

Chinese Merchants and Penang-Eastern Indian Ocean Nexus, 1820s–1890s

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Abstract

The rise of Penang as a bustling regional entrepot and prosperous business centre in the 19th century was not solely attributed to the British magic formula – free trade and free port policies. It was more the result of a web of mercantile networks emanating from a group of merchant families who had made Penang as their base that linked the island not only to its surrounding states but also to India and China. In other words, Penang profited from a matrix of intra- and inter-regional connections. Much scholarly attention has focused on the networks linking Penang with its adjacent states in the Straits of Melaka and China rather than with the littoral states of the eastern Indian Ocean. This study will redress this imbalance by recovering the networks connecting Penang with the eastern Indian Ocean through a cluster of Hokkien mercantile families, namely the Gan, the Lim, the Lee, the Khoo, and the Cheah families. It is incorrect to think that these Chinese mercantile families only spun networks to Chinese maritime world of commerce and migration. Their networks extending to the eastern Indian Ocean, particularly Bay of Bengal were equally extensive and important. More interestingly, they were closely intertwined with the prominent Armenian and Merican families of Penang, who had long and established links with Calcutta, Madras, Colombo, Rangoon, and Moulmein. To illustrate how the Chinese mercantile families' networks reached out to the eastern Indian Ocean, I will examine four significant linkages – maritime trade (shipping and flow of commodities such as areca nuts, piece goods, pepper, coconut, and rice), inter-marriages, business partnership, and education. By expounding these four linkages, I argue, the Chinese networks of hybridity and fluidity rather than essentialist homogeneity transcended political and geographical boundaries and linked Penang and the eastern Indian Ocean together to form one of the most vibrant geo-economic regions in Asia.

Keywords: Hokkien merchants, Penang, Eastern Indian Ocean, maritime trade, business families

Introduction

The landing of Francis Light on Penang, a small island off the north-western coast of the Malay Peninsula, in 1786 marked not only an establishment of a permanent British trading base in Southeast Asia but also a reconfiguration of maritime trading pattern and business orientation of the region. Penang was to emerge as a regional entrepot and business centre. Undoubtedly, British free trade and free port policies were important in causing this change. But they were not the only cause. A web of networks built around local business families played a preponderant role in transforming Penang. These created a matrix of intra- and inter-regional connections linking Penang to surrounding states in the Straits of Melaka and as far as to China and India. However, scholarly attention has focused on Penang's networks with states in the Melaka Straits and China rather than with the littoral states of the eastern Indian Ocean, especially Bay of Bengal (Salina, 2005, Wu, 2010; Cushman, 1991).

This study will redress the current imbalance by rediscovering the networks connecting Penang with the Bay of Bengal through a cluster of Hokkien (Fujian) merchant families, namely the Gan (Yan in Mandarin), the Lim (Lin), the Lee (Li), the Khoo (Qiu), and the Cheah (Xie) families. Hokkien merchants were no strangers to Southeast Asia and they formed the dynamic force in the maritime ports like Melaka, Hoi An, Manila, Ayutthaya, Batavia, Hatien and Riau from 15th to 18th centuries. However, it is erroneous to think that the Hokkien merchants only spun networks to Chinese maritime world of commerce and migration in Melaka Straits and South China Sea. Instead, they reached out to the Bay of Bengal through four linkages, namely maritime trade (shipping and flow of commodities such as betel-nut, pepper, coconut, and rice), inter-marriages, business partnership, and education. These four linkages revealed the Hokkien merchant families' close economic and social association with the maritime ports dotting the shore of the eastern Indian Ocean. By expounding on these four linkages, I argue, that the Hokkien networks of transnationality, hybridity and fluidity rather than essentialist homogeneity moved beyond Melaka Straits and inextricably linked Penang and the eastern Indian Ocean together to form one of the most vibrant geo-economic regions in Asia.

Maritime Trade

Shipping

Since medieval times, maritime trade had been more significant than overland trade because the cargo of a single ship greatly exceeded the capacity of a caravan. Given the seas, rivers, and monsoon winds that dominate the geography of Southeast Asia, shipping and sea-borne trade unsurprisingly became a practical and indispensable maritime activity in the region. Hence, there is little doubt that the port cities' commercial lifeline had to depend on maritime trade. Penang was no exception. When first established, it was intended to serve as an important port for English traders, who sailed from the Indian subcontinent to Southeast

Asia. These traders, who had their bases in either Madras or Calcutta, were closely associated with the wealthy Indian traders through joint-ventures in shipping. According to Nordin Hussin (2007), both English and Indian (Chulia) merchants, who were the early comers to Penang, had their trading networks linked to the coastal areas of the Bay of Bengal. This view is echoed by Loh Wei Leng (2009). It is fair to say that the shipping and trading links from Penang across the Indian Ocean were primarily, if not solely, generated and nurtured by the English and Indian traders during the first twenty or thirty years after the establishment of Penang. But this changed when Chinese merchants and traders emerged to engage in maritime activities around the Bay of Bengal in 1820s.

The year of 1824 witnessed the launch of a British military expedition against the Burmese which became known as the First Anglo-Burmese War. In May, the British troops from Calcutta and Madras landed at Rangoon but found the residents of the city had evacuated and the source of local food supply was cut off (Chen, 1964). Confronted with this problem, the British troops could not make any advance beyond Rangoon and were forced to remain in the city for about six months. In 1825, they began to receive food supply from Penang. Junks owned by the Chinese traders transported bread, tea, poultry, pigs, vegetables, and other goods from Penang to Rangoon (Chen, 1964). With this supply of food from Penang, the British defeated the Burmese and won the war in 1826.

