CHAPTER 6

ANTAGONISM IN THE STRAITS SETTLEMENTS

Prosperity achieved by German merchants in the Straits Settlememts in the 1860s and 1870s drew some envious actions from their British counterparts. Nevertheless, Anglo-German relations in the British colony were at its worst during the early 1890s. Germans were generally treated as friendly aliens, even if reluctantly by some.

Germany always encountered difficulties in recruiting "colonials" for her colonies in Africa and the Pacific. The situation worsened when Britain declined Germany’s temporarily allowed man recruitment of labourers from the Straits Settlements. The reason given was that labourers were isolated in German East Africa.

Certain sectors of the Straits community expressed concern about the growing strength of German shipping in internal Asia. Declaring that it was a threat to British shipping interests, the Straits government proposed several bills designed to curtail German influence in the varying trade. But London rejected almost all measures that might have restrained German shipping mainly because they contradicted existing treaties.
Reluctant Acceptance

A variety of causes connected with the success of German entrepreneurs in the Straits Settlements produced animosity from some British merchants, especially when they came to realize that the Germans were gradually emancipating themselves from the control of British firms. If one takes the trade of cassia lignea as an ample, London was Europe's main distributing centre for cassia lignea until Hamburg took over that role in 1851.¹

The first clear expression of British resentment towards German merchants occurred during Singapore's trade cession of 1864-5. Acute competition between trading houses led to the collapse of some British and Chinese firms. Other firms, including banks, faced severe financial difficulties for several years. The German merchants were blamed for causing much of this crisis by arbitrarily granting risky credits to Chinese traders and idlemen.²

In the 1870s several British houses expressed concern about the rapid growth of German trade. Those who felt threatened by the strength of German competition called for imposition of trade restrictions on foreign traders.

September 1873, Governor Ord wrote to the Colonial

¹Sieveking, "Die Anfaenge", p.208.

²Chiang, A History, p.53; Bogaars, "The Effect", 11; SarDesai, British Trade, p.141 and p.147; Wong, "A dy", p.168. In 1865 there were 4 banks and 11 banking ncies in Singapore.
Office warning that the Germans had managed "to monopolize a considerable share of the trade formerly almost exclusively" handled by the British. a Ord might have been referring to the trade of textiles for the German share in exporting textiles to the Straits Settlements, a cherished export commodity of the British, grew very fast between 1870 and 1874. However, the authorities in London refused to consider any steps to stem the rising tide of German trade because Singapore was a free port.

---

**German Textiles and Steel Exports to Singapore from 1870 to 1874 in '000 Spanish Dollars:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Textiles</th>
<th>Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>1.8</td>
<td>7.2</td>
</tr>
<tr>
<td>1871</td>
<td>2.8</td>
<td>15.5</td>
</tr>
<tr>
<td>1872</td>
<td>6.5</td>
<td>19.9</td>
</tr>
<tr>
<td>1873</td>
<td>26.5</td>
<td>12.9</td>
</tr>
<tr>
<td>1874</td>
<td>8.1</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Dr. Little, who was "perhaps the oldest European resident in the Settlement", explained to the Straits Legislative Council that the reason why British merchants were making so little money was because of "the competition in this place". He suggested that to successfully compete with the German firms it was necessary "to discover and open up fresh places of trade".

---


SarDesai, British Trade, p.146.
He remembered:

"the first German merchant who came to Singapore. He had a desk in Boustead's office, and there transacted all the business connected with the great German nation. Since then German houses have sprung up in this settlement, until I suppose they almost equal, if they do not outnumber, the English."

Not only in Singapore, but also in the British colony of Labuan was the growth of German trade in the region viewed with increasing resentment. Governor Bulver of Labuan attested in 1873 that the German trading station in the Sulu Archipelago known as "kampong German" was responsible for Labuan's declining trade. Germans shipped goods directly between Sulu and Singapore, bypassing Labuan. But the Colonial Office ignored Bulver's complaints and insisted that nothing should be done to inhibit German commerce. "This may be bad for Labuan", Meade wrote, "but it is a first rate thing on the whole."

Even Herbert believed that a "good deal of any trade they [the German merchants] create will one way and another benefit British merchants." Kimberley himself was against introducing any measures calculated to obstruct German trade."

"C.O. Correspondence, Straits Settlements Proceedings of the Legislative Council, 15 September 1874.

"Citations in Hunter, "English, German", pp.60-1. Here we come across a further reason to doubt the claim that Germany directly caused the British Colonial Secretary to decide on a policy of intervention in the Malay Peninsula in 1873. If Kimberley really feared German intentions in the region, why were restrictions not imposed on German trade in the Straits Settlements and Labuan? Even with the situation that Singapore was a free port, a way surely could have been found to curtail German interests."
Instead of inhibiting the rise of German commerce, British merchants were encouraged to increase their own efforts and look for new areas of business. Shortly after taking up his post as Governor of the Straits Settlements, A. Clarke told the British merchants that the "time has come" for them to "look for a larger field of operation, and something more than passing trade, to develop, and to establish, and render permanent the Settlements already here." Pointing to "the spread of other European races in the world", the Governor also alerted them to the possibility that a canal might one day be cut across the Kra Isthmus."

Although there was evidently some envy felt towards German success in the commercial field, German business skills were generally looked upon as good examples for British merchants to emulate. An article printed in the "Brisbane Courier" and quoted in the "Straits Times" of 6 August 1875, commented on German entrepreneurship this way:

"The Germans are pushing their way irrepresibly in the East, and at Singapore the fact was frequently the subject of discussion amongst commercial men. It is said that they manage to sell their goods much more cheaply than their British competitors, or will accept lower salaries, as the case may be. But it is also fair to state that their success is in great measure due to thorough commercial education they have received. Young Germans educated at Hamburg are generally able to speak and write two or three modern languages and [are] trained to a mercantile life; it is not surprising that they are enabled, in many instances, to compete

---

*C.O. Correspondence, Inclosure in No.72, A. Clarke to Legislative Council, 5 September 1874.*
successfully with men from England, who however accomplished in a classical sense, may not have been designed and prepared for commerce from their youth, as their German rivals have."

