

CHAPTER 7

A CLOSED DOOR TO THE MALAY PENINSULA

One of the prime features exhibited by Straits officials was their ceaseless efforts to make Britain the undisputed master in the Malay Peninsula. To achieve this goal, they employed several tactics to convince the government in London that the extension of British influence in the Malay states was necessary. One of these tactics was the endless rhetoric that Germany might one day soon find an excuse to intervene in the Malay Peninsula.

Frederick Weld and Cecil Smith frequently used the argument that if nothing was done quickly to stop the Malay rulers of Jelebu, Johor and Pahang from granting concessions to foreigners, the introduction of German capital and enterprise in these areas might give Germany a pretext for intervention.

In the case of the Siamese Malay states, Governors Frank Swettenham and John Anderson also used the argument that these states should be brought under British rule to prevent Germany from gaining a foothold there. To press their point they vigorously resisted German capital and enterprise from entering the Malay states not directly under British protection.

I. Anti-Foreign Rhetoric

As in the 1870s, the tactic of linking German schemes with demands for more control over the Malay states not yet under direct British rule continued in the 1880s. Cecil Clementi Smith, the Acting-Governor of the Straits Settlements, took pains trying to convince the Colonial Office that it was of absolute necessity to control the actions of Malay rulers when dealing with foreigners. Several Western speculators who were very interested in the mining and planting potential in the non-British parts of the peninsula managed to obtain leases directly from local rulers. Smith mentioned the case when the Sultan of Jelebu, whose state bordered Selangor and Sungai Ujong, granted in April 1884 three concessions of 3,000 acres each to two Englishmen, Hill and Rathborne, who were connected with a certain German merchant in Singapore. Citing some irregularities, Smith pressured the Yam Tuan and Penghulu of Jelebu to retract the concessions. The German merchant complained about this interference.¹

In the treaty which the Sultan of Jelebu was compelled to sign in 1886, it was stipulated in no uncertain terms that Jelebu's foreign relations were to be left to the British government, and that "no grant or concession shall be made to other than British subjects, or British companies or persons of the Malay, Chinese,

¹C.O.273/130, No.18779, Smith to C.O., 1 October 1884, confidential. Enclosed is a copy of the grant made by the Sultan of Jelebu, dated 2 April 1884.

Indian or other Oriental nations without the assent of the British Government or its representative", the British resident.²

A similar tactic was used by Governor Frederick Weld.³ To convince the Colonial Office that Johor must be brought under British protection, Weld insisted that if Britain failed to act quickly and take steps to prevent the "danger" of Germany acquiring an "excuse" for "intervention", Johor would fall into German hands. For Weld, the developments in "Zanzibar and other lessons" further underlined the necessity that "Johore must be carefully secured." Meade, a Colonial Office official, agreed, for the "danger" he saw was "a Dutch - or worse still a German man of war (when Germany has absorbed Holland!) might attack Johore on the pretext of defending the rights of a Javanese leaseholder or the French might interfere on behalf of a Saigon Chinaman."⁴

Hearing rumours that the Straits government wanted to bring Johor under British control, its ruler Abu Bakar hurried to London for talks. There he signed a treaty with the newly appointed Secretary of State, Colonel F.A. Stanley, in December 1885. Also this treaty gave Britain virtual control over Johor's foreign relations and defence. The Maharajah was not allowed to "negotiate any

²Quoted in Thio, British Policy, p.49.

³Weld was Governor of the Straits Settlements from 1879 to 1887.

⁴Quoted in Thio, British Policy, pp.106-7.

treaty, or enter into any engagement with any foreign State, ... or make any grant or concession to other than British subjects or British companies or persons of the Chinese, Malay, or other Oriental race, or enter into any political correspondence with any foreign State."⁵

In Pahang, although there was no evidence whatsoever of German concessionaires interested in that state, the arguments presented in favour for British expansion were strikingly similar to those used in Jelebu and Johor, i.e.: concessions granted by local rulers might fall into foreign hands supplying a pretext for foreign intervention. Some locals who had received concessions from the Bendahara Wan Ahmad of Pahang resold their grants to foreign "syndicates or companies".⁶ For example, George Scaife, a tailor by trade, obtained in this manner two large mining concessions, one of which was 4,050 square miles on each side of the Pahang River, while the other was slightly smaller but was situated in the richest mining area of Pahang. Scaife supposedly planned to put up his concessions for sale in Australia. Acting-Governor Smith demurred that:

"Should such concession be worked, Europeans, and some of them not of the best class, will be living in Native States where there is no British authority to deal with complications and disputes between the Natives and the

⁵C.O. Correspondence, Agreement between the Straits Settlement and the State of Johore, 11 December 1885; Thio, British Policy, pp.106-7.

⁶C.O. Correspondence, Enclosure 4 in No.1, Annual Report on the State of Pahang for the Year 1888.

Foreigners."⁷

To prevent this from happening, Smith urged the Colonial Office to approve measures to hinder the Bendahara from granting any concessions to foreigners. "Some such arrangement", Smith argued, would "deter Europeans from going into the Unprotected Malay States". It also would "unquestionably prevent capitalists in Europe or in Australia from investing their money under such risky contingencies."⁸

Smith wanted to impose certain conditions on the independent Malay rulers with regards to granting mining or planting concessions, reserving for the British government the right to recognize or cancel any concession. The Colonial Office did not take too long to approve the measures.⁹ There was the danger that if nothing was done to stop the loose granting of concessions then "European speculators [would] bleed these native finances".¹⁰ Thus Smith issued a proclamation in 1885 stating that the Straits government "reserved to itself the right of recognizing, or not, any past or future

⁷C.O.273/130, No.18779, Smith to C.O., 1 October 1884, confidential.

⁸Ibid.

⁹C.O.273/130, No.21552, Smith to C.O., 15 November 1884, confidential; C.O. to Smith, 3 January 1885, confidential, draft.

¹⁰C.O.273/130, No.18779, Minute by Lucas, 4 November 1884.

concession in the Malay States."¹¹

Still not satisfied, the colonial authorities now wanted to gain more control in the affairs of Pahang. They pushed for the appointment of a British resident to "advise" the ruler of Pahang. But Wan Ahmad resisted British domineering methods and made it clear that he did not need someone telling him how to administer his state. Only after further pressure from Hugh Clifford (Weld's nephew), and the involvement of Abu Bakar of Johor, was Ahmad finally induced to give way and sign a treaty with Weld in October 1887. This treaty, which was in many ways a copy of the Johor treaty of two years earlier, gave Britain control over Pahang's foreign relations. The Rajah was not permitted to "make any grant or concession to other than British subjects, or British companies or persons of the Chinese, Malay, or other Oriental race, or enter into any political correspondence with any foreign State."¹²

From the above discussion it becomes clear that the Straits government desired to extend British control over the still independent states of the peninsula. One method of achieving this was to manipulate Colonial Office fears

¹¹C.O. Correspondence, Enclosure 4 in No.1, Annual Report on the State of Pahang for the Year 1888.

