CHAPTER 2

SHIPPERS OF GOODS AND MEN

As a free port, Singapore was a favourite place for German merchants who wanted to establish themselves in Eastern Asia. German commercial achievements in Singapore were impressive. But German interests remained comparatively small, never posing a serious challenge to British commercial power.

German trade was greatly aided by the emergence of giant German shipping companies who extended their lines to all the major trade centres of Eastern Asia, Australia, and the Pacific. A German shipping firm bought over two leading British steamship companies and expanded its fleet by ordering new steamers. By the beginning of the 20th century, Germany possessed Eastern Asia's second largest merchant marine, and it was growing faster than Britain's. But Britain's decline in shipping was relative, not absolute. British companies remained the principal maritime power in the East.

German shipping companies played an important part in the transportation of "coolies" throughout Eastern Asia. And yet, Germany constantly faced the problem of recruiting "coolies" for her own colonies.
I. Into Singapore's Open Door

When Theodor August Behn and Valentin Lorenz Meyer announced the establishment of their firm on 1 November 1840 Singapore was still a very small place, its future uncertain, and with a European population of only 300.¹ Nevertheless, their arrival coincided with Singapore's growing importance as transshipment centre for European and East Asian goods.² Singapore's free port status, which meant granting merchants of all nationalities equal privileges, was finally showing some positive results. Britain's forceful opening of several Chinese ports to Western trade in 1843 promised even more prosperity for Singapore's merchants.

Several German merchants soon followed Behn and Meyer to Singapore, either to set up their own trading companies, or to enter into employment with other firms. Hamburg imports from Singapore almost doubled between 1845 and 1856, while exports from Hamburg to Singapore grew about four times between 1848 and 1856.


²For a summarized account in English on the adventurous start of Behn, Meyer & Co. see Siddique, "Early German Commercial Relations to Singapore", pp.166-81. See also Wright and Cartwright, Twentieth Century, pp.672-4 and pp.801-3.
Value of Trade between Hamburg and Singapore in Selected Years in Marks:

<table>
<thead>
<tr>
<th>Year</th>
<th>Singapore to Hamburg</th>
<th>Hamburg to Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>1845</td>
<td>557,500</td>
<td>N/A</td>
</tr>
<tr>
<td>1848</td>
<td>N/A</td>
<td>386,220</td>
</tr>
<tr>
<td>1856</td>
<td>1,095,250</td>
<td>1,518,760</td>
</tr>
<tr>
<td>1860</td>
<td>140,610</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The growing number of Germans living in Singapore led to the establishment of a club intended to further social relations among the German speaking community. The famous Teutonia Club was founded on 28 June 1856 by Arnold Otto Meyer, Otto Puttfarcken, and Franz Kuestermann. The British Tanglin Club was only founded ten years later. Prospects looked bright for German enterprise in Singapore. Fedor Jagor, a well-known German explorer, historian and ethnologist, who visited Singapore in late 1857, anticipated that in "a few years from now" German enterprise in the Straits Settlements would reach far greater heights. A combination of the "German spirit" and Singapore's commitment to free trade could be nothing else.

*Data compiled from The Singapore Free Press, 6 May 1865; Helfferich, Zur Geschichte, p.125; Kellenbenz, "German Trade", p.144; Sieveking, "Das Haus", p.127.

*Helfferich, Zur Geschichte, p.115; Sieveking, "Das Haus Behn", p.121. Statutes of the Teutonia Club are kept by the "Ostasiatische Verein" (East Asian Society) in Hamburg together with member lists, protocol books for 1879-1899, and visitors books for 1856-1901. On 31 August 1900, the headquarters of the Teutonia Club was moved to the elegant premises which later became the Goodwood Hotel after 1914. See also Wright and Cartwright, Twentieth Century, pp.624-5.
but a formula for success.\(^5\)

The realization of Jagor's expectations was delayed, however. The world depression of 1857-9 and the resulting financial crisis destroyed much of the German merchants' previous gains. The crisis began in the United States with the collapse of an American bank on 24 August 1857. This was followed quickly by the failure of many other financial institutions in North America and Europe. In the United States alone, more than 1,400 banks and over 5,000 companies closed down. In London, the world's financial centre, the stock market crashed. The British government took control over the Bank of England on 12 November to regulate the money supply.\(^6\)

The depression had a tremendous negative effect on the trade of Eastern Asia. What worsened Singapore's situation even further was the opening up of ten more Chinese ports for Western trade in 1858. More and more goods were being transported directly between China and Europe, severely undermining Singapore's position as a transshipment centre.\(^7\) The leading German firm in Singapore, Behn, Meyer & Co., suffered losses of over 228,000 dollars (about 700,000 marks) for the year 1858.


\(^7\)SarDesai, *British Trade*, p.141.
only fully recovering from the crisis in 1862.\footnote{Helfferich, Zur Geschichte, p.141 and p.146.}

<table>
<thead>
<tr>
<th>Year</th>
<th>Hamburg</th>
<th>Bremen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1842</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>1845</td>
<td>9</td>
<td>N/A</td>
</tr>
<tr>
<td>1856</td>
<td>45</td>
<td>13</td>
</tr>
<tr>
<td>1873</td>
<td>11</td>
<td>N/A</td>
</tr>
</tbody>
</table>

After the world economic crisis had subsided, German shipping and trade resumed its expansion. The Prussian expedition to the Far East (1860-2) recorded with satisfaction the growing position of German enterprise in Singapore. However, German merchants viewed with scepticism the expedition's intentions believing that commercial treaties between German and Asian states might undermine their role as middlemen. Treaties made by European powers with China in 1858 had already caused a general drop in the trade of Singapore because of direct

\footnote{Compiled from Parkinson, British Intervention in Malaya, 1867-1877, Kuala Lumpur, Univ. of Malaya Press, 1964, p.63; Sieveking, "Die Anfaenge", p.208; Schramm, Deutschland, pp.88-9; Kellenbenz, "German Trade", pp.134-44; Helfferich, Zur Geschichte, p.125; Bogaars, "The Effect", p.111; SarDesai, British Trade, p.146. In 1845, 15 ships left Singapore for Hamburg. For the shipping of 1856, Helfferich gives exactly the same data for 1859; while Kellenbenz, who refers to Schramm, cites 1856. It seems most likely that 1856 is correct because 1859 falls during the world economic crisis.}
shipping between China and Europe.\(^{10}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1833</td>
<td>1</td>
</tr>
<tr>
<td>1846</td>
<td>2</td>
</tr>
<tr>
<td>1860</td>
<td>3</td>
</tr>
<tr>
<td>1864</td>
<td>7</td>
</tr>
<tr>
<td>1867</td>
<td>7</td>
</tr>
<tr>
<td>1871</td>
<td>11</td>
</tr>
</tbody>
</table>

The growing influence of German merchants is also borne out by their active involvement in official bodies of the Straits Settlements. In 1862, out of 30 members of Singapore's Chamber of Commerce, 5 were German. August Behn was elected two times a member of the Municipal Committee in Singapore. Besides functioning as the North German consul from 1862 to 1864, Arnold Otto Meyer took part in meetings concerning Singapore's administration.\(^{12}\)

An increasing number of German merchants began switching to German rather than British shipping and

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\(^{10}\)R. Werner, *Die preussische Expedition nach China, Japan und Siam in den Jahren 1860, 1861 und 1862, Reisebriefe*, vol.1, Leibzig, 1863, p.98; Spiess, *Die preussische*, p.103.


agents for the transportation of their goods to the Far East. By the mid-1860s, German firms carried out an estimated one fourth of Singapore's international trade, achieving second place after Britain. On 6 May 1865, the "Singapore Free Press" recorded that:

"Apart from the Indigenous (i.e. not European or American) ships, there are now 154 larger square-rigged vessels lying in the harbour, 3 of them British and 2 colonial armed vessels, 2 English and 2 American cargo steamers, 2 Dutch mailboats, 78 English merchantmen, 19 from Hamburg, 9 from Bremen, 8 French, 5 Danish, 5 Prussian, 4 American, 4 Dutch, 3 from Oldenbourg, 2 from Hanover, 2 Swedish, 2 Siamese, 1 Norwegian, 1 Belgian. Among the merchantmen, those sailing under German flags (38) represent a proportion of 1 to 2 to the English ones, and 2 to 1 to the other nations."