The British community's attitude towards their German neighbours in the Straits Settlements improved slightly from the mid-1870s and lasted until the early 1890s. During this period Germans were generally, although reluctantly, accepted as friendly aliens. The year 1890 was an exceptionally good year for British-German relations in Singapore. On 20 June, Germany and Britain signed a wide-ranging agreement defining their respective spheres of influence in all parts of Africa. The most important result of this treaty was the accord to exchange Britain's Heligoland for Zanzibar which was in German hands. The agreement was greeted in Singapore "as one of the most important conventions concluded between two nations in modern time." The French, of course, were not as pleased.¹⁰ A further feeling of relief occurred when the Singapore press announced in August 1890 that the German public was losing interest in overseas colonial adventures. Germany and Britain seemed to have in store a harmonious working relationship.¹⁰

The British community's gracious attitude towards Germans was positively displayed on the occasion of Behn, Meyer & Co.'s jubilee celebration in 1890. After

¹⁰The Straits Times, 22 August 1890.
congratulating the Straits Settlements for enjoying the support of the "very considerable German element", the "Straits Times" praised the leadership of Behn, Meyer & Co. for "their acknowledged seniority, by [the] magnitude of their affairs, and by their enviable mercantile reputation". The newspaper further assured that the growing trade between the Straits Settlements and Germany had been "for the good of the Straits", even though it was "not without some complaints from competing Englishmen here, but chiefly from Englishmen at home."\(^{11}\) Explaining the reasons for the German success, the paper wrote:

"If English manufacturers have been beaten in some classes of goods it is either because in these matters Germany had natural advantages (such as cheap labour and inherent aptitude) or else because English manufacturers were for the time being slack in adjusting themselves to the needs of our trade. The trading has been fair trading, and it has been, as all fair trade must be, to the advantage of the world as a whole. ... On that basis our trade rests, and to the solidity of that base and to the growth of the superstructure of commerce that rests on it the German race, have freely and usefully helped. Here in Singapore, we are strangely mixed community. ... Meanwhile we give a free welcome to all, asking only that they be honest men and good citizens. The request unhappily is not always complied with; but certainly the German element is one of our very best citizenship as, next to ourselves, it is the strongest in commerce."\(^{12}\)

In celebration of the jubilee, the senior partner of the German firm, Arnold Otto Meyer, presented to St. Andrew's Cathedral in Singapore a "beautiful service of altar-

\(^{11}\) *The Straits Times*, 31 October 1890.

Another good example for the cordial manner by which the Germans were treated in the Straits Settlements was demonstrated during the marriage ceremony of Germany's Consul, Eschke, and Olga Bertha Sohst. The wedding took place at St. Andrew's Cathedral on 10 November 1890 and was hailed in Singapore as "Probably the largest gathering that ever witnessed a marriage in the Straits." Among the guests were Acting-Governor Dickson and his wife, the Chief Justice, most of the Members of the Executive and Legislative Councils, all the foreign diplomats, the President of the Municipality, all bank managers, the resident partners of most of the mercantile houses, and several prominent Chinese businessmen.  

The British friendliness towards the Germans was mainly due to Britain's strained relations with France and Russia. The preference of a British alliance with Germany is clearly manifested by the following comment that appeared in a Singapore newspaper:

"It is difficult to be everyone's ally, and if England can manage to remain the ally of Germany, Austria, and Italy, we must submit regretfully to incur the possible displeasure of Russia and of France. ... France is our new neighbour in the East where she possesses an army, and ... Russia has a great naval station in Eastern waters."  

---

13 Ibid.
14 *The Straits Times*, 11 November 1890.
15 *The Straits Times*, 16 July 1891.
II. "Coolies" for German Colonies Denied

In contrast to the British community's acceptance of the German "element" of the colony, the Straits authorities were less compliant. As already mentioned in Chapter 2, the plantation economy in the German colonies of Africa and the Pacific constantly faced severe shortages of manpower. German planters desperately needed to recruit workers from abroad because they considered most of the labour of the indigenous population as "entirely useless". But Chinese government regulations did not allow the recruitment of Chinese "coolies" for work in German held territories. The problem compounded when the Dutch authorities prohibited Javanese labourers from going to German colonies between 1887 and 1890.

Berlin turned to the British government in 1888 asking for permission to recruit some 500 Chinese "coolies" from Singapore for German East Africa. The Straits authorities, however, were quite sticky about allowing anybody being recruited from their colony and the application was rejected. Another German bid was again turned down by the British in 1891. Yet, British authorities allowed Chinese "coolies" to go to the Dutch

---

1 C.O.273/221, No.22473, Lascelles to Salisbury, 24 October 1896.

17 Mosolff, Die Chinesische, p.278.

18 Meyer, "Das Eindringen", pp.70-1.
East Indies. They feared that their intake of Javanese labourers would be threatened if the Dutch were prohibited from doing the same.\textsuperscript{19}

Only after extensive diplomatic haggling, Britain finally granted Germany permission in December 1893 to obtain labourers from the Straits Settlements for a period of three years. Some 500 labourers were recruited and transported to German colonies during this time.\textsuperscript{20} With the help of these Chinese workers, investment in German East African plantations grew to about 8,000,000 marks in 1896.\textsuperscript{21}

The German government was obviously eager to renew the "coolie" agreement with Britain which was supposed to expire in December 1896. In October an application seeking permission to enlist a further 600 Chinese labourers from Singapore for plantations in German New Guinea and German East Africa was submitted for British approval. Salisbury was at first inclined to approve an extension of the "coolie" agreement for another three years.\textsuperscript{22}

The Straits authorities, however, had "serious objection". If the policy of permitting the emigration of

\textsuperscript{19} Mosolff, Die Chinesische, p.278.