¹²C.O. Correspondence, Agreement between the Straits Settlements and the State of Pahang, 8 October 1887; C.M. Turnbull, A Short History of Malaysia, Singapore and Brunei, Singapore, Graham Brash, 1988, p.149; B.W. Andaya and L.Y. Andaya, A History of Malaysia, London, Macmillan, 1988, p.167; E. Thio, "The Extension of British Control to Pahang", Journal of the Straits Branch of the Royal Asiatic Society, vol.30, pt.1, 1957, pp.59-67.

that if something was not done immediately, the appearance of foreign concessions might offer Germany an excuse to intervene. Their methods succeeded, for the officials at the Colonial Office in London supported the extension of British control in the peninsula. The Legal Assistant Under-Secretary John Bramston suggested in November 1884 that Britain should extend protection over the entire Malay Peninsula. The Permanent Under-Secretary Robert Herbert assumed in November 1884 that "In these days when our rights and quasi-rights are strictly questioned and boldly encroached upon, ... there must be danger in leaving this protectorate [Pahang] unconsolidated". Herbert went further in February 1885 by suggesting that Britain should convert protection in the Malay states into annexation.¹³

Obviously the Straits officials knew that they were exceeding their authority by imposing certain wishes on the native Malay rulers. The permanent colonial officials in London were also aware of that, yet they supported the policies suggested by the Straits authorities.¹⁴ The reason for obstructing foreign concessions was clearly the desire to preserve these states for future expansion by temporarily hindering their economic development. It was calculated that:

"The vaguer and more numerous the fears we give birth to in the heart of speculators regarding

¹³Quoted in Thio, British Policy, p.68.

¹⁴For a confirmation of this argument see C.O.273/130, No.18779, Minute by Lucas, 4 November 1884.

the safety of the investment the better our purpose will be served, that purpose being to stop for the present & probably for some years the starting of such Concessions, as these in the Unprotected States of the Peninsula."¹⁵

But why did the colonial authorities want to prevent even British investments from entering into the Malay states not yet under British control. Obviously for the same reasons: to delay the economic development of these states until the extension of British direct rule was achieved. Taking Johor as an example, K. Sinclair came to a similar conclusion in his interesting paper entitled "Hobson and Lenin in Johore". He writes:

"Far from supposing that British investment in Johore would expedite or produce British political control, the Colonial Office thought the exact opposite. Investment and development in [Johore] might so strengthen the indigent Sultan that assumption of British control might become almost impossible or, at least, difficult to justify. Alternatively, the concessionaires might so loot the state that British control would become less attractive and more expensive prospect."¹⁶

Similar arguments could be made for the other states of the peninsula, i.e.: the colonial authorities wanted to preserve excuses to "justify" their desire for more control. This is further borne out by the fact that the policy of opposing concessions was discontinued after British control was extended to these states. Presumably this was because proper controls on investors were now

¹⁵C.O.273/130, No.18779, Minute by Rotak, 7 November 1884.

¹⁶K. Sinclair, "Hobson and Lenin in Johore: Colonial Office Policy towards British Concessionaires and Investors, 1878-1907", Modern Asian Studies, vol.4, 1967, p.334.

exercised by the colonial administrators so that in Pahang for example, from the 39 "mining, planting, and cutting timber" concessions granted by the Sultan prior to 1888, only two concessions were repealed after the introduction of British rule, and only because "the limits of the concession were undefined, and no steps had been taken to commence working."¹⁷

The attitude of the colonial authorities towards foreign capital and enterprise changed sharply after Britain had secured control over a Malay state. During Weld's governorship, foreigners were liberally allowed to invest in mining and planting ventures in the "protected" states. In Perak in 1888, a German firm based in Singapore, Brand & Co., obtained a concession of 10,000 acres to plant tobacco, and Huttenbach & Co. started a 300 acre pepper plantation. Huttenbach & Co. expanded their plantation further in 1890. A German named Schultz started growing coffee in Perak in the 1880s. The same Schultz became Perak's first secretary of the Chinese Department which dealt with Chinese affairs such as regulating the immigration of Chinese labour, and mediating between them and the mining and plantation managers when problems arose. Schultz also became a naturalized British subject.¹⁸

¹⁷C.O. Correspondence, Enclosure 4 in No.1, Annual Report on the State of Pahang for the Year 1888.

¹⁸C.O. Correspondence, Low's (Resident) Annual Report on the State of Perak for the Year 1887; V. Selvaratnam, "History of Western Enterprise in the State of Selangor (continued...)"

In Selangor, the German R.S. Mickle established a huge plantation which continued under the management of his brother, C. Mickle, in 1889. Here too, Huttenbach & Co. owned more than one coffee plantation. They also established the Selangor Trading and Coffee Curing Co. at Klang in 1895 and introduced new techniques to "cure" coffee.¹⁹

After Jelebu was joined with Sungai Ujong, a German named Gueritz, but who chose to become a British subject, functioned as this state's first collector.²⁰ In November 1886, the British-German firm of Sward & Muehlinghaus secured a licence to export tin ore for smelting outside Sungai Ujong. The British resident was evidently quite pleased with the company for "introducing a large amount of money into the state". From August 1886, and for the next three years, Sward & Muehlinghaus were the only Europeans exporting tin ore from Selangor for smelting in Singapore. Muehlinghaus also erected ore depots in Kuala Lumpur in 1887, and established the Straits Trading Co. a year later in Perak.²¹

¹⁹(...continued)
from 1874 to 1894", B.A. Hons. thesis, University of Malaya, 1961, p.30 and p.33; Cheong, "German Interest", p.24, p.32 and p.34.

¹⁹Cheong, "German Interest", p.34; Selvaratnam, "History", p.30 and p.33.

²⁰Cheong, "German Interest", p.32 and p.34.

²¹C.O. Correspondence, Paul's (Resident) Annual Report on the State of Sungai Ujong for the Year 1886; Rodger's (Acting Resident) Report for the State of Selangor for the Year 1886; Cheong, "German Interest", p.32 and p.34.

In the mid-1880s, the persisting problem of labour shortage was becoming a serious problem for plantation and mining managers. As British shipping firms were little interested in the idea of bringing in labourers from India, the governments of the Straits Settlements, Perak and Selangor (and joined later by Sungai Ujong) contracted the firm Huttenbach & Liebert late in 1886 to introduce a fortnightly steamer service to carry Indian labourers from Negapatam and Madras to Penang. For this service, Huttenbach & Liebert received a yearly subsidy of 30,000 dollars for three years. The first batch of Indian labourers that arrived at Penang numbered 500, a huge number considering that in 1886 there were only about 1,000 Indians, mostly Tamils, living in Selangor.²²

Weld and Smith also desired to extend British control further northwards into the Malay states that nominally came under Siamese rule. This desire is clearly borne out by their attitude towards Siam's relations with these states. In an effort to advance British influence in that part of the peninsula, Weld openly challenged Siam's sovereignty over them. He justified his attitude by arguing that France's quest to annex Siam posed a

²²C.O. Correspondence, Rodger's Annual Report on the State of Selangor for the Year 1886; Low's Annual Report on the State of Perak for the Year 1886; A.R. D'Costa, "Economic Development of Selangor, 1874-1895", B.A. Hons. thesis, University of Malaya, Singapore, 1960, p.67; Cheong, "German Interest", p.33 and p.35; Selvaratnam, "History", p.26.

dangerous threat to British interests in the peninsula.²³

When Siam moved to establish a post office in Terengganu in 1892, Smith openly supported the Sultan's protests saying that the post office was merely a tool to increase Siamese control there. The British Foreign Office, however, was not too pleased with these attempts at dwarfing Siamese authority. The Straits governors' objections to Siam's control over the northern Malay states went directly in opposition to Foreign Office policy which had been clearly laid down in 1889. That is, Britain for the time being was not to meddle in the affairs of the Siamese Malay states (see Chapter 8).²⁴

²³V.G. Kiernan, "Britain, Siam, and Malaya, 1875-1885", Journal of Modern History, vol.28, no.1, March 1956, p.11; Thio, "Britain's Search", pp.281-2.