The opening of the Suez Canal in 1869 had tremendous effect on the shipping of the Straits colony. Total steam tonnage entering Singapore multiplied rapidly from 264,790 tons in 1868, to 748,322 tons in 1872, to 1,291,304 tons in 1876. But the issue of German unification and the war with France hindered German shipping from taking full advantage of the canal. Only 1 German ship touched Singapore in 1870. German shipping with Singapore began to

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1^ Mathies, Hamburgs Reederei, p.113.


3^ The Singapore Free Press, 6 May 1865; also cited in Jagor, "Singapore", p.32. In 1858, the ratio between German and British ships entering Singapore stood at 1 to 11, while between German ships and that of all other countries combined the ratio was 1 to 8.
grow again after 1872. 16

Since the American Civil War, Germany's trade with Singapore was larger than the trade of the United States with that British colony. 17 And since the early 1870s, the number of German firms exceeded those of the French. Yet, Germany's trade with the Straits Settlements remained much smaller than Britain's. 18 This is not surprising, especially when one compares the size of Germany's mercantile fleet with Britain's.

Britain's and Germany's Shipping Tonnage in 1870: 19

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Steam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>5,691,000</td>
<td>1,113,000</td>
</tr>
<tr>
<td>Germany</td>
<td>982,000</td>
<td>82,000</td>
</tr>
</tbody>
</table>

German products were becoming increasingly popular in the Dutch East Indies, in Siam, and in the Malay states, especially in Johor and Selangor. 20 To protect against


17 Schramm, Deutschland, p. 90.

18 Parkinson, British Intervention, p. 36; Cheong, "German Interest", p. 8 and p. 16. In terms of exports to the Straits Settlements, Germany exceeded Britain only in exporting matches and glassware. German firms also outdid their British counterparts in the field of insurance.

19 Naval Intelligence Division of the Admiralty, Germany, vol. 2, p. 17.

20 The German government had recognized quite early that the Malay Peninsula lay in Britain's sphere of interest. Late in 1877, for example, the German Ambassador (continued...)

imitations, all German products were marked since 1887 by "Made in Germany" labels. This resulted in the already cheaper German products becoming even more popular. By 1890, Germany exceeded other countries in exporting malt, glass products, colours, spirits, wine, umbrellas, clocks, candlesticks, boots, shoes, earthenware, cement, weapons, preserves, hardware, cabinet-makers' goods, musical instruments, and ornamental articles.\textsuperscript{21}

Due to the numerous feeder lines to and from Singapore, the expanding role of Behn, Meyer & Co.,\textsuperscript{22} and the low freight rates, the Germans were able to redirect a considerable amount of Singapore trade to Hamburg. On the whole, Britain's share in the imports of Singapore declined from 83 percent in 1885 to 71 percent in 1895, while Germany increased her share from 5.5 percent to 9.5 percent during the same period. Germany's

\textsuperscript{20}(...continued)
in London asked whether the British government had any objection to Germany bestowing a decoration on the Maharajah of Johor. The British had none. (C.O.273/92, No.14640, F.O. to C.O., 8 December 1877, confidential; C.O.273/92, No.14640, Memo by Herbert, 11 December 1877.)

\textsuperscript{21}Cheong, "German Interest", p.46; The Straits Times, 29 January 1890. According to the newspaper, there were 1558 British subjects, and 205 Germans living in Singapore.

\textsuperscript{22}Having already set up a branch in Penang in 1891, Behn, Meyer & Co. also established branch offices in all the major commercial centers of the East: Manila (1900), Sandakan (1901), Cebu (1906), Zamboanga (1906, in the Philippines), Ilo Ilo (1906, in the Philippines), Bangkok (1907), Batavia, Surabaya, Telok Betong, and Semarang (all in 1908). Several of these offices also functioned as agencies for the Chartered Bank of India, Australia and China. The German firm also became a major shareholder in the Singapore Rubber Co. in 1906. (Helfferich, \textit{Zur Geschichte}, pp.151-2.)
trade with the Straits Settlements more than quadrupled between 1892 and 1896, while British trade remained almost constant. Only after Britain had consolidated her control in the Malay Peninsula by forming the Federated Malay States (F.M.S.) in 1896 did British trade experience renewed growth.  

<table>
<thead>
<tr>
<th>Year</th>
<th>British Imports</th>
<th>British Exports</th>
<th>German Imports</th>
<th>German Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871</td>
<td>11,172,000</td>
<td>9,975,000</td>
<td>476,000</td>
<td>39,000</td>
</tr>
<tr>
<td>1873</td>
<td>12,313,000</td>
<td>12,117,000</td>
<td>884,000</td>
<td>83,000</td>
</tr>
<tr>
<td>1874</td>
<td>12,013,000</td>
<td>9,325,000</td>
<td>918,000</td>
<td>465,000</td>
</tr>
<tr>
<td>1878</td>
<td>17,904,000</td>
<td>10,120,000</td>
<td>961,000</td>
<td>339,000</td>
</tr>
<tr>
<td>1881</td>
<td>20,461,000</td>
<td>14,414,000</td>
<td>1,150,000</td>
<td>454,000</td>
</tr>
<tr>
<td>1884</td>
<td>23,905,000</td>
<td>21,462,000</td>
<td>1,166,000</td>
<td>849,000</td>
</tr>
<tr>
<td>1888</td>
<td>24,823,000</td>
<td>19,200,000</td>
<td>2,158,000</td>
<td>2,901,000</td>
</tr>
<tr>
<td>1892</td>
<td>22,295,000</td>
<td>25,086,000</td>
<td>1,729,000</td>
<td>4,066,000</td>
</tr>
<tr>
<td>1896</td>
<td>21,681,000</td>
<td>26,032,000</td>
<td>3,433,000</td>
<td>5,212,000</td>
</tr>
<tr>
<td>1899</td>
<td>29,389,000</td>
<td>47,015,000</td>
<td>5,623,000</td>
<td>5,223,000</td>
</tr>
<tr>
<td>1902</td>
<td>33,967,000</td>
<td>62,298,000</td>
<td>6,038,000</td>
<td>8,894,000</td>
</tr>
<tr>
<td>1905</td>
<td>34,012,000</td>
<td>57,215,000</td>
<td>5,617,000</td>
<td>6,740,000</td>
</tr>
<tr>
<td>1908</td>
<td>37,592,000</td>
<td>65,013,000</td>
<td>4,940,000</td>
<td>5,683,000</td>
</tr>
</tbody>
</table>

Germans also ventured into planting. Puttfarcken and

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Cheong, "German Interest", p.87. It must be kept in mind, however, that these estimates may differ from other sources depending on whether German trade via Britain to the Straits Settlements was included or not. For example, according to *The Straits Times*, 29 January 1890, Germany's trade with Singapore in 1888 equaled 1,500,000 dollars in imports and 2,200,000 dollars in exports.
the Penang firm of Schmidt, Kuestermann & Co. tried without much success to start plantations in the Malay Peninsula. Other Germans were more successful, but only in the British controlled parts of the peninsula. For example, Behn, Meyer & Co. managed to set up plantation projects. In 1908, Behn, Meyer & Co. and the Hamburg firm of A.O. Meyer became partners in the Singapore Rubber Co. Ltd., as well as in a plantation in Perhentian Tinggi in Malacca. Hermann Muehlinghaus, also became involved in huge rubber estates in Lumut, Perak.²⁷

