled Java. In this case also, Bastin accepts Raffles' later profession of amazement in 1815 at the 'extraordinary coincidence' between their views. Bastin *Raffles' Ideas* p 150.

⁴⁰ H.R. C. Wright *East Indian Economic Problems of the Age of Cornwallis and Raffles* (London: Luzac and Company Ltd, 1961) p 98. Wright is more willing than Bastin to consider that Indian ideas may have reached Raffles via the Dutch. However Wright suggests the Dutch knowledge of Indian land-tax systems was too vague to provide much practical guidance to Raffles. Wright, *East Indian Economic Problems* p 65, pp 34-35, p 47, p 55. Raffles himself cites the Dutch regard for British India as the model for profitable taxation systems based on land. (Raffles *Substance of a Minute* p 12). Raffles' Minute has an appendix which Muntinghe, wrote in support of Raffles' reforms. Muntinghe recounts that the Dutch colonial establishment, before the British take-over had considered copying land systems in British India to relieve their mounting debt. Raffles *Substance of a Minute* Appendix Two: Mr Muntinghe's Minute p 282.

⁴¹ Members of the Javanese administration such as Crawford, Andrew Murray and Charles Assey (Raffles' 'Chief Secretary') for example had been members of the Indian medical service in Bengal before coming to Java. D.G. Crawford *A History of the Indian Medical Service 1600-1913 vol II*, (London: Thacker and Co, 1914) pp 129-130.

highly specialised knowledge of Indian land systems, it would not have served his purpose to display it in either Minute. When he does mention British India it is for rhetorical reasons.

As part of his endeavour to convince the East India Company to impose a land revenue system in Java, as they had in India, he highlighted certain conditions shared by both countries which were necessary for the imposition of a land tax. For example Raffles went to some lengths to establish the existence in Java as well as India, of the most important condition necessary for a land-tax - a preexisting *dawani* - the customary right of Muslim rulers to collect tribute in kind. The land tax as tribute was a sacred, royal right assumed by the British in both India and Java. Scattered throughout Raffles' and others' commentary on Java we can piece together explanations which make explicit the logic by which Europeans linked Muslim rulers to revenue raised from the land.

All Muslim sovereigns, it was believed, enjoyed a sacred status which entitled them to God's gift from the soil, the surplus. Raffles and others described this mystical link between the sovereign and the soil as a feature which Europeans adopted from the Muslim religion. As a global survey of 'primitive' property systems, written in the latter half of the nineteenth century, says in relation to Java:

By virtue of the principles of the Koran, accepted in all Mohammedan countries, the sovereign possesses the eminent domain. He is the true and only proprietor; and by this title, he levies the taxes in kind which represent rent, and exacts the corvee. 42

42 Emile de Laveleye *Primitive Property* (trans by G.R.L. Marriott) Reprint: Fred B. Rothman & Co, Littleton, Colorado, 1985) Orig: London, 1878, p 44. De Laveleye is here discussing Java, for which he uses Raffles' *History of Java*, as well as many Dutch accounts. He finds its land systems similar to those in Russia. Ibid p 44, p 47, p 50.

In the session of 1866-1867 a member of the Chamber of Representatives in Holland expounded the concept of property in Java, 'according to Asiatic and Mohammedan' ideas': 'The soil belongs to the creator, God, and, in consequence, to his earthly representative, the Sovereign'.⁴³ The free gift of God, the surplus produced by the soil (in combination with the rain and sun), over and above the human labour put into it, belonged to the state because as God's earthly representative, they possessed that soil. As Raffles put it: 'the Government' had a right to 'that Revenue from the people, or in other words, that proportion of the crops to which, as Lords of the soil, they had an indisputable claim'.⁴⁴

In India, the East India Company had taken over the revenue-collecting functions of the Mughal empire which preceded them. The 'Nawab of Bengal' in 1765, had 'by royal grant' conferred on the East India Company the *diwani* or right to collect taxes, especially land-tax or rent from the cultivators in Bengal, Bahar and Orissa.⁴⁵ The British in India, while downplaying the religious element in their acquisition of the right to collect the soil's surplus, stressed the legal rights which grew out of it. By virtue of treaty or conquest, they acquired a legal right to that portion, even if they disowned its original religious basis.

The English acquisition of the *diwani* was also presented as a continuation of the English philosophical tradition of a contract between the people and the government. Locke, who we saw was important in establishing the idea of property through labour, had also contributed to the notion of government by contract. In Locke's formulation a 'civil contract' was implicitly agreed upon whereby the

⁴³ Quoted in de Laveleye *Primitive Property* pp 52-53.

⁴⁴ Minute by Raffles, February 18, 1814, Gillespie Charges, appendix G, p 204 quoted in John Bastin *Raffles' Ideas* p 92.

⁴⁵ Walter Kelly Firminger (ed) *Affairs of the East India Company. The Fifth Report from the Select Committee of the house of Commons, 28th July, 1812* (Reprint: Delhi: Jeeraj Publishing House, 1984) vol 1, p 3.

people gave up a portion of their freedoms in exchange for the government's protection.

Raffles quoted a version of this story in his *History* when he said:

The basis of civil communities is incontrovertibly the sacrifice of a part of the liberty, rights and even property of each individual, for the enjoyment and security of the remainder; and this remainder, when fixed, forms the civil freedom and privileges of such a community.⁴⁶

In discussions about revenue people gave up a portion of the fruits of their labour in exchange for the government protecting them and their property.⁴⁷ Raffles described 'the first clearers of the land' in Java as owing the government 'due tribute of a certain share of its [the land's] produce *for being well governed*' [my italics]. He goes on to say, this created a mutual obligation on the part of the government. After the tribute was 'paid to the sovereign power', that sovereign 'in return, was equally bound not to disturb them or their heirs in its possession'.⁴⁸

Frequently both justifications were used to prove the right of the British to collect revenue in India and in Java under Raffles: it was a right which they acquired from the previous Muslim rulers and in upholding it, they were upholding the indigenous traditions and customs of the people. But customary sources of revenue inherited from Asian sovereigns (who were commonly regarded by the English as despotic and arbitrary) were also legitimated by the ongoing act of governance. Both Raffles' Minutes, for example, stress that the people pay revenue for

⁴⁶ Raffles *History* I, p 226.

⁴⁷ Dipesh Chakrabarty *Provincializing Europe: Postcolonial Thought and Historical Difference* (Princeton: Princeton University Press, 2000) p 230.

⁴⁸ Raffles' Revenue Instructions, February 11, 1814, quoted in John Bastin *Raffles' Journals* pp 193-4.

being well-governed. Indigenous tradition was sanctioned by present action which bettered the people. It put the British right to native revenue on firm moral, as well as legal, grounds.

The historian, David Wong, has suggested that the notion of the Muslim sovereign as despotic, universal landlord may have been a convenient fiction by the British in the Malay case: 'what the Sultan had the power to do, the British... could do in his name' including granting and resuming his lands and making new land laws.⁴⁹ For these reasons Raffles' chief land commissioner, Colonel Colin Mackenzie needed to establish the existence of a Javanese equivalent of the Indian diwani. Raffles quotes Mackenzie's 1812 finding that both 'Natives as well as Europeans' in the course of his survey 'constantly reported... that the right of property has been invariably considered solely in the Sovereign or state'. The right of the British government to simply take over the diwani of the preexisting Mughal sovereignty rested on the idea that the universal land lordship had been ceded along with the districts 'ceded by the Native Princes' in Java.⁵⁰

Another feature shared by both India and Java which would have encouraged Raffles to develop a revenue system based on land rent, was

⁴⁹ This historian, David Wong, is talking about 'British Malaya' later in the nineteenth-century but what he says seems to have resonance for the early nineteenth century British India and Java. According to Wong, in the indigenous Malay system of land tenure the 'Sultans and territorial chiefs had established areas of settlements...the powers of the Sultan and chiefs should more accurately be defined with reference to the localised communities or settlements than in terms of any paramount ownership in the settled lands.' The British, he says, needed 'an absolute monarch...in whose name' they could rule. 'whatever was the exact position under the indigenous system of land tenure, it was simply taken for granted that all lands in the State must belong to the Sultan'. If the Sultan was regarded as the absolute owner of all lands in his State, it followed that British were too. David Wong *Tenure and Land Systems in the Malay States* (Singapore University Press, 1975) pp 25-26.

⁵⁰ On the basis of the Mackenzie Commission findings, Raffles found that 'the right of Government to assume the lands is so clearly established it appears to me surprising that the Dutch Government should have so long overlooked an object of such essential and preeminent importance'. Raffles *Substance of a Minute* Appendix One: 'Substance of a Minute recorded by the Honourable the Lieutenant Governor of Java, on the 14th June, 1813' p 263. See also p 256.

that both countries were largely agrarian. As Raffles said in his *History* 'The island of Java is a great agricultural country, its soil is the grand source of its wealth'.⁵¹ At this point, Raffles was still trying to convince the East India Company (or perhaps the reinstated Dutch administration) that Java's soil could be a source of wealth for them too. Raffles' *History* depicted the Javanese as the perfect subjects for raising revenue through land-taxes. They are innately agricultural, their soil is fertile and their cultivation stupendously productive. They are used to large imposts and they are reluctant to run away to avoid paying them because of their attachment to their ancestors' tombs.⁵² Given this view of both India and Java as essentially agricultural countries, it made sense to tax the largest class in each, the peasant-cultivator. Especially since in both countries, a growing ideology of free trade made it harder for the Company to tax the merchant classes. As Eric Stokes says of nineteenth-century India 'Given the pressure for free trade from European mercantile interests there could be no question of easing the burden of taxation on the land by a system of high revenue tariffs on internal and external commerce'.⁵³

Despite his references to the precedent of British India, Raffles was also at pains to establish that his reforms would not leave the Company open to the criticisms which their revenue-raising in India aroused. Upon acquiring the *diwani* in India the Company initially had continued with the Mughal tradition of hiring out the rights to 'farm' the land revenue to the highest bidder. These native 'revenue farmers' were soon accused of corruption and venality and the Company was accused of farming out its responsibility to protect the most vulnerable members

⁵¹ Raffles *History* I p 106.

⁵² *Ibid* I, pp 136-143, p 149, p 247, p 301, p 305.

⁵³ Eric Stokes 'The Land Revenue Systems of the North-Western Provinces and Bombay Deccan 1830-80: Ideology and the Official Mind' in Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p 86.

of Indian society. A stronger moral claim to the surplus of the peasants' labour, was needed. This was particularly pressing after a series of famines in India in the eighteenth century sparked charges at home that the Company's harsh tax-regime was responsible. Charging the East India Company with corruption and destruction became popular in late eighteenth-century England. Adam Smith's *Wealth of Nations* was just one of many publications which drew attention to the Company's acquisition of wealth at the expense of the natives.

To raise the East India Company's moral standing to a level more appropriate to a British institution, changes were made. A Parliamentary Board of Control was set up in London to watch over the activities of the East India Company. Colleges such as Haileybury and Addiscombe in England and Fort William in Calcutta were established to train a civil and military service who would have both the 'learning' and 'moral discipline' to carry out an 'enlightened policy toward the Native Subjects of British India, to improve their moral condition and to diffuse the happy influences of Christianity throughout the Eastern World'.⁵⁴ The Company stopped farming out the collection of its revenue and instead developed more direct systems of collection. In Java, Raffles was similarly concerned about the abuses associated with the way the previous Dutch administration had farmed out the collection of toll-gate and other duties on the 'interior trade of the country' to the Chinese.⁵⁵ Describing the Chinese as 'cunning', 'corrupt and extortionate' and 'abhorred' by the Javanese, Raffles abolished the internal duties the Chinese collected and tried to relieve them of all

⁵⁴ F. C. Danvers, M. Monier-Williams, S.C. Bayley, P. Wigram, B. Spate and Many Contributors *Memorials of Old Haileybury College* (London: 1895) Appendix III 'Prospectus of the College issued in 1806', p 251. On Fort Williams see David Kopf *British Orientalism and the Bengal Renaissance: the Dynamics of Indian Modernisation 1773-1835* (Los Angeles: University of California Press, 1969)

⁵⁵ Raffles *Substance of a Minute* p 18.

other tax-collecting duties.⁵⁶

In short, Raffles suggested that Java, like British India, offered a diwani which the British could assume; both countries had largely agricultural populations to pay a land tax; and they also shared previous corrupt revenue 'farming' systems which needed to be overhauled. But which system was Raffles referring to, which he believed had 'so rapidly improved the situation in British India'? By the time he wrote his Minutes there were several competing systems in India, each with their advocates on the Board of Directors (the Company executive) and the Board of Control (the British Parliamentary committee which oversaw the activities of the Company). We shall briefly look at these land systems - not only to determine which one Raffles preferred but also because, as we shall see in the next chapter, certain Indian land systems were also preferred by the merchants of the Straits Settlements.

LAND REVENUE SYSTEMS IN BRITISH INDIA

When Raffles wrote his Minutes, there were two main land tax systems in India: collection through Indian intermediaries known as *zamindars* and collection directly from the peasant-cultivator, the *ryots*. Both systems required the formation of codified land titles, but they diverged on whom the titles should be bestowed and for how long. Both systems were also claimed by their respective advocates to be improving the condition of the land and the peasant-cultivator. The *zamindar* [*zeminda*] system, which was the first to be implemented, with Cornwallis' 'Permanent Settlement' of Bengal in 1793, bestowed the land title on a class of native landlords known as zamindars. It was a 'permanent settlement' in that the the East India Company Government fixed its share of the revenue 'settlement' in perpetuity, at a

⁵⁶ Ibid p 26, pp 50-51, pp 135-136.

'permanent' level forever.

Cornwallis realised that by fixing the state's share forever, the zamindar's share would proportionally increase as society progressed. He purposefully awarded them this benefit in order to produce a stable class of large landowners who would improve the land. The zamindars were equated with the 'gentleman farmer' then a 'central figure in the English agrarian scene...it was his capital that was invested in the land, his enterprise made it productive, and often his inventiveness that provided it with new techniques'.⁵⁷ It was acknowledged that some zamindars might grow wealthy by extracting a large portion of the revenue they collected, before passing what was left onto the Company. But, it was hoped, they would reinvest this wealth in the soil, ploughing it back into their farms as technological improvements. This would benefit Indian society overall, helping the peasant or *ryot* rise in the scale of civilization as society progressed.

But rather than becoming the much-hoped-for class of improving landlords, the zamindar came increasingly to be seen as a parasitic loafer. Even more horrific: 'The zamindars' income from the land increased beyond all proportion to what the Government earned from the same source...'. It could not even be justified as a material loss for a moral gain, for as the population increased farm labourers' wages or their equivalent fell and the position of the peasantry seemed more precarious than ever. To its critics, the zamindar was the clear beneficiary of the permanent settlement, at the expense of the peasant

⁵⁷ Ranajit Guha *A Rule of Property for Bengal: an Essay on the Idea of Permanent Settlement* (New Delhi: Orient Longman, 1982) p 105. Guha also argues that the fixed nature of the leases given to the zamindars was a result of the physiocrat influence on the architects of the Permanent Settlement particularly Philip Francis. Stokes, on the other hand, emphasises the Benthamite ideal of 'simplicity' and minimum government interference as the chief reason for permanently limiting the State revenue on the land. Guha *A Rule of Property for Bengal* pp 124-125; Stokes *English Utilitarians and India* (Oxford University Press: London, 1959) p 5.

and the Company.⁵⁸

Despite Bastin's and Wright's claims to the contrary, Raffles does show some knowledge of Indian precedents in his Minutes. For example, in his 1814 Minute he quotes Crawford (who had probably gained some familiarity with Indian land systems during his time with the Bengal medical service) that: 'The occupant in Java possesses no fixed or unalienable rights to the soil, as in Bengal, but may on the contrary be deprived of his possession at the pleasure of the landlord'.⁵⁹ He also seems to be aware of the objections which have been raised against the permanency of the Bengal Settlement. To 'prevent the manifold and obvious objections against a perpetual settlement' he says, his land revenue arrangements will be 'temporary...for a period not exceeding three years certain'.⁶⁰

To overcome the perceived flaws of the zamindar system, a rival system had been implemented in India which centred around the peasant-cultivators, the *ryots* Munro (with the backing of utilitarians, including James Mill in the India Office) advocated the *ryotwari* [*raiyyatwari*] system, meaning a temporary revenue settlement with cultivators, based on periodic assessments of land, and annual assessments of land-use. This was advocated in the influential Fifth Report on the Company (1812) and applied in south and western India. Ryotwari official thinking 'attached prime importance to the protection of the small man' and obliged the state in its capacity as tax-gatherer to deal directly with a large number of small farmers⁶¹. By cutting out

⁵⁸ Guha *A Rule of Property for Bengal* pp 124-125.

⁵⁹ This repression was made even worse by the immobility of the Javanese. Despite his lack of rights, the Javanese would only 'quit an oppressive landlord' as a last resort given their attachment to the 'tombs of their ancestors'. Raffles *Substance of a Minute* p 85.

