



## Penang's Changing Role in the Straits Settlements<sup>1</sup>, 1826-1946

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### ABSTRACT

When the East India Company created the Straits Settlements (comprising Penang & Province Wellesley, Melaka and Singapore) as the Fourth Presidency of India in 1826, Penang was the capital, the most important of the settlements. While it remained the headquarters of the judiciary until 1855, Penang soon gave way to Singapore as the administrative and commercial capital in 1832, beginning a rivalry.

When the European merchants of Singapore petitioned the British government in 1857 to take over direct rule of the SS as a crown colony, their counterparts in Penang refused to sign the petition, and Penang was so resentful of Singapore domination and subordination to Singapore's interests that in 1872 the Penang chamber of commerce petitioned unsuccessfully for separation from Singapore.

But, while Penang was overshadowed by its more successful rival, it – like Melaka – prospered with the economic expansion in the last thirty years of the 19<sup>th</sup> century – rubber and tin in the Malay states, Perak, Province Wellesley, Kedah – and even more through the spectacular development of the East Residency of Sumatra, for which Penang was the natural outlet.

### **Penang's Changing Role in the Straits Settlements 1826-1942**

For the space of 120 years, Penang was part of the Straits Settlements, which were formed in 1826 when the East India Company grouped together its scattered possessions in the Straits of Melaka, namely: Penang, or Prince of Wales Island, (including Province Wellesley), Singapore, and Melaka. Prince of Wales Island, which was ceded to the company by the sultan of Kedah in 1786, and Province Wellesley, which was acquired from Kedah fourteen years later, were elevated to presidency status in 1805. Singapore, which was founded by the Company in 1819, was administered from Bencoolen in Sumatra until 1823, when it passed to the control of Calcutta. Melaka was ceded by the Dutch to the company under the terms of the 1824 Anglo-Dutch treaty. The Straits Settlements were administered by the government of India until 1867, when they were transferred to direct rule from London as a crown colony. The settlements survived in this form for nearly 80 years, until they were finally dismantled in 1946 as part of the reorganisation of Malaya after World War II. This left Singapore as a separate crown colony, while Penang and Melaka were absorbed into the ill-fated Malayan Union and later into its successor, the Federation of Malaya.

As part of the Straits Settlements Penang was involved in a variety of relationships, sometimes symbiotic, sometimes competitive: internally with its own polyglot population, with its fellow settlements of Singapore and Melaka, with the Malayan hinterland, with Thailand and Burma, with Eastern Sumatra, and with the wider world of international shipping and trade.

#### **The Fourth Presidency of India**

On 1 August 1826 Singapore and Melaka formally became dependencies of Penang, whose status was enhanced as the enlarged presidency's capital and the headquarters of the Governor, and of the Recorder, who was the highest judicial authority. The Governor ruled with a Council of officials, with a Resident Councillor as the senior official in each of the three settlements and a complement of eighteen covenanted company officials. The Presidency Council was to meet in each settlement in turn, but the administrative authority remained in Penang. A royal charter extended the jurisdiction of the Penang court to Singapore and Melaka, with the Recorder continuing to be based in Penang but travelling on circuit to the other settlements.

By 1826 Penang had already been the fourth presidency of India for more than twenty years, and Georgetown could boast some impressive public buildings and a surrounding countryside with productive estates and fine country houses, the most impressive being the Governor's hill-top residence, set in his deer park and nutmeg plantations. The prospects looked promising, even if there was nothing approaching the wild euphoria when Penang was first raised to presidency status. In 1805 Penang had been intended as a major port and prospective naval base, and Calcutta proposed to destroy Dutch Melaka, which the company had occupied during the French Wars, and transfer its whole population and trade to Penang. But years of disappointment followed. Overburdened by an expensive administration, Penang ran at a deficit which was the perennial despair of the government of India, despite various exercises in retrenchment.