²⁴J. Chandran, "The British Foreign Office and the Siamese Malay States, 1890-97", Modern Asian Studies, London, vol.5, no.2, 1971, pp.145-6.

II. Opposition to German Concessions

European and American capitalists eyed with great interest the commercial potential of the Malay states wedged between the F.M.S. and Siam. Legeh, Patani, Perlis and Reman were supposed to contain large deposits of minerals, especially tin. Kedah was known mainly for its agriculture, exporting rice and some cattle to Penang, and there were supposed to be some tin deposits in the area of Kulim. Terengganu also possessed tin and was known for its fertile soil and valuable hardwood. Kelantan was supposedly the richest Malay state in terms of gold, silver, antimony, cinnabar and galena. Kelantan also exported a considerable amount of cattle to Singapore.²⁵ These presumed riches explain the phrase often found in Colonial Office records that the Siamese Malay states were "capable of 'enormous development' under other rule".²⁶

As mentioned earlier, the Straits authorities eagerly wanted British control extended over the Siamese Malay states, but the Foreign Office supported Siam's rule over them. To help reverse the Foreign Office's policy towards Siam, the Straits administrators employed whatever tactic they could.

Although Frank Swettenham had already acknowledged as

²⁵C.O.537/48, No.55, C.O. to F.O., 28 February 1896, confidential, copy; C.O.273/340, No.17693, Anderson to C.O., 22 April 1908, secret; The Straits Times, 5 July 1901; Thio, "Britain's Search", p.283.

²⁶See for example C.O.537/48, No.55, C.O. to F.O., 28 February 1896, confidential, copy.

early as 1875 that Siam possessed special rights over the northern Malay states,²⁷ he did not let any opportunity pass by without attempting to expand British rule over them. Swettenham used the case of Behn, Meyer & Co.'s attempt to acquire Pulau Langkawi to justify British expansion arguing that it was "most undesirable that the Island of Langkawi, or any other island, rivermouth, or extent of coast-line should be granted to any one, even, ... to a British subject."²⁸ To prevent this from happening, Swettenham intended "to suggest the purchase of these Islands by the F.M.S." as soon as "the question of Kelantan and Trengganu" was "finally settled".²⁹

In the meantime, Swettenham was determined to block any increase of German influence in the Malay Peninsula. When the German Ambassador in London, Hatzfeldt, applied on 25 January 1901 to the Foreign Office for permission to extend Germany's consular jurisdiction to the F.M.S. and Borneo, Swettenham was immediately opposed. According to Swettenham there were "no German interests in the F.M.S.", and therefore no need to "extend the influence of Foreign Consuls in [that] direction". Swettenham's view was strongly supported by the Colonial Secretary, Chamberlain, who agreed to the necessity of avoiding the "dangers to

²⁷Thio, "Britain's Search", p.281.

²⁸F.O.422/53, Inclosure 2 in No.103, Swettenham to C.O., 19 November 1900, confidential. For a very similar statement see C.O.273/277, No.1518, Swettenham to C.O., 13 January 1901, secret.

²⁹C.O.273/293, No.5759, Swettenham to Chamberlain, 16 January 1903, secret.

British trade which would arise from the appointment of Foreign Consular Officers in the F.M.S. and in Borneo." Lansdowne of the Foreign Office, however, could "not see how [the British government] can withhold their recognition." Finally, Lansdowne and Chamberlain compromised by agreeing to allow the extension of German consular jurisdiction to matters of commerce only, and providing that the German consulate would not "enter into communication with the princes or Rulers of Native States, otherwise than through the medium of and with knowledge and sanction of" the British government.³⁰

Swettenham, who was kept in the dark about the Anglo-Siamese Secret Treaty of 1897 until late 1901 or early 1902, used the German "bogey" to lobby for British expansion northwards. He strongly recommended intervention, claiming that the northern Malay states resented Siam's arrogant interferences in their internal affairs. According to Swettenham, the Rajahs of Patani and Sai had requested for British protection. If Britain was not interested, then they would not hesitate to invite the protection of some other power.³¹

Swettenham never tired from pointing out that Siam possessed no formal treaty with Terengganu, Kelantan, or Patani, nor the means to enforce her authority over them.

³⁰C.O.273/275, No.35199, F.O. to C.O., 8 October 1901; No.39525, Lansdowne to Metternich, 9 November 1901.

³¹C.O.273/274, No.34164, Rajah of Patani to Swettenham, 13 August 1901, confidential; No.45211, Rajah of Sai to Swettenham, 13 October 1901.

Questioning the wisdom of Britain's foreign policy of supporting Siam instead of concluding separate treaties with Kelantan and Terengganu for the protection and promotion of British interests, Swettenham warned that these Malay rulers who claimed independence from Siam might resort to granting concessions or other privileges to foreigners only to demonstrate their autonomy. He also objected to any increase of Siamese control in Kelantan and Terengganu because, being inhabited by Malays, these two states ought to be joined to the F.M.S.³²

Swettenham warned the ruler of Terengganu against granting a concession to an American called Bailey, who had applied for all the state's mining rights. The Rajah supposedly also granted a concession of Pulau Redang to a Singapore Malay named Tunku Ali, who offered to sell his concession for 1,000 pounds. Swettenham urged Chamberlain to consider the consequences to British interests in the event the American obtained the concession, or worse, in the event Pulau Redang fell into the hands of Germany or Russia.³³ For Swettenham it was "clear that the Siamese government must declare its position vis-a-vis the Malay states, or there is sure to be trouble either from the

³²C.O.273/274, No.40793, Swettenham to Chamberlain, 20 November 1901, ciphered telegram; No.45211, Swettenham to Chamberlain, 20 November 1901, secret & confidential.

³³C.O.273/274, No.43319, Swettenham to Chamberlain, 14 November 1901, secret; No.45211, Swettenham to Chamberlain, 20 November 1901, secret & confidential.

Malays ... or from foreigners."²⁴

The Straits governor reiterated his conviction that if nothing was done to rectify the situation in the peninsula, there would be "little to prevent Russia acquiring a coaling station in the Langkawi or other ^{Islands} island off the coast of Kedah, and Germany a trading centre in one of the islands off the coast of Kelantan or Terengganu."²⁵ To back his point, Swettenham mentioned the approaching visit to Siam during the middle of January 1902 by three German warships, which were "under the command of an admiral".²⁶

In February 1902, Swettenham believed that the time was ripe for Britain to acquire all the strategic islands of the Malay Peninsula, and asked for permission to try "to obtain for Britain, by public or secret Treaty, all islands south of the 7th degree north latitude, including Langkawi and Redang Islands?"²⁷ But Lansdowne was opposed to Swettenham's proposal because the "moment does not seem well chosen for an attempt to obtain from [Siam] the cession of the whole of these islands." He was certain that the King of Siam would view such a move with great antipathy. Furthermore, the islands came within the scope

²⁴C.O.273/274, No.43319, Swettenham to Chamberlain, 14 November 1901, secret.

²⁵C.O.273/274, No.3511, Swettenham to Chamberlain, 30 December 1901, secret.

²⁶C.O.273/274, No.45746, Swettenham to Chamberlain, 28 December 1901, marked paraphrase.