⁶⁰ Raffles *Substance of a Minute* p 268.

⁶¹ William J. Barber *British Economic Thought and India: a Study in the History of Development Economics* (Oxford: Clarendon Press, 1975) p 149.

the indigenous middlemen the state would enjoy more of its own revenue. As Raffles said when introducing the system to Java, the Government will become the

sole Collector and enjoyer of its own revenues. On every view, indeed of the subject the *tiang-palit* (or as it is termed in Western India, where it is understood to have been advantageously introduced, the *ryotwar* settlement) is considered as that which will, at once, prove more satisfactory to the people and most beneficial to Government.⁶²

As well as bypassing indigenous landlords, the ryotwari system also diverged from the zamindar system on the question of fixed or variable taxes. Under the ryotwari system the rate was not 'permanent'. The State reassessed the amount of rent it should be paid every thirty years or so and there was no ceiling placed on government exactions. As the chief proponent of the ryotwari system, Munro, argued 'the longer-term needs of the state could not be fully anticipated'.⁶³ However the ryotwari system involved myriad officials investigating and calculating the fertility of each field attached to thousands of villages.⁶⁴ In part, because of the administrative expense effort involved in the pure

⁶² Raffles *Substance of a Minute*. Appendix: Proclamation Declaring the Principles of the Intended Change of System p 194.

⁶³ Barber *British Economic Thought and India* p 149.

⁶⁴ McAlpin says it took '30 years to survey and settle all of Bombay Presidency, by which time the original 30-year leases were expiring and the process began again'. Mann claims that because of this differential theory was hardly ever put into practice. Even in the Bombay presidency British collectors proceeded by guesswork or followed local custom as to how much revenue to collect. Michelle Burge McAlpin 'Economic Policy and the True Believer: the Use of Ricardian Rent Theory in the Bombay Survey and Settlement System' *The Journal of Economic History* vol XLIV, no 2, June 1984. pp 425-6 and p 427. Michael Mann 'A Permanent Settlement for the Ceded and Conquered Provinces: Revenue Administration in North India 1801-1833' *The Indian Economic and Social History Review*, 32, 2 (1995).

ryotwari system was soon modified to one based on villages.⁶⁵

THE VILLAGE-BASED SYSTEM IN INDIA AND JAVA.

The 'village' system (also called *mahalwari* or *gramawari*) has been described as holding 'a middle place between the zemindary and ryotwar systems'. The Government came to an agreement - or a 'settlement' - with each village by fixing its revenue demands for a period of three to ten years. The village-based system was considered a sub-species of the ryotwari system, because it involved the government, that is, public servants, dealing with the rent-paying cultivators as opposed to the zamindar system where private intermediaries collected rent for the government.⁶⁶ Furthermore, the village head was only used as the point of contact between the government and the cultivator if a cultivator refused to settle directly with the government. The closeness of the village head to the cultivator, it was hoped would prevent him from becoming as rapacious as the zamindars. As one of the revenue collectors explained:

...the village settlement... [made] over... the right to the public revenue from the fields of each village, not to a set of strangers, middlemen, contractors only for the revenue itself, unconnected with agriculture, but to village cultivators themselves collectively, or at least to such of them as would agree to the Government terms, and on their refusal, to the head of the village alone...⁶⁷

⁶⁵ Stokes *The English Utilitarians and India* p. 9.

⁶⁶ Peter Robb, University of London, personal communication, September, 2000.

⁶⁷ Great Britain Parliamentary Papers, Minutes of Evidence taken before the Select Committee on the Affairs of the East India Company, III, Revenue, Appendix no 6 'A Paper on the Land Revenue of India prepared at the request of the Committee, by A.D. Campbell, Esq. of the Madras Civil Service' reproduced in Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p. 61.

Raffles initially instituted a village-based system in Java. His Proclamation of October 1813 in which he instituted the village system ordained that 'Government lands will be let generally to the Heads of Villages... They will relet these lands to the Cultivators... at such a rate as shall not be found oppressive'.⁶⁸ He explained in the Proclamation that the village heads will be restrained and 'all Tenants protected in their just rights' by the Government for the now familiar reason of promoting improvement through harnessing self-interest:

...to promote extensive industry and consequent improvement and by instituting amongst them an acknowledged claim to the possession of the lands that they may be thus induced to labour for their own profit and advantage.⁶⁹

For most of his 1814 *Substance of a Minute* Raffles seems to be arguing that Java is as suited as India to the village system. In a direct reference to the 'village republics' which had become famous in the 1812 Fifth Report of the Company, Raffles says of Javanese villages 'that, in common with the Hindoo usage, it possesses a constitution within itself, independent of the supreme governing power'. He gives the Javanese equivalents of the various members of the village hierarchy 'as in Western India'.⁷⁰

Indeed for much of his 1814 *Substance of a Minute* Raffles seems to think Java is even more suited than India to the village system because of the Javanese tradition of electing village heads. He quotes one of his land commissioners, Colonel Adams who, in Sourabaya, found

⁶⁸ Raffles *Substance of a Minute* Appendix: 'Proclamation Declaring the Principles of the Intended Change of System' p 174.

⁶⁹ Raffles *Substance of a Minute* p 174.

⁷⁰ Ibid p 114.

the village chief was elected and his 'opinion, that the settlement by villages is the one most suited to this division of the country'.⁷¹

Another land commissioner, Mr Hopkins, reported that in the districts East of Sourabaya, elections ensured the village chief's interests were 'intimately connected' with those of the villagers. The village chief made representations to the superior if too high an assessment was imposed on the lands, distributed the lands, kept a 'roster of all duties required of the people' and made sure the collectors did not take more than what was due from each cultivator or embezzle what was due to the Government. The village chief did all this fairly because of the custom of an 'annual election, and the fear if turned out, of being called upon to justify his conduct'. This, Raffles quotes Hopkins as saying 'rendered this officer generally a steady and careful representative of his constituents'.⁷²

Raffles placed great store on the election of the village head. He explains that he has 'been thus particular in defining the mode in which the head of a village is appointed, because on this point has appeared to hinge the principles on which our future regulations must be established'. The Javanese 'right of election' he feels gives them 'real liberty'. It is 'an institution... peculiar to this island' yet 'so congenial to the genius and principles of British Government that too much stress cannot be laid on it'. This Javanese right of election will keep the East India Company free from the charges of aiding and abetting 'native' corruption which they keep coming across in India:

While the people are secured in this right, they can never be considered as the abject dependents of a village tyrant; and the

⁷¹ Ibid p 118.

⁷² Ibid p 102. Raffles quotes similar findings by other land commissioners in other districts of Java and his own personal experience 'that the right of election is still recognised among the Javanese'. Ibid p 100, p 105, p 108, pp 109-110, and p 112.

village chief is what he ought to be, the representative, rather than the landlord of the village.⁷³

However even before Raffles' land commissioners returned their findings to him, disagreement had arisen in Bengal and London between advocates of the village-based ryotwari system and the individual ryotwari system. One historian, describing the replacement of the 'pure' ryotwari system with a village-based one by the Madras government in 1808, says: 'Acrimony filled the air in the years that followed'.⁷⁴ The Select Committee of the House of Commons, in their Fifth Report of 1812, expressed grave doubts at the propriety of abandoning the individual ryotwar settlement for this system of village leases. One land-administrator, Duncan Campbell, recalled in later years that the village system was abandoned 'no less on account of the high scale of village rents themselves, than because the conversion of the heads of villages into farmers of the Land Revenue' tended to 'revive in each a village a petty tyranny, and the levy of unauthorised exactions upon the inferior peasantry, such as had been successfully suppressed only by the introduction of the ryotwar field system...'⁷⁵ A dispatch from the Home Government on 16 December, 1812, recommended reverting, in all practicable cases, to the system of ryotwar field settlement for the

⁷³ Ibid p 113.

⁷⁴ Mukherjee and Frykenberg 'The Ryotwari System and Social Organisation' p 219.

⁷⁵ Campbell's objections to the village-based system may have stemmed from him being a dedicated 'Munro and ryotwar man'. Introduction to Burton Stein (ed) *The Making of Agrarian Policy in British India 1770-1900* (Delhi: Oxford University Press, 1992) p 25. For Campbell's evidence see Great Britain Parliamentary Papers, Minutes of Evidence taken before the Select Committee on the Affairs of the East India Company, III, Revenue, Appendix no 6 'A Paper on the Land Revenue of India prepared at the request of the Committee, by A.D. Campbell, Esq. of the Madras Civil Service' reproduced in Stein (ed) *The Making of Agrarian Policy in British India* p 63.

management of the Land Revenue.⁷⁶

For similar reasons Raffles dismantled the village system five months after he had instituted it. In his Revenue Instructions of 11 February 1814, he explained that the village-based system was only 'the first attempt by the British Power to introduce an amended system of land revenue' to Java. A combination of 'paucity of information' and 'extreme caution' saw the granting of leases to 'Heads of Villages' but it was always 'considered as temporary, to be longer adhered to, if, on the acquisition of further knowledge, a more particular system of management should be advisable'.⁷⁷ Now that 'the nature of landed tenure throughout the island is thoroughly understood', he wrote, the 'village system' can 'be entirely done away' with, since it was a 'settlement' which left 'the interests of the bulk of the people entirely at the mercy of a numerous set of chiefs...'.⁷⁸

Raffles criticized the village system in Java along the same lines as it had been criticized in India. He quoted one of his land commissioners, Mr Lawrence, who warned that to establish the village head 'as hereditary landowner and to allow him to sub-let the land of a village at pleasure would be to grant him an authority and independence, which never could have been expected, and to arm him with power prejudicial to the happiness of the people...'.⁷⁸ Lawrence seems to echo the objections to the village-based system in India, that it would create village-based tyrants:

⁷⁶Ibid p 63. On p 61 Campbell admitted that it was not only the 'tyranny' of the village heads that led them to make exorbitant demands but also orders from England (filtered down to them by revenue officials) that India must pay a surplus revenue of a million sterling. Hence the maximum field revenue survey rates were enforced, leading many cultivators not to sign with the government, leaving them by default at the mercy of the village heads. Ibid p 61.

⁷⁷ Ibid p 193.

⁷⁸ Ibid p 113.

To rent the lands to the heads of villages, otherwise than as agents of the village, would be to establish a thousand petty tyrants, where one great one formerly existed...⁷⁹

Raffles shifts in his 1814 *Substance of a Minute* from advocating the village system for the first hundred or so pages to advocating the individual ryotwari system for the remainder of the Minute. After the first hundred pages, Raffles no longer depicts the Javanese tradition of elections as preventing tyranny under a village-based revenue system, but rather as a sign of individual rights particularly individual land-rights, which means the individual-based ryotwari system is most appropriate. If the villagers, Raffles says, 'possessed and exercised so important a right as the election of their immediate Chief' they are 'altogether independent of the Chief.'⁸⁰ They have a direct relationship to the land rather than through the Chief.⁸¹ He concludes that 'relief to the people' and 'procuring to the Government the greatest proportion of their payments' can be best achieved only 'by making the *ryotwar* settlement' [ryotwari] 'general through the island'.⁸²

Raffles' *Substance of a Minute* was not well-received in Bengal. The historian John Bastin complained that

the Supreme Government was under the impression that the village based system of revenue collection was in operation in Java. This suggests that Raffles' Minute of February did not

⁷⁹ Ibid p 115.

⁸⁰ Ibid p 119.

⁸¹ In all of Java he says 'there is not an acre of ground in cultivation to which there is not some person immediately attached, distinct from the officers of Government, to whom the lands may be temporarily assigned. A respect to such claims forms the leading principle of the system which it has been my object to establish.' Ibid pp 114-115.

⁸² Ibid p 150.

receive the careful perusal that it deserved.⁸³

But as we have seen Raffles' 1814 *Substance of a Minute* did seem to advocate a village-based system for the first hundred or so pages before he apparently changed his mind. He may have received the home government's 1812 dispatch recommending reversion to the individual-based ryotwari system when it was too late to discard all the evidence he had amassed in favour of the village system. Another explanation for the confused manner in which his 1814 Minute is written could be that, according to one of Raffles' aides, Raffles wrote it very quickly in order to catch the post about to leave for India, while simultaneously entertaining a number of visitors. The 11th of February, 1814 was a very busy day for Raffles. On that day he wrote up his 172 page *Substance of a Minute* on land reform, a corresponding set of Revenue instructions, a 'Regulation for the more effectual Administration of Justice in the Provincial Courts of Java' while according to his aide, he simultaneously hosted

a large party at breakfast, dinner and supper, from which he never absented himself, but on the contrary was always one of the most animated at table, and yet contrived to find time sufficient to write that minute...[It] was written and composed so quickly, that he required three clerks to keep up and copy what he wrote...this minute was written with the greatest possible haste; Mr Raffles' object being made to have a copy made and sent home by a vessel then under dispatch in the roads at Batavia and this he accomplished.⁸⁴

⁸³ Bastin *Raffles Ideas on Land* p 182. This confusion was not confined to Bengal. Raffles' widow, Lady Sophia, wrote in his *Memoirs* that in 1814 'Mr Raffles introduced what is called the village system founded upon that of the Hindus.' Raffles *Memoirs* p 224.

⁸⁴ Raffles *Memoirs* p 228.

But however impressive Raffles' skills of composition (and hospitality) may have been, his vacillation between two land tenure systems indicates a strategic miscalculation on his part. He seems to have begun his 1814 Minute assuming that the moral legitimacy of one Indian revenue-collecting system over another had been clearly established, and then discovered, mid-stream, it was still very much contested. His 1814 minute on land reform reflected not only arguments over the relative virtues of the zamindar and ryotwari systems, but also arguments over village-based versus the individual-based ryotwari systems. He seems to have finally decided that the individual-based ryotwari system would find favour when he mailed off his Minute to Bengal. But his advocacy of the ryotwari system for Java seems to have got caught in the crossfire of arguments over Indian land revenue systems. He may also have been mistaken in assuming that Bengal was as anxious to establish its 'moral legitimacy' in Java, as it was in the more highly publicised case of India. Judging by the poor reception of his Minutes in Bengal, the Company was as happy to forego the land revenue of Java as they were to let go of Java itself.

THE THEORY OF DIFFERENTIAL RENT

In the midst of his 1814 Minute Raffles quotes one of his commissioners, Mr Hopkins, that any land revenue will have to 'be determined ...by the fertility of the soil and... irrigation.' This, Hopkins says, 'would require men of probity and knowledge to be sent to value the crop on the part of the Government' to ascertain 'the actual produce of villages'.⁸⁵ Commissioner Hopkins seems to have been familiar with the need for 'men of knowledge' to carry out the ryotwari field

⁸⁵ Raffles *Substance* pp 146-147.

assessments then practised in India. In the second decade of the nineteenth century the assessment of each fields' fertility under the ryotwari system had become a complex business requiring specialist knowledge of the newly formulated theories of rent .

In early 1815, the economists Malthus, Ricardo and Torrens all developed variants of a theory which, in this thesis, shall be called 'differential rent theory'.⁸⁶ Malthus' theory of population provided a starting point for this explanation of rent. His vision of an increasing population outgrowing the available food led to a consideration of the different capabilities of different lands to sustain a growing population. Building on Smith's ideas about rent, they postulated that rent arose in the gap between the best and worse lands. In essence the theory developed by all three went roughly along the following lines: as a growing population pressed upon the resources of the land, good land became scarce and worse land had to be taken into cultivation. The difference in value between the bountiful harvests the best lands were capable of producing and the meagre capabilities of the worst land

⁸⁶ Economists Edward West and James Anderson also developed similar theories in the same year but since they do not seem to have influenced any British colonial administrators in Southeast Asia, they shall not be discussed. It is surprising that West is not mentioned as he was one of the 'king's judges' in Bombay, presiding over a court established by the British government rather than the East India Company, with whom he was frequently at odds [William D. Grampp 'Edward West Reconsidered' *History of Political Economy* 2 (2) Fall, 1970, p 318. As we shall see in the next chapter, these king's courts were highly regarded by Crawford. On Anderson see J. Hollander 'The Concept of Marginal Rent' *Quarterly Journal of Economics*, vol 9, January, 1895. Possible reasons for the coincidence of so many people thinking up very similar theories at the same time include the debate over the corn laws. In his introduction to Malthus' *The Nature and Progress of Rent* Jacob Hollander, for example says that Malthus published his theory of rent to refute 'public sentiment in England that the landlord was at bottom responsible for the high price of corn'. Other possible reasons include the recently concluded Napoleonic Wars, when English 'waste lands' had been increasingly pressed into cultivation. That the land-revenue systems of British India also led to cogitation upon ways to improve them and hence new rental theories via James Mill who worked for the East India Company is strongly suggested by William Barber. See Barber *British Economic Thought and India* pp 158-9; and J. Hollander (ed) T.R. Malthus *The Nature and Progress of Rent* (Originally: 1815. Reprint: John Hopkins University: The John Hopkins Press, 1903) p 4.

equalled the value of the rent on the best lands. Rents diminished as the surplus diminished on lands which varied in fertility from best to worst. This explained not only why varying rents were commanded by different plots of land but also why long-cultivated lands tended to attract higher rents than virgin lands. New land which had to be cleared for the first time produced no surplus until the first or subsequent harvests, and therefore attracted no rent at all.⁸⁷

This theory also 'proved' that by appropriating the rent the East India Company was not harming the Indian economy. As the supreme landlord their government would only appropriate the share of agricultural produce which was the equivalent of the rent leaving the portions denoted as wages and profits untouched. So long as the public revenue of a country could be raised from the 'unearned' surplus of rent, this sort of taxation had no effect on profits, wages or prices and did not interfere with economic growth. Rent which in this way was sequestered from the rest of the economy was termed strictly 'revenue'. Unlike 'tax' which could be applied indiscriminately to profits and capital, 'revenue' which was restricted to the surplus of the land could not discourage improvement. As Stokes says 'In India there was every case therefore, for sustaining a heavy-revenue demand on the condition that it was kept within the limits prescribed by political economy'.⁸⁸

Differential rental theory was well-known to Crawford by the time he wrote his 1820 *History of the Indian Archipelago*. In his chapter entitled 'Public Revenue' Crawford explains: 'According to Mr

⁸⁷ This a very brief summary of Ricardo (P. Sraffa *The Works and Correspondence of David Ricardo*, vol 1, Cambridge: Cambridge University Press, 1951, pp 69-80) and Malthus *The Nature and Progress of Rent* pp 21-33. Rent based on the comparative qualities of land went back further than Smith to at least Locke. See Peter Groenewegen 'The Physiocrats, Origins of Scientific Political Economy and the Single Tax' First Henry George Memorial Lecture, Macquarie University, 30 October, 1984.