\textsuperscript{20} C.O.273/221, No.19957, F.O. to C.O., 24 September 1896; No.21612, F.O. to C.O., 16 October 1896.

\textsuperscript{21} C.O.273/221, No.22473, Lascelles to Salisbury, 24 October 1896.

\textsuperscript{22} C.O.273/221, No.19957, F.O. to C.O., 24 September 1896; No.21612, F.O. to C.O., 16 October 1896; C.O.273/232, No.11950, Salisbury to Hohenlohe, 29 October 1896.
Chinese labourers from Singapore was continued, China would hold the British government responsible for their well-being. There were already reports about cases of ill-treatment in German plantations. The Straits authorities got their way and Salisbury informed Hohenlohe that Britain was unable to comply with the German request to renew the agreement. He also suggested that Germany should try to obtain labourers directly from China.

To Hatzfeldt Salisbury explained that Britain's decision was formed due to reports of alleged ill-treatment towards Javanese labourers in German East Africa. Britain could not "avoid a certain responsibility for the welfare of all labourers recruited on British territory". If further complaints about ill-treatment were made, even if these allegations were false, Britain might find herself in an embarrassing position "vis-a-vis China."

Here is what Salisbury was referring to. A number of Javanese labourers who had been recruited in Singapore to work in the German East African Plantation of Derema in 1892, returned to Singapore in November 1895 complaining about ill-treatment. The next year, a certain labourer named Mandoor Alli came back and complained to the authorities in Singapore that he had been ill-treated and cheated by his German employers. The British government

---

\(^{33}\)C.O.273/232, No.11950, Salisbury to Hohenlohe, 29 October 1896.

\(^{34}\)C.O.273/221, No.53, Salisbury to Hatzfeldt, 24 December 1896, confidential.
asked Germany for an explanation. Berlin promptly launched an enquiry and presented a report with the results, dated 29 April 1896, to the British Ambassador, Frank C. Lascelles. The report stated that according to the manager of the Derema plantation in German East Africa, W.H. Cawley (a British subject), Mandoor Alli's accusations were completely baseless and therefore could be dismissed. Inquiries by the Singapore authorities also showed that Mandoor Alli's allegation were either false or exaggerated, especially when it became known that some 47 Javanese labourers still working in the Derema plantation had asked to renew their contracts.$m$

A further case of labour abuse in the plantations of German East Africa became Britain's excuse for not renewing the "coolie" agreement with Germany. Friedrich Schroeder was sent to German East Africa in 1895 to manage a plantation estate for the "Deutsche-Ost-Afrikanischen Plantagen Gesellschaft". Schroeder had already been in German East Africa a few years earlier, but was ejected by the governor for committing acts of cruelty to labourers. When he returned to Africa in 1895, he resumed his brutal and ruthless treatment of labourers. Complaints launched against him led to his arrest at Tanga in the spring of 1896, where he was charged by the district court with "inflicting severe bodily injury in over 40 cases, two of which ended fatally, for several cases of rape and for

---

$m^C.O.273/221$, No.22034, Marschall to Lascelles, 8 October 1896.
abusing girls under 14 years of age". Schroeder was found guilty and sentenced to 15 years hard labour, the highest possible penalty. According to German East African regulations, planters were prohibited from imposing physical punishment on recalcitrant labourers. This could only be ordered by "a responsible official" if requested by the employer, and only for specified reasons. In all cases punishment was not to exceed a maximum of 25 strokes, and women were excluded from physical punishment.\(^2^6\)

Schroeder was retried, however, before the court of appeal at Dar-es-Salam. This time the court ruled that the evidence against him was inconclusive and shortened his prison term to five years which were to be served in Germany.\(^2^7\) Obviously very curious about this case, both the British Colonial and Foreign Offices wanted to be kept informed through the British ambassador in Berlin about any new developments.\(^2^8\)

It is somewhat strange that the British government should have been at all interested in the details of this case. There seems no other explanation than that Britain wanted to find some sort of excuse to explain and justify


\(^{2^7}\) C.O. 273/221, No.24147, Lascelles to F.O., 8 November 1896; C.O. 273/232, No.8481, Weber to Gough, 8 April 1897.

\(^{2^8}\) C.O. 273/232, No.5130, Bertie to C.O., 10 March 897; No.7542, Lascelles to Salisbury, 27 March 1897.
the denial of Germany's request to recruit more "coolies" from British colonies. The real reason for refusing the German application lay in the shortage of manpower for the tin mines and plantations of the Federated Malay States. This is why the colonial authorities could not allow the emigration of "coolies" to continue.  

Hearing about labour ill-treatment in the German colony caused the "London Times" to assert that Germany was "in the habit of decoying Indian coolies to East Africa and that the treatment which they receive there is absolutely barbarous". The "Nord Deutsche Allgemeine Zeitung" promptly responded to this misinformed statement by saying that there was "not a single coolie imported into East Africa from India", nor was it the intention of the German government to start bringing in Indian labourers. All labourers for German East African plantations had been recruited from Singapore and Java and "every effort is being made to dispense with the [Chinese and Javanese] labour". According to the German paper, an African tribe had been found "living in our own Protectorate of excellent character. ... Over 1,000 men have been employed last year on the plantations from this tribe."  

Thus from 1897 onwards, the plantation managers in German East Africa resorted to phasing out Chinese and Javanese workers and replacing them with

---

29 Mosolff, Die Chinesische, p.278.
indigenous African labour because they were unable to acquire additional labourers from the Straits Settlements.\textsuperscript{a1}

As a matter of interest, in 1912 the German government again sought British permission to recruit 500 to 1,000 Chinese "coolies" from the Straits Settlements for work in the German Pacific colonies. The request, however, was turned down on the same grounds as before, namely German ill-treatment and that Britain did not wish any trouble with the Chinese government.\textsuperscript{a2}

\textsuperscript{a1}C.O.273/232, No.12883, Lascelles to Salisbury, 3 June 1897.