²⁷F.O.422/56, No.32, C.O. to F.O., 25 February 1902, secret.

of the Secret Treaty of 1897. Lansdowne also feared the possible reactions of the other powers who might demand similar concessions.³⁸

In the mean time, and instead of waiting for an answer from London, Swettenham decided to take matters in his own hands. The King of Siam was in Singapore for a visit and Swettenham could not let the opportunity pass without asking whether Siam would consider ceding the Malay islands to Britain. The king, however, "evidently disliked the idea".³⁹

The Foreign Office was very displeased with the governor's blatant display of independent action because it was in direct opposition to Britain's declared foreign policy towards Siam. But Swettenham was not discouraged and continued to press for British expansion by using the German "bogey". He relayed the rumour that, according to the Rajah of Kelantan, the Danish officer in charge of the Siamese troops in Kota Bahru had claimed that Germany would support Siam's endeavours to tighten her control over the Malay states.⁴⁰

The Foreign Office pushed through an agreement with Siam on 6 October 1902 by which Siamese suzerainty over Kelantan was indisputably recognized. Kelantan received a

³⁸F.O.422/56, No.33, F.O. to C.O, 25 February 1902, secret.

³⁹F.O.422/56, Inclosure in No.40, Swettenham to Chamberlain, 26 February 1902, telegraphic.

⁴⁰C.O.273/283, No.42359, Swettenham to Chamberlain, 10 September 1902, secret.

British advisor that was appointed by Siam, and the Rajah was prohibited from granting any concessions to foreign individuals or companies without Siamese consent. If a concession did not exceed 5,000 acres of agricultural land or 1,000 acres of mining area, the approval of the British resident was sufficient. The Sultan of Terengganu, however, refused to sign a similar agreement, but this did not disturb the Foreign Office too much because the Siamese instruction still stood that the ruler of Terengganu was not allowed to grant concessions without Bangkok's approval.⁴¹ Early in 1903, Kedah was once again in serious financial trouble. Swettenham used this opportunity to urge the British government to purchase the Langkawi Islands for 1,000,000 dollars "with or without some small annual payment as in the case of Penang". The Straits Settlements paid Kedah 10,000 dollars every year for the lease of Penang and Province Wellesley. There seemed no reason why Langkawi could not be acquired in a similar way. According to Swettenham, "The islands are most sparsely inhabited, they yield a revenue of not more than \$20,000 a year and nothing has ever been done to develop their resources." Swettenham also sought to discredit Siam's integrity, doubting whether Britain should rely on that kingdom to keep foreign powers out of Langkawi. The Governor believed that:

"it is questionable whether British interests

⁴¹C.O.273/304, No.15313, Annex No.3, Lansdowne to Archer, 6 October 1902, confidential; F.O.422/59, No.45, C.O. to F.O., 20 April 1905, secret.

can ever be safe in the hands of a Government so insincere and untrustworthy as that of Siam; because the Langkawi Islands appear to invite (if not now at some future time) the strenuous exertions of Germany and Russia perhaps of France and America for their acquisition."⁴²

Much to the Governor's dismay, however, London's approval was withheld. But Swettenham was not discouraged and continued to use the rhetoric that British intervention was required in order to prevent Germany from entering into the Malay Peninsula, especially Kedah. His main argument for blocking German concessions were always along these lines: "there might be objection to granting an island or land on the sea-coast to foreigners if were possible that the land might afterwards be used in any sense as a naval station."⁴³

In September 1902, the Penang firm of Huttenbach Bros. & Co. applied to the Siamese government for a mineral prospecting licence covering Reman, Perlis, Setun and Taquopa. The firm was prepared to invest a lot of money in the project if they were guaranteed the rights to mine any block of land they might choose. Swettenham, however, quickly opposed the application because he did "not like to see German interests established in the States named if it can be avoided." Although Huttenbach & Co. was a "respectable firm", it was "composed of German, not British subjects". Following Swettenham's suggestion,

⁴²C.O.273/293, No.5759, Swettenham to Chamberlain, 16 January 1903, secret.

⁴³F.O.422/59, No.24, Paget to Lansdowne, 25 January 1905, confidential.

the British Minister in Bangkok, Archer, told the Siamese government to give as the reason for refusing Huttenbach's concession the lack of detailed information in the application.⁴⁴

In a second attempt, Huttenbach Bros. & Co. resubmitted their application in May 1903. Other foreigners had also applied for concessions. A Dane named Paulsen, for example, applied for a prospecting licence for 40 acres of tin mining land in Langsuan. Paget, the British Minister in Bangkok, informed the Siamese government that while Huttenbach's application was rejected for being too vague, there was no objection to the Danish application. He also approved several other mineral prospecting licenses to American, Italian, and Dutch subjects.⁴⁵ Huttenbach Bros. & Co. gave up.

⁴⁴C.O.273/287, No.48045, Huttenbach Bros. & Co. to Damrong, 25 September 1902; Swettenham to Archer, 29 September 1902, confidential; Archer to Lansdowne, 10 October 1902, confidential; F.O. to C.O., 19 November 1902, confidential; C.O.273/296, No.26427, Memorandum re. Messrs. Huttenbach Bros. & Co. by Scott, 2 May 1903. Note the almost identical argument used when Huttenbach & Co. applied for the contract to supply coal to British navy ships in 1904 (see Chapter 6).

⁴⁵C.O.273/296, No.26427, Phiphat Kosa to Paget, 11 May 1903, confidential; Paget to Lansdowne, 10 June 1903, secret; C.O.273/305, No.23, Paget to Lansdowne, 23 April 1904; Cheong, "German Interest", p.71.

III. A Policy of Exclusion

In contrast to Kelantan and Terengganu, German concessionaires were particularly interested in Kedah. Kedah, however, readily acknowledged Siam's overlordship and no concessions were granted without reference to Bangkok.⁴⁶ In 1897, Andrew Clarke, the former Governor of the Straits Settlements, reported that Kedah possessed great amounts of petroleum "of the best quality".⁴⁷ Hearing of Kedah's supposed petroleum wealth some years later, a German photographer living in Penang named A. Kaulfuss⁴⁸ applied for a petroleum prospecting licence in March 1902. He also applied for an eventual extracting

⁴⁶F.O.422/53, Inclosure in No.93, Kynnersly to Archer, 26 September 1900, confidential.

⁴⁷C.O.537/48, No.86, Memo by Lucas, 24 March 1897; Selborne to F.O., 25 March 1897. The British firm that made the discovery wanted to apply for a petroleum concession from both the Sultan of Kedah and the King of Siam. A. Clarke, however, advised the firm to postpone the application until the support of the Colonial Office was secured. In the meantime, A. Clarke alerted the Colonial Office to the imminent influx of foreign capital and enterprise into Kedah in the near future. But the Colonial Office suspected the ex-governor's intentions. Lucas viewed A. Clarke's meddling in Siam and the Malay Peninsula with "rooted distrust" because "he has been so much mixed up with companies in this part of the world. Moreover we have had the possibility of the foreign concessionaire in Kedah trotted out [in parliament] to frighten us before, e.g. by Mr. Perks. MP."

⁴⁸Arriving in 1883, August Kaulfuss became the first European photographer in Penang three years later. He journeyed on foot almost the entire length of the Malay Peninsula, from Province Wellesley to Johor. In the Siamese part of the peninsula he prospected for minerals, and became the official photographer to the Sultan of Kedah. Kaulfuss also visited Bangkok. (Wright and Cartwright, Twentieth Century, p.814.)

concession in case he actually found petroleum.⁴⁹ Both the Foreign and Colonial Offices did not object to the concessions because, according to Swettenham who considered Kaulfuss "a proper person", there was no petroleum to be found in Kedah.⁵⁰

Kaulfuss was not so fortunate when he applied for another concession late in 1904. This time it was for mining tin near the Kedah-Raman border. Believing that the application had been directly submitted to the Sultan of Kedah, the British Minister in Bangkok, Beckett, quickly made sure that Kaulfuss was not in any way connected with Behn, Meyer & Co. For Beckett, "the present condition prevailing in Kedah and the loose and undefined nature of the Sultan's status toward Great Britain and Siam cannot long continue without leading to difficulties." Siam was responsible towards Britain for actions taken by the Malay rulers, but Bangkok possessed "no machinery by which they can control the Sultan's actions". In the event Kaulfuss, "a German of low extraction", succeeded in obtaining such a lease directly from the Sultan of Kedah "the Siamese Government would be placed in a dilemma".⁵¹

Nevertheless, Kaulfuss's application was actually

⁴⁹F.O.422/56, Inclosure 1 in No.84, Kaulfuss to Damrong, 1 March 1902; C.O.273/286, No.17650, Tower to Lansdowne, 25 March 1902, confidential.