⁸⁸ Stokes 'The Land Revenue Systems of the North-Western Provinces and Bombay Deccan' p 87; and Ravinder Kumar *Western India in the Nineteenth Century* (Canberra: Australian National University Press, 1968) pp 86.

Ricardo, a tax on rent falls wholly on the landlords, cannot be shifted to any class of consumers, and cannot discourage the cultivation of new lands, for such lands pay no rent'.⁸⁹ Hence, he continues:

In Java, or any country similarly situated, where there are *no landlords*, and the sovereign is the sole proprietor, it is evident, therefore, that the whole of what is strictly the true rent of land, excluding the produce of capital laid out in improvements, might be taken by the state as tax, without injury or injustice to any class of society.

This along with the fertility of the soil of Java (leading to a large surplus) leads Crawford to assert 'that no government was ever presented with so favourable an opportunity of organising a system of taxation so certain, productive and beneficial, as the administration of that island has it now in its power to establish'.⁹⁰ The state would take the place of the Mughal Emperor and since the surplus would then be appropriated by rational and enlightened British officials instead of being frittered away by an Oriental despot, it would at last be put to good use.

Under the influence of James Mill in particular, through his position as reader of correspondence at the East India House in London, and Malthus who was professor of political economy at the East India Company's Haileybury college, the ideal in British India became that the Government receive its due in the form of a money value corresponding to the fertility of the fields under cultivation. According to differential rent theory, this money value was *not* supposed to be set according to a fixed percentage or share of the produce, but rather according to a fixed

⁸⁹ Crawford *History of the Indian Archipelago* III, p 66.

⁹⁰ *Ibid* pp 66- 67.

valuation of each field's fertility, its supply of water, its proximity to market and other local circumstances. The amount of revenue realised annually was meant to reflect what the soil in a particular field *should* produce rather than what it actually produced. For if the rent/tax was portioned to the harvest, it was feared this would be an incentive for people to produce less, in the hope they would pay less rent.⁹¹

In 1820, the only limit Crawford placed on the exactions of the state is one that was (by the time he wrote) familiar in British India: that it not exceed the surplus determined by the 'scientific' formula of differential rent theory. His recommendation that, 'In estimating the amount of the land-tax to be reserved by the state, care should be taken that the tax be confined to what is strictly rent, that is, to the value for the use of the land, and of the land only', is footnoted with a reference to the relevant page of 'Ricardo's *Prin. of Polit. Econ.*' Crawford also goes on to remind the reader of that other staple of differential rent theory: that the rent must be determined by a land's fertility and not its output, otherwise those two motors of improvement, labour and capital will be discouraged. As Crawford explains, the

assessment, by a numerical proportion of the crop, is fallacious and unjust. A sixth of the produce might be a heavier tax on poor lands which demanded much labour in the culture, than a third of that of richer lands.⁹²

Differential rent theory reached the heights of influence in India, after the 1820s, when it was frequently cited in letters and dispatches

⁹¹ However in practice this ideal form of the Ryotwari Settlement, often called the fixed field assessment was more the exception than the rule in the early nineteenth century. Mukherjee and Frykenberg 'The Ryotwari System and Social Organisation' p 218.

⁹² Crawford *History* III, p 65.

by Indian officials.⁹³ But in the case of Crawford, his 1820 *History of the Indian Archipelago* was one of the last places he praised land taxes. In the following decades he changed his opinion on ryotwari or 'Asiatic land taxes' as he came to call them, substantially. He spoke out against land tax (amongst other taxes) in his role as spokesman for the Straits Settlements and Indian merchant communities. Crawford along with many in the Straits Settlements fought against a land tax imposed from India.

⁹³ Kumar *Western India in the Nineteenth Century* p 87; Stokes *English Utilitarians and India* p 88; Sulekh Chandra Gupta 'Retreat from Permanent Settlement and Shift Towards a New Land Revenue Policy' in Burton Stein (ed) *The Making of Agrarian Policy in British India* and S. Ambrirajan *Classical Political Economy and British Policy in India* (Cambridge: Cambridge University Press, 1978).

Chapter Six

LAND IN THE STRAITS SETTLEMENTS: ARGUMENTS AGAINST ITS TAXATION AND 'DESPOTIC OFFICIALISM'

CRAWFURD'S EARLY OBJECTIONS TO 'ASIATIC LAND TAXES'.

Although Crawford at first agreed with differential rent theory and was instrumental in helping Raffles introduce a land tax to Java he had some criticisms of land revenue systems in Asia which were constant from his earliest writings to his last. His critical stance can be sensed from his early use of the term 'land-tax' as interchangeable with the more reverential word, 'revenue'. The legitimacy conveyed by the term 'revenue' rather than 'tax' can be gleaned from objections *The Edinburgh Review* raised some years later to Crawford's pamphlet *An Appeal from the Inhabitants of British India to the Justice of the People of England* which he had published as a member of the newly formed British India Society. The *Review* article reminded both Crawford and the Society that what they 'erroneously called the land-tax, is not a tax at all; but the revenue which is derived simply from the appropriation to the state, for public purposes, according to immemorial usage' and 'that this system, which the [British India] society denounces as the grand fountainhead of all evil... is the best mode that could be devised of raising the funds necessary for the public

expenses.' It goes on to quote James Mill 'assuredly no mean authority upon a question of Political Economy' and Malthus to show that only 'legitimate rent' (that is, 'revenue') is taken.¹

In the late 1830s, as a member of the British India Society, Crawford argued that the Company's land-taxes were not 'revenue'. They exceeded the proportion designated as 'revenue' by political economists and were not spent on the 'improvements' Smith attributed to the landlord class. Decades earlier in his 1820 *History* we can see the seeds of this objection. In his *History* he had accepted that English-imposed taxes in Java were kept in check by Ricardian doctrine. However he had condemned traditional 'Asiatic' land taxes as excessive and misspent. He would later argue that because of these 'Asiatic' origins, revenue based on land taxes, even when imposed by an English Company, were also prone to be excessive and misspent

In his *History's* chapter on 'Public Revenue' Crawford observes that agriculture in the Indian islands is backward and unimproved. Therefore he says, 'When the sovereign, as he does in Java, exacts, as tax, *one-half* the produce of the best and greater part of the cultivated lands, and *one-third* of the poorest' this an 'exorbitant impost'. The sultan is demanding 'not merely that portion of the produce of the earth paid to the proprietor for the use of the original and indestructible powers of the soil' (in obvious reference to Ricardo's famous formulation); nor is the sultan taking only 'that which is a remuneration for the expenditure of capital in its improvement, but also the whole of the legitimate profits of the farmer and the cultivator.'²

Crawford's deference to the idea that the sultan would be right to

¹'The Land Revenue System of British India' *The Edinburgh Review*; October 1839-Jan 1840, vol LXX, no CLXII, pp 397-398.

² Crawford *History* III pp 61-62.

impose a tax to remunerate itself for 'improving' the soil seems to indicate that at this stage, he believed governments had a right to the 'surplus' produce of the soil. It is not the surplus itself which is in question but the amount taken and what is done with it. As we saw in the first chapter, Crawford quotes Smith to show that in 'native' hands it is frittered away as 'unproductive' revenue, spent 'upon the court, its officers, or agents, and not a farthing returns to be added to agricultural capital and to the improvement of the land'.³ We see the first signs in Crawford of what would later develop into a full-blown objection to 'Asiatic land taxes' when he then says:

Java and every other country of the Archipelago, are really poor countries, and must... always continue so while a land-tax, founded on the native principle, or almost any modification of it, is persevered in.⁴

As a remedy to these evils Crawford advocated a form of 'freehold' for landholders in Southeast Asia. This was another feature that remained constant in his writings over the years. Building on his experience as a land commissioner in Java but in direct opposition to Raffles' attempts to protect the Javanese from the Chinese, Crawford said in his *History*

the interests of a very heterogeneous population must be considered. We have to legislate for Europeans, for Chinese, and for a mixed mass of native inhabitants. The law should make no distinction between them.

³ Ibid III, p 63.

⁴ Ibid III, p 63.

His 'first point is to establish a right of private property in the land'. But he does not want these property titles to be given to a zamindar class as they were in India, nor to a 'Regent' class as the Dutch did, nor to the village heads as Raffles did initially in Java. Crawford feels there is 'no class of the native inhabitants to whom it belongs, or that has a better claim to it than another'.⁵ Wealth, rather than race or traditional status, shall decide who gets the land. Crawford advocates 'selling' the 'sovereign's right to the soil, *with the reservation of a land-tax...* to the highest bidder'.⁶ While the reference to 'bidding' might seem reminiscent of revenue-farming, it seems Crawford had a land auction in mind. The italicised words indicate that, up until 1820 at least, Crawford accepted a 'land-tax' as the state's prerogative. Although he advocated 'selling the sovereign's right to the soil' it is the ownership which is sold, not the 'surplus' - the collection of this by the state was still valid in Crawford's eyes when he published his *History* in 1820.

LOW'S ATTEMPT TO THEORISE LAND TAXES

James Low envisaged the 'ryot' of Penang and Province Wellesley partaking of land in keeping with Crawford's vision. Ryots could become landlords and receive rents themselves or sell their land and keep the profits from the sale. By making the land into a commodity, the 'ryot' would benefit from this type of lease even if the land itself was not that fertile:

...even if the ryot received in perpetuity land which could not, and

⁵Ibid III, pp 62-63.

⁶Ibid III, p 63 [My italics].

did not, pay any but a nominal rent, then he was a manifest gainer... for the land became of exchangeable value from the moment it was vested in the occupier, and it might in time be so improved... as to cause it to yield a rent which would increase that exchangeable value.⁷

We have already looked at Low's introduction to his application of Smith's and Malthus' ideas on rent to Penang. As we saw, Low pointed out that a 'science' based on 'just' principles ought to work in any setting: 'even a European political economist might be glad to view the degree in which his principles are likely to apply in the diversified regions of India *beyond* the Ganges.'⁸ Low italicised the word 'beyond' because a European economist would have already had ample opportunity to see the application of economic principles, especially theories of rent within India through publications such as James Mill's *History of India* and his *Elements of Political Economy*, the Fifth Report of the Committee Investigating the Affairs of the East India Company and the teachings of Malthus at Haileybury College. It was the political economy of Southeast Asia, 'India beyond the Ganges', which awaited theorisation.

Unfortunately Low's seventy page attempt to apply Smith and Malthus to the tropics fails. His account is confused, jumbled and lacking in deductive reasoning. One reason may be that Low's aims were too practical and narrow. After the publication of his book, Low explained in the *Singapore Free Press* that his aim in writing it was to encourage others to cultivate spices.⁹ If they were political economists they would

⁷Low *Dissertation* p 130.

⁸ Low *Dissertation on the British Settlement of Penang* p 118.

⁹ 'Captain Low's Dissertation on Penang and Province Wellesley' *Singapore Free Press*, 28th September, 1837.

perhaps have realised that Low's account pointed towards this rather prosaic end. For instance he quotes Adam Smith on the higher profits to be had from rice.¹⁰ Province Wellesley, he says, offers higher profits than England while rents are approximately the same.¹¹ Furthermore, Low promises that even if Penang progresses, wages will not rise too much because emigration to Penang from the rest of the peninsula will maintain competition among labourers. This it should be noted is the inverse of Torren's fear that Irish immigration will lower English wages. In Penang and Province Wellesley, the lower wages caused by inundations of poor emigrants were good because Low was concerned with the welfare of the class who would employ them, the Straits merchants.

Even though, as we have just seen, Low mentions that the Malay ryot might become, in time, landlords, it is mainly the English and the Chinese he sees as potential possessors of agricultural land. The Chinese, after the Europeans, are the most likely in Low's estimation to become the improving landlord class of Malthus' theory. As we saw in the 'Labour' chapter he, along with other British writers, regarded Chinese labour to be more efficient than any other Asian labour. The Chinese, in Low's eyes are more likely to lead the way in producing a surplus:

The Chinese and perhaps the other classes too will in various ways bring the surplus to contribute to the public prosperity and revenue. The Chinese are so systematic that next to the European skill, their labour may be expected to bear the stamp of judicious innovations in cultivating.¹²

¹⁰ Low *Dissertation on the British Settlement of Penang* p 151.

¹¹ Ibid pp 150-1, p 149.

¹² Low *Dissertation* p 150.

Perhaps another reason Low's attempt to render a 'scientific' account of the political economy of Penang fails is that he could not control the 'experiment'. Low's muddled attempts to theorise about land reflect a chaos resulting from a lack of control. While it is clear that he is familiar with Malthus' differential rent theory, it is unclear in his account of British land-taxes in Penang and Province Wellesley to what extent it was actually applied. Low vacillates in his *Dissertation* between saying that the British government took the maximum amount of rent they were allowed to extract under the 'laws' of political economy; that they charged only a very light rent; and that they charged no rent at all. Low moves, without warning, between these three contradictory descriptions of British land revenue in Penang and Province Wellesley.

For example, Low says at one point that the government charged a 'trifling' rent 'equal to an eighth part of the produce on the richest soil'. However, he then goes on to speak of this nominal rent in a speculative tone, saying it could lead to a settled population: 'if the ryot could get good land, paying rent at the rate of an eighth ...he might not feel disposed to go the distance in quest of waste land.'¹³ In the early days of the colony this settled population would have enabled the British government to adjust its rents according to the fertility of the soil in keeping with Malthus' theory of differential rents: 'The Government might then have taken' what was allowed to it under political economy 'in the shape of rent in the richest soils'; taking decreasing surpluses from 'all lands of an inferior description, down to the land which merely returned the costs of cultivating it; and could not therefore, until highly improved, afford to pay any rent.'¹⁴

¹³ Ibid p 130.

¹⁴ Ibid p 131.

But Low then says that no rent was actually charged because in the early days of British rule the 'mass of the emigrant population' was so 'pressed' that they did not produce a surplus. The kindly British government did not charge a rent because the new emigrants 'cultivated the land on such conditions as would have allowed them nothing but a bare subsistence'. Low then reverts to speaking of the very light or 'quit rent' the British charged when they first acquired Penang and Province Wellesley. This 'nominal rent or quit-rent', which was so light as not even 'repay the cost of collection', he says, was charged only after the land had been cultivated for two years when 'a grant in perpetuity' was made.¹⁵

This statement by Low, that 'grants in perpetuity' were made, indicate that as the chief land administrator of Province Wellesley, he bestowed grants in keeping with one of the central tenets of the 'merchant mentality'. By the time Low wrote his book, opposition to any sort of Ryotwari or variable tax system in favour of a Permanent Settlement was widespread throughout the Straits Settlement mercantile community. Non-Company British merchants in the Straits, like those in India, favoured a type of freehold, or at least the giving of land 'grants in perpetuity', in imitation of the policy of Permanent Settlement in Bengal. Even as early as his *History of the Indian Archipelago*, unlike Ricardo, Crawford had maintained in that the 'amount of the tax should be invariable and perpetual'. This preference for a 'Permanent Settlement' along the lines of Cornwallis' settlement in Bengal, seems puzzling in a man so familiar with (and so enamoured of) the writings of Ricardo and James Mill.¹⁶ Cornwallis' settlement had by 1820 been very publicly

¹⁵ Ibid p 120, p 132.