When Hermann Muehlinghaus started the Straits Trading Co. in 1886 in partnership with an Englishman called James Sward, the tin business was still predominantly in Chinese and British hands. The Straits Trading Co. soon developed into one of the major companies engaged in the tin trade of the Straits Settlements. Muehlinghaus built a smelting plant on Pulau Brani near Singapore in 1890. His firm exported tin after smelting tin ore brought from the F.M.S., the Dutch East Indies, Australia and China.²⁸ In 1901, the estimate of German investment in the Malacca tin mines lay between 1,000,000 and 1,500,000 marks. Germans controlled the largest two tin smelting companies in the


²⁸Wright and Cartwright, *Twentieth Century*, p.644; Siddique, "Early German", pp.176-7. Muehlinghaus had been working for the German firm Brandt & Co. in Singapore before venturing into the tin business. He retired to Germany in 1899 as a very rich man and continued to maintain his business interests in the East.
Malay Peninsula until they were taken over by Englishmen in 1911.\textsuperscript{27}

\begin{center}
\begin{tabular}{|c|c|}
\hline
Estimated Total German Investments in the Straits Settlements in Selected Years in Marks: & \\
\hline
1897 & 10,000,000 \\
1901 & 26,500,000 \\
1905 & 35,000,000\textsuperscript{39} \\
\hline
\end{tabular}
\end{center}

But the Germans\textsuperscript{30} in the Straits Settlements were beginning to face serious problems. Reporting to Berlin early in May 1906, the German Consul-General in Singapore, Killiani, clearly outlined rising British hostility towards Germans in Eastern Asia. Seeing no possibility of reconciliation, Killiani discouraged new German investments in the Straits Settlements, doubting even the safety of existing investments. Instead, he recommended that German entrepreneurs should concentrate more on the Dutch East Indies.\textsuperscript{31}

To achieve commercial independence from British finance, Bismarck had encouraged German banks to establish

\textsuperscript{27}Meyer, "Das Eindringen", pp.214-5.
\textsuperscript{28}Ibid.
\textsuperscript{39}Not including investments in industry.
\textsuperscript{30}According to Siddique, "Early German", p.178, the largest number of Germans living in Singapore was 236 in 1901, declining to 181 in 1911.
\textsuperscript{31}Meyer, "Das Eindringen", pp.176-7.
branches in the Far East, particularly in China.\textsuperscript{32} German bankers generally preferred Bangkok over Singapore.\textsuperscript{33} In spite of rising British antagonism in the Straits Settlements, the Deutsch-Asiatische Bank opened a branch office in Singapore in May 1906. The bank intended to facilitate the flow of credit to German companies there, hoping to become actively involved in the Bangkok-Singapore trade. But the depression of 1907-8 hit hard. Great losses were incurred, and the closure of the Singapore branch was contemplated more than once.\textsuperscript{34} 

German trade picked up again after the depression, but more on the import side. Germany's imports from Singapore, the British Malay states, and North Borneo increased from 13,300,000 marks in 1900 to 24,300,000 marks in 1913, consisting mostly of raw materials like rattan, rubber and tin. The increase of German exports into the British colony, however, was relatively much smaller: from 12,000,000 marks in 1900, to 14,700,000 marks in 1913. Exports were mainly textiles, bottled beer, and metal goods like kitchen utensils, wire, and cutting

\textsuperscript{32}Stoecker, "Germany", p.39; Meyer, "German Interests", p.42.

\textsuperscript{33}The Straits Times, 29 January 1890.

Unlike Kiliani's earlier assessment, the new German Consul-General in Singapore, Feindel, complained in 1912 that German enterprise was not making full use of the commercial potential available in the Malay Peninsula and North Borneo. He therefore urged the German government to send a trade expert to study and report on the economic possibilities of the area. The German Foreign Office agreed, but the project was interrupted by the coming of the First World War.\textsuperscript{74,75}

\textsuperscript{74} Meyer, "Das Eindringen", p.213.

\textsuperscript{75} Ibid., p.215.
II. The Emergence of Shipping Giants

Germans realised early that the future of shipping lay in steam power rather than in wind. Shortly after Germany's victory over France, the "Sedan", owned by the firm Godeffroy & Sohn, became the first German steamer to stop at Singapore while on its way to China. Together with several other firms, Rautenberg, Schmidt & Co." and O. Puttfarcken joined to establish the "Deutschen Dampfschiffs-Reederei zu Hamburg" in 1870. This new shipping company, which became better known as the Kingsin Line, introduced in 1872 Germany's first regular and direct steamer services to the Far East. Kingsin Line steamers, carrying passengers and goods, left Hamburg every two months heading for Penang, Singapore and China. Hitherto, German trade with Eastern Asia was largely dependent on London for transshipment." In 1881-2, the shipper Michael Jebson employed two small steamers in the coastal areas of China and other Asian countries. One of these steamers ran between Singapore and Java as a feeder line to the main line from Europe."  

As mentioned earlier, the German merchant's success in Singapore depended on his own business acumen and on

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"Rautenberg, Schmidt & Co. were the Singapore agents for the Austrian Lloyd Steam Navigation Co. (Wright and Cartwright, Twentieth Century, p.676.)

"Mathies, Hamburgs Reederei, p.113; Sieveking, "Das Haus", p.139.

"Meyer, "Das Eindringen", p.77.
British good-will. But soon he was to get some help from home. Bismarck formally launched Germany's colonial drive by extending protection over Angra Pequena on 24 April 1884. By 1890, Germany controlled large parts of Southwest and East Africa, as well as Togoland, the Cameroons, and some Pacific islands. These were areas where German commercial interests were already prominently established.  

The reasons for Bismarck's move towards building an overseas empire is a much debated topic, especially in view of his earlier stubborn anti-colonial policy. The explanation generally accepted is by the German historian Hans-Ulrich Wehler. He attributes the causes of Germany's imperialism to decades of unsteady economic growth and rapid industrialization which led to internal instability and threatened the existing social order. To foster economic and social stability at home, Bismarck embarked on a policy of territorial expansion abroad.  

With the aim of strengthening Germany's economy, Bismarck got actively involved in promoting German trade and investments in Eastern Asia, particularly in China. To create better conditions for trade, the Chancellor wanted to improve connections between Germany and the German 

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commercial centres in Asia and the Pacific. However, to operate a regular line of steamers from Europe to the Far East was very costly, and the Reichstag was disinclined to grant any kind of subsidies to German shipping companies. But Bismarck managed to push through a subsidy bill in 1885 that approved the measure of regular financial aid from the German treasury to German shipping companies running mail steamers. This bill was, according to Stoeger, "a novelty in German economic policy".\(^{12}\)

To obtain an imperial subsidy there were certain conditions. The shipping company's mail steamers had to be German built or at least reconstructed according to German government specifications. In addition to relatively low rates, it was also required that the ships run a certain minimum speed - like delivering mail between Brindisi and Singapore in 22 days.\(^{13}\)

The Kingsin Line did not manage to secure a subsidy agreement because its ships were usually late. Moreover, the Kingsin Line had acquired an infamous reputation for losing ships that it was commonly referred to as the "Sinking Line". The North German Lloyd, on the other hand, was a more reliable line, and on 3 July 1885, Bismarck handed the German Lloyd's director and founder, H.H. Meier, a subsidy contract. For the running of regular and

\(^{12}\)Dawson, *The German*, vol.2, p.211; Stoeger, "Germany", p.34; Meyer, "Das Eindringen", p.95.