\textsuperscript{a2}Mosolff, \textit{Die Chinesische}, p.278.
III. Efforts to Restrain German Shipping

The establishment and workings of the Shipping Conference has already been discussed in Chapter 2. The negative effects of these combines on the smaller Straits trader have also been briefly mentioned. It comes as no surprise, then, that there were those who greatly disliked these combines. Their indignation and rage was given eloquent expression by the press almost as soon as the system was introduced in the Straits Settlements in 1897. "As it now exists", stated one newspaper, shipping rings were doing "much more harm than good. ... the Conference fails to act beneficially, for it does a good deal to strangle the trade of the Colony".**

The most frequent criticism from the small traders was that the Conference randomly hiked freight rates at will. The ever increasing freight rates caused difficulties for producers of bulky and low priced goods such as tapioca. High rates drove important trade away from Singapore. Goods were increasingly shipped from the place of origin directly to Europe instead of to Singapore for transshipment.*** For example, merchants found it cheaper to send their goods directly from the Dutch East Indies to Europe instead of sending it first to Singapore for further shipment.**** According to one newspaper:

**The Straits Times, 5 January 1898.

***The Bangkok Times, 23 August 1900.

****The Bangkok Times, 20 May 1901.
"Produce, for instance, is now shipped direct from Macassar which formerly found its way to Singapore. Of late years trade with the Philippines has declined, copra, coffee and other produce being now shipped direct to Europe or America."

Some of the Conference's policies were perceived as unfair, inflexible, insensitive, or simply absurd. For example, freight charges to Europe were 50 to 100 percent higher than to New York. The Conference, who controlled all trade with Europe, also forbade shipments via the Cape of Good Hope.** British merchants were furious when the Conference prohibited its members from shipping goods on sailing vessels, except those bound to Marseilles.*** The Conference was also blamed for the disappearance of British tramp steamers. They were important in bringing coal to Singapore and their absence caused the price of coal to rise.**

The Conference also adversely affected the smaller shipping firms. With the pooling of the giant shipping companies, the smaller ones were left with no other choice than to join the cartel or to sell out. When joining, these firms became increasingly dependent on the larger members of the Conference. The creation of further combines ensured that virtually all major trade came under

---

**The Straits Times, 8 July 1901.

***The Bangkok Times, 23 August 1900.

**The Straits Times, 8 July 1901. Out of 13 sailing vessels which departed for Europe carrying goods in 1900, only 2 were bound for Marseilles.

***The Straits Times, 8 July 1901; The Bangkok Times, 13 and 23 August 1901.
the control of Conference members.  

Nevertheless, some shipping and trading firms dared to challenge the powerful shipowners of the rings and transported goods in non-Conference ships. Many hoped the recalcitrant firms would succeed. This kind of opposition, however, was not without its risks and often resulted in heavy losses.  

We have already seen in Chapter 2 how the Kingsin Line refused from the start to join the Conference by running steamers to Europe outside the Conference. The German line, however, incurred great losses until it was finally bought over by another German firm. Another example was Huttenbach & Co.  

This firm boycotted Conference ships and chartered three steamers in 1900 operating outside the cartel. But because of mounting difficulties and rising pressure, the firm finally capitulated and became a member of the Conference.  

Perhaps what was regretted most was the fact that Conference policies allowed German shipping to become

---

40Meyer, "Das Eindringen", pp.95-6.

41The Bangkok Times, 2 March 1900; Meyer, "Das Eindringen", pp.89-90.

42L. Huttenbach established Huttenbach Bros. in Penang and Singapore in 1883 as an import and shipping agency. Huttenbach & Co. represented and handled, among any others, the shipping interests of Andrew Weir & Co. of Glasgow, the Prince Line and the American Orient Line. For more information see Wright and Cartwright, Twentieth Century, pp.664-9.)

stronger at the expense of British interests." Indeed, the Conference was condemned for having "done much to hurt the British maritime supremacy in the Far East". It was also regretted that this was taking place in spite of the fact that the overwhelming number of Conference members were British companies. The British Peninsular & Oriental (P & O) was criticized for "coquetting" to foreign enterprise while neglecting its sacred duty of promoting British trade."

Leaving aside the Conference for a while, another development occurred which greatly damaged British maritime prestige in the East. Early in 1899 it was suddenly announced that the North German Lloyd had purchased from Holt's Blue Funnel Line 11 steamers which were running between Singapore and Bangkok." The takeover instantly advanced German shipping with Bangkok to the place formerly occupied by Britain. Causing an uproar in Singapore and Bangkok, it became a much discussed topic for the press to comment on. Feelings about this "coup" varied from praising German ability and enterprise to complete shock:

"None can blame our German friends or do

---The Straits Times, 5 January 1898; The Bangkok Times, 7 June and 23 August 1900.
---The Straits Times, 5, 12 January 1898, and 8 July 1901.
---C.O.273/343, No.18165, Memorandum, Shipping Lines between Bangkok and Swatow, 13 April 1908; F.O.422/54, o.26, Archer to Lansdowne, 19 March 1901, confidential; he Bangkok Times, 21 April 1899 and 1 March 1900; The traitsTimes, 8 July 1901; Meyer, "Das Eindringen", p.88.
otherwise, but admire the skill and energy with which the great German house of the Straits has brought this "coup" to a successful issue."—

But mainly objections were raised to the transfer of the British steamers to the German flag. It was regretted that Singapore's trade with Siam, and a considerable amount of its trade with the Dutch East Indies, was about to pass into the hands of a foreign mercantile fleet. There was alarm at the prospect of Germany controlling all the regular lines linking the Straits Settlements with Bangkok and Borneo. Goods coming from these areas for further shipment to Europe would be carried on German ships, giving Behn, Meyer & Co. the opportunity of becoming the major controlling agent for local shipping. It was also feared that the trade in ships' supplies, such as coal and oil, would shift from British to German firms. The possibility of Germany gaining a pretext for becoming politically involved in this part of the world also caused concern.— The Straits Times of 20 May 1899 demurred that:

"not only will the British colony of Singapore be dependent on a foreign fleet for practically the whole of its trade with Bangkok and a large portion of that with the Dutch Islands, but an impetus will be given to German interests political and commercial in Siam itself ... Such an event will be a severe blow to British prestige and interests at a time unparalleled in its importance in the history of Siam."—

A more urgent concern was the news that all British

"The Bangkok Times, 21 April 1899.