¹⁶ We have already seen Crawford's use of Ricardo. For his praise of James Mill, see Crawford's *History* III, pp 52-53 and his 1837 pamphlet *A Sketch of the Commercial Resources and Monetary and Mercantile System of British India, with Suggestions for their Improvement, by means of Banking Establishments* p 262.

condemned (especially by James Mill) for providing very nicely for the landlord zamindars at the expense of the Company's revenue.¹⁷

Perhaps the answer to the puzzle lies in the fact that Crawford in 1820 was already identifying less with the East India Company and more with the projected 'European' colonizers he and Low envisaged (and allowed) as landowners. Cornwallis' permanent settlement offered the nearest Asian equivalent to English 'freehold' land titles. According to Stokes, non-Company British merchants in India and London wanted freehold in the land not just to alleviate the tax burden on the ryot, but also on themselves as future colonizers: 'One of [their] chief objects...was to reduce the complexities of Indian land tenures to the simple relations of landlord and tenant, so that Europeans could purchase land in freehold...'. The vision of themselves as a (European) part of an Indian land owning class perhaps led to the

demand of the mercantile community... for a revenue system which would impose no more than a light permanent assessment on the soil, instead of the punitive fluctuating assessments that the Company practised outside the Bengal territories.¹⁸

According to Stokes: 'the principles of Cornwallis's settlement of the land revenue appeared to the mercantile community to be absolutely correct.' The principles particularly favoured by British merchants in India were 'the permanent and known limitation on the State demand and the conferring of a freely available alienable private property right'. This complied with their desire to limit State (that is, Company) interference

¹⁷ James Mill's *History of British India* devoted 200 pages to a condemnation of the permanent settlement with the zamindars. See Stein *Agrarian Policy in British India* p. 1.

¹⁸ Stokes *The English Utilitarians and India* pp 41-42.

and taxes. The merchants also favoured 'the subordination of all landed rights to the sole authority of the courts of [British] law' rather than separate 'native' courts or the jurisdiction of Company officials.¹⁹

This may be one of the reasons for Low's confusion over 'what-could-have-happened' with 'what-actually-did-happen'. Low is trying to fit into a smooth narrative of overarching 'rational' economic laws, events which were beyond the control of his administration (or in which he was complicit²⁰) and which were riven by conflicting interests which had very little to do with the 'science' of political economy. The administrations of Penang, Malacca and Singapore all had problems with land tenure and revenue. Recalcitrant land occupiers refused to seek formal title to their lands to avoid paying rent to the government. European, Malaysian and Chinese cultivators and landholders were united in their dislike of the government's efforts to raise a revenue from the land.²¹

A brief look at a *Singapore Free Press* article published in 1837 shows the sort of opposition with which the Indian government had to deal, when it tried to introduce a 'ryotwari' land-tax in the Straits. Published the year after Low's book, the article went much further than Low in its arguments as to why the British government could not impose a land-tax. Rather than citing the poverty of ryots or their unfamiliarity with British law, the newspaper article questioned the very legal basis of the East India Company to collect land revenue. It implied that since

¹⁹ *Ibid* p 61.

²⁰ His possible complicity will be elaborated upon at the end of this chapter.

²¹ P.J. Begbie *The Malayan Peninsula* (1834) Reprint's Introduction by D. Banerjee (Kuala Lumpur: Oxford University Press, 1967) and James Lornie 'Land Tenure' in W. Makepeace, G. Brooke and R. St J. Braddell (eds) *One Hundred Years of Singapore: Being Some Account of the Capital of the Straits Settlements from its Foundation by Sir Stamford Raffles on the 6th February 1819 to the 6th February 1919* (London: John Murray 1921) pp 301 - 314.

Singapore and Penang had been started 'from scratch' by the British, then there could be no *diwani*. If no land had been cultivated before British occupation, how could the British acquire preexisting revenue-collecting rights? The article hinted that if the directors of the Company knew economic theory better they would see that Singapore was not like India:

The Court of Directors have not generally been considered sound economists - but it was surely a most extraordinary notion to set out with in regard to Singapore, which came into our hands an unpeopled expanse of dense jungle, that the state should retain in its hands the profits of the landlord....²²

The dubious legal right of the Company to a land tax is further undermined by its dubious moral right. Its delusion that it inherited the status of landlord is compounded by its 'only grant[ing] leases to the cultivator of the soil upon such conditions as would put the former', the Company, 'at the end of a comparatively inconsiderable term, in unconditional possession of the tenant's improvements, carried out at considerable risk and under an annual rent of 5 rupees an acre...'

The moral legitimacy gained by 'improving' the land and the people is lost by the Company's actions: 'When the state would reserve to itself such a power over the improvements of the cultivator, agricultural speculation is checked in the bud...' The Company not only ignores the imperative to 'improvement' on which, the article implies, the moral right of British colonialism stands, but also ignores the fundamental truth of 'self-interest' discovered by political economy: 'such a system is at the same time ...hostile to improvement' and 'in disregard of some of the most

²² *Singapore Free Press*, 30 November, 1837.

obvious principles of our nature, removing as it does the strongest stimulus to exertion, by shewing the final result of any undertaking, however successfully prosecuted ...to be utterly uncertain and precarious...'.²³

LAND TENURE IN PENANG AND SINGAPORE

The administrations of Penang, Malacca and Singapore all had problems with land tenure and revenue. Land holders refused to seek formal title to their lands to avoid paying rent to the government. In the case of some officials like Low, it seems that, being landholders themselves, they may have had some sympathy with the cultivators' and landholders' dislike of the Company's efforts to raise a revenue from the land. However it was not simply the official or administrator 'on the spot' who was the cause of the 'land problems' experienced in all three colonies. The problems often started with the Indian government. All three settlements at their foundation, suffered from an early lack of interest by the Indian government resulting in insufficient guidelines and verbal or vaguely written land grants being issued.²⁴

When Penang and Singapore were initially founded land was

²³ *Singapore Free Press*, 30 November, 1837.

²⁴ For example before Francis Light came to Penang, he wrote to the Governor-General at the time, Sir John Macpherson, predicting that if people came from Malacca and India to the new British settlement on Penang it 'will be necessary to grant them a portion of land'. To this he received the vague and brief reply: 'That would be proper'. Light wrote again to the Governor General for more definite instructions and was told to 'use his discretion'. Light did use his discretion and in the absence of any legal instructions or forms, he gave verbal permission for clearing and occupying land, promising settlers that written titles would be given in the future. In 1788, Light made a Public Declaration 'that every person settling and clearing land on Penang became thereby virtually possessed of a property in the soil to *him and his heirs for ever*' indicating perpetuity. This approximation of Cornwallis' permanent settlement of Bengal led to problems when attempts were made to change the land systems on the island. Written grants were finally given out from 1789, after three years of unregistered land appropriation. Lee Chye Hooi 'The Penang Land Problem, 1786-1814' (Unpublished thesis, University of Malaya, Singapore: 1957) pp 3-4.

considered merely an adjunct to their commercial aims. Land and its agricultural produce were barely considered except as a way of sustaining both places as trading ports. This was compounded by the low priority and low levels of funding given by the Bengal government to their Southeast Asian colonies. In all his nine years of office, the founder and administrator of Penang, Francis Light, only issued 28 grants. Before a written title could be given the land had to be measured and surveyed. Since Light's land department consisted only of himself and a 'native land measurer', it was impossible for them to issue titles to all those who cleared land during this time.²⁵

The low priority given by the Bengal government to their Southeast Asia colonies also resulted in a population of unlicensed European settlers. By the 1790s there were already a number of European colonists in Penang without licences from the East India Company. Light, like later Straits Settlements administrators, allowed Europeans to hold land in defiance of the East India Company's restrictions on Europeans' holding land in greater 'India'. Crawford boasted that in the 'first eight years of the history of the settlement [of Singapore], no restraints or condition whatever was put upon the settlement and colonization of Englishmen' and 'no licence was demanded and they were permitted to own property in the land, upon terms as liberal and easy as can be supposed in any new settled country.'²⁶ In Penang and Province Wellesley Low also spoke of the

²⁵ In 1790 Light tried to overcome the problem caused by perpetual grants and instead issued provisional titles called 'Measurement Papers'. These documents merely gave the measurements and boundaries of the land cleared. They did not mention perpetual proprietary right or any rent, not even a quit rent. Nor were they meant to be legally binding. However in the absence of any more formal land grants, they were treated by the courts as legal titles with the ensuing loss of revenue to the government. The existence of such estates without a legal, written title was to prove a source of trouble for the subsequent Governors of Penang. Lee 'The Penang Land Problem'. See p 8, p 28, pp 36-37, p 38, pp 50-51.

²⁶ Crawford *Journal of an Embassy to Siam* 553.

unlicensed European colonization that had taken place under his administration. European colonization he says 'in a confined and local sense ...exists already... Europeans, it appears may settle' in Penang 'without a license'. But while he admitted 'a license is required to settle in' Province Wellesley he added: 'Many Europeans nevertheless are proprietors of land in that Province' without it seeming to occur to him that, perhaps as the Company's administrator there, he should take some steps to stop it.²⁷

While restrictions on European settlers were enforced in India, the Company's holdings in Southeast Asia were too remote and insignificant to attract this sort of attention for the first decades of the nineteenth century.²⁸ The result was that large estates were accumulated in the hands of a few individuals, mainly wealthy British merchant-capitalists such as James Scott on Penang and the Batu Kawan Chinese settlers in Province Wellesley. 'Improvement' was not pursued under these conditions. Most of these large landowners lacked the means or desire to cultivate every acre of land they owned. Light's early land grants did not have a cultivation clause inserted into them. Later administrators inserted a cultivation clause into their land grants stipulating that lands must be cultivated within a given number of years, otherwise they would revert to the government. But such a clause could only be enforced if existing

²⁷ Low *Dissertation* pp 129-130.

²⁸ The Act of 33rd. Geo 3. restricting European settlement within the Company's 'Indian' holdings (including Southeast Asia) was, according to Lee, an 'Act purely to safeguard the Company against any commercial rivalry ...the reference to unlicensed persons was directed only to traders, merchants, trading vessels and the like'. According to Begbie 'the three British settlements of Singapore, Malacca and Pinang' in the early days of British occupation, exhibited a 'unity of policy': they all suffered from laxity regarding land tenures and a resulting loss of revenue, as well as unlicensed European settlers. Lee 'The Penang Land Problem' p 51; V.W. Purcell *Early Penang* (Penang: the Pinang Gazette Press, 1928) pp 135-136 . P.J. Begbie *The Malayan Peninsula* (1834, Kuala Lumpur: Oxford University Press, 1967) p 348 .

'landowners' applied for these grants in the first place.

The main problem facing Light and all subsequent rulers of Penang and Province Wellesley (as well as Singapore and Malacca) was that there was no incentive for occupiers of land to formalise their land-holdings. In fact, there was a definite disincentive: if they went to the trouble of acquiring a formal title they had to start paying rent to the government. With later, post-Light titles, Penang landholders also incurred obligations to cultivate or else give up their uncleared land to the government, and also some titles limited the amount of land they could own. It was difficult for the Straits Settlement government to factor the central tenant of political economy - self-interest - into its land grants, when the main function of these grants was to raise a revenue.

The government tried to appeal to landholders' self-interest by pointing out that registration of their lands would give them greater legal security of tenure. However most landholders found this appeal unconvincing. Ironically the 'Lockean' idea of property in land as the 'just deserts' of those who had added their labour to it, was used to avoid making contracts with the government. Crawford claimed in later years (about a similar drive by the Indian government to make previously exempt Bengal properties pay a land-tax) that the government's pretence 'not to get money for the treasury, but to give the landholder stability of title' convinced nobody: 'do men submit their title-deeds for verification to the very party ...armed... with the discretionary power to seize upon *nine-tenths* of the whole value of the estates?' Crawford advised the government to be 'frank' about its 'fiscal object, of which it alone, it is well understood to be in keen pursuit, than to assume a sympathy for

which no one will give it credit'.²⁹ Raffles' earlier arguments regarding the Javanese, that the government could simultaneously raise both the people and its revenue, were not believed when the 'people' included English land-holders.

Raising revenue was a major concern of the East India Company in its Southeast Asian colonies which it constantly ran at a loss. The Penang government, for example, was constantly asked by the East India Company, almost from the moment of its foundation, to raise more revenue. In 1826 the need became more pressing still when Penang reverted to a free port and lost one of its major sources of revenue in port and harbour duties. Land became one of the few legitimate ways the Company could raise revenue.

Stern measures were taken by an ex-Madras officer, Fullerton, who became Governor of the Straits Settlements in 1824. Fullerton tried hard to force landowners to apply for formal leases. He strengthened the police force and employed a company of sepoy to enforce the government's attempts to raise revenue. But his efforts were frustrated by the Straits Settlements' 'Recorder's courts' (which dealt with land matters) continually finding in favour of the landholders. In 1829 the court found in favour of a Penang farmer, Mahood, who claimed he did not understand that he would be paying an increased rent of fifty cents when he signed his name to a short-term government lease (rather than twenty cents for a perpetual lease). Following Mahood's celebrated win, a large group of landholders 'refused en bloc to pay their rent to the government'.³⁰

²⁹ Crawford *An Appeal from the Inhabitants of British India to the Justice of the People of England: a Popular Inquiry into the Operation of the System of Taxation in British India* (London, 1839) pp 45-46.

³⁰ Lee 'The Penang Land Problem' p 37.

In his minute of February 1827 regarding land, Fullerton deplored the manner, by which his predecessors had disposed of lands, at a nominal fee with no substantial land tax. He recognised the need in the past to encourage the increase in settlers and cultivation. But if this policy was maintained, he said, government would be deprived of a share in increased cultivation and prosperity while administrative expense would correspondingly rise. Fullerton regretted that in Penang lands were held by simple grants handed to the original proprietors, and that in Singapore, land had been alienated at a fixed rent for 15 to 999 years. This was in effect equivalent to a permanent grant and, as Fullerton put it, 'a complete sacrifice of future government interests'. Future benefits, he warned, would have to be tapped by the Government in the form of a land revenue.³¹

MALACCA

The situation in Malacca was complicated by the Malay and Dutch legal systems which had preceded the British.³² When Malacca was ceded to the British in 1825 a Malay land tenure system was in place that decreed that all land was the property of the Raja and that any inhabitant could create a proprietary right to land by continuous occupation on a

³¹ Fullerton's Minute 22 February 1827 Straits Settlements Records, (A.20) and 31 March 1828 Straits Settlements Records (A. 51), Monash University.

³² The Portuguese had also occupied Malacca before the British (1511-1641) but had little effect on British land law there. Originally a Malay settlement, Malacca was held by the Dutch from 1641 to 1795. From 1795 to 1818 Malacca was under British military occupation. Then the Dutch regained Malacca until 1825 when it again reverted to the British under the terms of the Anglo-Dutch treaty. It seems that during their military occupation from 1795 to 1818 the British did not tamper with land systems except to remove the Dutch restriction on padi cultivation. Stephen Samuel Dhoraisingam 'Robert Fullerton, Governor of the Straits Settlements, 1824 - 1830' (Unpublished thesis, University of Malaya, Singapore, 1961) p 23.

patch of cleared forest or waste land so long as the paddy fields were not abandoned for more than three seasons and there were fruit trees in the orchard. The cultivator had to give one-tenth of the produce of the land to the Raja and he had to perform an undefined amount of forced labour. If the tenant observed these conditions he could not be evicted.³³

After the British government took over the position of the Raja, it was found that the Dutch proprietors, who had been given land by the previous Dutch administration, took the Raja's tenth. Most of them were absentee landlords who appointed a *Penghulu* or headman, to look after their lands and collect the tenth; or, it was claimed, they hired out their right to the 'collect the tithe to Chinese towkays who did not miss any opportunity to exploit the Malay cultivator'.³⁴ These Chinese revenue farmers were regarded by Fullerton as pernicious and undermining British control of the island. He decided to buy back the land from the Dutch proprietors for an annual compensation. In June 1828 a land Regulation was passed declaring Government the sole owner of all land - cleared, forest and waste land - and also entitled to one tenth of the produce of all cultivated land. Title deeds were to be given to all cultivators as soon as a survey was complete. ³⁵

In the following years these land regulations were refined in the direction of the village settlements of British India. Under Regulation IX of 1830, the tax of each district was to be collected by its *Penghulu* who

³³ Christine De Silva 'British Malacca: 1824 - 1867' (Unpublished thesis, University of Malaya, Singapore, 1961) p 41.

³⁴ *Ibid* p 42.