\(^{13}\)The Straits Times, 4 January 1890; Dawson, *The German*, vol.2, p.211; Stoeger, "Germany", p.34; Meyer, "German Interests", p.42.
punctual mail steamers to Singapore and Shanghai, the North German Lloyd was to receive for the next 15 years an annual sum of 4,400,000 marks.\footnote{Mathies, *Hamburgs Reederei*, p.113; Siddique, "Early German", p.173.}


Since its establishment in 1847, the North German Lloyd of Bremen had concentrated on developing its services to America. Now, with a subsidy contract firmly in hand, the North German Lloyd went about quickly extending new mail steamer lines to the East. By 1886,
regular ships every month were steaming between Europe, Singapore, China and Australia. In 1898, the North German Lloyd's subsidy was increased to 5,590,000 marks, or about 279,500 pounds. In comparison, Peninsular & Oriental received a yearly subsidy of 350,000 pounds from the British government. Within a single decade of subsidies, German shipping in this part of the world, including the Pacific, increased threefold. 

The introduction of German mail steamers to Eastern Asia encouraged further investment. Several German firms opened branch lines as feeders to the main mail steamer lines. Dircks & Co. founded the "Dampfschiffsgesellschaft Swatow" in 1885. Siemssen & Co. established the "Chinesische Kuesten-Gesellschaft" in 1887, and took over the Swatow company in 1895. A further coastal shipping firm, the "Asiatische Kuestenfahrt-Gesellschaft", began operations in 1890. 

Always eager to expand commercially, Behn, Meyer & Co. also became actively involved in shipping and insurance. Franz Heinrich Witthoefft, the manager of Behn, Meyer & Co., skilfully aided the North German Lloyd


"Meyer, "Das Eindringen", p.80.

"Witthoefft joined Behn, Meyer & Co. in 1885, and became its director in 1900.
to erect branch lines to Sumatra and the Philippines. In 1889, nearly half of Sumatra's tobacco harvest was brought to Singapore by two steamers belonging to the North German Lloyd for further shipment to Europe. The previous year, the North German Lloyd had transported only half the amount of tobacco that Holt's Ocean Steamship Co. carried from Deli."

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Percentage Increase of Shipping Tonnage from Various Countries to Singapore between 1886 and 1899:

<table>
<thead>
<tr>
<th>Country</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>24 %</td>
</tr>
<tr>
<td>United States</td>
<td>50 %</td>
</tr>
<tr>
<td>Japan</td>
<td>90 %</td>
</tr>
<tr>
<td>Germany</td>
<td>100 %</td>
</tr>
</tbody>
</table>

By 1895, Behn, Meyer & Co. had secured the agencies of 14 shipping firms, 27 insurance companies, and 2 ship classification firms. Two years later, Behn, Meyer & Co. functioned as agents to five giant shipping companies: The Italian "Navigazione Generale Florio Rubbatino" (since 1880), the North German Lloyd (since 1887), the German-Australian Steamship Co. (since 1890), the Hamburg-America Steamship Co. (since 1897), and the Danish East Asiatic Co. (since 1897). The North German Lloyd's coastal shipping division came under Behn, Meyer & Co.'s


management in 1900.\textsuperscript{15}

By the end of the 19th century, German shipping in Eastern Asia was twice as large as Holland's, and five times larger than France's.\textsuperscript{16} Peninsular & Oriental steamers were for a long time considered the fastest and most comfortable passenger ships in the world. Before the close of the century, however, steamers of the North German Lloyd outdid those of Peninsular & Oriental in both speed and passenger service.\textsuperscript{17}

The surge of shipping lines in Eastern Asia caused intense competition between steamship companies. Freight rates were dropped to attract business, threatening the survival of several companies. In an effort to secure uniform freight rates, and with the intention of creating stable market conditions, a number of steamship companies and their agents cooperated to form what was called Shipping Conferences.\textsuperscript{18}

The most influential of these Conferences was the Straits Homeward Conference, established on 1 January


\textsuperscript{16}Neubaur, \textit{Die deutschen}, p.146.

\textsuperscript{17}Helfferich, \textit{Zur Geschichte}, pp.93-4; Meyer, "Das Eindringen", p.91.

\textsuperscript{18}For a good survey on the origins and functions of the Shipping Conference, see Chiang Hail Ding, "The Early Conference System of Singapore, 1897-1911", \textit{Journal of Southeast Asian History}, vol.10, no.1, March 1969, pp.50-68.
1897. The principal arrangements of the Straits Homeward Conference were negotiated between the North German Lloyd, the German-Australian Steamship Co., Peninsular & Oriental, and Butterfield & Swire. 

<table>
<thead>
<tr>
<th>Year</th>
<th>British Entering</th>
<th>British Leaving</th>
<th>German Entering</th>
<th>German Leaving</th>
</tr>
</thead>
<tbody>
<tr>
<td>1871</td>
<td>971,000</td>
<td>-</td>
<td>24,000</td>
<td>-</td>
</tr>
<tr>
<td>1873</td>
<td>1,121,000</td>
<td>-</td>
<td>60,000</td>
<td>-</td>
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<tr>
<td>1874</td>
<td>1,093,000</td>
<td>-</td>
<td>60,000</td>
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<td>1878</td>
<td>1,523,000</td>
<td>1,361,000</td>
<td>94,000</td>
<td>54,000</td>
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<tr>
<td>1881</td>
<td>1,943,000</td>
<td>1,854,000</td>
<td>124,000</td>
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<tr>
<td>1884</td>
<td>2,238,000</td>
<td>2,104,000</td>
<td>264,000</td>
<td>175,000</td>
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<tr>
<td>1888</td>
<td>3,222,000</td>
<td>3,078,000</td>
<td>406,000</td>
<td>360,000</td>
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<tr>
<td>1892</td>
<td>3,554,000</td>
<td>3,354,000</td>
<td>462,000</td>
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<tr>
<td>1896</td>
<td>4,399,000</td>
<td>3,354,000</td>
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<td>618,000</td>
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<td>1899</td>
<td>4,225,000</td>
<td>4,180,000</td>
<td>773,000</td>
<td>74,000</td>
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<tr>
<td>1902</td>
<td>4,938,000</td>
<td>4,741,000</td>
<td>1,385,000</td>
<td>1,362,000</td>
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<tr>
<td>1905</td>
<td>6,030,000</td>
<td>5,728,000</td>
<td>1,435,000</td>
<td>1,113,000</td>
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<tr>
<td>1908</td>
<td>6,391,000</td>
<td>6,027,000</td>
<td>1,453,000</td>
<td>1,320,000</td>
</tr>
</tbody>
</table>


Cheong, "German Interest", p.87. As with the trade figures, estimates of British and German shipping differ from source to source. For example, according to Tregonning, ("How Germany", p.185), German shipping tonnage grew from 100,000 tons in 1881, to 1,000,000 tons 1900. Britain's shipping equalled 4,500,000 tons in 1900. The estimates of The Straits Times, (19 July 1901), were as follows: in 1899, 5,183,000 tons British, 1,026,000 tons German; in 1900, 5,222,000 tons British, 1,545,000 tons German. Neubaur, (Die deutschen, p.146), put German shipping with the Straits Settlements in 1904 at 3,000,000 tons, and British shipping at 13,000,000 tons. The following figures for Singapore appear in Wright and Cartwright, (Twentieth Century, p.162): in 1896, 2,630,472 tons British, 484,447 tons German; in 1906, 3,602,126 tons British, 974,241 tons German.
The Conference fixed freight rates to Europe and offered special benefits in the form of secret rebates. If a trading firm shipped exclusively on Conference steamers, a rebate – sometimes as high as 10 percent – was paid back at the end of each year. The rebate was however forfeited once the trader used non-Conference steamers. Merchants thus found themselves compelled to continue shipping all their goods on Conference steamers for fear of losing the rebate. With the number of companies joining the combine increasing rapidly, the Conference soon controlled all freight to Europe. The ultimate effect of this system was a steady rise in freight rates.\(^7\)

In addition to the Straits Homeward Conference, four more shipping rings were established in Singapore and Penang between 1897 and 1905: the New York Freights Conference, the Australian Freights Conference, the Bombay Freights Conference, and the Calcutta Freights Conference.\(^8\)

The Germans greatly benefitted from the shipping rings. Because their influence in the Conference was considerable, and because most of the Conference's agents were members of the Singapore Chamber of Commerce, Germans enjoyed a certain leverage in the shipping industry of

\(^7\)The Bangkok Times, 21 April 1899 and 23 August 1900; C.O.273/327, No.18519, Report on Shipping Freight Conferences, 30 April 1907.