"The Bangkok Times, 21, 25 April, and 17 July 1899.

"The Straits Times, 20 May 1899."
captains, officers, and engineers who were working on Holt's steamers, almost 100 of them, were about to face dismissal. German law required that all officer-level staff employed on German ships must hold German certificates. This concern, however, subsided when Behn, Meyer & Co. applied and received permission from the German Foreign Office to allow British officers and engineers currently employed on the steamers to continue at their posts for half a year. A few months later, the German government agreed to permit captains, officers, and engineers holding British certificates to remain indefinitely in their current positions.

A second blow to British shipping and prestige occurred when the North German Lloyd acquired in December 1899 from the Scottish Oriental Steamship Co. 14 steamers which ran between Singapore and Hong Kong. The British living in the Straits colony were furious and accused Germany of concealing political intentions in Eastern Asia. Their anger was clearly reflected in the press:

"everything tends to show ... the results of the political aims of the German Government in the Far East ... it was idle to pretend to regard with equanimity the passing of the carrying trade from the British to the German flag when it takes place in the wholesale fashion in which

---

\[\text{The Bangkok Times, 21 and 27 April 1899.}\]

\[\text{The Straits Times, 27 December 1899.}\]

\[\text{C.O.273/343, No.18165, Memorandum, Shipping lines between Bangkok and Swatow, 13 April 1908; F.O.422/54, No.26, Archer to Lansdowne, 19 March 1901, confidential; The Straits Times, 8 July 1901; Boehm, \textit{Überseehandel}, p.117; Meyer, "Das Eindringen", pp.88-9.}\]
it is doing in the Far East.\textsuperscript{33}

To make matters worse, a rumour was circulating at the time in Bangkok and Singapore claiming that a German syndicate, which included Windsor & Co., was attempting to purchase the docks of Bangkok in an effort to make German shipping independent from Singapore.\textsuperscript{34} Competition was obviously very fierce, and the Germans were accused of unscrupulously taking advantage of Britain's liberal trade policies. "Is this not abusing British hospitality a trifle too much?" asked one Singapore newspaper.\textsuperscript{35}

Although the British community in Bangkok and Singapore frequently expressed their regret that the British flag was so evident by its absence, there are many reports indicating that the service provided by the German lines was most satisfactory. Germans worked hard at pleasing their customers and took "an infinite of trouble about everything".\textsuperscript{36} Travelling on a German liner was superior in comfort compared to a British or French steamer. In addition to excellent service, most German passenger ships were over 10,000 tons and designed with twin screws and bilge keels to minimize rolling in rough sea conditions. German safety standards for cargo transport were higher than British standards to the point

\textsuperscript{33}The Straits Times, 13 April 1900.

\textsuperscript{34}The Singapore Free Press, 18 January 1900. This rumour was later discredited, however.

\textsuperscript{35}The Singapore Free Press, 28 March 1900.

\textsuperscript{36}The Bangkok Times, 28 August 1901.
that insurance companies charged merchants lower rates when shipping freight on German vessels. The "Bangkok Times" summed up the reasons for Germany's shipping success:

"From year to year the freight and passage traffic on the Imperial German Mail Boats has shown a considerable increase, which is mainly due the constant efforts of the company (the North German Lloyd) to improve service to the Far East by running modern Steamers, all up to date and by which the travelling public enjoy the highest comfort combined with safety."**

And yet, not everybody was pleased with German shipping. Non-German merchants complained that the German monopoly of Bangkok's shipping was responsible for the increase in freight rates. Chinese traders complained about the unfair and inflexible methods employed by the North German Lloyd with regard to the transportation of goods to and from Bangkok.*** British merchants claimed that German agents gave more attention to German cargo, while non-German goods were often left standing unattended for several weeks at the docks of Singapore and Hong Kong. Some of the German shipping agents were also accused of behaving in such an arrogant manner as if they "controlled the shipping in the port".*** The Acting-Governor of the

**"The Bangkok Times," 20 December 1902.

***"The Bangkok Times," 24 August 1907.


Straits Settlements, F. Swettenham, supported these allegations saying that there were regular instances where Germans aggravated British merchants:

"by shifting German goods first and shutting out English goods on the plea that there was no more cargo space. By warehousing German goods on shore and shutting out British goods on the plea that there were no warehouse space for them. By giving constant preference to those who were customers for German goods, by frequently shutting out the export produce of those who were not habitual customers for German goods."  

Indeed, Swettenham disliked the German takeovers immensely, lamenting that the North German Lloyd and its Singapore agent, Behn, Meyer & Co., were about to monopolize all of Singapore's trade with Europe. He blamed the Conference for allowing the growing influence of German shipping:

"If that illegal society had not (under the auspices of the P. & O. Company which enjoys a subsidy from Government) forced up freights to an artificial level ever since 1897, no such favourable opening would have been afforded for German enterprise as the present rate of freight to purchasers of lines of steamships."  

The governor also conveyed to the Colonial Office a rumour that a German syndicate was attempting to acquire a mining concession to extract Labuan's entire coal deposits. "This would give Germany valuable supply of coal both at Labuan and Singapore." The 1900 Annual Report

---

"Frank Swettenham became Governor and High Commissioner of the Straits Settlements in October 1901.

"C.O.273/256, Swettenham to C.O., 19 April 1900.

"Ibid.

"Ibid."
on the Straits Settlements also linked the success of German shipping to the workings of the Conference. 