³⁵ *Ibid* p 43.

became revenue officers under the supervision of the Land Department.³⁶ However the new land rules were not a success. The 'native cultivator' was still adverse to putting his signature on the title deed because 'he wanted to evade payment of the rent'.³⁷ According to E.A. Blundell who served many years at Malacca and eventually became Governor of the Straits Settlements, the tenants 'evinced the greatest reluctance to affix their signatures'. To 'overcome this reluctance and to induce a general signing' the Residents and Assistants 'exhausted'... 'all the principles of political economy... in endeavouring to explain the advantages of the system, but in many parts without success'. All their 'Threats, coaxings and explanations' according to Blundell, failed to overcome 'an obstinate determination evinced not to sign these legal papers'.³⁸

THE NANING WAR AND THE MERCHANTS' ECONOMY OF LAND

As in India, land revenue drew the British into war in Southeast Asia. However the war the British fought over the Malaccan reluctance to pay rent to the Company in the hinterland of their island was on a much smaller scale and deemed much less heroic than Clive or Munro's exploits in India. The 'small Malay state' of Nanning on the island of Malacca, inland from the port-city of Malacca, refused to pay its tenth to the Company.³⁹ This was despite the treaty the Malay leaders of Nanning had struck with

³⁶ The Government reserved to itself the 'full and absolute right over all waste land and forest lands not cleared and cultivated' within living memory, or twenty years. The ryot's rights over the cultivated lands were declared to be 'the privilege of transfer by sale, gift, or bequest according to the will of the holder, subject always to the tenth.' L.A. Mills *British Malaya, 1824 - 67* (Kuala Lumpur: Oxford University Press, 1925) p 105.

³⁷ De Silva 'British Malacca' p 45, p 52.

³⁸ Quoted in Mills *British Malaya* pp 110-111. In 1843 or 1844 the Malacca Resident decided to punish those who refused to sign by farming the collection of their tenths to the Chinese. Ironically, that it was partly to do away with the Chinese tax farmers that the lands had been redeemed in 1828.

³⁹ Crawford *Dictionary of the Indian Islands* p 290.

the Dutch in 1643 and restructured with the British during their first occupation of Malacca in 1801, according to which they were to receive one tenth of all produce.⁴⁰ Due to the poverty of the people, the British, like the Dutch, initially commuted the tribute to a relatively small sum⁴¹ paid as a token of submission when the Penghulu or one of his chiefs came to Malacca to pay his annual homage. Trouble arose when the British reoccupied Malacca in 1825 and attempted to levy the full tenth and enforce a land-revenue system, curtail the Penghulu's judicial power and buy back from the Dutch proprietors the land that had been given to them under the previous administration.⁴²

Extensive debate ensued amongst the British as to whether or not they had the right to levy the tenth (based on arguments over whether or not the Dutch considered Naning as part of Malacca territory or whether they contented themselves with nominal suzerainty). Fullerton saw Naning as an integral part of Malacca and the Penghulu as a glorified village headman. The Penghulu saw himself as much more than this, and insisted that his people did not have to pay the tenth to the Company and that the fruits of their labour were his. Eventually the Resident of Singapore (by this time, in charge of Malacca) wrote to the Supreme Government in India expressing his fear that the Penghulu's successful defiance would encourage the natives of Malacca not to pay the tenth with a consequent decrease in revenue and agricultural development and urging that Naning be conquered without delay.⁴³ The Supreme Government of India acquiesced, although it noted that the increase in revenue from such a

⁴⁰ Lim Soon Tee 'The Naning War 1831-1832' (Unpublished thesis, University of Malaya, Singapore, 1957) p iv.

⁴¹ A yearly payment of 400 gantangs of rice.

⁴² Johnathan Cave *Naning in Malaka* (The Malaysian Branch of the Royal Asiatic Society, Petaling Jaya, 1990) pp 85-86; Lim 'The Naning War' p v.

⁴³ Lim 'The Naning War' p 16.

small, underpopulated state would probably be 'worthless' but it explained the Company 'cannot now recede without loss of character...'.⁴⁴

The ensuing 'Naning War' was short and, in financial terms, pointless. The financial cost of the military action was high, despite the centre of the Naning resistance falling with 'ease'. Naning fell so quickly that the Straits Settlement government did not have time to call off the reinforcements from Madras. When the troops arrived most of them were sent immediately back to Madras. All up 'at the cost of 100,000 pounds the only return was a small tract of land which did not even accrue a surplus revenue'.⁴⁵

Begbie blamed the Naning War on the land revenue system common throughout the Straits Settlements by the 1830s, based on the reforms introduced by Fullerton. 'The land revenue system of the Straits' he summarised as 'unfavourable to the agricultural interests'.⁴⁶ It undermined what he thought should be the chief aim of any land revenue system: the clearing and improvement of land. The tax imposed by governments throughout the Straits Settlements, of one dollar per acre for the first fifteen years (rising to three dollars for the next fifteen years and then ten dollars) proved, he said, too much of a disincentive to the 'class of peasantry, who are able and willing to cultivate these vast tracts of forest lands'. Since the land will not yield any return to support 'a man and his family' for the first three to five years, this alone is enough to 'prevent a Malay attempting the undertaking.' But, Begbie goes on to explain: 'when in addition to this... he is called upon to pay an annual tax of one dollar per acre for land... it would be a matter of surprise if we

⁴⁴ Ibid p 30.

⁴⁵ Ibid p 48.

⁴⁶ Begbie *The Malayan Peninsula* p 384.

found the forests disappearing under the axe'.⁴⁷ Furthermore the land legislation included a provision for eviction if the 'quit rent fixed by the Government and the additional tax of one tenth of the produce' was not paid. Although Begbie admits that this was the case under the sultans it was not rigorously enforced. Now under the British, he maintains, 'the bare existence of the possibility is sufficient to paralyse the agricultural industry of the natives'.

The alternative system, Begbie proffers is the now familiar one of the Straits settlers not paying any taxes and instead being subsidised by the East India Company:

If instead of extinguishing the disposition to husbandry by this tax, the more liberal policy of a bonus upon all cultivated forest lands had been adopted, the extensive and rich alluvial tracts in Naning, would have been cultivated, and the forests would have fallen under the axe of the woodsman.⁴⁸

A 'bonus' by the Company (above and beyond the 'bonus' of surplus agricultural produce which most cultivated soil was supposed to provide) on all cleared forest land would have soon led to a 'happy and contented peasantry' instead of the 'restless and hostile population' with which the Company went to war. In Naning especially, property would have been able to weave its transforming spell: 'each individual, having property to lose, would have been interested in the preservation of peace'. From the purely practical point of view of a military commander (which Begbie was), 'no jungle would have afforded cover to an enemy' because of the clearing

⁴⁷ Ibid p 385.

⁴⁸ Ibid p 386.

which would have taken place had the Company offered a bonus for it. 'And lastly' Begbie adds, 'the Government would have been exempted from the ruinous expenses of a war, which was attended by no beneficial results'.⁴⁹

The *Singapore Chronicle* was even more critical than Begbie of the military assault on Naning. In an article entitled 'The Naning Expedition' it supported the Naning refusal to pay a tenth to the Company and was openly scathing of the Company's heavy-handed attempts to enforce revenue payments. It inferred that arcane economic theory was at least partly responsible for the 'military operations': 'We are not so sufficiently skilled in the the art of war, or so acquainted with the pages of *Torrens*' or *Dundas*' as to form an opinion whether they were ill-conducted or otherwise.' But in its 'review [of] the grounds upon which the War was undertaken' it also went back to the reforms introduced by Fullerton.

The newspaper article is worth looking at in detail for the way it exemplifies a continuation of the genre of 'liberal heroics' which we looked at in earlier chapters. The policies of Fullerton, whose name is picked out in capitals throughout the article, are depicted as the unwelcome intrusion of expensive government bureaucracy into the Straits.⁵⁰ The description begins innocuously enough:

MR FULLERTON, who always took a great interest in Malacca, conceived that it might be rendered a profitable possession, as an

⁴⁹ Ibid p 386.

⁵⁰ It was not only his introduction of land-taxes which made Fullerton so unpopular. Bernard Nunn in his thumbnail sketch of Fullerton, says that his 'term of office was not a particularly auspicious one. He discouraged freedom of the Press, and, like some of his predecessors, objected to the presence of 'Settlers' without licence from the East India Company. ...Mr Fullerton also had difficulty with the Chinese agriculturalists over a land-tax which he wished to introduce, and, worse than that, he got into trouble with the Company because the revenue of the Straits did not increase as the expenditure certainly did.' Bernard Nunn 'The Government' in Makepeace, Brooke and Braddell (eds) *One Hundred Years of Singapore* 82.

agricultural district. To attain this end he was induced to enter into a compact with the land-owners to transfer all right and title to their lands, to the Company.⁵¹

It goes on to describe the unnecessary and expensive bureaucracy he then set up:

On the transfer of the lands being made to the Company 'A Land Department' was established of which Mr W.T. LEWIS, Assistant Resident at Malacca, was appointed Superintendent, with a handsome allowance and a per-centage [sic] on the collection of the tax, to stimulate his exertions.

The newspaper article then chastises the Company's revenue system by representing its collection of the tenth as an absurd caricature of common-sense. At the 'tolls' which it said were established at 'every inlet to the town... a tenth of *every* article of produce was rigorously exacted.' The toll keepers were 'so exact' that 'to give one instance out of a thousand' a poor Chinese labourer passing with a single melon, was stopped, 'and on his refusing to pay a tenth of the fruit, on the plea that he had but *one*... the rapacious toll-keeper cut a large slice off it and sent the man away in all the insolence of office.' Furthermore, the article added, it was not possible to 'complain of such an affair' and get a fair hearing 'as the Superintendent of Lands was also the sitting Police Magistrate'. This system, it says, produced 'general dissatisfaction

⁵¹ *The Singapore Chronicle*, 11 November, 1831 'The Nanning Expedition'.

throughout the whole district of Malacca'.⁵²

In case the reader is in doubt as to who the real villains are, the article goes on to 'divulge' personal callousness of Fullerton and his assistant Lewis, not previously widely known which made 'the system of collecting a tenth more unpopular and odious':

Mr FULLERTON, whilst at Malacca, last year...was advised to introduce a new tax on fish - or rather a collection of one fish out of every ten caught....The fishermen ...assembled before the Police Office, to remonstrate. Such was the uproar of the formidable crowd excited, and the 'threatening aspect' it assumed that Mr LEWIS in order to clear a passage for himself, out of the office, struck a man, with a Constable's baton on the head and left him senseless and bleeding...The wounded man was carried to Mr FULLERTON, who resided close by, but on hearing the case he ... only laughed and ordered the man to the hospital, which kindness the friends of the latter refused to accept.⁵³

The 'liberal heroics' which we saw in a previous chapter infused narratives of Raffles' founding of Singapore are, in this article, inverted to focus on the illiberal actions of government. The government is callous and indifferent, yet interfering. Honest workers must struggle to stop this government taking away the property they have acquired through their labour and from which they earn their livelihood. Fullerton and Lewis above represent a government which will not listen to protests against its

⁵² Furthermore the article continued, in its first year, the accounts showed that the Land Department did not increase the Company's revenue but instead made a loss. *The Singapore Chronicle*, 11 November, 1831 'The Naning Expedition'.

⁵³ *The Singapore Chronicle*, 11 November, 1831 'The Naning Expedition'.

greed but instead resorts to violence and then inhuman indifference to the affects of that violence.

In the newspaper article the above passage is presented as a smaller, inter-personal forerunner of the Naning War. The anecdote about Fullerton and Lewis is described as 'the state of affairs at Malacca before the Expedition set out to enforce the claim of the Company to a right to collect a tenth of the produce of Naning and to dispossess the Chief of that district, of his lawful authority...' The article then questions the moral authority of the British to rule over Naning. The Chief's 'right and title to the government of Naning' according to the paper is 'a right which we [English] cannot be justified in depriving him of, by any other rule than that which the stronger exercises over the weaker'. The Company can only shore up its 'right' by the use of force which is itself immoral. The newspaper goes on to condemn the 'injustice of the invasion..[and] the feeble pretexts which were got up on the occasion'. Many of these 'pretexts' it implies were made up by Fullerton, since

the Court of Directors..are too apt to depend much on the statements of their servants at a distance... Their total ignorance on such contemptible matters as Malacca politics would lead them,without further enquiry, to approve of whatever suggestions Mr FULLERTON and his party might have made on the subject, and to order the adoption of warlike measures ...

Rather than Company rule leading to 'improved cultivation of the country' which would have made extraction of the surplus 'an easy matter, without distressing the inhabitants' the newspaper condemns the tithe as 'a pretext to devastate a defenceless district...'. The 'tithe', it explains,

'involved us in a useless and expensive war which by its consequences must depopulate and ruin the whole country!'.⁵⁴ After the war, another Singapore newspaper article also condemned the Naning War in retrospect, although it stressed the violated rights of the 'European proprietors' who it says had 'the privilege of levying one-tenth of the produce of the lands, which they let out; and in 1828 this privilege was transferred to the Government by the land holders in exchange for a specified annuity... precluding of course all power of absolute sale'.⁵⁵ Perhaps not surprisingly, both newspapers saw the collection of the 'tenth' by private, European landowners as being much more benign than that practised by the government.

CRAWFURD AND TAXES

The English-language newspapers in the Straits Settlements were representative of their readers, the European, mainly British, merchants in the Straits who were free traders in practice as well as theory. Their ideology of free trade, as we have seen in earlier chapters, included amongst its aims strenuous and often successful attempts to avoid paying any kind of government impost. So it is perhaps to be expected that the merchants, who did not want to pay land revenue themselves, supported the Penghulu and the people of Naning who resisted the Company's attempts to raise a land-revenue. Some of the most sophisticated arguments against land-taxes to appear in these newspapers came from Crawford who, from London, argued on the merchants' behalf. Through the mouthpiece of the English language newspapers in the Straits, he provided his merchant constituency with arguments against those of an Indian

⁵⁴ *The Singapore Chronicle*, 11 November, 1831 'The Naning Expedition'.

⁵⁵ *Singapore Free Press*, 11 October, 1838 'The Land Regulations'.

administration well-versed in political economy.⁵⁶ Smith, Mill, Malthus and Ricardo were used and modified by Crawford to justify the Straits Settlements' aversion to paying a land tax.

The turning point in Crawford's attitudes towards land administration seems to have come when he was Resident of Singapore in the early 1820s. During that time he routinely ignored Raffles' instructions from Bencoolen and granted land on 999 year leases and, as we have seen, farmed out gaming licences as a way of raising revenue. After Crawford's residency, gaming and gaming farms in Singapore were prohibited. Crawford however regarded this as a mistake. Years later, in an 1838 *Singapore Free Press* article, he advised that 'Instead of seeking doubtful sources of revenue, my recommendation to the Government is to restore the tax on gaming'.⁵⁷

The 'doubtful sources of revenue' against which Crawford argued in this article were land-taxes and in particular the latest land regulations proposed by the Indian Government in 1838 in the hope of finally realising land revenue in the Straits. His advice to restore a gaming-tax comes at

⁵⁶ Singapore newspapers regularly reported on Crawford's activities, including his criticisms of the East India Company and his representation of their interests before Parliamentary committees or quoted his writings. See for example *The Singapore Chronicle* 30 November, 1837; 1 February, 1827; 12 April, 1827; 16 August, 1827; 25 September, 1828; Supplement to the *Singapore Chronicle* 4 November, 1830; and *The Singapore Free Press*, 30 November, 1837. For an example of their appreciation of Crawford's role as a promoter of Singapore see *The Singapore Chronicle* 15 February, 1827, which refutes a Calcutta newspaper's claim that the 'commercial advantages' of the Straits Settlements 'have been greatly exaggerated by Crawford'. For an example of how Crawford obviously kept them informed of his activities on their behalf, see *The Singapore Free Press*, 28 April 1864 which features a letter from Crawford containing a memorandum 'on the subject of the duty of Pepper [he] lately submitted to the Chancellor of the Exchequer' relaying 'the plaint of the Merchants of Singapore, Pinang and Malacca'. An indication of how Crawford's particular brand of political economy was disseminated among the British merchants in the Straits Settlements can be seen by the article's inclusion of his argument from the memo detailing how 'the Duty on Pepper cannot be defended on any economic principles'.

⁵⁷ *The Singapore Free Press*, 11 October 1838.

the end of a long argument against these new land-regulations in which he uses the categories of political economy such as a 'surplus' and 'capital' to show that they either do not apply or have to be reconfigured in the Southeast Asian context. As the editorial comment on his letter says, the new land regulations have already 'given rise to so much discussion' but 'in the hands of Mr Crawford' they 'undergo' a much 'more searching analysis than we have before seen them subjected to...'.⁵⁸

Crawford's 1838 Singapore *Free Press* article on 'Land Regulations' taken together with his three other polemics against East India Company taxes which he published in 1828 and 1839 and the evidence he gave before a Parliamentary Committee of 1848 let us piece together the political economy of land he developed after he moved away from the basic agreement with Ricardian rental theory we saw expressed in his *History*. Although his three polemics were written mainly on behalf of his Calcutta constituency and although they addressed taxes in India rather than Southeast Asia, they contained many of the same arguments (or elaborations on them) as his *Singapore Free Press* article. They include his 1828 pamphlet *An Appeal to England against the New Indian Stamp Act*, his 'anonymous' review of that pamphlet, 'Indian Taxation of Englishmen', published later in the same year in the *Edinburgh Review*⁵⁹ and his 1839 pamphlet *An Appeal from the Inhabitants of British India to the Justice of*

⁵⁸ *The Singapore Free Press*, 11 October 1838.