Who were these suppliers in Penang? It is not surprising that they were some established Hokkien traders of the time like Khoo Beng San (Che Beng), Lim Seong (Che Seong), Lee Toah (Che Toah), and Koh Lay Huan (Che Wan). Khoo Beng San, who was known as Che Beng or Beng in colonial records, established a trading company called Beng & Co., owned the 350-ton brig *Angelica* and sailed between Penang, Malacca, and Singapore. Apart from the shipping and trading business, Beng San was also involved in the opium revenue farm business. Together with a few Hokkien proprietors, locally known as *towkays*, he gained control of Penang's opium farm in 1819–1821, 1824–1825, and 1827–1828. Lim Seong, a close associate of Beng San, owned Che Seong and Company and operated a few junks that plied between southern Siam, Singapore and Malacca (*Penang Almanack*, 1822). Lee Toah, another associate of Beng San and a principal trader, owned two vessels — a 225-ton junk and the 153-ton brig *Prime* that sailed between Pungah, Penang, Kedah, Malacca, Singapore, and West Coast of Sumatra (*Prince of Wales Island Gazette*, 1825; Straits Settlement Factory Records, 1825).¹

During the 1830s and 1840s, Penang Chinese shipping activities in the eastern Indian Ocean became more dynamic and vessels owned by established Hokkien traders made direct contact with major ports in the Indian Ocean. In 1840s, Cheah Oon Soon owned the 250-ton brig *Rob Roy* that sailed between Calcutta and Penang (*Pinang Gazette and Straits Chronicle*, 1847). Lim Beon had a 141-ton brig *Elizabeth* that plied between Arakan and Penang. It was only until 1850s that the Penang's Hokkien traders managed to establish a niche in the shipping world of Indian Ocean. Khoo Seck Chuan, a prominent trader and founder of Khoo Kongsi, owned a 285-ton bark *Erin* that plied between Penang, Calcutta, and Arakan (*Pinang Gazette and Straits*

Chronicle, 1852, 1855). Khoo Chow Sew had a schooner *Eliza Penelope* that sailed between Calcutta, Madras, and Penang. Lim Teng operated a 74-ton schooner *Dart* sailing between Penang and Bassein (*Pinang Gazette and Straits Chronicle*, 1856). Cheah Chow Pahn and Khoo Sim Keok jointly operated a 279-ton bark *Adelaide* sailing between Arakan and Penang.

In 1860s and 1870s, the Penang's Hokkien shipping activities in Indian Ocean increased considerably. This may be gauged from the shipping intelligence published in two local newspapers – *The Pinang Gazette and Straits Chronicle* and *the Penang Argus and Mercantile Advertiser*. Looking at the shipping in 1868–1871, for instance, not only the number of vessels operated by the Hokkien consignees sailing between Penang and Indian Ocean multiplied three to fourfold but the number of ports visited by the Hokkien vessels also expanded to Rangoon, Chittagong, Nicobar, and Negapatam (see Table 1).

Table 1

Penang's Hokkien Merchants and Shipping Activities, 1860s – 1870s

Name of Owner	Vessel's Name and Size	Port to Port Shipping
Khay Thye & Co. (Khoo family)	214-ton brig <i>Brother</i>	Penang – Chittagong –
	505-ton bark <i>Golden Dragon</i>	Coromandel Coast – Rangoon
Lim Tek Poh	155-ton brig <i>Guyon</i>	Penang – Negapatam
Khoo Thean Teik	75-ton schooner <i>Lady Lawrence</i>	Penang – Nicobar
Cheah Oon Heap	140-ton brig <i>Otto</i>	Penang – Rangoon
	266-ton bark <i>Arrarat</i> ,	
	240-ton bark <i>Ijati Leong</i>	
Chong Moh & Co. (Lee family)	539-ton bark <i>Asia</i>	Penang – Rangoon
	432-ton bark <i>Martaban</i>	

Note. *The Penang Argus and Mercantile Advertiser*, 1868; *The Penang Argus and Mercantile Advertiser*, 1868, 1870, 1871, 1872.

In the 1880s, the shipping of Penang Hokkien traders in the eastern Indian Ocean reached a new height. It is no exaggeration to say that most, if not all, the prominent Hokkien traders in Penang were engaged in the shipping between Penang and the ports in the eastern Indian Ocean. For example, Chong Moh & Co., located at 38 Beach Street, became the largest Chinese ship-owner and importer in Penang at the time and operated four steamers (680-ton *Fitzpatrick*, 993-ton *Diamond*, 266-ton *Rosa*, and 1310-ton *Tantalion*) to Rangoon and one steamer to Calcutta (*The Singapore & Straits Directory*, 1890; *The Penang Times*, 1884; *Pinang Gazette and Straits Chronicle*, 1882, 1886).² Besides, the company also established two branches, Seng Moh & Co., at Rangoon and Calcutta. Another shipping and trading enterprise, Eng Moh & Company, which was set up by the Gan family (Gan Hong Kee and Gan Kim Swee) opened two branches – Eng Hong & Co. – in Calcutta and Rangoon (Lee & Chow, 1997). The family had the 225-ton bark *John Buchanan* that sailed to Rangoon. Ee Soon & Co., a rice and tin trading

enterprise located at 45, Beach Street, established by the traders of the Lee, the Khoo, and the Lim families, had two branches – Tiang Soon in Calcutta and Ee Seng in Rangoon.³ This company bought over a 680-ton steamer *Fitzpatrick* from Chong Moh & Co. to carry trade between Penang, Rangoon, and Calcutta.

Entrepot Trade

This crisscross shipping and navigation pattern between Penang and the eastern Indian Ocean ports was not a spontaneous phenomenon. Entrepot trade in Straits products, European manufactures, and Indian and China goods was the driving force that generated these bustling shipping activities. It was the shipment of these commodities between Penang and the eastern Indian Ocean ports that built up the Hokkien traders' wealth and integrated Penang into a larger shipping and trading world. An examination of a list of major goods – pepper, betel-nut, coconut, and rice flowing between ports – will show why and how Penang became inextricably tied to the eastern Indian Ocean trade. These four commodities were central to the Hokkien merchants' major shipments.