The naval base project soon crumbled, Melaka survived and after the war, despite Penang's protests, it was returned to the Dutch, who resumed their policy of trying to monopolise trade. The Melaka Straits were plagued by piracy, while civil war raged in Aceh. Peace was further threatened in the Malay peninsula by the ambitious policies of Thailand which had invaded and laid waste Kedah and now threatened Perak and Selangor. In the north, difficulties over trade in Burma led to the first Anglo-Burma War in 1823, while in the south Singapore emerged as a potential rival

The unification of the settlements in 1826 seemed to come at an opportune moment when most of these problems appeared on the way to being cleared. The Anglo-Dutch Treaty of London, signed in 1824, aimed to remove friction between the Dutch and British in the East. The Dutch gave up Melaka in exchange for Bencoolen, agreed to reduce trade tariffs, and undertook to co-operate in suppressing piracy. The Penang Council was pleased with the treaty Henry Burney made with Thailand in 1826: although the Thais did not restore the Rajah of Kedah, Penang's trade with the state was assured, with peace for Perak and Selangor, and the promise of moderate trade dues. Trade along the Burma coast revived with the end of the war. In May 1825 the Governor General ordered Governor Fullerton of Penang to take charge of Tenasserim and by the Treaty of Yandabo the following year Burma transferred Tenasserim permanently to the East India Company, which put its administration under a Commissioner appointed from Penang. The civil war in Aceh died down, and the pepper trade of Northern Sumatra revived. Meanwhile the absorption of Melaka and Singapore offered the opportunity to develop the supposed agricultural

potential of Melaka and to harmonise revenue and trade policy, by applying Singapore's surplus to make up Penang's deficit and removing what Penang considered was Singapore's unfair free trade advantage.

The Penang authorities had fought bitterly against the foundation of Singapore. In 1819 Governor James Bannerman had tried to prevent Raffles proceeding south to seek a base and – until overruled from Calcutta – had refused Singapore's plea for military reinforcements in the face of Dutch threats to expel the initial settlement. Paradoxically, it was Penang's intense opposition which helped to save the new settlement, since it convinced the Dutch that the government of India would repudiate Raffles's impetuous action. At first Penang feared that Singapore would steal its trade, and indeed as early as 1822 Singapore's trade had already outstripped that of the older settlement. But this was largely *new* trade with China, the archipelago and the east coast of the Malay peninsula, not trade which was diverted from Penang. In July 1823 the Penang merchants petitioned for trade dues to be abolished in Penang too, but the Governor ruled against this on the grounds that Penang's population and trade had increased since Singapore was founded and that the port would always be well placed for trade with Burma and Sumatra. At that time the population of Penang and Province Wellesley was growing rapidly, with more than 8,000 people having migrated to the island in the past year. In July 1825 Penang's Collector of Revenue claimed that trade should equal Singapore's if the settlements were placed on equal terms.

Governor Fullerton wanted to do this by extending Penang's tariffs to Singapore and Melaka, and he recommended this to the Directors in February 1826. Instead the Directors ruled that Penang and Melaka should be brought into line with Singapore, and in November 1826 trade dues were abolished in Penang. This spelt immediate financial trouble for Penang, because at that time customs duties accounted for nearly 45% of its revenue. While Singapore could cover its own modest civil expenditure, its small surplus was insufficient to compensate for Penang's deficit, and India had to meet the cost of military expenditure in all the settlements. The costly Burma war had left the Company seeking ways to cut expenses and in April 1829 the Directors agreed in principle to abolish the presidency and slash the bureaucracy. They were prepared to see the settlements reduced to three separate Residencies each subordinate to Calcutta, but Governor Fullerton and his Council argued the need for an intermediate controlling authority. To pay for this Fullerton recommended modest taxes on exports and on non-British trade, to which

the Acting Resident of Singapore had no objection provided Asian traders were exempt, and the Council, meeting in Penang on 24 August 1829, recommended taxes on trade and a departure tax on immigrants.

The government of India did not accept these taxation proposals, but they agreed to retain the settlements as one administrative unit. In 1830 the presidency was reduced to a residency, the council was disbanded, the superstructure and most of the bureaucracy were swept away, and the Straits Settlements were absorbed into the presidency of Bengal. Penang could no longer claim the premier rank. Fullerton had favoured Melaka as the new headquarters because of its central position midway between Penang and Singapore, but the Directors chose Singapore because of its rising importance. The Resident and an Assistant Resident were to be based in Singapore, with Deputy Residents in Penang and Melaka. In fact the Directors had to order the revival of the titles of Governor and Resident Councillor the following year but only to conform with the formal requirements of the Charter of Justice.