\(^8\)C.O.273/327, No.18519, Report on Shipping Freight Conferences Operating in the Straits Settlements, in Anderson to C.O., 30 April 1907.
Singapore. The large profits made by the German shipping firms through the shipping rings greatly facilitated further growth.

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Signatories of the Straits Homeward Conference by 31 October 1901:

A. Shipping Companies:
1. Peninsular and Oriental; Steam Navigation Co.
2. Ocean Steamship Co.
3. Mutual Steamship Co.
4. "Glen"
5. "Shire"
6. "Ben"
7. "Shell"
8. North German Lloyd
9. Hamburg-America
10. German-Australian
11. Austrian Lloyd
12. Navigazione Generale Italiana (Florio and Rubbatino United Companies)
13. Compania Transatlantica of Barcelona and Cadiz
14. Nippon Yusen Kaisha
15. Rotterdam Lloyd
16. Stoomvaart Maatschappij Nederland
17. East Asiatic Co. of Copenhagen
18. Russian East Asiatic Co.
20. Messageries Maritimes Co.
21. Compagnie Francaise de Chargeurs Reunis
22. Compagnie Vapeurs de Charge Francaise
23. Compagnie Nationale de Navigatione Marseilles

B. Import-Export Firms and Freight Agents:
1. Adamson, Gilfillan & Co.
2. Arnold Otto Meyer

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**C.O.273/327**, No.18519, Report on Shipping Freight Conferences, in Anderson to C.O., 30 April 1907; Chiang Hai Ding, "Early Shipping", p.68.
The largest British shipping network in Eastern Asia during the closing decade of the 19th century was the East Indian Ocean Steamship Co. Alfred Holt of Liverpool had established this shipping company in 1891 to counter growing Dutch competition from the East Indies led by the "Koninklijke Paketvaart Maatschappij". Holt's fleet of 41 steamships serviced Singapore, Hong Kong and Bangkok, including some ports in the Dutch East Indies and Northern Borneo.\textsuperscript{61}

In April 1899 it was unexpectedly announced that the North German Lloyd had purchased Holt's line of 11 steamers that ran between Singapore and Bangkok.\textsuperscript{62} Among the conditions of the purchase, the North German Lloyd agreed to carry, for the next ten years, the British company's merchandise between Singapore and Bangkok at certain discounted rates. The agreement also barred Holt & Co. from competing in the Singapore-Bangkok-Hong Kong run. It seems likely that the subsidy increase of 75,000 pounds

\textsuperscript{61}The Bangkok Times, 21 April 1899; Cheong, "German Interest", p.48; Meyer, "Das Eindringen", p.88; Neubaur, Die deutschen, p.85.

\textsuperscript{62}F.O.422/54, No.26, Archer to Lansdowne, 19 March 1901, confidential; C.O.273/343, No.18165, Memorandum, Shipping Lines between Bangkok and Swatow, 13 April 1908; The Bangkok Times, 21 April 1899 and 1 March 1900; The Straits Times, 8 July 1901; Meyer, "Das Eindringen", p.88. To avoid possible competition, the real identity of the buyer was kept concealed for some time from the public. Behn, Meyer & Co., who was instrumental in negotiating the deal, got the agency of the line.
in 1898 helped facilitate this takeover.\footnote{C.O.273/333, No.29967, Paget's General Report on Siam for the Year 1906, confidential; Cheong, "German Interests", p.48. According to Cheong: "[Holt] used the capital on the sale to establish the 'Nederlandsche Stoomvart Maatschappij Ocean' (NSMO) from Batavia to Amsterdam in an attempt to break the Dutch protective ring in Java."

\footnote{The Bangkok Times, 21 April 1899.}

The German "coup", as the takeover was described in the "Bangkok Times", severely injured British prestige (see Chapter 6).\footnote{The Straits Times, 8 July 1901; F.O.422/54, No.26, Archer to Lansdowne, 19 March 1901, confidential; Boehm, Ueberschändel, p.117; Meyer, "Das Eindringen", pp.88-9.}

A second blow to British shipping prestige occurred when it became known early in 1900 that the North German Lloyd had acquired in December 1899 from the Scottish Oriental Steamship Co. 14 steamers servicing Singapore and Hong Kong.\footnote{C.O.273/343, No.18165, Memorandum, Shipping lines between Bangkok and Swatow, 13 April 1908. The British firm Butterfield & Swire, the former agents for the Scottish Oriental Co. in Hong Kong, was allowed to retain the agency on condition it would not start a competing line of steamers.}

Contrary to what was commonly believed, Holt & Co. held only a small share in the Scottish Oriental Steamship Co.\footnote{As a result of these takeovers, Britain's share in the shipping of Singapore dropped, with Germany taking up most of the difference.}

The two former British lines were combined into the "Ostindischen Dampfschiffahrts-Gesellschaft", managed by the North German Lloyd's headquarters in Bremen. After being transferred to the German flag, these steamers ran between Bangkok, Singapore, Borneo and Hong Kong,
functioning as new feeders for the German mail from Germany to China.  

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<table>
<thead>
<tr>
<th></th>
<th>1899</th>
<th>1900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Britain</td>
<td>58.7%</td>
<td>54.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>11.6%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

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Having earlier acquired 12 steamers from a Dutch company, the Germans now operated 40 ships on various Southeast Asian routes. In 1901, the North German Lloyd bought yet another steamer from the Danish East Asiatic Co., the "Maha Vajiravudh", which ran a monthly service up and down the coast between Bangkok and Singapore, calling on the main Malay ports on the way. The Lloyd also ordered six new large twin-screw steamers to be built in the German yards of Stettin, Geestemuende and Danzig.

By the time the North German Lloyd celebrated its 50th anniversary in 1907, it was the world's second largest steamship company. The Lloyd ran a fortnightly

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"\textit{The Straits Times}, 19 July 1901.

"\textit{The Bangkok Times}, 1 March 1900.

\footnote{F.O. 422/54, No.60, Archer to Lansdowne, 15 June 1901, confidential. The North German Lloyd planned to use the "Maha Vajiravudh" on the Singapore-Deli line.}

\footnote{\textit{The Straits Times}, 18 July 1901.
mail steamer service between Europe and the Far East, another three weekly service between Singapore and Australia, and a run every six weeks between Singapore and New Guinea, the Caroline and Mariannas islands. Its ships carried passengers and cargo between Singapore, Hong Kong, Swatow, Bangkok, Belawan (Deli), Labuan, Sulu, Manila, Palembang, Asahan, and Sandakan, as well as other important Bengali and Burmese ports.  

There are several reasons for the North German Lloyd's remarkable success. Among the many strengths it possessed, the most important were a highly educated work force, a long-term commitment to the development of key routes, easily available capital in form of government subsidies, and a dedication to efficiency. Severe competition drove the Lloyd to invest in new, bigger, faster, safer and more luxurious steamers. The share of British shipping was reduced because the Lloyd offered better service at lower rates. For example, Scottish biscuits were carried on German ships via Hamburg to Singapore because it was one third cheaper than if transported on British ships.