Pepper

In the first Christian century, pepper became known as an important item of trade and consumption. When European found spices essential for their diets, pepper became highly in demand. The early pepper which reached Europe came largely from the western coast of India, the place of origin for pepper vine (*Piper nigrum*) (Bastin, 1960). The culture of pepper was later extended to the Indonesian archipelago through Arab and Indian trade. However, South Indian remained as main supplier of pepper for the European market until the 16th century. It was only until the beginning of the 17th century that large quantities of pepper were imported by the Dutch and British from Java and Sumatra to Europe. The Anglo-Dutch rivalry to corner the pepper supplies of Indonesia for the growing European market stimulated production to an extent that undermined the competitiveness of Indian producers.

By the beginning of the 19th century, Sumatra alone produced more than 50% of the total Eastern pepper while Malabar yielded only 8% (Bastin 1960). Sumatra had emerged as the largest supplier for the European market. In order to compensate its reduced production, India also imported pepper from Sumatra. Interestingly, most of the Sumatran pepper was exported to Europe and India via Penang. When Penang was established, the British also used it as an important depot for pepper supplies brought from Terengganu and Sumatra (Lee, 1978). These pepper supplies were then re-exported to China, India, and Europe. In 1819–1822, the pepper trade between Aceh and the ports on the East Coast of Sumatra and Penang reached 115,337 pikuls (Lee, 1995).⁴ From the 1870s to 1890s, Sumatra continued to be the major exporter of pepper to Penang and the volume averaged 120,000 to 140,000 pikuls a year (*Straits Settlements Blue Book*, 1872–1892). By the mid-19th century, the Hokkien traders had dominated the pepper trade between Penang and Sumatra.

One of the causes of this ascendancy was the alliances forged between the Hokkien traders of Penang and the Acehnese or Batak chiefs of Sumatra. The former provided capital support to the chiefs who in turn enjoyed close connections with native pepper planters. One of the beneficiaries was the Sultan of Deli who was able to advance of \$30,000 to \$40,000 a year to Batak farmers to produce pepper (*The Penang Argus and Mercantile Advertiser*, 1867; *The Penang Times*, 1882).⁵ In return the Batak pepper farmers sold the pepper at the fixed rate of approximately \$3–5 per pikul. This business arrangement enabled the Penang’s Chinese merchants to secure cheap supplies of Sumatran pepper, which would be resold at \$4–12 per pikul (for black pepper) and \$7–24 per pikul (for white pepper) in the Penang market (*Pinang Gazette and Straits Chronicle*, 1844, 1855; *The Penang Argus and Mercantile Advertiser*, 1872).⁶ In this manner, Penang’s Hokkien merchants cornered the pepper market of Sumatra and channeled the supplies for the benefit of Penang. Their fortunes were securely built on this very profitable Penang-Sumatra pepper trade.

Sumatra pepper imported into Penang was sold to European merchants for direct shipping to Europe and India. Khoo Kong Mah, a pioneer of the Penang-Aceh trade, would dispose of his pepper supplies to Huttenbach Bros. & Co., a Penang-based German trading firm which also served as an agent for British, Dutch, and American shipping lines (*The Straits Echo*, 1904; *The Singapore & Straits Directory*, 1901; Khoo, 2006). There were other Hokkien traders such as Lee Yeah and Lee Seng Toh who shipped their pepper to India. In 1856, they transported about 1,006 pikuls of pepper to Calcutta (*Pinang Gazette and Straits Chronicle*, 1856).

Betel-nut

The chewing of betel-nuts or areca-nuts was widespread in Southeast Asia, South India, and South China (Reid, 1988). There was a regular demand for this commodity both locally and overseas. It was thus an important item of the Penang trade with eastern Indian Ocean and other destinations. The bulk of the betel-nut supplies originated in Aceh and the West Coast of Sumatra, while the locally grown betel-nuts were only sufficient to supply the domestic market. Between 1816 and 1823, approximately 167,409 pikuls of betel-nuts were exported from Aceh to Penang (Lee, 1995). While the Indian Muslim or Chulia and Acehnese merchants were in control of this trade during the late-18th and early-19th centuries, it was some Hokkien traders such as Che Toah (Lee Toah), Che Seong (Lim Seong), and Che Wan (Koh Lay Huan) whose vessels plying between Penang and Aceh that carried the commodity in the 1810s and 1820s. The import of betel-nuts from Aceh into Penang continued to grow in 1840s–1850s (see Table 2).

Table 2

Import of Betel-nut from Aceh to Penang, 1844–1845 to 1852–1853

Year	Total (pikuls)	Value (Rupees ⁷)
1844-45	32,938	150,094
1845-46	63,588	317,946
1846-47	68,695	338,905
1847-48	69,952	341,669
1848-49	82,073	353,659
1849-50	71,481	262,284
1852-53	81,580	276,353

Note. *Tabular Statements of the Commerce and Shipping of Prince of Wales Island, Singapore, and Malacca, 1844–1853.*