### **Subordination to Singapore**

In November 1830 Fullerton's successor reported taking charge of 'The Settlements of Singapore, Prince of Wales Island, and Malacca'. Penang suffered a double humiliation, with the loss of presidency status aggravated by subordination to an upstart rival, and henceforth she was relegated permanently to a secondary role in the Straits Settlements. Penang continued to be the headquarters of the judiciary for over a quarter of a century, but in 1856 a new Charter of Justice created a separate court for Singapore and Melaka, and eventually the leading judicial authority in Singapore became Chief Justice of the Straits Settlements. Penang's subordinate role could on occasion cause friction and resentment, but in general mid-19<sup>th</sup> century Penang shared similar benefits and problems to Singapore, despite the very different character of these settlements.

K.G. Tregonning described Penang in 1826 as an Indian port (Tregonning 1965: 165) and, given the larger proportion of Indians in its population and its position to the east of the Bay of Bengal, Penang always belonged more closely to the Indian world than Melaka or Singapore. Indian soldiers, sailors and servants accompanied the landing party on the very first day of Penang's occupation, and other Indians quickly followed, first from Kedah, then the neighbouring states and later from India itself. Melaka's rural peasantry at that time was overwhelmingly

Malay, and the cosmopolitan town was Chinese-dominated, many of them moving or extending their business interests to Singapore. By 1827 the Chinese constituted nearly half the population of Singapore, with their numbers expanding rapidly, and the port looked more to the east – from Java to China. Only Penang had a flourishing commercial agriculture, and its trade still depended to a large extent on the sale of Indian manufactures and piece goods in exchange for produce from the neighbouring states of North Sumatra, Northwest Malaya, southwest Thailand, and the Tenasserim coast.

Yet despite these differences, Penang had many interests in common with Singapore in this period. While the treaties made with Thailand and Holland in the 1820s did not fulfil expectations, nevertheless trade expanded fairly steadily and the population grew. Attracted by the rich profits to be made from tin mining, entrepreneurs and labourers were prepared to brave the dangers and hardships in the interior of the peninsula, and Penang prospered after Chinese moved in to develop the Larut tin mines in Perak in the 1850s. Maritime communications improved. While the bulk of cargo continued to be carried in sailing ships until the 1880s, in 1845 the Peninsular and Oriental Steam Navigation Company began a service from Europe to Port Said and thence from Suez to Penang, Singapore and Hong Kong, with passengers and mail crossing the isthmus, initially by camel and from the 1850s by rail. The first regular steamship service between Calcutta and the Straits Settlements opened in 1846. The three stations kept in touch with each other through a government steamer, the *Diana*, which the Company allocated permanently to the Straits Settlements: this was very much the latest in technology in the 1830s. The Recorder was based nearly all the time in Penang until the separate Singapore/Melaka court was established in 1856, and the Governors often preferred the comfort of Penang. In Singapore Government House was the flimsy, attap-roofed wooden bungalow which Raffles had put up, and even this was pulled down to build fortifications in the late 1850s, after which the Governor had to live in a modest rented house while in Singapore. There were close commercial and social contacts among the European mercantile communities of the two settlements, and for many years the most influential English-language newspapers were in the hands of two brothers: *The Pinang Gazette*, edited by James Richardson Logan, and *The Singapore Free Press*, edited by Abraham Logan.

The settlements also suffered from common problems, most of them stemming from lack of revenue to pay for efficient government. After Fullerton's trade tax proposals were rejected,

the authorities had no means of tapping the impressive commercial profits which free trade brought. The position was particularly serious in Penang, where even as late as the 1850s revenue could cover barely one half of administrative costs. The Straits Settlements continued to be a drain on the revenues of the East India Company, which administered them with a skeleton organisation. There was no money to pay for port or municipal improvements, to expand the police force, impose law and order, or provide adequate supervision for the large numbers of convicts which the Company transported to the Straits Settlements. There was growing resentment too at what was seen as Calcutta's indifference and lack of knowledge of the different communities in the Straits Settlements: its attempt to enforce the use of the Indian rupee in place of the Straits dollar, its failure to appreciate the dangers posed by Chinese secret societies, which were left free to exert an *imperium in imperio*, controlling immigration and labour and running their own law courts outside the English legal system. And there was frustration at the Company's refusal to allow the Straits authorities to offer any protection for the enterprise of Straits merchants in the interior.