The success of German shipping in Eastern Asia was a

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source of great pride to the German government, especially after German steamers were used to transport German troops to quell the Boxer uprising in China. In addition to praising the North German Lloyd for having acquired the British steamers, the commander of the German expedition, Waldorsee, informed the Kaiser in September 1900 about Germany's admirable commercial achievements in Penang and Singapore.\textsuperscript{74}

The North German Lloyd, however, encountered considerable competition from other German lines. One competitor was the Kingsin Line, which, even without a subsidy, increased its departures to Penang and Singapore in 1889 from one steamer every two months to one every two weeks.\textsuperscript{75} The Kingsin Line also ran a ten day cargo line between Hamburg and the Far East, as far as Japan. But unstable market conditions created severe financial difficulties for the Kingsin Line. Refusing to join the Shipping Conferences resulted in heavy losses. The North German Lloyd, on the other hand, was a leading member of the Conference System and managed to run its steamers regularly with the help of subsidies, even when steamers were only filled to half their carrying capacity.\textsuperscript{76}

\textsuperscript{74}Meyer, "Das Eindringen", p.14.

\textsuperscript{75}According to Meyer, the Kingsin Line sent every twenty days a ship to the Far East.

\textsuperscript{76}C.O.273/327, No.18519, Report on Shipping Freight Conferences Operating in the Straits Settlements, in Anderson to C.O., 30 April 1907; The Straits Times, 29 January 1890; The Bangkok Times, 26 December 1905; Nauticus Schriften, Jahrbuch fuer Deutschlands (continued...)}
Other German companies also entered the highly competitive field of shipping. In July 1898, the German-Australian Steamship Co. started a line connecting Adelaide and Fremantle with Batavia. A second line was established in May 1900 between Queensland and Macassar in Sulawesi. A far more serious competitor was the Hamburg-America Steamship Co. Shortly after Germany occupied Kiautschou in 1897, the Hamburg-America Steamship Co. acquired a contract to transport material for a railway project in China. Starting monthly from Hamburg, Rotterdam, Antwerp, Southampton, Havre or Lisbon, Hamburg-America steamers stopped at Port Said, Suez, Aden, Colombo, Penang, Singapore, Hong Kong, Shanghai, Kobe and Yokohama. Branch lines ran to Shanghai, Tsingtau, Chefoo, Tongku and Tientsin. The line's agent in Penang and Singapore was Behn, Meyer & Co.

The North German Lloyd and the Hamburg-America Steamship Co. endeavoured to synchronize their efforts in order to avoid unnecessary competition. In January 1898, the two giant shipping companies agreed to run their

--- (...continued)


"Meyer, "Das Eindringen", p.86; Wright and Cartwright, *Twentieth Century*, p.170. Established in 1847, the Hamburg-America Steamship Co.'s main interests lay in the routes between Europe and America. By 1907, the company possessed the world's fastest steamers as well as the second largest fleet in terms of carrying capacity. The largest belonged to the International Mercantile Co. (Morgan Combine).
steamers alternatively to the Far East for next 15 years. For this, the Hamburg-America Steamship Co. was to receive annually 115,000 pounds from the Lloyd's subsidy. In March the same year, the Hamburg-America Steamship Co. and the North German Lloyd bought over the weaker Kingsin Line. Inheriting all the Kingsin Line's routes, they divided the steamers between them.\textsuperscript{30}

\begin{center}
\begin{tabular}{lccc}
\hline
Number of Ships of the Three Largest German Lines: & & & \\
& 1897 & 1900 & 1901 \\
\hline
Hamburg-America S.S. Co. & 66 & 113 & 127 \\
North German Lloyd & 48 & 104 & 113 \\
German-Australian S.S. Co. & -- & 19 & 26 \\
\hline
\end{tabular}
\end{center}

In 1900, the North German Lloyd and the Hamburg-America Steamship Co. purchased two new large steamers each, with comfortable and spacious passenger accommodations and capable of doing almost 17 knots. They also began running steamers to Eastern Asia every two weeks. Departing alternatively from Bremen and Hamburg,

\textsuperscript{7}The Bangkok Times, 26 December 1905; Meyer, "Das Eindringen", p.86; Cheong, "German Interest", p.4.


\textsuperscript{31}Nauticus Schriften, Jahrbuch, 1902, pp.186-7. In 1907 the Hamburg-America Steamship Co. possessed 157 steamers. In 1906 the North German Lloyd operated a fleet of 184 steamers and carried 500,000 passengers to different destinations world-wide. It also ran 15 regular transatlantic main lines and 20 branch lines. (The Bangkok Times, 19 February 1907; Wright and Cartwright, Twentieth Century, p.167 and p.170.)
and taking most passengers in Genoa or Naples, the steamers stopped at Colombo, Penang, Singapore, Hong Kong, Shanghai, Nagasaki, Hiogo and Yokohama.\textsuperscript{22}

\begin{center}
\begin{tabular}{lrr}
\hline
 & 1901 & 1903 \\
\hline
France & 1,600,000 & 2,175,000 \\
England & 800,000 & 950,000 \\
Japan & 700,000 & 750,000 \\
Italy & 490,000 & 700,000 \\
Germany & 425,000 & 472,000\textsuperscript{23} \\
Austria-Hungary & 360,000 & N/A \\
Russia & 280,000 & 500,000 \\
Holland & 55,000 & N/A \\
\hline
\end{tabular}
\end{center}

Entering into the coastal trade of Eastern Asia, the Hamburg-America Steamship Co. extended in 1901 lines between Singapore, Rangoon and Australia. The threat of increased competition led to a further agreement between the North German Lloyd and the Hamburg-America Steamship Co., signed in Berlin on 20 October 1903. The new agreement stipulated that the Lloyd would run only passenger steamers, while Hamburg-America specialized on carrying cargo to the East. With this agreement, the

\textsuperscript{22}Nauticus Schriften, \textit{Jahrbuch}, 1901, p.233; Meyer, "Das Eindringen", p.89.

\textsuperscript{23}The Bangkok Times, 13 May 1901 and 14 February 1905.

\textsuperscript{2No}subsidies went to the Hamburg-America Steamship Co. or the German-Australian Steamship Co. although they transported nine-tenths of the goods between Germany and the Straits Settlements. (See \textit{The Bangkok Times}, 29 March 1901, 3 November 1904, and 14 November 1905.)
Hamburg-America Steamship Co. lost the yearly allowance it had received from the Lloyd's subsidy since 1898.**

During and after the Russo-Japanese conflict of 1905, the North German Lloyd began encountering serious competition from several unexpected quarters. In 1905, and without notifying the Lloyd, the Hamburg-America Steamship Co. suddenly started running passenger steamers to Hong Kong, Shanghai, and other East Asian ports.** In the "coolie trade", the Lloyd met considerable competition from Norwegian shipping." Serial competition also came from Asian shipping companies. In 1905, a group of Chinese and Siamese shippers entered the coastal trade between China and Southeast Asia. They chartered 6 ships and transported mainly "coolies".**

A more serious problem for the Germans was Japanese competition. In June 1906, after the spectacular Japanese victory over Russia, Japan's "Nippon Yusen Kaisha"** put 4 chartered steamers on the route between Swatow, Hong