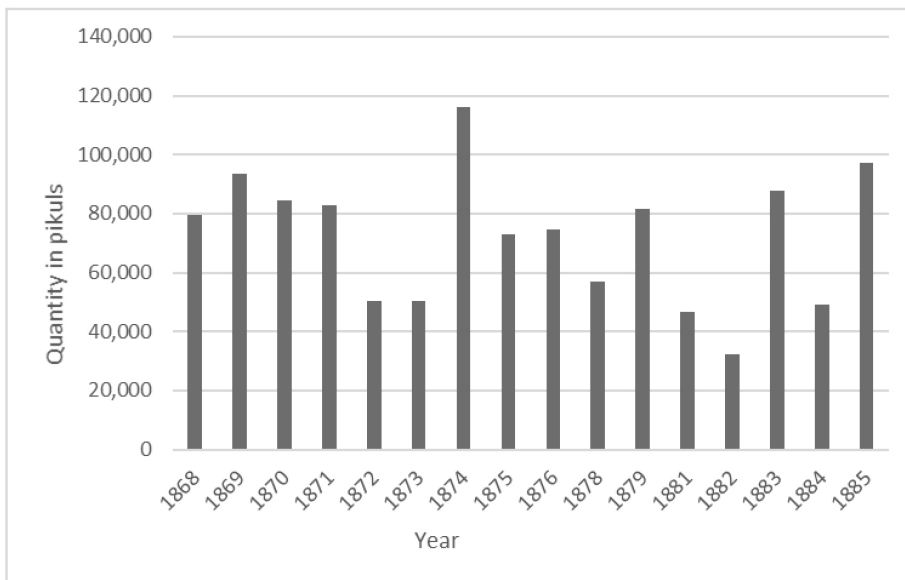
This thriving trade was sustained by the increasing number of Hokkien-owned vessels plying between Penang and Aceh. The prominent merchants of the Lim family, such as Lim Kim, Lim Tong, Lim Yew, and Lim Hooah, operated at least seven vessels that traded with Aceh and West Coast of Sumatra. Lim Kim's 199-ton bark *La Felice*, for example, frequented Pedier Coast and brought back 3,000 pikuls of betel-nuts in 1856 (*Pinang Gazette and Straits Chronicle*, 1856). Aside from the Lim family, the Khoo, the Oh, the Neoh, and the Ong families were actively engaged in the trade with Aceh and West Coast of Sumatra with at least eight of their vessels.

By 1860s and 1870s, the Hokkien traders of Penang were able to carve out a significant portion of the Penang-Sumatra and Penang-eastern Indian Ocean ports betel-nut trade. This can be gauged from the shipping intelligence published in *The Penang Argus and Mercantile Advertiser* of that period. For example, in 1868–1872, vessels (schooner, brig, and bark) owned by the Chinese merchants were recorded sailing to and fro between Sumatra and Penang every month of the year. Furthermore, the Chinese merchants also owned the largest number of native crafts listed in *The Penang Argus and Mercantile Advertiser* of 1871 and 1872 and most of these crafts plied the Sumatra route (*The Penang Argus and Mercantile Advertiser*, 1871, 1872). The frequency of trips made by Hokkien-owned vessels in the trade with Sumatra was also increasing considerably to contribute strongly to the growth of trade in betel-nuts from Sumatra into Penang (Figure 1).

The imported betel-nuts of Penang were mainly re-exported to overseas; India and Burma were the largest recipients (Figure 2). These two countries of the Indian Ocean took up an average of 65% of Penang's total export of betel-nuts from 1872 to 1893. The rest of the exports went to Hong Kong, Singapore, Melaka, and China.

Figure 1

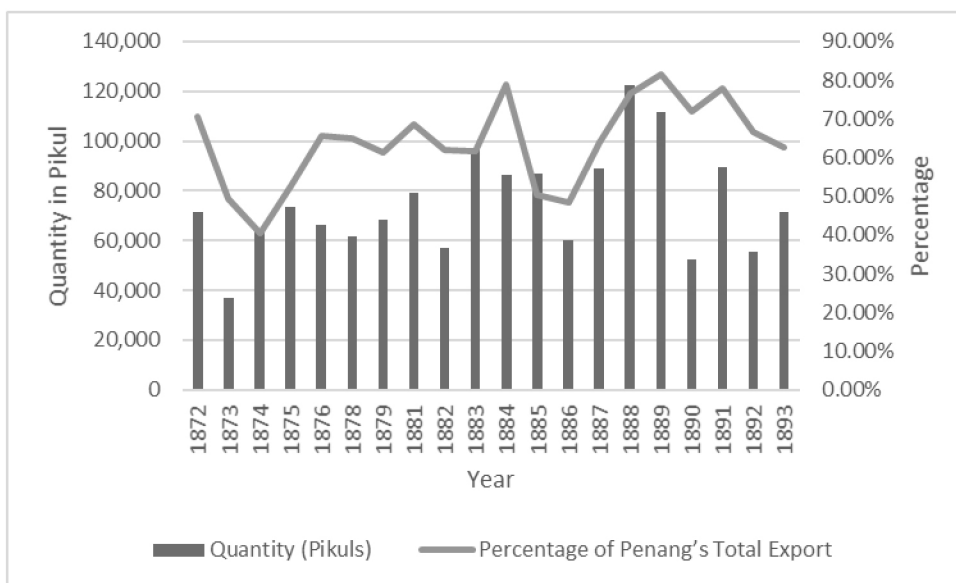
Import of Betel-nut from Sumatra into Penang, 1868–1889



Note. Compiled and computed from *Straits Settlements Blue Book 1868-1885*.

Figure 2

Export of Betel-nuts from Penang to India and Burma, 1872–1882



Note. One pikul is equivalent to approximately 60.48 kilograms.

Compiled and computed from *Straits Settlements Blue Book 1872–1893*.

The Hokkien traders played an important part in re-exporting the betel-nuts to India and Burma. For example, Khoo Seck Chuan, Lee Yeah, and Lee Seng Toh shipped 3,650 pikuls of betel-nuts to Calcutta in 1856 (*Pinang Gazette and Straits Chronicle*, 1856). There were about 4,000 pikuls of betel-nuts transported to Rangoon in 1863. The high demand in India and Burma was because betel-nuts were widely used as a stimulant and essential for rituals and social occasions (Reid, 1988). Besides, betel-nuts were also used in India for dyeing the Indian cloth which found a major market in Southeast Asia. Indian cloth was a very desirable item in the region because of the quality of dyes used in decorating the fabrics (Barnes, 2004).