The commercial provisions of Burney's treaty with Thailand proved a disappointment both in Penang and Singapore. In 1835 Bangkok reimposed a state monopoly of trade, which squeezed out European traders and the Anglo-Dutch treaty fell short of expectations particularly in liberalising trade. The Dutch East Indies government kept to the spirit of the 1824 agreement with regard to trade coming direct from Britain, but it discriminated against British goods coming through the Straits Settlements and passed regulations which harmed Singapore's entrepot trade with Java and the eastern archipelago. Penang was particularly worried about political and commercial encroachments in Sumatra, where from the mid-1830s the Dutch started making treaties to control the trade of the southern independent states. Penang's most profitable trade at that time came from the northern and eastern Sumatran states of Aceh, Deli, Langkat and Siak, which had signed treaties agreeing fixed trade tariffs and undertaking not to allow Dutch settlement or make arrangements with the Dutch which would be harmful to Penang's trade. Following a request from the Penang chamber of commerce, the Governor sent the *Diana* to patrol the Sumatran coast in 1840, and the captain reported alarming evidence about Dutch activities. The Governor appealed to Calcutta and the Penang chamber of commerce enlisted the support of commercial interests in Britain to put pressure on the Hague. The discriminatory regulations were withdrawn, and in 1842 the Dutch withdrew from the former independent Sumatran states, but the Penang merchants continued to be wary.

With immigrants coming from all over the region and from India and China, by the mid-19<sup>th</sup> century Penang had a mixed and fluctuating population, over which the authorities could exert little control. Traditionally *kapitans* would have been formally appointed with responsibility to administer and keep the peace within their own communities, but the Statute of Justice had superseded the *kapitan* system without the Straits Settlements government having the means to bring the population within the pale of the law. With a skeleton administration, an inadequate police force and officials who were ignorant of the local languages (apart from some Malay), the government collected revenue by auctioning excise farms to the highest bidders but otherwise saw its relationship with the different communities primarily as a law and order problem. The most troublesome were the Chinese secret societies or *hoeys*, which were strong in all the Straits Settlements but particularly so in Penang, where they were off-shoots of existing societies in Phuket. The oldest and most powerful was the Ghee Hin or Triad, which migrants brought with them from Phuket in the late 18<sup>th</sup> century. In China the Triad was directed at overthrowing the Manchu dynasty, which did not necessarily bring it into conflict with the authorities in other countries where its members settled, and the societies carried out some necessary functions in the absence of any government machinery to regulate immigration or labour. In Singapore fighting among rival societies on occasion caused widespread disturbance of the peace and was an affront to the colonial authority, but the conflict was an internal matter among the Chinese themselves and not directed against the colonial government. But in Penang there was confrontation. About 1820 a rival society, the Hai San, also moved in from Phuket, and in 1825 the two societies plotted together to overthrow the government. The following year Governor Fullerton issued regulations to ban undesirable immigrants, and in 1828 he declared the *hoeys* illegal. There was no way either of these measures could be enforced, but the *hoey* leaders kept matters in check until the opening up of the rich tin mines of Larut from the early 1850s brought a flood of immigration of mainly Cantonese and Hakka labourers. By the early 1850s most Hai San members were Hakkas, and the Ghee Hin, which was still the most powerful society and said to number about 15,000 in Penang and Province Wellesley in 1854, were predominantly Cantonese. A third society, the Toh Peh Kong, were mainly Straits born Hokkiens and Teochews, who supplied a large part of the finance for the mining enterprise from Georgetown. The relationship between the societies was strained, with violent clashes between Cantonese and Hakka labourers in Larut and resentment against Hokkien and Teochew wealth in Penang. Violence in the interior spilled over into Penang itself. In 1852 there was fighting in the streets in Georgetown for the

first time, and the Grand Jury called ineffectually for the *hoeys* to be registered. The government's ignorance and powerlessness were highlighted in March 1857 when heavy-handed implementation of new police and municipal laws provoked a confrontation with the Chinese community. There had been trouble enforcing the laws in Singapore, but Governor Blundell had handled the situation calmly. In Penang, however, he magnified what should have been a trivial incident into an imagined *hoey* plot to humiliate the colonial authorities. The forcible removal of a *wayang* stage from one of Georgetown's main streets provoked a scuffle in which one Chinese was killed, and one Indian sepoy was injured and his musket stolen. This was almost certainly a spontaneous *fracas*, with which the *hoeys* had nothing to do, but Blundell was convinced they had deliberately seized the gun to send it as a trophy to China. (Turnbull: 1958) While most of the European merchant community wanted firm repression, the confrontation in Penang in 1857 revealed some interesting links between leading Chinese merchants and a few of their long-resident British counterparts and with James Richardson Logan, who used the *Pinang Gazette* to plead their cause. But it also showed the chasm between the government and the Asian communities. In the next few years recurrent troubles led Governor Cavenagh to submit a draft bill to regulate and register the societies, but the government refused to take action, insisting that the law courts and the police force should be able to cope.