Why, it was asked should the costs for improving port facilities at Singapore not be shared by all shipping companies alike, including foreign ones? Was this not unfair, especially when German shipping received subsidies from their own government? Moreover, Germans did not possess comparable facilities in their colonies which British ships could come and use free of charge. The French also did not permit foreign ships similar privileges in their ports. ** These factors persuaded a number of British firms to urge the colonial authorities to introduce measures that would guarantee British privileges over German shipping in the Straits Settlements. 

Swettenham obliged by advocating several legislations designed to obstruct German shipping. The first such proposal was intended to stem Germany's advantage in the "coolie trade". Attributing the "steadily increasing influence of Germany as an overseas carrying power" to the workings of the Shipping Conference, the Legislative Council of the Straits Settlements proposed a bill on 2 July 1901 entitled "An Ordinance to amend the Law for the protection of Chinese Immigrants and to prohibit their

** The Straits Times, 8 July 1901.

** The Straits Times, 19 July 1901.

mportation except on ships Flying the British flag". According to section 33 of the suggested Ordinance, "no Chinese Immigrant shall be imported into the Colony except on a ship flying the British flag". The proposed regulation was warmly greeted in the press of Singapore because it "will tend to rehabilitate the maritime commerce of Britain" in Eastern Asia. In addition, the introduction of this bill would "prove a bitter pill for alien [German and Dutch] shippers to swallow."

Truly enough, immediately after the proposed bill passed its first reading in the Legislative Council, the ambassadors of Holland, Germany, Sweden and Norway complained directly to the Foreign Office in London that such measures would severely damage their shipping interests in the region. The Dutch and German ambassadors requested that the proposed legislation be revised to allow Chinese immigrants to disembark at Singapore from all foreign vessels as long as these ships satisfied Straits Settlements immigration regulations."

The German Ambassador, Baron Eckerstein, made a further protest as soon as the proposed bill passed the second reading of the Legislative Council. This time the Italian and Austrian ambassadors joined in the protest and presented their governments' objections. The Italian ambassador pointed out that the proposed measure was

**"The Straits Times, 8 July 1901.**

**C.O. 273/275, No. 24257, F.O. to C.O., 13 July 1901.**

**C.O. 273/275, No. 25502, F.O. to C.O., 23 July 1901.**
contrary to the provisions laid down by the commercial and navigation treaty between Britain and Italy.\textsuperscript{71}

Most protests were entirely justified. According to Britain's treaties with Austria-Hungary, Italy, Sweden and Norway, these countries enjoyed most-favoured-nation treatment in matters relating to both navigation and commerce. The treaties with Germany, Denmark and the Netherlands, however, limited most-favoured-nation treatment only to matters concerning commerce.\textsuperscript{72}

Confronted with these objections, and before deciding on the matter, the Foreign Office wanted more information. The Straits governor was asked by telegraph in July 1901 to report on the subject and give reasons for this legislation. Swettenham's main argument in support of the proposed bill was the bubonic plague which had been breaking out annually in Hong Kong and several Chinese ports since 1894. According to Swettenham, foreign ships seldom carried a doctor on board and foreign captains refused to report on any sickness or deaths that have occurred on their ships. The measure of limiting the carrying of Chinese immigrants to British ships would help prevent the plague from entering into the colony.

\textsuperscript{71}C.O.273/275, No.26441, F.O. to C.O., 30 July 1901; No.27082, F.O. to C.O., 2 August 1901.

\textsuperscript{72}C.O.273/275, No.32420, Right of the Government of the Straits Settlements to Restrict the Carriage of Chinese Immigrants to British Ships, enclosed in F.O. to C.O., 14 September 1901. Germany had extended the agreement of 1898 on most-favored-nation treatment to British subjects and goods (with the exception of Canada) as a temporary arrangement on 12 July 1899, but nothing was mentioned about shipping.
Sweetenham also indicated that British consuls in China did not want to be held responsible for the safety of Chinese labourers travelling on foreign ships. To add weight to his argument, Sweetenham claimed that the introduction of the bill would greatly benefit British shipping and weaken that of Germany. This was important because, according to an unofficial member of the Legislative Council, German firms were relentlessly trying to secure the colony's entire coasting trade under the German flag. Sweetenham also assured that the introduction of the bill would not restrict the number of "coolies" coming to the British colony.\(^7\)

But the Foreign Office was not convinced and insisted that section 33 of the proposed legislation should be disallowed because it violated the conditions laid down by British treaties of commerce and navigation with Austria-Hungary, Italy, Norway and Sweden. As to the danger of the plague, it was suggested that legislation should be introduced to ensure that any ship carrying Chinese immigrants was not overcrowded, carried sufficient food, water and medicine, and had satisfactory sanitary arrangements on board. Sweetenham was also advised to make sure that the introduction of any regulations regarding sanitary requirements on foreign ships should also apply.

\(^7\)C.O.273/275, No.32420, Memorandum on Proposal to Confine Coolie Immigration into the Straits Settlements to British ships, undated; C.O.273/276, No.33623, Board of Trade to C.O., 25 September 1901.
Swettenham was not discouraged and tried to obstruct German shipping from another angle. He requested permission to introduce a bill confining the coastal trade of the Malay Peninsula to British vessels. According to Swettenham, British shippers needed protection because "the great commercial energy of the Germans and their desire to meet all modern requirements enables them to kill the rival and less energetic efforts of British ship owners." A further reason was ascribed to the "very unfair advantage" gained by German shipping companies in the form of "large subsidies" from their home government.

Swettenham's proposed legislation, however, was in direct conflict with established British treaties of commerce and navigation with Sweden, Norway, Denmark, Italy, Austria-Hungary, Greece, and some of the Latin American countries, all of whom enjoyed most-favoured-

---

7*C.O. 273/275, No.32420, F.O. to C.O., 14 September 1901; C.O.273/276, No.33623, Board of Trade to C.O., 25 September 1901.