Coconut

Among the commercial crops grown in Penang, coconut turned out to be the only crop successfully cultivated on a large scale on the island, contributing considerably to the economy from the 1870s to 1950s.

There were good reasons why coconuts become an important commercial crop in Penang. The local Hokkien planters were the driving force in the growth of the coconut industry. The mid-19th century witnessed an unprecedented expansion of coconut estates from a small area in 1830s to close to 7,000 hectares in the 1870s (*The Penang Directory*, 1874; Khoo, 1972). Penang became the largest grower of coconuts in Malaya and Hokkien towkays of the island were the major cultivators. Table 3 shows some of the major Hokkien estate proprietors in Penang. The largest estate proprietor was the Koh family, who owned close to 800 hectares.

The Hokkien towkays ventured into coconut planting as a calculated investment to tap the increasing local and overseas demand for coconut fruits, copra, and coconut oil. This venture was further justified by the disastrous blight attack on the nutmeg industry in Penang in 1864 (Burkill, 1932). Coconut was one of the principal products which millions of locals in Southeast Asia relied upon for food, drink, cooking oil, and numerous other household purposes. The unprecedented and sustained population growth in the 19th-century Southeast Asia greatly stimulated the need for this staple. In Malaya, for instance, the population rose.

Table 3

Chinese-owned Coconut Estates in Penang in 19th Century

Name of proprietors	Name of estates	Area (hectares)
Khoo Thean Teik	Pyah Troobong	81
Khoo Chow Sew	Tanjong Tokong	53
Oh Ean Heng	Scotland	162
Oh Chong Leng	Erskins	20
Law Seow Huck	Sandrige and Formosa	29 and 81
Koh Teng Choon	Pulau Bitong and Teng Choon	43 and 162
Koh Teng Gwan	Balik Pulo	81

Name of proprietors	Name of estates	Area (hectares)
Koh Seang Tat	Ayer Etam and Edindurgh	91 and 162
Cheah Choo Yew	Tanjong Bunggha	283

Note. *The Penang Directory*, 1874, including that of Deli; *The Penang Almanack*, 1876 and *The Penang Directory*, 1876.

from 250,000 in 1800 to 1.4 million in 1891. In Burma, the population of 4 million in 1830 had grown to 10.5 million in 1901 (Elson, 1992, 1999). By the 1880s, Penang was already a key supplier of coconut fruits, copra and coconut oil to Singapore, Melaka, Kedah, Perak, southern Burma, and southern Siam. Among these countries, Burma was the largest importer of Penang's coconut fruits and the trade expanded considerably between 1868 and 1882 (see Table 4).

Table 4

Export of Coconut Fruits from Penang to Burma, 1872–1893

Year	Quantity (coconuts)	Value (\$)
1868	954,004	16,415
1869	1,886,532	41,387
1870	2,460,055	48,968
1871	2,776,099	45,107
1872	2,478,202	39,460
1873	774,463	47,313
1874	2,455,935	78,233
1875	2,325,926	53,854
1876	3,656,841	66,180
1878	4,291,922	83,640
1879	5,769,923	154,278
1881	6,225,389	141,041
1882	6,305,216	118,024
1883	NA	121,454
1884	NA	95,521
1885	NA	94,316
1886	NA	100,629
1887	NA	131,134
1888	NA	124,018
1889	NA	177,338
1890	NA	184,429
1891	NA	162,360

Year	Quantity (coconuts)	Value (\$)
1892	NA	149,669
1893	NA	146,363

Note. Compiled from *Straits Settlements Blue Book*, 1868–1893.

Coconut was not only a good source of revenue for Penang but also for estate owners. The Edinburgh Estate owned by Koh Seang Tat, for instance, could fetch more than \$20,000 in Straits dollars a year (*The Straits Echo*, 1904).

Rice

Rice was the principal staple food and agricultural product of Southeast Asia. It was so indispensable that it was traded on a considerable scale in the region during the 19th century. Mainland Southeast Asia was a major supplier of rice to archipelagic Southeast Asia. Not many realise Penang was once an important redistribution centre of the rice imported from Calcutta, Arakan, and Moulmein in the first half of the 19th century. This happened before Lower Burma was turned into a major rice-producing area in the second half of the century.

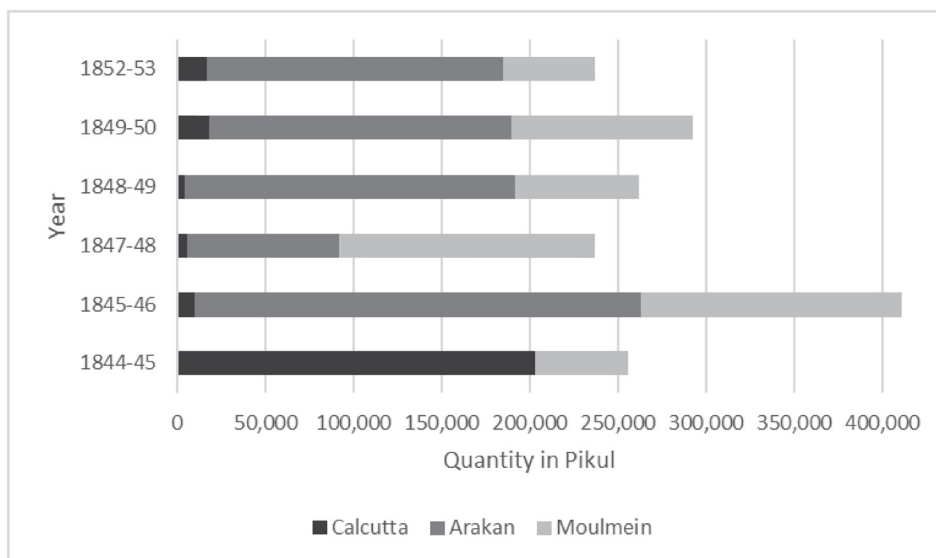
Rice was produced in Penang but was insufficient to meet local demand and had to rely on Kedah, the immediate hinterland, for its supply (Hussin, 2007). But the cheap imported rice from Kedah was primarily for local consumption while the rice from Calcutta, Arakan, and Moulmein was for re-export. The practice of importing the rice from eastern Indian Ocean into Penang commenced in the late 18th century when Kedah threatened to stop sending rice due to unresolved political differences between the state and Penang (Hussin, 2005). The re-export of rice from Penang probably began in 1810s when large quantities of rice were brought in by British traders (Lee, 1978).