⁵⁰C.O.273/286, No.17650, Swettenham to Tower, 19 March 1902; F.O. to C.O., 5 May 1902, secret; C.O. to F.O., 10 May 1902, secret, draft; F.O.422/56, No.108, Lansdowne to Tower, 13 May 1902, telegraphic.

⁵¹C.O.273/305, No.43563, Beckett to Lansdowne, 29 October 1904, confidential.

forwarded for Siamese approval, reaching Bangkok on 28 September 1904. He had applied for a hydraulic tin mining lease covering an area of 4 to 10 square miles in the district of Kuala Muda in Kedah. The Siamese government had no objections and in accordance with the Secret Treaty of 1897, they requested the British authorities to consent.⁵² But the new Governor of the Straits Settlements, John Anderson,⁵³ vehemently opposed the concession because Kaulfuss was a "disreputable person".⁵⁴ He also warned that:

"The extent to which the trade and commerce of the [Singapore] Colony has passed and is passing into the hands of German firms cannot be viewed without apprehension, and the establishment of German firms as large mining concessions in Kedah would be followed by a demand for leave to set up a German Consulate there and would render the Agreement of 1897 entirely nugatory. ... I need not say that the establishment of foreign influence in any part of the Malay Peninsula would be seriously detrimental to British interests, not only in the Colony and the Malay States but in the Far East."⁵⁵

To help curb future German concessions, Anderson

⁵²C.O.273/303, No.43311, Beckett to Anderson, 28 November 1904, telegram; F.O.422/59, Inclosure 3 in No.2, Beckett to Anderson, 28 November 1904, telegraphic; No.6, Beckett to Lansdowne, 2 December 1904, secret. There is some confusion as to the exact size of the concession applied for by Kaulfuss. Some documents indicate it was for 4 square miles, while others mention 6 and even 10 square miles.

⁵³Anderson was Governor of the Straits Settlements and High Commissioner of the F.M.S. from 1904 to 1911.

⁵⁴C.O.273/303, No.43311, Anderson to Beckett, 30 November 1904, telegram; F.O.422/59, Inclosure 4 in No.6, Anderson to Beckett, 30 November 1904, telegraphic.

⁵⁵C.O.273/303, No.43311, Anderson to Lyttelton, 30 November 1904, secret; F.O.422/59, Inclosure 2 in No.2, Anderson to Lyttelton, 30 November 1904, secret.

urged his government to appoint a British consul in Kedah.⁵⁶ In addition to the suggestion that Britain should get Siam to employ only British subjects in all the important posts within her administration, the governor also proposed that Britain should lease from Siam all her territorial rights in the peninsula.⁵⁷

The General Advisor to the Siamese government, Strobel,⁵⁸ agreed to comply with Britain's wishes and advised the Siamese government not to grant the Kaulfuss concession. Strobel, however, noted that it would be difficult to explain the rejection of Kaulfuss's application to the German Minister. Kaulfuss was informed that his application was refused because it was far too large in terms of territory.⁵⁹

In February 1905, Kaulfuss submitted again an application for a hydraulic tin mining lease in Kedah, but this time he reduced the area applied for to only 2.25

⁵⁶C.O.273/303, No.43311, Anderson to Lyttelton, 30 November 1904, secret.

⁵⁷F.O.422/59, Inclosure 1 in No.19, Anderson to Lyttelton, 15 December 1904, confidential.

⁵⁸Strobel, an American, was appointed Advisor to the Siamese government following the death of Rolin-Jaequemyn in 1902. Strobel had acquired his diplomatic experience while working as Secretary to the U.S. legation in Madrid, as U.S. minister in Santiago, and as professor of international law at Harvard University. (C.O.273/296, No.10033, Paget to Lansdowne, 29 January 1903, confidential; No.32667, Monson to Lansdowne, 26 July 1903, confidential.)

⁵⁹C.O.273/303, No.43311, Beckett to Anderson, 28 November 1904, telegram; C.O.273/314, No.2432, Beckett to Lansdowne, 2 December 1904, confidential; F.O.422/59, No.6, Beckett to Lansdowne, 2 December 1904, secret.

square miles. This modified application also emphasised that the concession was far away from any coast or river-mouth, and that Kaulfuss's new partner, the German firm Schiffman, Heer & Co. of Kedah,⁶⁰ was ready to put up 400,000 dollars for the project.⁶¹

Scott, the Director of the Siamese Mining and Geology Department, did not believe that the British would approve even this smaller concession for fear hydraulic mining might damage the Muda River. He was right, Anderson's opposition was unchanged,⁶² but not because of the mining method, rather because Kaulfuss's new partners were but a tiny German trading firm, lacking not only in capital but also in experience of the tin industry. The Governor warned that the firm planned to sell off the concession for a considerable gain to the highest bidder. One of the more amusing arguments put forward by Anderson was the statement that Kaulfuss, although an expert photographer, had "a tendency to drink too much", and therefore it was not advisable "to intrust a concession

⁶⁰Schiffmann, Heer & Co. was established as a general import-export company in 1891 with offices in Penang and Singapore. It also held the agencies of several insurance companies. A. Tobler, a Swiss, was manager of the Penang branch from 1903. (Wright and Cartwright, Twentieth Century, pp.799-801.)

⁶¹C.O.273/314, 10881, Paget to Lansdowne, 21 February 1905; F.O.422/59, No.31, Paget to Lansdowne, 21 February 1905.

⁶²C.O.273/314, No.17937, Scott to Strobel, 23 March 1905; F.O.422/59, No.65, Paget to Lansdowne, 7 April 1905, confidential.

requiring a large capital to exploit to such men".⁵³

Kaulfuss thus received a letter from Scott giving notice of Siam's decision to reject his application on the grounds he lacked "sufficiently satisfactory evidence as to the sources and amount of his capital."⁵⁴ But Kaulfuss was not discouraged. He seemed to possess a certain ability for correct reasoning because the whole affair took on new twist in July 1905 when Scott received a letter from a British solicitors and advocates firm in Penang, Adam & Allen. Being acquainted with the tin industry, the firm explained that it had established the 'Cherok Klian Co.' in partnership with Kaulfuss for the purpose of prospecting minerals in Kedah, with a capital of 30,000 dollars. It was the company's intention to sell off the property to a larger firm in England or the Straits Settlements after completing prospecting work in the concession.⁵⁵

Scott was evidently quite amused with this new development. "Everything seem in order", he said, "and it is quite apparent that the 'drunken photographer' has still sufficient intelligence to have made an excellent guess as to the reason why his application was hanging

⁵³C.O.273/311, No.15287, Anderson to Lyttelton, 10 April 1905, confidential; F.O.422/59, Inclosure in No.63, Anderson to Lyttelton, 10 April 1905, confidential.

⁵⁴C.O.273/315, No.30730, Paget to Lansdowne, 18 July 1905, confidential.