7Swettenham seems to have had a general dislike of anything "German". For example, when the captain of the German warship "Gefion" paid his respects to the Governor on 10 July 1901, the day after he had arrived at Singapore, his call was never returned. This was clearly a breach of protocol and the British Foreign Office received a complaint from the German Ambassador. When Swettenham was required to explain this negligence, he apologized and excused himself by saying "that it was either raining very heavily or the 'Gefion' was coaling."(C.O.273/275, No.41891, F.O. to C.O., 26 November 1901; C.O.273/278, No.6883, Swettenham to Chamberlain, 23 January 1902, confidential.)

7*C.O. 273/275, No.35199, F.O. to C.O., 8 October 1901.
nation treatment with regards to coastal trade. A Greek ship, for example, could not be legally stopped from taking part in the coastal trade of the Malay Peninsula. Nevertheless, the Board of Trade suggested that a bill confining the coastal trade to "British vessels and those of countries entitled by treaty to share in it", would exclude German, French, Russian and Italian ships. For the Colonial Office, however, the Board's suggestion was "out of the question" because it also meant prohibiting ships owned by Malays or Chinese who were not British subjects but lived in the Straits Settlements, the Federated Malay States, and Johor.

In a perhaps unrelated but revealing matter, Swettenham did find a way to get at the Germans. When German ships brought some convicts from German New Guinea to Singapore, Swettenham immediately denounced this as a "most unfriendly action". His complaints induced the Foreign Office to issue a protest to the German government. The German Foreign Secretary, Richthofen, responded by assuring the British Ambassador in Berlin, Francis Lascelles, that such an occurrence would not be repeated.

In any case, continued criticism of the Shipping Conference convinced the British government early in 1902

*C.O. 273/276, No. 42893, Board of Trade to C.O., 5 December 1901, immediate.


*Cheong, "German Interest", p.67.
to set up a Commission to ascertain the effect of these combines upon the trade of the Straits Settlements. Following intensive inquiries, the Commission confirmed the reports that the Conference frequently altered freight rates, and that merchants were virtually forced into transporting their goods on its steamers. The Commission also found that preference was given to American and European (Continental) ports rather than British. For example, it was cheaper to ship goods to Dunkirk or Venice than to Belfast, Leith, Glasgow, Liverpool or London. But the Commission did not find the freight rates unreasonably excessive. Instead, concern was expressed about the declining number of British tramp steamers and sailing vessels against the increase of foreign steam tonnage.  

In spite of the Commission's report, no steps were taken to limit the influence of the Straits Conference. The Board of Trade declined to deal separately with a specific colony or shipping ring until British policy throughout the empire was officially established. Another Committee chosen by the House of Commons was presently investigating the entire question of foreign shipping competition world-wide.  

Governor Anderson continued his predecessor's efforts to curb German enterprise in the Straits Settlements. Late

---


C.O. 273/276, No.33623, Board of Trade to C.O., 25 September 1901; C.O. 273/297, No.4905, Board of Trade to C.O., 5 February 1903.
in 1904, he asked for permission to prohibit foreign members of the Chambers of Commerce in Singapore and Penang from voting at elections of new unofficial members. According to Anderson, already almost half the members of the Chambers of Commerce were foreigners. If they were allowed to continue voting, foreigners might one day outvote the British members on important issues. To back his case, Anderson warned that "the extent to which the trade and commerce of the Colony has passed and is passing onto the hands of German firms cannot be viewed without apprehension." But the Colonial Office could see "no adequate reason" for withholding the foreign members the right to vote which they held for the past seventeen years.

Anderson, however, successfully blocked an application made by Huttenbach & Co. in October 1904 to tender for the supply of coal to British navy ships at Singapore. Huttenbach & Co. possessed all the necessary facilities and the British Admiralty was inclined to accept the tender. But the Colonial Office, influenced by Anderson, refused on the grounds that the firm was partly in German hands. This case is somewhat surprising.

---

*C.O. 273/300, No. 41172, Anderson to C.O., 10 November 1904, confidential; C.O. to Anderson, 21 December 1904, draft, confidential; C.O. 273/303, No. 43311, Anderson to Lyttelton, 30 November 1904, secret.*

*C.O. 273/304, No. 37074, Huttenbach & Co. to Admiralty, 11 October 1904; Admiralty to C.O., 28 October 1904; C.O. minute, 29 October 1904; C.O. to Admiralty, 2 November 1904, draft; C.O. 273/300, No. 41172, Minute by Swettenham, 13 December 1904.*
because August Huttenbach of the firms Huttenbach Brothers & Co. of Penang and Singapore; Huttenbach, Liebert & Co. of Penang; and Huttenbach & Co. of London, was a naturalized British subject since 1889. He was also known as "a supporter of the Government, and believes in the Crown colony constitution." Besides being actively involved in currency affairs of the Straits Settlements, Huttenbach was elected a member of the Penang Chamber of Commerce in November 1893, and later became a member of the Legislative Council in 1894 and 1895. Huttenbach & Co. was also closely connected with Peninsular & Oriental and the British India Steam Navigation Co.

Apart from Anderson's efforts to block German shipping interests in the Straits Settlements, opposition to Germany's advantage in the "coolie" trade was taken up by the new British Acting-Consul at Swatow, Syl. According to the Hong Kong Chinese Emigration Consolidation Ordinance of 1889, and the Straits Settlements Ordinance of 1902, the British consul at Swatow acted as the officer responsible for regulating Chinese emigration to British colonies, whether on British or foreign ships. The responsibilities of British consuls included the measure of insuring that every ship carrying emigrants bound for the Straits Settlements complied with the same regulations

---

*C.O. 273/193, No.20833, Huttenbach's "A short critique on what ought to have been the main point of Mr. McLarty's book", 13 November 1893; C.O. 273/304, No.37074, C.O. to Admiralty, 2 November 1904, draft; C.O. 273/300, No.41172, Minute by Swettenham, 13 December 1904; Wright and Cartwright, Twentieth Century, p.747.
like those of Hong Kong. Emigration certificates were to be issued only after these regulations were satisfactorily fulfilled.**