The paucity of data on the import and export of rice in Penang during the 1810s–1830s would only yield a hazy picture of the trading business of the time. However, data for the period of 1840s–1850s provided a clearer picture of the rice trading business in Penang (Figure 3).

Calcutta, Arakan, and Moulmein were the major rice exporters to Penang. But Calcutta's export began to decline from 1845-46 and onwards. Arakan and Moulmein remained as the major rice suppliers. The imported rice was then re-exported to the surrounding states, especially Sumatra and Melaka and as far as to United Kingdom as well China (see Table 5).

Figure 3

Import of Rice from Calcutta, Arakan, Moulmein into Penang, 1844–1853 (in pikuls)



Note. *Tabular Statements of the Commerce and Shipping of Prince of Wales Island, Singapore, and Malacca, 1844–1853.*

Table 5

Export of Rice from Penang to Surrounding States, China and United Kingdom, 1844–45 to 1852–53 (in pikuls)

Year	China	United Kingdom	Sumatra	Melaka & Singapore	West Coast Peninsula	West Coast of Siam
1844–45	12,342	710	11,745	163,867	NA	4,160
1845–46	64,619	2,565	3,880	193,502	NA	3,960
1847–48	55,640	22,120	Nil	234,480	960	3,120
1848–49	81,400	6,400	Nil	125,560	NA	9,040
1849–50	63,756	6	2,220	188,132	4,160	13,400
1852–53	87,744	6,265	1,280	164,950	6,265	109

Note. NA= Data Not Available. Nil=No Rice

Tabular Statements of the Commerce and Shipping of Prince of Wales Island, Singapore, and Malacca, 1844–1853.

Melaka and Singapore were the largest importer of the rice from Penang, followed by China. The opening up of the ports of Canton, Fuzhou, Xiamen, Linbou, and Shanghai as treaty ports following the signing of the Treaty of Nanjing after the First Opium War (Robottom, 1967) stimulated the flourishing Penang-China rice trade. The rice exported to Sumatra was

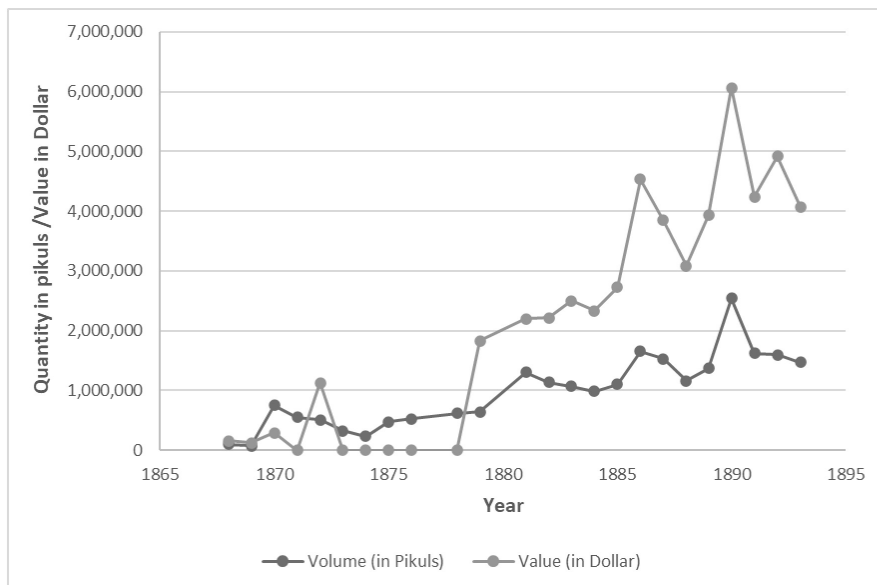
insignificant and declined drastically after 1845. During some years there was no demand for rice from Sumatra. This was most probably due to the slump in rice prices in Netherland Indies that led Penang merchants to avoid the Sumatra market (Mansvelt & Creutzberg, 1978). It was not until 1850 when rice prices recovered that the trade was resumed.

From the number of Hokkien traders and their activities of rice shipping and trading in the region, it may be argued that they were the indispensable players in the bustling rice trade. For example, Lim Kim chartered the 199-ton bark *La Felice* to carry 1931 bags of rice from Calcutta to Penang in 1849; Lim Beon shipped 13,000 baskets of rice on his 141-ton brig *Elizabeth* from Arakan to Penang in 1850; Khoo Seck Chuan had his 285-ton bark *Erin* ferried 165 coyans of rice from Calcutta to Penang in 1852 and 152 coyans of rice from Arakan to Penang in 1855 (*Pinang Gazette and Straits Chronicle*, 1850, 1852, 1855). Besides bringing rice into Penang, the Hokkien traders were also actively engaged in delivering rice from Penang to China, Sumatra, Melaka, and Singapore. Traders of the Lim family (Lim Tong, Lim Kim, and Lim Chean), for instance, operated two vessels, the 138-ton brig *Sakee* and the 78-ton brig *Emma*, to ship 1,200 pikuls of rice to the West Coast of Sumatra in 1844; Lim Beon carried 13,000 baskets of rice in his 141-ton brig *Elizabeth* to Melaka in 1850 and 95 coyans of rice to Singapore in 1852; Cheah Oon Heap's 376-ton bark *Whampoa* brought 2,220 pikuls of rice to China in 1852 (*Pinang Gazette and Straits Chronicle*, 1844, 1850, 1852).