⁵⁹ The *Edinburgh Review* of *An Appeal... against the New Indian Stamp Act* was definitely written by Crawford. It has his distinctive fiery idiom, indignant sarcasm, used Straits Settlements examples and elaborated upon the arguments he had used in his original pamphlet. (It is also attributed to Crawford by W. A. Copinger in *Bibliographia: On the Authorship of the First Hundred Numbers in the Edinburgh Review*; p 41). Crawford cleverly tried to hide his identity by lavishing praise on his own authorship in the third person. For example he compliments the 'ingenious and able author' of 'this able and acute pamphlet' for 'his luminous reasonings' and recommends 'his very agreeable and instructive pages' to the reader. Crawford 'Indian Taxation of Englishmen' *The Edinburgh Review* January- May, 1828, vol XLVII, no XCIII, p 163, p 134, p 184.

the People of England: a Popular Inquiry into the Operation of the System of Taxation in British India We shall briefly look at the points of similarity in these publications' arguments and those he presented to Parliament in 1848 against the East India Company's taxes.

Crawfurd's arguments against Company taxes can be broadly divided into economic, legal and moral arguments. He employs economic arguments to show that 'Our Indian statesman have no respect... for Adam Smith (an ancient enemy), nor for Ricardo - nor for McCulloch'.⁶⁰ The special quality attributed to land in the discourse of political economy - to give back more produce than is necessary to sustain the labour and capital put into it - Crawfurd argues, is missing in Southeast Asia. Crawfurd does not use the part of the *Wealth of Nations* where Smith argues that rent comes about from the growth of public property but instead uses Smith's arguments for the absence of rent in new colonies. Crawfurd's Southeast Asia is like Smith's and Locke's 'America' in that there is too much land and too few people for rent to be extracted. As he said to Parliament in 1848, land-taxes should not be applied in the 'thinly peopled islands of the Archipelago and nearby countries'.⁶¹ In his 1856 *Dictionary of the Indian Archipelago* Crawfurd begins his entry on 'Tenure of Land' by flatly declaring that in under populated Southeast Asia 'no real, or theoretic rent exists and the only value of the land is derived from the labour invested' in it.⁶²

⁶⁰ Crawfurd 'Indian Taxation of Englishmen' p 143. The elevation of his friend McCulloch to the same league as Smith and Ricardo is repeated in his *An Appeal from the Inhabitants of British India to the Justice of the People of England: a Popular Inquiry into the Operation of the System of Taxation in British India* [hereafter *Appeal. Inquiry into Taxation in British India*] p 18.

⁶¹ Parliamentary Committee of 1848, British Sessional Papers, 1847-8, vol ix, pp 357-364, Question 4140.

⁶² With the exception of the 'populous islands of Java, Bali, Lombok, and a few parts of the Philippines'. Crawfurd *Dictionary* p 429.

According to Crawford, British colonies in Southeast Asia are like Locke and Smith's (pre-colonial) America in that they are always virgin territory. The idea that the relative fertilities of different lands on which the difference between the worst and best lands determines the rent of the best lands, does not come into play. In the Straits Settlements, all lands are equally bad, all are perpetually marginal. In the *Singapore Free Press* article he claims that growing crops in Straits Settlement soil does not produce a surplus:

nearly its whole value is derived from the labour and capital of the occupant. In its wild state it has no more useful value than the surrounding air or water. Its timber is for the most part useless; it has no game that bears a value, and not a part of it that is fit for pasture.

Instead, like other productions, input equals output, with only what should be left as profits or wages available to tax: 'What will be exacted by the Government, then, under the name of rent will in reality be a real tax on the capital invested in the improvement of the soil and nothing else'.⁶³

The assumption underlying a land-tax - that it was somehow easier (or less of a disincentive) to extract a surplus from cultivating the soil than from other economic activities and that the surplus really was a 'free' gift from God or nature - is made clear by Crawford's arguments showing how the Straits Settlements are the exception to this rule. He lists the improvements made by the Straits cultivator, which since they include 'tilling' include practically every activity involved in cultivation. Nevertheless, according to Crawford, it would be as unthinkable to tax

⁶³ *The Singapore Free Press*, 11 October 1838.

these 'improvements' as it would be to tax other economic activities such as manufacturing or trade:

Whether value be conferred on the land by the expensive process of clearing, by tilling, by manuring (indispensable in so poor a soil) by draining, by works of irrigation, by building, or by expensive plantation it is alike effected by the private capital of the occupant. I can discover therefore no more excusable ground for taxing capital so invested than for taxing a similar investment in warehouses, or manufactures or shipping...⁶⁴

Profits and capital should be left untouched in the name of 'improvement'. Any apparent surplus that Straits Settlement land does produce cannot be separated out from the labour or capital invested in it or the profits it produces. And a tax on these would amount to a tax on 'improvement' and so would discourage industry and investment:

A tax on the rent of the land cannot be levied for the plain reason that rent itself in its proper sense does not exist. Any impost or assessment on the land *necessarily* proves a tax on the capital invested in its improvement and a variable impost must necessarily be proportional to the extent of the funds, skill and industry so expended.⁶⁵

In India Crawford also questions the existence of a 'surplus', calling

⁶⁴ *The Singapore Free Press*, 11 October 1838.

⁶⁵ *The Singapore Free Press*, 11 October 1838.

the Company's surplus there 'delusional' or fictitious.⁶⁶ But rather than being caused by poor soils as in the Straits, Crawford blames the lack of surplus in India on over-taxing and lack of investment by the Company or the lack of advancement of the ryots. The Company over-taxes the land, taking far more than political economy deems to be 'strictly rent'. This works against the natural progress of opulence. The Company takes almost 'half the gross produce as rent'. It pretends to leave a 'fund' with the cultivator for 'the improvement of the country' but since it is only 'five or six per cent of the gross produce' Crawford pronounces it 'a sum wholly inadequate to the improvement of the land, even if it really were rent'.⁶⁷

While the ryot is left with no funds for improvement, the Company is not interested in spending what it has collected on improvement either. Crawford argues that the Company's expenditure on improvements in India does not equal the 'annual outlay in improvements, fences, and farm-buildings, by the landlords of the smallest county in England'.⁶⁸ Nor can good governance justify their excessive taxes. Far from 'the public prosperity' warranting 'the augmentation' of the land-tax until it was 'twice as much under the British as it had been under the Mughal Emperors', British revenue-collection has resulted in 'the greatest famine on record' in India.⁶⁹ The 'incompatibility of the two functions of sovereign and trader', 'so long ago pronounced unavoidable by Adam Smith' is made even worse in Crawford's eyes by the way 'surplus revenue' is not remitted by the Company as 'taxes in proportion' but instead swept off as 'tribute... appropriated to the conquerors' into the 'British Exchequer or as

⁶⁶ Crawford in 'Indian Taxation of Englishmen' calls the surplus 'delusional' on p 162 and p 169 and claims the Company administrators 'gull the nation with promises of surplus revenue' on p 171.

⁶⁷ *Appeal.. Inquiry into Taxation in British India* p 17.

⁶⁸ *Ibid* p 52.

⁶⁹ *Ibid* p 8.

'shares..to the Company' in England.⁷⁰

Unlike the specific gambling or opium taxes Crawford suggests be substituted for land-taxes in the Straits Settlements, in the Indian context he suggests a permanent settlement with the vague promise that this will lead to 'prosperity' and therefore increased taxes; for eventually a country which has 'wealth possesses of course, the material of taxes'.⁷¹ He does suggest a number of areas where the Company could achieve the equivalent of an increase in revenue by cutting its expenditure, beginning with the 'little presidency' based on Penang and extending over Malacca and Singapore 'established in the Straits of Malacca consisting of two islets and a small barren tract on the peninsula' which were unnecessarily 'exalted into a territorial government'.⁷² He even recommends that savings be made by taking the port of Calcutta 'out of the prodigal management of the Company' and consigning it to the management of his constituency, the merchants.⁷³ The Company, he suggests, should ask the private merchants of Calcutta for advice on how to improve their finances. But he warns 'We must have no sovereign swaggering on such an occasion - no more lectures on Political Economy or against it, to persuade a class of men,

⁷⁰ Crawford *An Appeal to England Against the New Indian Stamp Act; with Some Observations on the Condition of British Subjects in Calcutta Under the Government of the East India Company* (1828) p 22, p 33.

⁷¹ Like Smith, he thought that the 'rent of land' is the 'chief source of revenue' in poor or rude countries but 'in proportion as countries improve in wealth and civilization, the proportion becomes smaller'. He also says the Company in 'violating the rights of private property' is 'destroying that public confidence which is very fountain from which springs the prosperity that alone yields the material of taxes.' *Appeal..Inquiry into Taxation in British Indiapp* 29-30, p 34.

⁷² Crawford other suggestions for 'moderate retrenchment' include reducing the salaries of the Company's Indian commercial agents and its opium and salt agents; using free shipping rather than maintaining their own fleet; getting cheaper insurance and getting out of the cotton and sandal-wood trades on which they make a loss. 'Indian Taxation of Englishmen' p 163, p 166, pp 167-169.

⁷³ *Ibid* p 112.

distinguished for their industry and prudence, to give their money away...'.⁷⁴ The merchants here are the 'natural' political economists. Through their practical experience in trade they 'instinctively' follow liberal principles, in comparison to the Company's artificial and forced reading of them. Their industry makes them better leaders and economic managers than, as Crawford puts it, the 'crowd of civil functionaries' sent to the Straits Settlements who 'found of course nothing to do' yet 'drew conspicuously on the territorial revenue of India'.⁷⁵

Crawford's legal arguments against Company land-taxes include, on the broadest level, a challenge to their right to violate 'the sacred rights of private property'.⁷⁶ In the case of the resumption by the Company of untaxed lands in Bengal, he argues that: 'No formal cession of it in the European sense of the word, was ever made...'.⁷⁷ He even goes so far as to claim that 'Every one of the early acquisitions of the East India Company were the fruits of grants made by parties who either had no power or no legitimate authority to make them', giving the example of 'fugitive Hindoo princes' (and conveniently forgetting that similar objections about 'fugitive princes' were made by the Dutch against the British acquisition of Singapore).⁷⁸ But despite his doubts about the legality of these initial grants, he argues that the permanent grants made much later by Cornwallis should be respected. These permanent grants have become

⁷⁴ Ibid p 170.

⁷⁵ Crawford 'Indian Taxation of Englishmen' p 163.

⁷⁶ Crawford *Appeal.. Inquiry into Taxation in British India* p 3.

⁷⁷ He adds 'all we acquired by the edict of the Moghal Emperor was a mere capitulation, by which the right of collecting the public revenue, ...was conferred upon one of the chartered, commercial companies of our nation, and hence on the nation itself...In so far then as mere legal title is concerned, the sword excepted, we hold our possession by prescription alone - by that right which we coolly refuse to our subjects, the rightful owners of the soil'.

Appeal.. Inquiry into Taxation in British India p 4.

⁷⁸ *Appeal.. Inquiry into Taxation in British India* p 44.

private property. He questions the legality of 'ransacking' Cornwallis' land-titles, just four generations after they had been bestowed on a permanent basis.⁷⁹

Crawfurd's other main legal argument is that the Company has no jurisdiction over the people it is trying to tax. In complete contrast to his earlier advocacy of outright conquest in his *History* as more straightforward and leading to greater mixing of the races (which we briefly considered in chapter three), he now considers 'peaceable cession' better because 'whenever Englishmen settle in an unoccupied country, or in a district ceded by a foreign power... they carry with them the laws of England. This is an established maxim of our constitution'.⁸⁰ Calcutta, Madras, Bombay, Penang, Singapore and Malacca he says are 'British colonies ...created by British enterprise, - always governed by British law, obtained at first by voluntary cession... the sovereignty in them has always belonged indisputably to the Crown and people of Great Britain.'

We have already seen how in Penang, the Company had no power over the 'Recorders' Courts' and how these courts were constantly finding against it in cases such as the one involving the landholder Mahood. Called 'King's Courts' by Crawfurd - although he acknowledges they were also called 'Recorders Courts' and 'Supreme Courts'⁸¹ - he lists the inhabitants of the 'British colonies' of Calcutta, Madras, Bombay, Penang, Singapore and Malacca as under their jurisdiction⁸², saying that they defend the 'immunities and privileges of British subjects' against the Company's 'despotic rule', including their right to hold land and not be taxed on it

⁷⁹ Ibid p 28.

⁸⁰ Crawfurd 'Indian Taxation of Englishmen' p 171, p 172.

⁸¹ Ibid p 173.

⁸² Ibid p 160.

(without representation).⁸³ According to Crawford 'British-born subjects are permitted to hold lands within the special jurisdiction of the King's Courts but nowhere else'.⁸⁴

Crawford's 'moral' arguments against the Company echo Raffles' earlier concern that the Company justify itself against public opprobrium by the ongoing act of good governance. Like Raffles, in his *Substance of a Minute*, Crawford assumes that the East India Company wants moral legitimacy to 'rescue them from the odium of being complained against to Parliament and the nation, for acts of doubtful legality and of obvious oppression and impolicy'.⁸⁵ However, unlike Raffles, Crawford is far more specific about what the Company should do to gain this moral legitimacy. The Company must cease 'to take, more from the body of the people than was necessary for its good government'.⁸⁶ It should stop imposing taxes merely 'to maintain an unconstitutional government in its course of prodigality and extravagance' and instead begin to spend its revenue on public 'improvements'. It should no longer 'lavish' the 'ample territorial revenue' on propping up its 'miserable monopoly-trade' but instead spend it 'on the administration of justice [and] of police, in the promotion of education, in useful public works and other obvious improvements'.⁸⁷

For Crawford, the East India Company undermined its moral

⁸³He calls on the British Parliament to resume the 'power which is now claimed' by the Company 'of taxing British subjects, who are deprived from their situation, of all other legitimate representation'. 'Indian Taxation of Englishmen', pp 180-181.

⁸⁴ Crawford 'Indian Taxation of Englishmen', p 159; Crawford *Appeal to England Against the New Indian Stamp Act* p 30.

⁸⁵ Ibid pp 170-171.

⁸⁶ Ibid pp 143-144.

⁸⁷ Ibid p 162, p 165. Although he told Parliament in 1848 he did not 'expect any improvements from the Government if they were the sole proprietor' in India. Rather he thought improvements were more likely to come from 'private proprietors' Question 4135, Parliamentary Committee of 1848, British Sessional Papers, 1847-8, vol ix, pp 357-364.

legitimacy not only by failing to spend its revenue on 'improvements' but also by the very mode of collection. Like Raffles in his *Substance of a Minute*, Crawford passed moral judgment on the way the land-tax was assessed and collected. However, unlike Raffles who found virtue in a ryotwari system of assessment and collection (or a village-based variant of it), Crawford found the same system iniquitous. It was expensive and intrusive, requiring 'crowds of revenue officers to make an arbitrary assessment of the land, covering the face of it like a crowd of locusts'.⁸⁸ He complained that, 'To the evil of heavy taxation is added the equally heavy scourge of the cloud of revenue officers employed to assess and collect it'. He likens periodic assessments to the 'inquisition' and 'a species of star chamber proceeding by which bands of revenue officers are let loose on society for the express purpose of calling titles in question and seizing private property in order to fill the public coffers'.⁸⁹

Crawford constantly privileged the 'sacred rights of private property' over the 'public' rights of the Company.⁹⁰ As he said in his 1838 *Singapore Free Press* article 'a variable land tax' necessitated a 'a rigid scrutiny into private affairs of frequent occurrence and is both offensive and pernicious'.⁹¹ Even when he was temporarily reconciled to Ricardian principles in 1848, when the Parliamentary Committee put the question to him: 'It is the mode of collecting the rent, and not the rent itself, that you object to?', Crawford answered 'It is the mode of collecting rent I object

⁸⁸ Crawford 'Indian Taxation of Englishmen', p 159.

⁸⁹ *Appeal. Inquiry into Taxation in British India* p 17, p 23, p 42.

⁹⁰ *Ibid* p 3.