When Sly took up his consular duties at Swatow, he found that it was common practice for British consuls in Amoy and Swatow to allow their German counterparts to issue certificates of emigration to German vessels. He also discovered that German steamers carried a far greater number of passengers than was allowed by British regulations. British steamers were required by regulation to provide each deck passenger with a minimum space of 16 "superficial" feet, while German regulation only required 12 feet for each deck passenger. No deck passengers were allowed in the typhoon season.**

Sly zealously opposed the prevailing conditions, not only because these were injurious to British shipping, but also because of personal reasons. When Sly wanted to inspect some German ships before departing for a British colony, he was rudely stopped by the German Consul, Krause, who told him that it was not proper for an official of one power to exercise authority over another power's ships because this might lead to


"unpleasantness".*

Replying to Sly's inquiry whether it was within his jurisdiction to take stricter measures with regard to foreign ships carrying Chinese emigrants to the Straits Settlements, the Board of Trade confirmed that regulations applicable to British vessels were also applicable to foreign ones.**

Another complaint involving German consuls in China was related to the issuing of naturalization letters. According to Hare, the Secretary for Chinese Affairs in the Federated Malay States, a number of Chinese traders and miners had applied for British naturalization within the past four years. Many of those whose applications were rejected managed to obtain French or German naturalization letters from the respective consuls in China. Nevertheless, the French and German consuls at Amoy and Canton denied these allegations and explained that it was beyond the powers of a consul to grant citizenship.***

In the meantime, opposition against the Shipping Conference was mounting again and a second Commission was appointed in London in 1906 to analyze the operations of these rings and study the effects of the deferred rebates. The Commission's report confirmed the allegations that the Conference caused the increase of foreign shipping, which

**C.O.273/323, No.30475, Krause to Sly, 30 May 1906.

***C.O.273/323, No.43162, Board of Trade to F.O., 14 November 1906.

****C.O.273/305, No.41840, Satow (British Consul-General at Peking) to Lansdowne, 18 October 1904.
also explained the diversion of trade away from Singapore. For example, steamers from the German-Australian Steamship Co. leaving Australia took on cargo in Sulu, Celebes, Bali, and other places, and instead of unloading at Singapore for transshipment, took on more cargo for the continued journey to Europe. The Conference's policies caused Singapore to lose annually about 40,000 to 50,000 shipping tonnage. British imports into the Straits Settlements declined from an average share of 20.4 percent in 1880-1889, to 10.5 percent in 1896-1905.°°

<table>
<thead>
<tr>
<th></th>
<th>1892-1896</th>
<th>1897-1901</th>
<th>1902-1906</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Tons</td>
<td>Tons</td>
<td>Tons</td>
</tr>
<tr>
<td>British</td>
<td>13,487</td>
<td>10,860</td>
<td>12,022</td>
</tr>
<tr>
<td>Foreign</td>
<td>7,409</td>
<td>5,829</td>
<td>10,295</td>
</tr>
</tbody>
</table>

The Commission further admitted that foreign shipping was undermining Britain's importance as a distributor to the European market. Foreign steamers diverted trade from Britain by shipping goods directly to smaller European (Continental) ports. Unlike the earlier Commission of 1902, the present Commission criticized the Conference's

°°The Bangkok Times, 4 December 1906, and 1 June 1907.

freight rates as excessive and unfair. They were erratically arranged and altered without advanced published notice or explanation, lacking therefore any legal obligation.**2

Disturbed by the policies of the shipping rings, especially those of the Straits Homeward Conference and the New York Conference, the British firms outside the combines continued to press their demands for effective action. They urged the Straits government to introduce legislation "calculated to break down the monopolies acquired by the groups of international shipowners comprising these conferences, or at least to curtail their power."**3

Also the Kuala Lumpur Chamber of Commerce called on the British government to take firm action and abolish the shipping rings which caused great injury to British trade. "Will not the Government come forward again and scotch the serpent?", they asked.** These and similar protests prompted discussions in the Legislative Councils of both Singapore and the F.M.S. regarding the introduction of a law designed "to give no advantage to foreign ships over


**3C.O.273/357, No.17755, Legislation on the Subject of Shipping, in Anderson to Crewe, 16 May 1910, confidential.

*The Bangkok Times*, 22 October 1908.
those flying the British flag."

Finally a bill entitled the "Straits Settlements Freight and Steamship Ordinance" was proposed to protect traders from excessive freight rates and other unreasonable conditions. The bill intended to outlaw any agreement that included special rebates other than government approved ordinary rebates." In the hope of breaking up the rings, the imposition of a 20 percent duty was proposed on all freights, only to be reimbursed if the trader shipped his goods on vessels outside the Conference."

Fearing the suggested bill might threaten his country's shipping interests, the German ambassador in London protested." Nevertheless, public opinion in the Straits Settlements was for the bill, and when it came to voting, all unofficial members of the Legislative Council, with only one exception, voted for it. And yet, the new bill was suspended shortly after." 

While the Ordinance was being debated in the Legislative Council, efforts were under way by Conference

---

members to come to an amicable settlement with the Straits government. The North German Lloyd admitted that it successfully competed with British firms because of the large profits acquired through the Eastern Outward and Homeward Conferences. When the North German Lloyd and Holt's steamship company expressed their readiness to negotiate with Governor Anderson regarding the existing rebate system with a view of introducing changes voluntarily, Anderson offered to suspend the new Ordinance. The outcome was an agreement between the Conference members and the colonial authorities suspending the Ordinance and abolishing the secret rebate. The deferred rebate, however, was allowed to continue under a modified system. Following this agreement, according to Chiang, "the agitation against the Conference died away" only to flare up again in 1930.\footnote{C.O.273/357, No.17755, Paragraph from the "Times" of 18 June 1910, in Holt to Jack, 21 June 1910; C.O.273/359, No.34633, Anderson to Crewe, 20 October 1910; No.36586, Anderson to C.O., 30 November 1910, telegraph; Chiang, "The Early", pp.63-4.}