In the 1860s, the main source of rice supplies for Penang began to shift to Lower Burma, for which Rangoon as the major port. The British annexed this part of Lower Burma on the conclusion of the Second Anglo-Burmese War in 1852, and in the decades that followed, large tracts of land were cleared for the cultivation of rice for export. The cultivated area under rice in Lower Burma expanded threefold: from 402,000 hectares in 1855 to 1,255,000 hectares in 1880 (Brown, 1997). With this expansion, the rice export of Lower Burma recorded unprecedented growth. The volume rose by more than tenfold from 0.126 million tons in 1860 to 1.208 million tons in 1890 (Brown, 2005). It was in 1867 that Burma first exceeded India's exports. Penang imported rice from Lower Burma through Rangoon as early as 1855 but it was not until the 1860s that the significant inflows were seen. This import grew by 27 times from 93,929 piculs in 1868 to 2,538,129 piculs in 1890 (Figure 4).

In this regard, Burma became undoubtedly the largest rice supplier of Penang during the second half of the 19th century. Penang was then a major port of rice supply and the principal destinations were Melaka, Singapore, western Malay states, Sumatra, western Siamese states, Hong Kong, and China (see Table 6). The Sumatra market transformed itself from being a minor importer of rice from Penang to become the largest market from 1874 onwards. The western Malay states overtook Melaka and Singapore in import around 1880 and became the second largest market. The western Siamese states, always behind Melaka and Singapore in their intake of Penang rice, also increased in importance. Hong Kong emerged as a new market and its demand for Penang rice exceeded that of China as its market demand fluctuated a great deal and continued to decline.

Figure 4

Import of Rice from Burma into Penang, 1868–1889

Note. Compiled from *Straits Settlements Blue Book* 1868–1879, 1881–1893.

The neighbouring states were the major market for the Burmese rice that was re-exported from Penang. Their demand for rice was caused by the unprecedented influx of coolies. In the period of 1879–1890, 549,084 Chinese coolies landed in Penang (Wong, 2015) but the majority soon headed to Perak, Deli, and Phuket to work in the labour-intensive tin mining and tobacco planting industries. Burmese rice fetched the highest price in the Sumatran market. In the mid-1870s, top quality Rangoon rice was sold over \$100 per coyan⁸ (Tagliacozzo, 2005), compared with \$90 or \$92 in Penang.

As with the trade in other commodities in demand, the Hokkien traders seized the opportunity to corner the Penang-Rangoon rice trade. Chong Moh & Co., the largest Penang-based shipping and trading enterprise, controlled two-thirds of the rice import of Penang (*Pinang Gazette and Straits Chronicle*, 1892). The Hokkien traders also dominated the re-export of rice to the surrounding states. One such company was Koe Guan & Company, a shipping and trading enterprise owned by the Khaw family, which controlled the rice export from Penang to the western Siamese states of Ranong, Kopah and Tongkah. Interestingly, the Hokkien traders of Penang also exported rice to Ceylon, where the rice market was monopolised by the Chetties.⁹ But the export was inconsistent and insignificant. In 1897, however, the prominent rice traders like Goh Boon Kheng and Lim Leng Cheak worked together with some English planters and dealers of Ceylon to break the Chetties' monopoly by selling Indian rice at cheaper prices (*Pinang Gazette and Straits Chronicle*, 1897).

Table 6

Export of Rice from Penang to Top Six Countries, 1868–1889 (in pikuls)

Year	Melaka & Singapore	Western Malay States	Sumatra	Western Siamese States	China	Hong Kong
1868	76,165	29,500	5,620	12,813	5,457	Nil
1869	54,938	36,580	3,822	15,722	16,663	Nil
1870	89,579	65,160	8,345	23,507	38,892	24,447
1871	212,234	140,424	76,071	35,230	29,507	42,701
1872	293,892	66,175	67,599	48,987	27,163	104,255
1873	186,844	63,212	71,346	44,940	13,703	1,215
1874	89,217	74,508	97,916	64,074	1,723	Nil
1875	126,382	88,420	144,063	110,172	1,839	Nil
1876	118,122	69,021	285,556	22,295	Nil	7,709
1878	86,367	65,292	278,887	8,732	30	17,659
1879	50,861	89,872	539,848	10,066	52	1,000
1881	56,915	100,389	273,338	1,844	Nil	127,379
1882	89,361	173,826	277,204	Nil	3,200	238,926
1883	108,880	325,368	368,485	35,820	867	23,667
1884	47,001	357,351	488,740	56,815	Nil	26,554
1885	64,061	290,180	417,688	44,980	2,116	85,266
1886	121,179	381,882	520,538	38,860	11,593	476,960
1887	100,895	453,120	557,358	56,117	5,600	182,526
1888	38,922	429,492	685,848	86,764	47	14,065
1889	50,681	411,531	612,420	85,634	3,359	33,938
1890	149,983	549,676	509,566	89,249	37,308	559,305
1891	98,704	523,301	795,663	65,728	7,037	99,389
1892	165,344	545,745	703,659	62,804	1,563	47,016
1893	47,227	570,670	577,132	82,816	58,361	64,790

Note. *Straits Settlements Blue Book*, 1868–1893.