⁹¹ *The Singapore Free Press*, 11 October 1838.

to chiefly'.⁹²

In the *Free Press* article Crawford said the aim of the land tax was 'to make the Government the universal Landlord, and to exclude all private property in the Land'. This 'scheme' he says in the article had been shown 'to be wholly impracticable twelve years ago when 'it was first promulgated by the late Mr. FULLERTON'. He goes on to relate how under his administration of Singapore, 999 year leases were given out. But the Supreme government 'objected' and 'substituted one of 99.' This was not long enough for 'the occupants of the land' according to Crawford. They had no incentive to improve the land for the prosperity of their heirs. Crawford proclaimed his antipathy to these 'short leases' of ninety-nine years and declared himself in favour of 'permanent and perpetual grant(s) to the soil' giving 'a private and indefeasible right in the soil'.

For Crawford, revenue should come from a source other than the land. As we have seen, he concluded in his *Free Press* article that the

⁹² Stokes claims that in 1848 Crawford capitulated to the rental theory formulated by Mill which justified the ryotwari system. According to Stokes, 'Mill's cause was won and his opponents silenced... Even Crawford, who hitherto had been so bitter in his criticism of the Indian revenue system, recanted his earlier views and gave his assent to Mill's theory [before the Parliamentary Committee of 1848]'. While it is true that Crawford, in answer to questions 4132 (Stokes' example), 4133, 4134 and 4146 by the Committee, seemed to think in 1848 that a 'surplus' existed and, if restricted to this portion, a land-tax was the best way of raising revenue in India without harming the rest of the economy, it was far from a complete capitulation by Crawford. He contradicted Mill's notion (and his own answers) that rent can be sequestered, with his answer to question 4157 where he explained how 'rent [is] the cause of the price' of commodities. Also as we shall see, before the same enquiry, he still maintained that the ryotwari system is 'pernicious' because of the variable nature of the taxes imposed under it and the 'frequent periodical inquisitions' it requires 'into the the condition of the land and its occupants'(Q 4158 and Q 4159). Possible reasons for Crawford's more moderate tone regarding land revenue in 1848, especially in India, may include the publication of John Stuart Mill's *Principles of Political Economy* that year in which the older Mill's rental theories were argued for in a way that may have convinced Crawford (at least partially). In later publications such as his *Dictionary* entries on 'Raffles' and 'Tenure' he returns to his usual fiery denunciation of Ricardian and ryotwari-style land-taxes in Southeast Asia. Stokes *Utilitarians and India* pp 131-132; Crawford *Dictionary* 429, p 363; Parliamentary Committee of 1848, British Sessional Papers, 1847-8, vol ix, pp 357-364.

'least burthensome, the most productive and the most suitable sources of revenue' in the Straits Settlements were 'duties' collected on 'the Farming principle'.⁹³ In advocating revenue-farming Crawford was in direct opposition to Adam Smith. Revenue 'farming' had been condemned by Smith because 'over and above' the revenue officials' salaries, 'the farmer must always draw from the produce of the tax a certain profit..' As well as this extra expense, the revenue farmer did not share an interest in the peoples' well being. Smith argued that the harmony of interests, which any sovereign shares with his subjects, was missing:

Even a bad sovereign feels more compassion for his people than can ever be expected from the farmers of his revenue. He knows that the permanent grandeur of his family depends upon the prosperity of his people... It is otherwise with the farmers of his revenue, whose grandeur may frequently be the effect of the ruin, and not the prosperity of his people.⁹⁴

Crawford however ignored this part of Smith. Perhaps, because like the revenue farmers in Smith, he did not feel enough 'compassion' for the population from whom revenue was mainly raised by farming in the Straits Settlements, the Chinese.

THE RACIAL CONFUSION OF THE EAST INDIA COMPANY

While the *Singapore Free Press* may have found Crawford's arguments cogent, they did not convince the East India Company. The

⁹³ *The Singapore Free Press*, 11 October 1838.

⁹⁴ (*NW*.ii.k. 73, pp 902-903). However Smith also criticized the land-revenue system which replaced 'farming' in both India and Java. As civilization progresses, Smith said government becomes more expensive and: 'After government becomes expensive, it is the worst possible method to support it by a land rent'. Smith *Lectures on Justice* p 239.

following year the newspaper lamented that the 'new Land Act which has been passed for the Straits Settlements, to come into operation on the 1st January 1840' still included 'short' leases of thirty years. It complained

such is the attention which the irrefutable arguments advanced by Mr CRAWFURD in support of a more liberal policy meet with at the hands of the Dictators of Leaden-Hall [sic] street! ⁹⁵

To call the Company clerks at Leadenhall street (the London street in which the East India House was situated) 'Dictators' was no mere slip of the tongue. The image of the East India Company as dictatorial, even despotic, was common and had been built up by the English-language newspapers of the Straits Settlements and Crawford over the years. In his many pamphlets and articles Crawford charged the Company with adopting 'Asiatic' modes of raising revenue. As we saw in the 'Labour' chapter, all labour under Asian sovereigns was represented as being 'unfree' to varying degrees. Asian sovereigns did not respect Lockean-style notions of people having property in their own persons and thus their own labour. Such sovereigns could not comprehend the property rights that accrued to the individual through his labour. They could not comprehend the nature of the civil contract where, in return for the peoples' taxes, they were expected to provide good governance including the protection of persons and property. In keeping with these ideas, Crawford summarised the 'oriental revenue system' imitated by the East India Company as one of

considering that country as a vast estate, of which the Government is landlord, and ought to draw the rents without being accountable

⁹⁵ *The Singapore Free Press* 15 August, 1839.

for any surplus, or expected to remit any burdens once imposed on the tenantry ...Taxation, according to the notions of the East, is, by a monstrous inversion of right principle, regarded *not* as a contribution from all, proportioned to property, for the unavoidable charges of protection and government, but as a *due*, a property, or right of the state to all it can extort (leaving a bare subsistence to the cultivator), and out of which no more is to be expended for the benefit of the subject than is unavoidable.⁹⁶

Furthermore the Company took its tribute and did not allow 'its natural compensatory mitigation by transfusion of the arts, the example, the skill, the intelligence, the capital and the industry of the superior country and race into the inferior'.⁹⁷ The poor Indian ryot was not even to be rewarded for the taxes he paid by the improving company of permanent English settlers. The free flow of 'market forces' was stymied at every turn. Land revenue flowed out of India to England as tribute without any compensating 'natural' inflow, either cultural or financial.

Crawfurd constructed his image of the Company as Oriental despot in counter-point to its inverse: the 'freeborn' Englishman. The point at which Crawfurd's moral, legal and economic arguments most often converged was on the rights of non-Company 'British-born subjects' in India. It is no mistake that Crawfurd's 1828 article is called 'Indian Taxation of Englishmen'. While he thinks the Company is overtaxing the Indian ryot⁹⁸ his fiercest indignation is reserved for the fact that they

⁹⁶ Crawfurd *Appeal to England Against the New Indian Stamp Act* pp 32-33.

⁹⁷ *Ibid* p 22.

⁹⁸ For an example of his sympathy for the ryot see where he says the proposed stamp duty will 'inflict an exotic impost upon above eighty millions of rude people, already overtaxed...' Crawfurd 'Indian Taxation of Englishmen' p 151. See also *Appeal to England Against the New Indian Stamp Act* pp 33-34.

also do this to 'Englishmen': in short that they treat the few Englishmen allowed to live in India as they do Indians. He doubts that the Company's 'unlimited power to tax British subjects living under its authority, in the same manner it taxes the Indians' is 'valid'.⁹⁹ Listing the restraints on private British citizens in India - on mobility, ownership of property and freedom to trade anywhere in the country - he says 'the East India Company now desires further to humiliate and oppress' the English 'by subjecting them to the same system of capricious taxation to which they have subjected their Indian hewers of wood and carriers of water'.¹⁰⁰ In response to the Company's claims that the British Parliament has given them the right to impose yet another tax (a stamp duty): 'What', asks Crawford, has happened to 'induce the legislature...to deliver over Englishmen, bound hand and foot, to be taxed by the East India Company in the arbitrary manner in which that Company taxes the conquered inhabitants of India?'¹⁰¹

But Crawford charges the Company with not only confusing how it should treat Englishmen with how it treats Indians, but also confusing its own racial identity. It has become an Oriental Despot and in doing so, forgotten the unspoken assumptions which fuse legal rights with race: that 'British-born' subjects within its dominion are the possessors of special rights which it should respect as an 'English' government. The Company, according to Crawford, is no longer capable of viewing the 'privileges of the British inhabitants living within the jurisdiction of the King's Courts' and the 'prosperity' caused by these privileges, 'with the eyes of Englishmen'. The Company has become 'vitiating by the long exercise of despotic rule over millions of prostrate Indians' and British

⁹⁹ Crawford 'Indian Taxation of Englishmen', p 175.

¹⁰⁰ Ibid p 179.

¹⁰¹ Ibid p 158.

'privileges' and 'prosperity' have become 'hateful to them'.¹⁰² If it can no longer distinguish between its Indian and English subjects, it can also no longer decide whether it is itself an Indian or British government, especially in regard to property rights. The East India Company now practises 'an uncontrolled despotism over property in so far at least as the land is concerned'.¹⁰³

Crawfurd accused the Company of betraying its country in its adoption of Eastern ways. Company rulers take 'after the purest samples of Eastern government', and in 'fancying themselves the Great Mogul[sic] personified' they are 'in reality, equivalent to throwing off their allegiance to the [British] nation!'¹⁰⁴ Company officials even betrayed their religion, seeming at times more Muslim than Christian. As Crawfurd says of the Company's pronouncement in Bengal that it can that can resume lands as well as grant them: 'The government that indited this passage must surely have been dreaming for a moment, that it was Mahomedan and Asiatic, and lost all recollection that it was Christian and British'.¹⁰⁵ The Company's resumption of land which had been 'improved' by the application of others' labour, did not respect the finality with which land was acquired in Britain. The possibility that it might one day

¹⁰² Ibid p 161.

¹⁰³ Crawfurd *Appeal..Inquiry into Taxation in British India* p 44. For other references to the Company as 'despotic' see Ibid p 6, p 7, pp 9-10, p 44.

¹⁰⁴ Ibid p 175.

¹⁰⁵ *Appeal..Inquiry into Taxation in British India* p 27. The image of the Company as anti-Christian is also implied when Crawfurd pushes the East India Company's citation of a Mughal precedent to an absurd conclusion: 'there is no act of fiscal oppression' which the practice of 'our predecessors in dominion ...would not justify'. It would not only justify 'imprisoning, scourging and torturing' but also giving Hindus 'the option of accepting the worship of Mahomed or suffering death'. He continues: 'Whenever the Indian government on a revenue question is bent on a strong measure' they 'quote the authority and precedent of their predecessors the Mahomedans. The practice of the followers of the Koran is then their law and their political gospel'. *Appeal..Inquiry into Taxation in British India* p 7.

take back the land was not in keeping with the 'Christian' morality of a Lockean theory of property. As we saw at the beginning of this chapter the 'will of God' himself' according to Locke, was that property be based on individual 'virtue and desert' through the application of labour. In Crawford's eyes the Company, like other Asiatic sovereigns, can no longer entertain the notion of individuals earning property in the soil through labour; labour which is also their private property. Rather the Company, like Asiatic sovereigns taking advantage of their sacred status, proclaimed itself the supreme landlord and thus claimed the (Islamic) God-given 'gift' of the soil's surplus which in reality was the hard-earned product of private (mainly Christian) human labour.

LOW AND THE CAUSES OF DESPOTIC OFFICIALISM

One explanation for why English officials of an English Company would turn into 'Oriental despots' can be found in the book *Some Glimpses of Life in the Far East* by John Turnbull Thomson. In this collection of reminiscences, Thomson recounted a visit to Penang during the 1830s in which he 'stumbled unawares on the very heart of a monstrous, loathsome despotism'.¹⁰⁶ Several chapters are devoted to the condemnation of a 'Company official' as Thomson calls the despot, rather than using his real name, James Low. Thomson recounts how during a visit to Province Wellesley, while Low was its Superintendent, he was shown various pieces of land, previously under Malay occupancy, taken by Low for his own use. Adopting a 'Lockean' morality regarding property in the soil, Thomson recounts how he was shown property which had been appropriated by Low even though it had been created through others' labour. A 'native called Jahiah' for example had 'his paddy fields ...wrested from him' by Low.

¹⁰⁶ J.T. Thomson *Some Glimpses of Life in the Far East* (London, 1865) p 113.

Thomson 'burned with shame' when Jahiah showed him what a fellow Englishman had

taken from him; for this he had cleared with his own hands, labouring with his own hands. He showed me the land-order to clear the piece, given by the same East Indian Company's official that wrested the land after his labour had made it valuable.¹⁰⁷

This and numerous other examples are given of Low usurping land after 'Malays' had 'cleared it, planted it, built houses on it, with the hope of enjoying the fruits of their labour in company with their wives and little ones'.¹⁰⁸ For Thomson writing in 1865, the reason why Low changed from a 'healthy fair-play-loving Briton to this bloated tyrant' are

Native connections of a low and illicit kind Flattery and climate destroy the original independence of the European. ...he falls victim to their wily toils and the British official becomes a tyrant! Oh how unfit a representative of England's manly Christianity! how [sic] unlike the noble disinterestedness of England's most noble statesman! ¹⁰⁹

The 'native connection' to which Thomson particularly objects, is Low's 'native mistress', his *nonia*. The nonia is the power behind the throne, punishing through Low all those who oppose her. Thomson says he relates this to give the lie to those who say such liaisons give the Company

¹⁰⁷ Ibid pp 111-112.

¹⁰⁸ Ibid p 119. For other examples of Lockean morality in which Low is accused of unjustly usurping the fruits of Malay labour see pp 108-111, p 113, p 114, p 123.

¹⁰⁹ Ibid p 126.

greater influence.¹¹⁰

It is not only climate, flattery and an interracial sexual liaison which have transformed Low into a Malay Rajah. It is also his 'unchecked' power, especially the many offices he holds. Again we see the other side of 'liberal heroics': the illiberal 'Despotic Officialism', as Thomson calls it, of a Company administrator who has taken on the absolute power (and therefore the worst aspects of) the native rulers he replaced¹¹¹. While 'the native rajahs of Malayan states daily and hourly commit such acts' as driving 'their people' from their land and then monopolising it, such actions committed by an Englishman signalled degeneration:

...here was a East India Company's official in the position of a Malayan rajah unchecked and uncontrolled, - how could he, a European gentleman, be capable of such transactions? Simply in this way. He no doubt had the feelings of a white man previously; but he was weak-minded and had, for thirty years been held under native influences. Having succumbed to such trammels he had become an Anglo-Hindoo rajah and had so conformed to the ideas of that class, that he imbibed their prejudices, and indulged in their oppressiveness and venality.¹¹²

¹¹⁰ Ibid p 100, p 127, p 104.

¹¹¹ Ibid p 113. 'Despotic Officialism' is the title of chapter Twenty-two in Thomson's book in which he claims Low's administration of Province Wellesley is deliberately hidden from the outside world: '...for these regions were forbidden to Englishmen until the year 1833'. Thomson's claim that no other Europeans are allowed in the Province so Low can be despotic away from their gaze, is at odds with Low's description of the limited European colonization which existed there already and newspaper reports of European land holders. Furthermore, the Company's licensing requirements for European settlers at the time undermines Thomson's suggestion that keeping Europeans out of Province Wellesley was an ambition restricted to Low.

¹¹² Ibid p 113.

The worst aspects of the East India Company's appropriation of land are here attributed to the influence of the 'native'. The Company official, like the Company itself, has become an 'Anglo-Hindoo rajah ...and indulged in their oppressiveness and venality'. The Company's usurping of land is far removed from Smith's 'improving landlord class' or his and Locke's ideal of acquiring property through one's labour (especially in new colonies). Instead we have the Company taking land as easily as they take its surplus, undermining its own moral legitimacy and, it is feared, that of British governments in general.

This thesis began and now ends with James Low. Low could have written an intensely personal history of British land administration in Penang and Province Wellesley. He was after all Superintendent of Province Wellesley for over a decade from 1827 and was in charge of the Land Office through which he administered a complex system of tenures, as well as the collection of land revenue¹¹³. Over the course of his administration Low did acquire large landholdings in Province Wellesley, as Thomson said, which came to the attention of his superiors in India and by 1840 had caused sufficient official concern to end of his career as Superintendent there.¹¹⁴ Low's musings on the theories of Adam Smith and Malthus may have been a 'disingenuous attempt' to hide his corrupt land

¹¹³ James Jackson (ed) Introduction to James Low *A Dissertation on the Soil and Agriculture of the British Settlement of Penang or Prince of Wales Island, in the Straits of Malacca; including Province Wellesley on the Malayan Peninsula with Brief References to the Settlements of Singapore and Malacca* (Singapore: 1836) p xiv.