**The Bangkok Times, 12 November 1903; and 26 December 1905; Meyer, "Das Eindringen", p.86 and p.92.

**The Bangkok Times, 26 December 1905; Meyer, "Das Eindringen", p.86.

**Meyer, "Das Eindringen", pp.63-5.

**Ibid., p.179.

**Subsidized by the Japanese government, the "Nippon Yusen Kaisha" - or Japan Mail Steamship Co. - was established in 1885 when the "Mitsubishi Kaisha" merged with the "Kyodo Unyu Kaisha". In 1892, the "Nippon Yusen Kaisha" began a service between Japan and Bombay via Singapore. A few years later, the Japanese firm introduced regular steamers to Europe, America and Australia. The company's Singapore agent was Paterson, Simons & Co. (Wright and Cartwright, Twentieth Century, p.176.)
Kong, Bangkok and Singapore.\textsuperscript{90} Passenger service and comfort on the "Nippon Yusen Kaisha's" steamers was excellent. The Japanese line also charged reduced rates. For example, the "Nippon Yusen Kaisha" ship "Childar" carried deck passengers from Bangkok to Swatow charging only one tical per person. To compete with this, the North German Lloyd apparently intended to offer free passages and free food.\textsuperscript{91} Strong Japanese competition caused Michael Jebson A.G. to withdraw from the coastal shipping of China, concentrating instead on Southeast Asia. The Japanese also tried to grab part of the cargo trade of the Dutch East Indies.\textsuperscript{92}

The "rate war" between the "Nippon Yusen Kaisha" and the North German Lloyd went on until the Japanese line suddenly withdrew all its steamers from the routes to Singapore, Bangkok, Hong Kong, Swatow and Hoi-how in January 1908. The North German Lloyd had threatened to run more steamers to China if the Japanese refused to compromise. In addition to compensation, the Lloyd probably offered to transport the Japanese company's goods at favourable rates in return for its withdrawal.\textsuperscript{93}

\textsuperscript{90}C.O.273/333, No.29967, Paget's General Report on Siam for the Year 1906, confidential.

\textsuperscript{91}The Bangkok Times, 11 June 1906; Wright and Cartwright, Twentieth Century, p.170.

\textsuperscript{92}Meyer, "Das Eindringen", p.179.

\textsuperscript{93}C.O.273/343, No.5259, Extract from the "Times", 13 January 1908; No.12443, Ward (British Consul at Hamburg) to Lascelles, 19 March 1908; No.18165, MacDorald (British Consul at Tokyo) to Grey, 14 (continued...)
With Japanese competition finally out of the way, German shipping had to endure another world depression in 1908-9. This depression had several causes: the financial crisis in the United States, the large number of steamers built during the previous years, disappointing agricultural yields in some major crop producing countries, and "ill-advised legislation as to increased freeboard". Freight rates dropped sharply causing a large number of ships to stand idle. Not only small shippers, like Michael Jebson A.G., suffered great losses, but also some of the leading lines experienced severe financial difficulties.**

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**(...continued)
April 1908; The Bangkok Times, 23 May 1907 and 13 January 1908.

**The Bangkok Times, 22 October 1908.

**Meyer, "Das Eindringen", p.179.
IV. "Coolie" Recruitment and Transport

Since the founding of the Straits Settlements, labourers from China were brought to the British colony and the Malay states using what was known as the "unpaid passenger system". Labourers, mostly from southern China, were given a free passage back after fulfilling one year's work for the employer to whom their labour was assigned to by the agent. Agents were mainly Chinese middlemen who were themselves former labourers or "coolies". The hiring of labourers was particularly important for Chinese-run plantations and tin mines in the Malay Peninsula.**

Each year from 1849 to 1860, some 7,000 to 11,000 Chinese "coolies" were brought to the Straits colony.*** Since 1869, Swatow was the principal Chinese port for labour recruitment.*** The number of "coolie" arrivals steadily increased. By the early 1870s, Penang became the main landing point for "coolies" who wanted to work in the tin mines of Larut, Selangor, and the Siamese territories, or the Deli plantations in Sumatra.**

**C.O.273/326, No.10625, Notes by the Secretary for Chinese Affairs (Barnes) upon a despatch from the (Chinese) Consul-General at Singapore, to the Viceroy of Canton, 23 February 1907; Meyer, "Das Eindringen", pp.60-1 and p.66.

***Helfferich, Zur Geschichte, p.112.

***C.O.273/275, No.25821, Scott (British Consul-General at Canton) to Satow (British Minister at Peking), 3 May 1901.

Generally, Chinese labourers preferred to travel on Western ships because they sailed faster than Chinese junks and were safer from pirate attacks. German participation in the "coolie trade" began around the middle of the 19th century when several German entrepreneurs made it their business to transport Chinese "coolies" from the coasts of China. According to one of Behn, Meyer & Co.'s partners, "coolies" liked to make their crossing on German ships because of the better treatment they received.

Still for most labourers, however, conditions during transport were deplorable. Ships were grossly over-crowded and lacked medical staff. In the 1860s, the Hanse towns pondered whether they should join the British-French-Chinese treaty of 5 March 1866 for the improvement of transport conditions for Chinese labourers. But the issue was dropped in 1868 for what was considered a lack of urgency. Nevertheless, in 1870, the consul of the North German Confederation in Singapore highlighted the miserable conditions these labourers endured during transport.

After completing their contract in the Malay Peninsula, many "coolies" went on to work in the Deli tobacco plantations in Sumatra. The owners of these

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100 Allen and Donnithorne, *Western Enterprise*, p.213.


plantations welcomed Chinese labour and tried to induce more "coolies" to come by offering higher wages. This, however, caused vigorous protests from Chinese tin and gold mine operators of Banka, Bildie and Borneo. They disliked the prospect of having to raise wages to compete with the Deli planters.¹⁰⁶

Labourers for the Deli plantations were recruited in Penang and Singapore by agents who did not differ much in their attitude and methods from slave merchants. Moreover, these agents demanded exorbitant fees for their recruiting services and often supplied "coolies" who were physically unfit. Obviously fed up, the Deli planters decided in 1887 to try and recruit labourers directly from China.¹⁰⁷

But because of Chinese government restrictions on emigration, recruitment of labourers for the Dutch East Indies was carried out illegally. The first direct batch of labourers from China to Deli made the journey in mid-1888 on three German steamers. On arrival, one of the three ships was turned away because the "coolies" were in poor physical condition, while another steamer brought cholera infected labourers.¹⁰⁧

These initial experiences prompted the Deli planters in July 1888 to form the Deli Planters Association to coordinate recruitment efforts. But the Chinese government

¹⁰⁶Meyer, "Das Eindringen", p.61.
¹⁰⁸Meyer, "Das Eindringen", p.61.
still banned emigration to the Dutch East Indies. It was the energetic involvement of the German consuls that finally persuaded Fukien and Guandung government officials to allow recruitment from Swatow and Amoy on 29 July 1888. For this favour, a German firm, Lauts & Haeslop, became the agent for the Deli Planters' Association for both recruiting and transporting labourers to Sumatra.\textsuperscript{106}

Receiving a commission for every labourer recruited and sent to work, the agents at first chartered German steamers for the occasional "coolie" trip to Deli. But by 1890, Meyer & Co. of Hong Kong, in conjunction with the newly established "Asiatischen Kuestenfahrt Gesellschaft", was contracted to run two regular steamers especially for transporting labourers between Swatow in China and Belawan in Deli. On the return journey to China, the ships often picked up cargo from Singapore, Bangkok and Saigon.\textsuperscript{107}

The contract was later transferred to the shipping firm of Michael Jebson A.G., which also employed two steamers solely for this purpose. Yearly about eighteen voyages were made, transporting close to 25,000 workers between China and Deli. The Deli Planters Association paid the German firm 9,000 Straits dollars for every run. This line was considered "the back-bone" of Michael Jebson A.G.