⁵⁵C.O.273/315, No.30730, Adams and Allen to Scott, 5 July 1905.

fire, and has tried a new style of primer."⁶⁶ Wondering what sort of excuse the British would come up with next, Strobel had a somewhat sarcastic comment for Paget:

"Thus far I understand the objections raised against granting the concession to Mr. Kaulfuss have been mainly that he is a photographer and disposed to drink. Leaving aside the question of the impropriety of photography as a profession, the important question now is whether it is less immoral for a man with English partners to drink than one with Germans. Please let me know what you think about this."⁶⁷

For Strobel, Britain's "closed door" policy towards German concessions was exaggerated and unwarranted. He also questioned the British interpretation of the Secret Treaty of 1897. To avoid any further difficulties and embarrassment, Strobel urged the British government to come forward with an acceptable interpretation of the treaty with regard to foreign concessions.⁶⁸

Finally on 27 July 1905, Paget informed the Siamese government that Kaulfuss's concession could be approved. Paget had enquired with Anderson whether the latter still objected to granting Kaulfuss's concession, but Anderson had none because the company was British.⁶⁹

Of considerable interest is an application for a tin

⁶⁶C.O.273/315, No.30730, Scott to Strobel, 13 July 1905.

⁶⁷C.O.273/315, No.30730, Strobel to Paget, 15 July 1905, confidential.

⁶⁸Ibid.

⁶⁹C.O.273/314, No.25277, Paget to Lansdowne, 14 July 1905, ciphered telegram; C.O.273/315, No.30730, Paget to Lansdowne, 18 July 1905, confidential; No.39051, Strobel's Memorandum on the Interpretation of the Secret Agreement of 1897, 4 September 1905, confidential.

mining lease in Kedah made by an Italian in November 1904. Cerruti was formerly in the service of the F.M.S. as Superintendent of the Sakai tribes. Having already obtained in May 1904 a prospecting licence in Kuala Muda with Paget's approval, he now applied for a hydraulic tin mining lease covering an area of about 2,300 acres. Cerruti's backers were two firms based in Penang, the Dutch firm of Martyn & Co. and the part-German firm of Goldenberg & Zeitlin.⁷⁰ This application was very much favoured by the Sultan of Kedah, and Bangkok seemed eager to put its approval stamp.⁷¹ But Governor Anderson opposed. He wanted permission to be withheld because Cerruti's capital was supported in part by a German firm, and it maybe was a guise for Germany to gain access into Kedah.⁷² Anderson wrote:

"If Cerruti's application was on behalf of a Dutch firm only, there would be little objection to it, but ... the most strenuous and active firms in the peninsula are German; they have already acquired a strong position in the trade of Siam which as usual be backed and pushed by German officials with all the resources of the

⁷⁰Martyn & Co. was established as a trading firm in Penang in 1890 with later branches in Medan and Achin. Goldenberg (from Hamburg) and Zeitlin (born in Russia and educated in Germany) established their trading firm in Medan in 1898, and in Penang in 1903. (Wright and Cartwright, Twentieth Century, p.806.)

⁷¹F.O.422/59, Inclosure 5 in No.6, Paget to Strobel, 5 May 1904; Inclosure 3 in No.2, Beckett to Anderson, 28 November 1904, telegraphic; C.O.273/314, No.2432, Scott to Strobel, 11 November 1904; C.O.273/303, No.43311, Beckett to Anderson, 28 November 1904, telegram.

⁷²F.O.422/59, Inclosure 4 in No.6, Anderson to Beckett, 30 November 1904, telegraphic; C.O.273/303, No.43311, Anderson to Beckett, 30 November 1904, telegram.

Empire."⁷³

Anderson's justification for opposing the concession because part of Cerruti's capital was supplied by a German firm went a step beyond Swettenham's objections. Anderson introduced for the first time the policy of distinguishing the source of capital. Not only were German concessions in the Malay Peninsula undesirable, but it became also advisable to exclude German capital as well.⁷⁴

The British opposition to Cerruti's concession caused Strobel to be "not a little nettled". If the Malay states were debarred from all foreign concessions, problems with other governments might arise. Acknowledging Britain's right to oppose the cession of a coaling station and certain other territorial privileges, Strobel disputed Britain's right to refuse concessions that were purely commercial in character.

He also hinted that Siam would view with favour if Britain approved Cerruti's lease.⁷⁵ But the Colonial Office still upheld Anderson's objections and insisted that the Italian's application should be refused.⁷⁶

Strobel was now even more irritated than ever and

⁷³F.O.422/59, Inclosure 1 in No.19, Anderson to Lyttelton, 15 December 1904, confidential.

⁷⁴F.O.422/59, No.24, Paget to Lansdowne, 25 January 1905, confidential.

⁷⁵C.O.273/303, No.43311, Beckett to Anderson, 28 November 1904, telegram. F.O.422/59, No.6, Beckett to Lansdowne, 2 December 1904, secret.

⁷⁶F.O.422/59, No.2, C.O. to F.O., 2 January 1905, confidential.

asked point blank if it was Britain's intention to exclude all foreign investments from the Siamese Malay states.⁷⁷ If so, then the British would "find themselves in a position of considerable embarrassment should their action lead to protests from the German or American Representatives at Bangkok in favour of one of their nationals." Himself an American, Strobel "plainly intimated [according to the British Minister] that if the commercial interests of the United States were of sufficient importance to demand it, the United States government would strongly oppose any attempt to exclude American enterprise entirely from the peninsula." What if the embarrassing situation occurred and Germany or the United States appealed to the most-favoured-nation clause present in their respective treaties with Siam? Siam would then have to turn to Britain for support to which she was entitled by the Secret Treaty of 1897, and the situation would then surely develop into "an awkward one".⁷⁸

To back his point, Strobel argued that since the enforcement of the Siam Mining Act of 1901, Britain had received by far the largest share of concessions in Siamese territory.

⁷⁷F.O.422/59, Paget to Lansdowne, 25 January 1905, confidential; C.O.273/314, No.118168, Paget to Lansdowne, 25 January 1905, confidential.

⁷⁸C.O.273/314, No.2432, F.O. to C.O., 24 January 1905, confidential; F.O.422/59, No.14, F.O. to C.O., 24 January 1905.

 Prospecting Licenses and Mining Leases Granted since
 Enforcing the Siam Mining Act of 1901 until January
 1905.⁷⁰

	Prospecting Licenses		Mining Leases
	General	Exclusive	
British	48	11	3 ⁰⁰
American	5	--	--
Dutch	3	--	1 ⁰¹
Italian	3	--	--
Danish	2	1	--
German	1	--	--

One reason for Strobel's displeasure was Kedah's rapidly deteriorating financial situation. Kedah's treasury was completely empty, owing at the same time 2,000,000 dollars to "Chetties" and Chinese lenders in Penang. The government of Kedah, therefore, had dispatched an envoy to Bangkok asking for a loan of 3,000,000 dollars.⁷²

To avoid any future difficulties or embarrassments, Strobel urged the British government to come forward with a more explicit arrangement for both governments to follow. Britain should at least approve the foreign concessions if their source of capital was agreeable. Prince Devawongse also stressed that it was both desirable

⁷⁰F.O.422/59, Paget to Lansdowne, 25 January 1905, confidential; C.O.273/314, No.118168, Paget to Lansdowne, 25 January 1905, confidential.

⁰⁰Approx. 1,962 acres total.

⁰¹Approx. 280 acres.