### **The Transfer to Colonial Rule**

These mutterings of discontent which had built up for years in the Straits Settlements against rule from Calcutta came to a head as a result of the Indian Mutiny in May 1857. Already jittery after the disturbances earlier in the year, the European population panicked when Singapore transferred to Penang a prominent political prisoner, Khurruck Singh, because he was suspected of plotting with Indian convicts in Singapore. Rumours that the garrison were plotting to murder all the Christians in Penang induced many Europeans to send their families for safety aboard ships in the harbour or to Province Wellesley. The European male residents had a public meeting and petitioned the Resident Councillor to bring in sailors and only use European troops to man Fort Cornwallis in future. The Resident Councillor calmed their fears, which were quite irrational, since there was no reason to suspect the loyalty of the Madras sepoys, and he posted some policemen to augment the garrison and appointed a few European special constables. But panic surged afresh early in September when news arrived that Calcutta was posting dangerous prisoners to the Straits to make way for convicted mutineers.

At the same time news came that the European merchants in Calcutta had drawn up a petition to the British parliament, demanding that the East India Company be abolished and India be brought under the direct rule of the crown. A big public meeting of nearly all the non-official Europeans in Singapore decided unanimously not only to support this petition but also to ask for the Straits Settlements to be removed from Indian control and brought under direct rule from London as a crown colony. This went too far for sentiment in Penang, even after its recent experiences. James Richardson Logan's *Pinang Gazette* had kept up a barrage of criticism against the Company's administration for years, and his brother, Abraham, editor of *The Singapore Free Press*, was a leading advocate for constitutional change, but, at a public meeting held in Penang in October 1857, despite J.R Logan's exhortations, only three people voted in favour of backing the Singapore petition. A counter-resolution was carried by an overwhelming majority declaring this was not the time to add to the Company's problems.

### **The Straits Settlements Colony**

This caution arose partly from the feeling that Penang was closer to India than the other settlements but also from concern about the excessive power which a colonial-type constitution might bestow on Singapore. When, after long-drawn out negotiations, the Straits Settlements were eventually transferred to direct colonial rule in 1867, they received a typical crown colony constitution, which was firmly based in Singapore. The Governor ruled with Singapore-based executive and legislative councils, with powers to pass legislation and determine the budget. Executive councillors were all government officials, but the legislative council included four non-officials, who were nominated by the Governor, and in principle at least one non-official was to come from each settlement. In practice it was difficult to find a representative from Penang who was willing to spare the time, and no suitable person was available from Melaka, so that three of the four non-officials appointed in 1867 came from Singapore. The dominance of Singapore as the seat of government was highlighted when Sir Harry St. George Ord, the first colonial governor, insisted on building a palatial Government House.

By 1872 the Penang merchants were so irritated at the alleged neglect of Penang's interests that the Penang Chamber of Commerce demanded either to have its own legislative council or to be separated from the Straits Settlements altogether. This was refused, and the

furor very quickly died down, as Penang accepted her secondary but very profitable role in the Straits Settlements colony. Resentment evaporated quickly partly because most of it was shared by Singapore in the reaction to Ord's overbearing tactlessness and extravagance, but mainly because Penang's interests coincided largely with Singapore's.

The transfer to colonial rule was soon followed by developments which established the basis for sustained prosperity in the Straits Settlements. First came the opening of the Suez Canal in 1869, heralding the golden age of steam. This was even more crucial to Penang than it was to Singapore. It established the Melaka Straits as the main highway to the east, with Penang island as the first port of call east of the Indian sub-continent and an important link in the international telegraph system. The KPM (Koningklijek Paketvaart Maatschappij) founded in 1888 and the Straits Steamship Company, which was established two years later, made her a focal point for trade from the Burma coast, southwest Thailand and Sumatra. Piracy was effectively checked, and shipping lanes made safe by chains of lighthouses. During the 19<sup>th</sup> century, when virtually the only form of commercial transport was by sea, there was no serious challenge to Penang's position. But the development of alternative means of commercial transport, Penang island could not fully benefit from alternative forms of communication during the 20<sup>th</sup> century, such as roads and railways, had an impact on the trading status of islands in the region. Despite this, as late as 1960 the rich mining island of Phuket had easy links with Penang by sea but no road or rail connections and only a tenuous air link with Bangkok.