\textsuperscript{106}C.O.273/275, No.25821, Scott (British Consul-General at Canton) to Satow (British Minister at Peking), 3 May 1901; Chai Hon-Chan, \textit{The Development of British Malaya, 1896-1909}, Kuala Lumpur, Oxford Univ. Press, 1964, p.120; Allen and Donnithorne, \textit{Western Enterprise}, p.213; Meyer, "Das Eindringen", pp.62-3.

and continued until the outbreak of the First World War in 1914.\footnote{Meyer, "Das Eindringen", pp.62-3. According to Meyer (pp.80-1), Jebson's "coolie" ships carried labourers as far as the west coast of Mexico.}

It is surprising that although German ships carried thousands of "coolies" for other colonial powers, Germany found it extremely difficult to recruit labourers for her own colonies. Germany desperately sought to bring foreign workers into her African and Pacific territories because indigenous labour was apparently "entirely useless."\footnote{C.O.273/221, No.22473, Frank C. Lascelles (British Ambassador at Berlin) to Salisbury, 24 October 1896.}

But the Chinese government had banned emigration to German territories, leaving the Germans with no other choice than to turn to British or Dutch colonies for the recruitment of labourers. A bid to recruit 500 Chinese workers for German East Africa from Singapore in 1888 was turned down, however. A similar attempt three years later also failed. Yet British labour authorities allowed Chinese "coolies" to be transferred to the Dutch East Indies. They feared that their own intake of Javanese labourers would be threatened if they were to stop the Dutch from doing the same.\footnote{Mosolff, Die chinesische, p.278.}

Initially, the government of the Dutch East Indies allowed Indonesian labourers to work in German colonies. For example, the German New Guinea Co. recruited 40 Javanese labourers in 1885, and 69 in the following year,
including women and children. But in January 1887, and fearing a drain of cheap labour to foreign competition, the Dutch authorities suddenly prohibited Indonesians from leaving the colony for work abroad. The ban, however, was lifted in 1890 through the efforts of the German Consul-General in Batavia. Between 1890 and 1900, a yearly average of 140 labourers went to Kaiser-Wilhelms-Land.\textsuperscript{111}

In December 1893, Germany finally obtained from Britain permission to recruit "coolies" for the next three years from the Straits Settlements for her plantation economy in German East Africa. This was only made possible after extensive diplomatic negotiations in London. During this period some 500 to 600 labourers were transferred.\textsuperscript{112}

By 1896, German investment in East African plantations grew to 8,000,000 marks and more labour was urgently required.\textsuperscript{113} Germany was therefore eager to renew the 1893 agreement which was about to expire in December 1896. An application was made in October seeking permission to enlist a further 600 Chinese labourers from Singapore for plantations in German New Guinea and German

\textsuperscript{111}Meyer, "Das Eindringen", pp.69-71.

\textsuperscript{112}C.O.273/221, No.19957, F.O. to C.O., 24 September 1896; No.21612, F.O. to C.O., 16 October 1896; Mosoliff, Die chinesische, p.278.

\textsuperscript{113}C.O.273/221, No.22473, Lascelles to Salisbury, 24 October 1896.
East Africa. But the British government turned down the application on the grounds that a number of "coolies" were mistreated in German East Africa (see Chapter 6).

Nevertheless, German steamers continued carrying "coolies" from China to non-German areas. By the turn of the century, the North German Lloyd controlled a large portion of the "coolie" transport business to and from the Malay Peninsula, Siam, and the Dutch East Indies. The Lloyd's share was particularly enhanced with the acquisition of the Scottish Oriental Co., whose steamers had been carrying Chinese immigrants from Amoy and Swatow to the Straits Settlements.\textsuperscript{11}\textsuperscript{c} Behn, Meyer & Co., after taking over the management of the North German Lloyd's coastal shipping department in 1900, created an estate division to regulate the supply of "coolies" as well as materials to plantations in Borneo and Sumatra.\textsuperscript{11}\textsuperscript{c}

The main reason for the German Lloyd's success in the "coolie" trade may be attributed to lower transportation fees. According to the "Bangkok Times":

"At first the usual rates were reduced to a minimum then it was declared that no fare would be charged; and finally the coolies travelled to Bangkok as privileged guests, and even received a douceur on landing at their destination. The

\textsuperscript{11}c C.0.273/221, No.19957, F.O. to C.O., 24 September 1896; No.21612, F.O. to C.O., 16 October 1896; C.0.273/232, No.11950, Salisbury to Hohenlohe, 29 October 1896.

\textsuperscript{11}c C.0.273/323, No.30475, Sly (British Acting Consul in Swatow) to Carnegie (British Charge d'Affaires in Peking), 31 May 1906; Allen and Donnithorne, Western Enterprise, p.213.

Norddeutscher Lloyd carried off the honour and since that time have had the practical monopoly of the trade between South China and Siam.\textsuperscript{111}

In 1908 alone, the North German Lloyd carried 74,574 Chinese labourers from Swatow. In the years just before the First World War, the Lloyd transported about 20,000 "coolies" between Hoitow and Singapore, and between Hoitow and Bangkok, charging on average 6 dollars per passenger for the outward trip and slightly more for the return journey.\textsuperscript{11\textsuperscript{m}}

It should be noted, however, that the Chinese emigrants endured extreme hardships during their passages, also on German ships. It was not uncommon for a "coolie" ship bound for the Straits Settlements to carry between 1,000 to 1,500 Chinese labourers. Conditions on board were cramped, and rarely was there a doctor on board to attend to their ailments.\textsuperscript{11\textsuperscript{m}} A German traveller described the miserable conditions tolerated by the "coolies" in his book "Rund um Asien". According to Bockenheimer, out of every 1,000 "coolies" transported from Hong Kong to Bangkok, at least 5 died during the voyage. The deceased were then simply tossed overboard after being wrapped up in a cloth and tied to a board. The main cause of death, to it seems, was due the sudden abstention from opium.

\textsuperscript{111} The Bangkok Times, 23 May 1907

\textsuperscript{11\textsuperscript{m}} Mosolff, Die chinesische, pp.191-2.

\textsuperscript{11\textsuperscript{m}} C.O.273/280, No.48605, Swettenham to Chamberlain, 29 October 1902.
Bockenheimer also noticed several Chinese burial sites on an island he referred to as "Deadmen's Island", which is situated near Siam's Kohsichang, some 40 km from the mouth of the Menam river. The graves probably belonged to wealthier Chinese who could afford a more decent burial.\footnote{120}

According to German law, all German steamers were required to carry a doctor of German nationality on board. In addition to rendering medical treatment when needed, the doctor was supposed to ensure proper sanitary conditions on his ship. But the North German Lloyd refused to abide by this requirement in the case of "coolie" ships. The Lloyd argued that having a doctor on board was an unnecessary financial burden, which threatened to disadvantage the line in the face of Norwegian and Japanese competition. The Bremen senate supported the Lloyd's position in a letter to the Chancellor on 23 August 1907. Calling for the cancellation of the doctor requirement on "coolie" ships, the senate claimed that the Lloyd would otherwise be forced to abandon this important "trade", which would damage German prestige.\footnote{121}

Most German consuls in China supported the Lloyd's protest. They recommended the lifting of the doctor requirement because Chinese labourers felt bothered by doctors. Anyway, most German captains and officers

\footnote{120}{Bockenheimer, \textit{Rund um Asien}, Leipzig, Klinkhardt & Biermann, 1909, pp.277-8.}

\footnote{121}{Meyer, "Das Eindringen", pp.63-5.}
possessed enough medical knowledge to assist sick passengers on board. Only the German Consul at Pakhoi, H.v. Varchmin, criticized the dismal conditions on "coolie" ships. Even though doctors were a financial burden, it was a pathetic reason not to have medical staff on board. For the sake of German-Chinese friendship, Varchmin urged the German government not to lift the doctor requirement. The German Health Minister, Ernst Bumm, proposed to solve the issue by allowing the employment of "coloured" doctors on German ships whose wages were much lower than their German counterparts. However, no further steps were taken in this direction until finally in 1912 "coloured" doctors were officially permitted to work on German vessels.122

122Ibid.