⁷²C.O.273/311, No.5331, Memorandum on the Present Conditions of Affairs in Kedah, by the Secretary of Chinese Affairs, Barnes, 21 January 1905.

and necessary for Britain to support Siam's authority over the Malay dependencies to enable her to carry out the provisions of the Secret Treaty of 1897.³³

Paget, however, and largely following Anderson's line of reasoning, warned that "officially encouraged German activity in the direction of the Siamese Malay States" was on the rise. Therefore, it was "desirable to check a considerable growth of German interest" in the region. The British government had now to consider whether the "present arrangement" with Siam was satisfactory for British "ends in this respect"? The answer depended on how far the British government was prepared to go to uphold Anderson's "policy of exclusion". While this policy should be continued, Paget also suggested that to avoid upsetting the Siamese too much, "from time to time at least", Britain should approve foreign "concessions of not too large an area", but only if certain conditions were met.³⁴

The Foreign Office was inclined towards a solution that would appease Siam. It feared a shift in Strobel's hitherto friendly conduct towards Britain and thought it advisable "not to give him any cause for changing his attitude". Britain should therefore try to avoid giving an impression of "obstructing the development of the resources of the [Siamese] dependency" by opposing all

³³F.O.422/59, Paget to Lansdowne, 25 January 1905, confidential; C.O.273/314, No.118168, Paget to Lansdowne, 25 January 1905, confidential.

³⁴Ibid.

foreign capital from entering Kedah.™

Yet Anderson was still adamant at opposing the Cerruti concession because foreign commercial interests have constantly been used as a basis for political claims in Siam. According to him, Germany was about to take a keener interest in Siamese affairs:

"The German Government are fully alive to the strategic and commercial importance of the halfway house to the East, and, unless I am misinformed, they are not unlikely to take a more active interest in Siam before long."™

The Colonial Office supported Anderson's standpoint, and suggested that the Straits Governor should be sent to Bangkok to discuss directly with Strobel and the British Minister with the intention of finding a permanent solution to the question of concessions.™

Obviously impatient with Anderson's sticky insistence to oppose even the most insignificant application, the Foreign Office flatly refused the proposed visit. The Foreign Office was not prepared to approve a policy that prohibited all concessions to foreigners for fear it might involve Britain in difficulties with other powers. Siam would soon have to confess the real reason for rejecting concessions to foreigners: secret treaty obligations to Britain. Other powers would then demand the implementation

™F.O.422/59, No.14, F.O. to C.O., 24 January 1905.

™C.O.273/311, No.10500, Anderson to Lyttelton, 16 February 1905, confidential; F.O.422/59, Inclosure in No.36, Anderson to Lyttelton, 16 February 1905, confidential.

™F.O.422/59, No.19, C.O. to F.O., 4 March 1905, confidential.

of the most-favoured-nation clause as stipulated in their treaties with Siam. Moreover, the Foreign Office wished to placate Strobel who was until then generally friendly towards Britain."²²

All these points were discussed in a meeting between the Colonial and Foreign Secretaries, Lyttelton and Lansdowne. A compromise was struck when Lyttelton agreed to withdraw objection to Cerruti's concession on condition that satisfactory measures were introduced against damage to British territory from floods caused by hydraulic mining. Lyttelton, however, still insisted that additional foreign concessions should be prevented as far as possible."²³

Paget had brought up the difficulty of finding adequate objections to foreign concessions, but he still entirely shared Anderson's views concerning "the undesirability of allowing Germans to obtain anything of a foothold in the Peninsula". Paget thus undertook to "endeavour in future, in whatever manner may seem most appropriate, so far as possible to prevent the introduction of German capital into the Siamese Malay States."²⁴ His endeavours received official backing when

²²F.O.422/59, No.40, F.O. to C.O., 8 April 1905, confidential.

²³F.O.422/59, No.45, C.O. to F.O., 20 April 1905, secret; C.O.273/314, No.11816, C.O. to F.O., 25 April 1905, draft, secret.

²⁴C.O.273/314, No.17937, Paget to Lansdowne, 7 April 1905, confidential; F.O.422/59, No.65, Paget to Lansdowne, 7 April 1905, confidential.

he was instructed by the Foreign Office to approve Cerruti's concession while continuing to oppose foreign concessions so far as possible without revealing the existence of the Secret Treaty of 1897.^{¶1} But this was not an easy task for Paget. It became increasingly difficult to find convincing excuses to reject ordinary concessions, especially after the approval of Cerruti's concession. Scott complained that Britain's continued refusal to sanction foreign concessions put his department in an embarrassing position.^{¶2}

To Anderson the Colonial Office explained that Cerruti's concession was approved because "there appears to be nothing against Cerruti, beyond the fact of his being backed by foreign capital." The British government was not prepared to adopt the "policy of excluding foreigners from all but the smallest concessions", but would endeavour "to limit as far as possible the extent of the concession granted to him".^{¶3} A short while later, on 16 June 1905, the Siamese government approved a loan of 2,600,000 dollars to Kedah.^{¶4}

Strobel would not let the Cerruti case pass by

^{¶1}C.O.273/314, No.13896, Lansdowne to Paget, 25 April 1905, confidential, telegram; F.O.422/59, No.47, Lansdowne to Paget, 25 April 1905, telegraphic.

^{¶2}C.O.273/314, No.20300, Paget to Lansdowne, 5 May 1905, confidential.

^{¶3}F.O.422/59, Inclosure in No.59, Lyttelton to Anderson, 11 May 1905, secret.

^{¶4}C.O.273/315, No.28310, Paget to Lansdowne, 21 June 1905, confidential.

without presenting his comments on the British interpretation of the Anglo-Siamese Secret Treaty of 1897. According to him, the agreement should be interpreted purely in a political sense, the objective being the prevention of any foreign power from acquiring a foothold on Siamese territory. Yet Britain interpreted the agreement in much wider terms to include commercial objectives. To prove his point, Strobel explained that there were currently in Kedah 11 British mining leases compared with only 2 mining leases held by foreigners, one of which was Cerruti's. Moreover, applications for British concessions were promptly dealt with, while foreign applications were "allowed to drag on for month after month" and most "in the end refused". Cerruti's application was presented to the British Minister in Bangkok on 29 November 1904 and approval was only granted on 6 May 1905. The cases of Kaulfuss and Cerruti clearly show that the British policy "is one of wholesale discrimination against foreigners in favour of British subjects and British capital." This policy was very peculiar because it highly exaggerated the value and importance of tin mining concessions in the peninsula. Strobel was quite blunt when he warned that:

"the time will come when the Siamese Government can no longer take the responsibility of refusing foreigners such concessions when no plausible pretext for the refusal can be found. The time will come when, as the result of such refusal, the foreigners will undoubtedly appeal

to their own Governments."==

Defending his policy of exclusion in a long dispatch to Lyttelton, Anderson pointed out that the entire purpose of the 1897 Secret Convention would be defeated if foreigners were allowed unchecked into the peninsula. Similarly, the 1904 Anglo-French Agreement, which was designed to secure the Siamese Malay states into Britain's sphere of influence in the event of Siam's "break-up", would prove useless if foreigners were admitted into these states unfettered. Citing the recent Moroccan crisis, the governor added:

"To allow foreigners freely to acquire concessions and interests in these States and give their Governments a right to interfere in any final settlement, a right which, as has been proved in the recent notorious instance of Morocco, will be exercised with vigour and determination even if the interests affected should be comparatively insignificant."==

Furthermore, the price of tin had increased in 1905 making the Siamese Malay states even more attractive to foreign investors. Britain might find it difficult to maintain her special rights and privileges if Germany's commercial influence in Siamese territories was allowed to grow unchecked. Anderson went so far as to stress that:

"If trouble occurs, we must be prepared to see foreign powers step in to protect the interests of their subjects, not only by diplomacy at Bangkok but by pressure of force applied locally ... if once a foreign power on any pretext got a

⁼⁼C.O.273/315, No.39051, Strobel's Memorandum on the Interpretation of the Secret Agreement of 1897, 4 September 1905, confidential.