¹¹⁴ The Court of Directors officially instructed him in 1830 to furnish 'more regular and precise reports of his proceedings with reference to the grants of leases and other revenue affairs' and expressed regret that 'there has been considerable carelessness and irregularity in that Officer's mode of transacting business and some appearance of disingenuousness in his attempts to disguise these faults'. Nine years later, they ordered him to dispose of his plantations or quit his office. Low refused to give up his properties in Province Wellesley and was consequently transferred to Singapore in 1840 (although his reputation with the Company must not have been completely tarnished as he was given the high ranking administrative position of Assistant Resident there). Ibid pp xi-xv.

administration.¹¹⁵

His personal stake in Province Wellesley's administration and its land are not mentioned in his analysis of rent and prices there. After twenty-two years residence in the colony, the first person pronoun does not form part of his long reflection on the place of political economy in 'India beyond the Ganges'. Instead Province Wellesley and the island of Penang are depicted as settings in which the impersonal laws of economic science unfold. His own personal agency is missing. Indeed human agency of all kinds is underplayed. The politics is largely taken out of Political Economy to a very modern degree. In Low, economics alone plays out its endgame without reference to the art of government or much human intervention of any kind.

But for Thomson in his depiction of Low as an 'Anglo-Hindoo rajah', human intervention was all too evident in the economy of Province Wellesley under Low's rule. For Thomson, part of the problem with Low's reign was that his corrupt whims disrupted the supposedly impersonal science and 'self correcting mechanisms' of political economy. A despotic individual, in the person of Low, was capable of unbalancing the natural flows of labour and the property which follows from it. He severed the natural connections that should exist between labour and property and ignored the harmony of interests which Classical economic theory said should exist between subject and sovereign; the ideal of mutual interests was overridden. Instead, transactions were carried out so that they furthered the interests of one person alone. As we saw at the beginning of this thesis, Low was worried whether or not the 'universal' laws of

¹¹⁵ In Low's defence it should be noted that it was accepted practice in the first three decades or so of the nineteenth century for government officials in Penang to possess estates on the island. According to Braddell, nine of the eleven spice plantations in Penang in 1833 were owned by government officials. T. Braddell *Statistics on the British Possessions in the Straits of Malacca* (Penang 1861) pp 12-13.

political economy would apply to India beyond the Ganges. If such laws did not apply in Southeast Asia, or were applied in wildly unorthodox ways, as we now see, officials like Low were often one of the reasons. Far flung administrators 'beyond the Ganges' such as Low, as well as the British mercantile community there and their London spokesman Crawford, all claimed that their actions were refinements or developments of political economy, as they appropriated its theories to justify their own ends.

Chapter Seven

CONCLUSION

In answer to the general question posed at the beginning of this thesis we can say that the influence of political economy on British colonial administrators and merchants in Southeast Asia was substantial but unorthodox. They aspired to the authority cast by political economy even if they did not understand all its complexities. In some areas, such as free trade there was a ready recourse to Adam Smith because his advocacy of free trade and condemnation of mercantilism was straightforward and easily transferred to the Southeast Asian context. In the mind of Raffles and other officials such as Begbie, there was a ready identification between the Dutch as mercantilists and the British as free traders. Raffles even depicted the English East India Company as a 'free trader'. In denial of the English Company's history and common perceptions (including Smith's) of the Company as mercantilist, Raffles flattered his employers by implying that they too were part of the bold new experiment in which everyone's self-interest could be accommodated, 'improvement' encouraged and profits realised. Raffles himself, however, had an ambiguous relationship to free trade. As we saw, his adoption of its precepts was halting and never completely wholehearted.

Crawfurd on the other hand was a steady and enthusiastic promulgator of the virtues of free trade. Crawfurd also rendered the doctrines of Smith more accurately than Raffles in regard to the English East India Company. He criticised them along with the Dutch company and

other mercantilist European colonizers who had traded in the East. Crawford's criticism of the East India Company grew after he left Southeast Asia. In England he became a professional critic of the Company and he actively campaigned against it on behalf of the merchants of Great Britain, British India and the Straits Settlements.

The ideas of Classical political economy were rarely simply transplanted entire and unchanged to Southeast Asia. The reinterpretation of Malthus' theory of population is perhaps the most obvious example of the way they were often twisted. While many colonial administrators were aware of his 'population principle' they inverted its conclusion. Malthus' vision of a world overrun with starving hordes was clearly disbelieved. In its place, there were more optimistic visions in which populations increased along with a general rise in civilization. This population growth it was believed, was more likely to occur under the fostering care of the British government. In the case of Crawford, the hoped-for population boom included a growth in the number of consumers for British goods as British capitalists colonized Asia.

Many other variations were introduced into the basic doctrines of Classical political economy when they were transferred to the tropics. The benefits bestowed by international commerce, for example, were given a patriotic flavour. British manufactures were constantly on the cusp of an enlarged market. Even if that market never actually eventuated in Southeast Asia the belief that civilization was engendered by British manufactures persisted. Racial stereotypes and patriotism blended to produce a belief in the efficacy of British manufactures and capital in promoting civilization. Singapore was represented as 'magical' not only because of its free trade origins but also because it came from 'nothing': the energy and industry of Englishmen had seemingly conjured it from thin

air.

The idea that Singapore was conjured up by Raffles out of thin air relates to the aforementioned arguments on land. The absence of a preexisting social structure implied a corresponding absence of a diwani. Economic ideas relating to land were adapted for reasons that were more patently self-interested than benign 'theoretical' inversions of Malthus' population principle. Crawford, Low and various anonymous authors of Straits newspaper articles were obviously familiar with the doctrines of differential rent. However, they adapted economic categories such as 'surplus' and 'capital' to argue that it was difficult to extract an agricultural surplus from Straits Settlement soil or sequester it from the rest of the economy. Despite Crawford's familiarity with the doctrines of Smith and Ricardo, he ignored their objections to revenue farming and argued that it was the best way of raising revenue in the Straits Settlements - particularly from opium and gambling.

Even the arguments of Raffles in favour of raising a revenue from the land can be seen as an example of twisting the ideas of political economy for very pragmatic reasons. Raffles used the authority of political economy in his appeal to the Company to support him in his wish to retain Java. He appealed to their need for land revenue as well as flattering the Company by praising its achievements in India and comparing it favourably to its Dutch counterpart. Raffles argued the Company would strengthen the link between labour and property by land reforms in Java. Crawford at first agreed with Raffles that land-based revenue on Java would provide incentive for the ryot to labour and that they would not harm the rest of the economy.

Crawford, however, soon came to believe that a 'land-tax, founded on the native principle, or almost any modification of it' led to excessive

imposts and a lack of improvement.¹ Differential rental theory for him, propped up a variable tax system which led to iniquitous scrutiny of private individuals' affairs. The basic economic requirement for rent – the net, relative surplus – did not exist in the Straits Settlements; or, he argued, the Company had no right to this surplus (or the right to only a small portion of it). The soils of the Straits Settlements were so poor or difficult to clear that they were all equally 'marginal'. The first-cultivated lands to which they were marginal and to whose fertility they were compared to determine the rent, lay elsewhere. They may have been in India or England, but according to Crawford, they were certainly not to be found in the Straits Settlements.

The last two chapters of this thesis allow a broad comparison between those who supported taxation by the East India Company and those who opposed it. We can compare Raffles' rhetoric in 1814 regarding land with Crawford's and the Straits newspapers' rhetoric on the same topic later in the century. Raffles was trying to overcome a certain inertia in the Company with regard to a land-based revenue in Java. He had to point out to them their moral duty as well as the precedents they had set in British India in an effort to gain their support for his land reforms in Java. In contrast, the following decades saw Crawford and the Straits newspapers rally against precisely what Raffles had wanted: a land-tax and greater government involvement, especially an increase in the number of Company officials. The Company never evinced the same reluctance to introduce a land revenue system in the Straits Settlements as it had in Java. To the Company the Straits Settlements were permanent colonies in contrast to the temporariness of Java. They also had a very pragmatic need to raise revenue in the increasingly free trade Straits. This combined

¹ Crawford *History* III, p 63.

with the growing belief in India that differential rent theory proved that the ryotwari system was the most morally superior and efficient way of raising revenue, saw strenuous attempts by the Company to realise a land revenue by similar methods in the Straits.

There are some points of similarity between Crawford and Raffles. Both emphasised improvement and both saw 'certainty' or a predictable future as essential to this 'improvement'. However, both had very different ways of ensuring this 'certainty'. In Raffles eyes, the formalised tenure of Javanese land necessitated by a land-rent would give the the ryot certainty. Allowing the ryot to keep part of his 'surplus', while the government took only a judicious portion, was also more 'certain' (and morally superior) to the forced deliveries and labour exacted by the Dutch. Raffles was also keen to free the Javanese peasant from the 'arbitrary' and rapacious impositions of the Chinese, the Regents and (eventually) the village heads. The knowledge that a predictable amount would be taken, even if was predictable for only three years, Raffles believed, would give the Javanese peasant a reason to work. The self-interest of the peasant would ensure that he would try to make his 'surplus' as large as possible, now that he was 'certain' he would retain part of it. The increased labour of the peasant would see him 'improved' because labour was in itself morally improving. It would also improve the land and incidentally benefit the government which took a portion of this increased surplus.

Crawford on the other hand, believed that 'certainty' was destroyed by the sort of ryotwari system Raffles had advocated for Java. Leases of thirty or even ninety-nine years subject to the same level of taxation during that time were not long enough to give the farmer confidence to clear land or plant slow-growing spice crops. Furthermore, Begbie and others agreed with Crawford that 'cultivation clauses' which resulted in

the resumption of uncleared or fallow lands by the government after a specified time, also discouraged improvements in the present because of fear of future losses. The government's attempts to force 'improvement' through these clauses was argued to have the reverse effect. Undirected individual self-interest was represented as a far surer source of improvement.

As the debate developed between the English merchants in the Straits and the Company over land taxes, both sides claimed the moral high ground. A popularised Lockean morality was appealed to by the Straits newspapers which depicted the officials sent from India to enforce the land-tax (especially Fullerton) as intrusive, uncaring and too ready to take what had been earned by the labour of others. Inalienable property rights acquired through 'labour' was presented as intuitive and 'natural' while the government's attempts to secure land grants and revenue through contracts were represented as artificial and contrary to common sense. Raffles' earlier appeal to 'certainty' of land tenure as a benefit bestowed by his government on Java, was seen decades later in the Straits Settlements as a ruse to extract more money out of industrious land-holders.

What would 'improve' the ryot, according to Raffles, was represented as having the opposite affect by Crawford. Ironically, Raffles seems to have believed implicitly in land-taxes, however vague he might have been about the actual details. Crawford, on the other hand, who appears to have known differential rental theory and the details of the Indian ryotwari system intimately, was fierce in his condemnation of them. Crawford came to see the East India Company as incapable of staying within the limits laid down by political economy. Furthermore he seems to have believed that in adopting 'Asiatic' modes of taxation, the

Company actually became an Asiatic sovereign. It not only combined the two incompatible functions of trader and sovereign, as Smith had charged, but the sovereignty it adopted was of the worst kind: that of the Asiatic sovereign who did not respect the civil compact between subject and government. Veneal and corrupt, it was only held in check by the 'recorders courts', oases of English rights and privileges in India and Southeast Asia. In short, in most of their publications, Raffles hoped to persuade the Company while Crawford hoped to disprove the reasoning behind its economic edicts. In the war of words Crawford conducted with the East India Company, the moral legitimacy provided by the 'improving' science of political economy was one of his most potent weapons.

Any sharp divide, however, between those for and against the Company, between monopolists and free traders - as exemplified in the personal political economies of Raffles and Crawford - is not as straightforward as it might first seem. Singapore for example, that urban embodiment of free trade, was credited to Raffles whose memory was invoked to stave off the threat of taxation by the East India Company. Raffles himself blurred the division between the two 'camps' when he appealed to the Company to become a 'free trader' (albeit a rather large one which enjoyed certain advantages) along with him. In another example, the Company and its opponents, the Indian and Straits Settlements merchants rallied together to form a bloc of 'East Indian' interests in opposition to the West Indies. Nor was Raffles simply an unquestioningly loyal company employee. He was chastised by the Company and in the case of his land reforms miscalculated how best to appeal to them. On the other hand, one of the Company's staunchest critics, Crawford championed a form of land tenure instigated by a Company official, Cornwallis, in India. Low was another 'company' official whose depredations seemed beyond

even those of which the Company was accused of by its opponents.

If we compare Raffles' *Substance of a Minute* with Crawford and the Straits newspapers' later writings on land, in the broadest terms, it might seem that the surplus was God or nature's 'gift' when it was produced by the 'native' cultivator, but when Englishmen were being asked to give up this 'gift', it was discovered that its production actually involved inputs of labour and capital or ate into profits. Add to this, Crawford's complaint that Englishmen were being taxed like 'natives'; his argument that Englishmen had specific rights under the 'King's' or 'Recorder's Courts'; and it would seem the hypocrisy of the Crawford and the Straits merchants is complete. Political economy was used to justify tax-avoidance by the British at the expense of the 'native'. The proposed alternative of gambling and opium 'revenue farming' only serves to heighten this suspicion, as these taxes obviously fell most heavily on the Chinese and Malay populations.

However, any simple dichotomy between the English and the non-British Malay, Chinese or Javanese is complicated by the solidarity shown by the British mercantile community with other landholders. While there is not space in this thesis to explore the bonds between Chinese and British land holders in Penang (for instance), we get some inkling of how economic sympathies could cross racial lines with the treatment of the Naning War by Begbie and the Straits newspapers. The Naningnites are presumed to be the self-interested individuals of political economy who also share the 'universal' hatred of taxes. Representations of the Company and the superintendent of Province Wellesley, James Low, as 'Oriental' and despotic also tangle the racial divide. Away from the influence of English law, but under the combined influences of a tropical climate, flattery and native mistresses, Company officials such as Low turned into 'Anglo-

Hindoo rajahs'. This of course might be a way of rebuilding the racial divide: in the debate between the 'taxed' and the 'taxer' - that is, the merchants and the Company - those who dared to infringe the Lockean style morality of private property were condemned as belonging to the economically irrational, morally inferior, ruling class of another race.

Lastly and most tentatively, this thesis has found in its investigations into the use of classical political economy in Southeast Asia, that political economy itself can be looked at in a new light. The forgotten racial element in classical political economy was highlighted by the way it was interpreted by British colonial administrators. In looking at labour for example, colonial assumptions about Asian subsistence needs and 'customary wants' led me back to Smith's discussion of rice and potatoes and then through the books of Ricardo and Torrens to uncover a fear of the perceived 'lesser' wants of the Irish. The distance on which the unequal exchange of labour was based was easily overcome by steamship across the Irish Sea. This raised the question of what happened to such theories in the face of ever closer physical proximity. The different rates of pay given to people who worked side-by-side were explained on the basis of different subsistence or customary needs. The racially based differences between labourers' bodies affected notions about 'subsistence' on which so much economic theory rested.

Another question raised by this thesis relates to the interconnections between economic theories sustaining land revenue and religious biases. The free traders' arguments against the East India Company merged into arguments against the characteristics of 'Asiatic sovereigns' which they were believed to have adopted. Assumptions about Muslim kingship and its relationship to the land were found to be implicitly compared to a 'Christian' respect for individual property rights

acquired through labour. In Crawford's case the 'labourer' was not only the ryot or cultivator. Using 'labourer' in the broadest sense, Crawford also included his class of merchants who might not directly work the land they own but who, through their industriousness in trade and the contribution of their capital to the wider economy, earned a moral right to permanent property in the land.

If, as one historian says, British colonialism 'was never really justified by a theory commensurate with the political and economic significance of the phenomena'² then perhaps in Crawford (and the Straits newspapers which supported him) we have the beginnings of an attempt to construct a popular political economy amongst British colonists in Asia. Crawford's political economy and that of the mercantile community he represented may have been self-interested in the extreme, but in this they were upholding one of the central tenets of the new economic 'science'. To accuse Crawford and the mercantile community he represented of only seeking their own self-interest is to emulate the scientific reductionism of political economy. Those who professed the doctrines of political economy in Southeast Asia had many reasons for their varied and sometimes twisted readings of the original doctrines of Smith, Malthus and Ricardo.

It is difficult to say just how wide-spread or consistent was the 'popular economy' of the merchants in the Straits. The circulation numbers of the newspapers for which Low wrote his reflections on political economy, for example, would tell us little about the understanding or importance readers gave to such reflections. However the collaborative evidence of the merchants' intransigence over land taxes, their memorialising of the 'father of free trade', Raffles, and their employment

² Uday S. Mehta 'Liberal Strategies of Exclusion' in Stoler and Cooper, p 79.

of Crawford to lobby on their behalf in London indicates that their version of political economy was important in the early Straits Settlements. While it may never have acquired the sophistication or moral gloss of the major economic theories taught in Haileybury College by Malthus, Bentham and other pioneers of social science to facilitate the understanding and governing of colonial people by the East India Company, it was a contribution to mainstream economics that did not go ignored at the time.

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