Secondly Penang benefited from the rising colonial economies of the surrounding region: from the 1855 Bowring Treaty with Thailand, the extension of British rule in Burma, the liberalising of Dutch East Indies trade from the 1860s, and the extension of protection to economic enterprise in the Malay states. This began with the treaties with Perak, Selangor and Negri Sembilan in 1874, and Penang was the outlet for the tin deposits in the Kinta valley, which were discovered in 1888.

A third factor contributing to prosperity was the establishment of more settled and sophisticated administration throughout the Straits Settlements, gradually bringing the population within the pale of government and the law. The establishment of the Chinese Protectorate in the 1870s brought control of immigration and gradually superseded the semi-legitimate functions of the Chinese secret societies until eventually they could be outlawed as purely criminal

organisations. With the increasing demand for labour for the new rubber plantations, Penang became the point of entry for the large numbers of Indian labourers recruited under government control.

With the spread of education and rising standards of living among a more settled Asian population, the early 20<sup>th</sup> century Penang was a Mecca for Asian intellectuals. It tended to be an intellectually more receptive centre while offering the same amenities as Singapore. In the first decade of the century leading Penang merchants were keen to promote modern Chinese-medium schools reform, and established a reformist newspaper, the *Penang Sin Pao* and a Philomatic Society, which was to become one of the leading reading rooms in Malaya. In 1910 Sun Yat-sen transferred the headquarters of his battered revolutionary Tung Meng Hui from Singapore to Penang, making it the centre for the Chinese revolutionary movement in Southeast Asia, and over the course of several months there he re-organised the party, reviving its confidence. In November 1910 a meeting which was held at his house to plan the next revolution in China proved a resounding success, with \$8000 being contributed on the spot, (Yen: 1976, 234). But Sun then unwisely made a public speech in Penang not only urging support for revolution against the Ch'ing but also claiming that, once the European population was large enough, the British would expel the Chinese from Penang and Singapore. After this was picked up in the Chinese reformist press and reprinted in the *Straits Echo*, in December 1910 the government expelled Sun, who had to delegate the fund-raising and planning of the revolution. The failure of what became known as the 'Canton March 29 Uprising' caused great disappointment in Penang, which was not involved in the final Wuchang rising in October 1911. But the success of the October rising caused enormous enthusiasm. More than 1000 people attended a public meeting in Penang to celebrate the triumph, and representatives went on a house-to-house collection in the town to raise funds. (Yen: 1976, 241.)

The Straits Settlements were also fertile ground for the Islamic reform movement, being free of the authoritarian religious establishments in the Malay states and more receptive to reformist ideas. In the 1920s Penang became a centre for reformist literature. 34 Malay vernacular newspapers were started in that decade, of which eleven were in Penang compared with only three in Singapore. (Roff: 1967, 162) This was largely the influence of Sayyid Shaykh bin Ahmed Al-Hadi, who was then in his 60s. Al-Hadi, who had helped establish the *Al-Imam (The Leader)* in Singapore in 1906, moved to Penang about 1918 and made it a centre of

reformist literature. He established the Jelutong press, which became the largest Malay publishing house in Malaya, and himself published a stream of novels. His friend Mohd. Yunus bin Abdul Hamid migrated from Sumatra to Penang in 1924 and the following year started Penang's first reformist newspaper, *Idaram Zaman (March of Time)*, which was widely circulated in mainland Malaya. Al-hadi published his first novel in 1925 and launched a new religious journal *Al-Ikhwan (The Brotherhood)* the following year. In 1928 he began yet another more secular reformist newspaper, *Saudara (Brother)*, under the editorship of Mohd. Yunus.