⁼⁼C.O.273/312, No.43668, Anderson to Lyttelton, 16 November 1905, secret.

temporary occupation of any part of these territories, it would not remove unless forced to do so as the result of war."⁷

Anderson then urged the British government to endeavour to lease Siam's Malay territories by coaxing her with additional revenue. If this was not possible, then at least restrictions should be introduced limiting all mining leases to foreigners to a maximum area of one square mile per concession."⁸

A fresh opportunity presented itself for Anderson to exert his policy of exclusion and block German concessions in the Malay Peninsula. In August 1905 a German named Herman Neefe applied for a land concession to plant rubber trees on 500 acres in the district of Krian in Kedah. He already held a 70 acre mining lease in Perak which he had obtained in December 1904 from the British Resident Birch. Neefe was strongly recommended by the German Ambassador in London and possessed a letter of introduction from the former manager of the Straits Trading Co, Muehlinghaus. Inquiring with the British government whether they had any objections to this concession, Westengard, the Assistant General Advisor to the Siamese government, warned that its refusal would draw severe protests from the German government."⁹

⁷Ibid.

⁸Ibid.

⁹C.O.273/323, No.1652, Letter of Introduction for Herman Neefe by the Straits Trading Co., 14 June 1904; Trobel to Paget, 29 November 1905; Paget to Lansdowne, 30 November 1905, confidential; No.4681, Paget to Grey, 21 December 1905, confidential.

The British did find excuses to obstruct Neefe's application. At first, inquiries at the German legation in Bangkok and Singapore about Neefe's character and standing revealed nothing, but soon more information was found that could be used against Neefe. Muehlinghaus, who had written Neefe's letter of introduction while living in retirement in Hamburg, wrote another letter completely disavowing himself from him, and suggested that no further assistance should be given to Neefe. According to McArthur, the current manager of the Straits Trading Co., "that little swine" was "sponging" on the firm's employees in the F.M.S., and had made improper use of Muehlinghaus' recommendation letter by falsely presenting himself as a prospective buyer for a certain concession called the Sudu Concession.¹⁰⁰

It was also learnt that Neefe had failed to start work on his mining concession in Perak, and in accordance with F.M.S. regulations, British authorities cancelled his Perak license, to take effect on 10 March 1906. According to Neefe, however, the delay in working his concession was due to the unfinished road that the government was supposed to build to the vicinity of his concession.¹⁰¹

Yet Strobel was not convinced that these were adequate reasons to refuse the concession. Neefe possessed

¹⁰⁰C.O.273/323, No.4681, Marks to Paget, 21 December 1905, confidential.

¹⁰¹C.O.273/323, No.4681, Anderson to Paget, 14 December 1905, confidential; Paget to Grey, 21 December 1905, confidential.

strong financial backing and was supported by the German legation in London. Obviously irritated, Strobel made it clear that if Neefe was not granted approval, he would not hesitate to inform the German Minister in Bangkok of Britain's policy of opposing all non-British concessions in the Malay Peninsula. Governor Anderson felt it was best at this point to drop his objection, and the British government no longer obstructed Neefe's application.¹⁰²

The Colonial Office, however, still remained in favour of opposing the introduction of German capital and enterprise into the Malay Peninsula because, according to Lucas: "It is very undesirable & dangerous to let Germany acquire any footing in these States."¹⁰³

The prospect of Germans obtaining concessions in Kedah became even more difficult during the Anglo-Siamese controversy over Siam's plans to construct the Malay Peninsula Railway (see Chapter 9). The British took advantage of this controversy and made their approval to foreign concessions subject to certain conditions, such as that only British engineers should be employed in the construction of the railway. Thus when Neefe applied for a further 500 acres in Kedah for planting purposes in 1907, Paget "found an opportunity of exercising a little

¹⁰²C.O.273/323, No.4681, Paget to Grey, 21 December 1905, confidential; F.O. to C.O., 8 February 1906, confidential.

¹⁰³C.O.273/323, No.34214, Minute by Lucas, 19 September 1906.

pressure by refusing consent".¹⁰⁴

Besides the argument that Neefe had failed to work the 500 acres granted to him early in 1906, Paget told Strobel point blank that Britain would withhold approval of all foreign concessions "until the Siamese Government gave satisfactory assurance concerning the Railway". Again Strobel felt annoyed by Britain's inexorable insistence on the concessions issue, especially after the German Minister had asked him why the recent application was refused. According to Article VIII of the German-Siamese Treaty of 1862: "Subjects of the Contracting German States shall be at liberty to search for and open mines in any part of Siam & c." But Strobel had no proper explanation to give.¹⁰⁵

The British also kept a watchful eye on any sale or transfer of concessions to foreigners. Late in 1906, it was rumoured that a certain Chinese clerk had purchased or was about to purchase some 20,000 acres of land in Kedah. The British became instantly alarmed because the Chinese clerk was a British subject in the employ of the German Consul in Penang, Katinkampf, who was also the Penang manager of Behn, Meyer & Co. Katinkampf had supposedly "engineered" this transaction. Paget cautioned Strobel "to insure that no transfer of land by British subjects or Siamese subjects to subjects of a third Power shall take

¹⁰⁴C.O.273/333, No.14371, Paget to Grey, 15 April 1907, confidential.

¹⁰⁵C.O.273/333, No.26882, Paget to Grey, 3 June 1907, confidential.

place without reference [and] authorization of the Siamese government".¹⁰⁶ According to the revised Land Enactment for Kedah, which had been specifically formulated to prevent such attempts, Bangkok's approval was required for any land transfer.¹⁰⁷

On the whole, Britain's resistance to German enterprise and capital was quite successful. Most of the concessions in the Siamese Malay states were in British hands or worked by British capital.

Prospecting Licenses and Mining Leases held by Foreigners
in the Siamese Malay States in 1907:¹⁰⁸

	Prospecting Licenses		Mining
	Ordinary	Exclusive	Leases
British	48	12	20
Dutch	6	3	4
German	6	1	-
Italian	4	-	-
Swiss	2	3	-
American	2	-	1
Austrian	-	2	-

German speculators had their applications refused without even knowing why. The only mining licences Germans managed to acquire in Kedah were those for prospecting,

¹⁰⁶C.O.273/333, No.9118, Beckett to Westengard, 28 December 1906, confidential, No.24430, Paget to Strobel, 17 May 1907; C.O.273/343, No.19223, Paget's General Report on Siam for the Year 1907. According to Paget's report the area applied for was 6,000 acres.

¹⁰⁷C.O.273/333, No.9152, Beckett to Grey, 17 January 1907, confidential.

¹⁰⁸C.O.273/343, No.19223, Paget's General Report on Siam for the Year 1907.

none for actual mining. In Kelantan there was not a single German mine, rubber or coconut plantation.¹⁰⁹ In Terengganu, besides a concession held by a Japanese named Kondo, the only other non-British concession was in Kemaman and belonged to the Danish East Asiatic Co. Both concessions were granted in 1908.¹¹⁰

¹⁰⁹C.O.273/333, No.14617, Graham to Beckett, 13 August 1906.

¹¹⁰C.O.273/360, No.3005, Conlay to F.M.S., 18 December 1909.