There was little comparable intellectual activity in the interwar years among the western community, for whom Penang was acquiring its modern 'holidays and honeymoon' image. Despite the fact that the European population was very small, and as late as 1864 only numbered 316, a great deal was written about Penang during its first 80 years. This included books by Crawford, Begbie, Newbold, Earl, Cameron and Low, and particularly the work of James Richardson Logan, whose *Journal of the Indian Archipelago and Eastern Asia*, which was published from 1847 to 1858, acquired an international reputation. After Logan's death *The Pinang Gazette* became a pale shadow of its former self, and by the interwar years the most successful Penang-based newspaper was *The Straits Echo*, which was edited by a very talented, Oxford-educated Ceylonese journalist, Manicasothy Saravanamuttu (universally known as Sara). In 1936 Singapore's *Straits Times* embarked on a campaign to buy up local newspapers in North Malaya, but this was an exercise in building up profitable circulation rather than spreading ideas. In April 1936 it bought *The Pinang Gazette*, which was on the point of collapse, but it could not compete with *The Straits Echo*. Although he did not have the money or staff to match the new rival, Sara successfully outwitted them. *The Straits Times* had to pull out and sold *The Pinang Gazette* for a pittance to Sara, who to the end of his life boasted that this was his greatest achievement. (Turnbull: 1995, 96).

As in the earlier period, Penang accepted its secondary role because its interests and problems were in line with Singapore. It suffered in equal measure from periodic economic depressions but profited from the general rise in living standards. Its complaints invariably centred on grumbles about too much money being allocated to Singapore rather than complaints about policies, and there was no move for major change in the constitution. In 1920 the Straits Settlements (Singapore) Association initiated a campaign to widen representation, as a result of which from 1924 two legislative councillors were chosen by the chambers of commerce in

Singapore and Penang. There were equal numbers of official and unofficial members, but the Governor held the casting vote. Unofficials came from the three settlements and various communities, including five Europeans of whom one came from Penang, and one Chinese from each settlement. While the American Rupert Emerson, writing in 1937, could see the incompatibility of the situation, he acknowledged there was no demand for change and considered this would only come in the context of reorganisation of the whole peninsula, probably in the form of a federation. (Emerson: 1937, 296).

### **Dismantling of the Straits Settlements**

This happened when, at the end of World War II, the British returned with a policy to dismantle the Straits Settlements, leaving Singapore as a separate crown colony and merging Penang and Melaka with the Malay states into a Malayan Union. With its implications for free trade status, citizenship and employment, this was a far more traumatic change than the proposal for transfer to colonial status which caused so much debate in the mid-19<sup>th</sup> century, but because of the sudden end of the war the change was sprung on Penang and Melaka as a *fait accompli* without consultation. Even Emerson had considered that, while Melaka could be absorbed into the Malayan mainland, Penang like Singapore would always be so distinct in population and economy that it would need some autonomy. Emerson speculated that this might be in the form of ‘autonomous municipalities by locally elected councils’ (Emerson: 1937, 296). There were objections but these were more muted in Penang than in Singapore and Melaka, and the period of uncertainty was short. Thus in May 1946 Penang became part of the Malayan Union and subsequently the Federation of Malaysia

### **Conclusion**

While Penang quickly lost its dominant position and became a secondary player in the Straits Settlements, it largely identified with Singapore in its interests and problems, so that on the whole it was a symbiotic relationship. On the other hand Penang developed a very different type of society and a distinct character, which deserves its own chronicling. There is a rich contemporary literature about the early days of Penang and some 20<sup>th</sup> century histories relating to that early stage, but even these were written long ago. There is little about Penang at its peak, and no modern enterprise to compare with the monumental two volume study on Melaka:

*Melaka the transformation of a Malay capital 1400-1980*, edited by Kernial Singh Sandhu and Paul Wheatley and published by Oxford University Press, Kuala Lumpur, in 1983. It is time for a general history of Penang to be written.

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ENDNOTE

<sup>i</sup> Strictly speaking, the term ‘Straits Settlements’ only came into use in the 1830s. In 1829, when they were still a Presidency, the Directors referred to ‘The Incorporated Settlements of Prince of Wales Island, Singapore and Malacca’, [Directors to Governor General of India, 7 April 1829, in Cowan p. 189] and in 1831, after the Presidency was demoted to a Residency, the Directors described them as ‘The United Settlements of Prince of Wales Island, Singapore and Malacca’ [Directors to Government of India, 27 July 1831, in Cowan, p. 205].

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