Business Partnership

The active engagement of Hokkien traders in the entrepot trade and maritime shipping made Penang a hub for the import and export of Straits produce from Southeast Asia and goods from territories in the eastern Indian Ocean. To succeed in this shipping and trading enterprise, the Hokkien traders formed partnership not only between themselves, but also with businessmen from other ethnic groups such as the Merican, Armenian, and English. They were able to pool their capital and, more importantly, utilise the partners' connections to extend business interests to the eastern Indian Ocean. This is best illustrated by Chen Eok & Co. which was established

by Cheah Chen Eok of the Cheah family in 1875 together with his Chinese and Armenian partners. This enterprise operated as a general store and commission agent and was located at No.33 Beach Street (*The Penang Almanack and Directory*, 1876; *Pinang Gazette and Straits Chronicle*, 1879).

It had a branch firm in the rich pepper-producing district of Langkat in the East Coast of Sumatra. Michael Arratoon Anthony, an Armenian, was Chen Eok's crucial link to the eastern Indian Ocean. Anthony was the eldest son of Arratoon Anthony, who migrated from Calcutta to Penang in 1819 and founded A. A. Anthony & Co. in 1840, to export local produce to Calcutta (Wright, 2003; Wright & Cartwright, 1908). Anthony joined his father as an assistant in 1861 and was made a partner four years later. When his father retired in the late 1860s, Anthony took over the family enterprise. In 1873, his younger brother, Joseph Arratoon Anthony also joined the company as a partner. Joseph's wife was the daughter of Marcar Gregory, a leading shipowner and merchant in Calcutta. A.A. Anthony & Co., under the management of the Anthony brothers, became one of the leading shipping and trading firms in Penang. The company owned at least five vessels (the 156-ton brig *Dolphin*, the 152-ton brig *R.A. Maria*, the 388-ton bark *Batavia*, the 152-ton brig *Erin*, and the 152-ton brig *Brigard*) and served as an agent for Apcar & Co.'s Steamers and Douglas Lapraikd Co.'s Steamers (*The Penang Almanack and Directory*, 1876; *Singapore Directory for the Straits Settlements*, 1877). Most of the vessels were mainly consigned to trade in pepper, betel-nut, piece goods, rice, and opium across the Indian Ocean between Penang and Madras, Bombay, and Calcutta.

By tapping into M.A. Anthony's extensive family connections, Chen Eok's shipping and trading networks extended into Indian Ocean to expand his export of pepper and other goods to India and to obtain Indian piece goods and rice for the local markets. Similarly, M.A. Anthony was also able to gain access to the Penang market and to obtain Straits produce from surrounding states for export to India.

Strategic Intermarriages

Hokkien traders also contracted strategic intermarriages to forge new business alliances or to strengthen existing ones. For instance, the daughter of Cheah Tek Swee, a cousin and business partner of Cheah Tek Soon and Cheah Tek Thye, the two prominent traders of Penang, married the only son of Nina Merican Noordin (*Pinang Gazette and Straits Chronicle*, 1892). N. M. Noordin was a prominent and wealthy Merican or Kling merchant and proprietor in Penang and whose father Mohamed Merican Noordin was a leading Merican merchant who started trading in Penang in about 1820. In 1834, he founded M. M. Noordin to engage in trading and shipping business (*The Straits Calendar and Directory*, 1868; Fujimoto, 1988). This enterprise was one of the largest consigners in Penang and its vessels crisscrossed a wide area between Penang and Chittagong, Arakan, Deli, Aceh, Bombay, and Calcutta. Nina Merican Noordin and his elder brother, Vappoo Merican Noordin, first worked in his father's trading company

and later set up their own trading and shipping companies at Acheen Street in 1853 and Chulia Street in 1864 (*The Straits Calendar and Directory*, 1870). They consigned most of their vessels to ply the routes to Calcutta, Bombay, Madras, and Rangoon.

In view of the Noordin business background, it may be argued that the Cheah family's affinal alliance with the member of the Noordin family was intended to consolidate economic partnership and to advance their business interests to the eastern Indian Ocean. The Cheah family operated an enterprise called Sin Eng Moh & Co., which controlled various businesses in coconut plantation, shipping, trading, and revenue farming.

Education

India, to the Chinese merchants of Penang, was not only a place for trade, but also for education. In the middle and late 19th century, some Chinese merchants enrolled their children in selected colleges in Calcutta for higher education in English. Doveton College and Roberts' College were popular choices. The former was founded by Captain John Doveton, an Anglo-Indian who played a significant role in the British campaigns of Afghanistan, Mysore and Central India. After resigning his commission, John Doveton took a great interest in the education of the community and bequeathed £50,000 for this purpose. This sum was equally divided between the Parental Academy at Calcutta, the name of which was then changed to Doveton College and another founded at Madras, the Doveton Protestant College (Doveton Group, n.d.; Doveton Corrie Boys Higher Secondary School, 2020 May 16). Table 7 shows some Hokkiens who received their education at the two colleges of Calcutta.

Table 7

Hokkien Students in the Colleges at Calcutta, 1860s–1880s

Name	Name of College
Cheah Tek Thye	Doveton College
Gan Ngoh Bee	Doveton College
Koh Cheng Sian	Doveton College
Koh Leap Beng	Doveton College
Koh Leap Cheng	Doveton College
Quah Beng Kee	Roberts' College
Lee Toon Tock	Roberts' College

Note. Lee & Chow, 1997

These students were from the established business families in Penang. Their attendance at the colleges in Calcutta was probably due to their family business connection with Calcutta. Both the Lee and the Gan families had branch companies in Calcutta. The Lee family's Seng

Moh & Co. traded in Indian goods and Straits produce, and the Gan family operated Eng Hong & Co. and engaged in the trade in pepper and tin (Lee & Chow, 1997).

More importantly, perhaps, the desire for upward mobility and establishing or maintaining good working relationship with the colonial administrators and Western traders was the impetus for the pursuit of higher English education (Khor, 2006). Many Chinese merchants, especially the Hokkiens, considered that mastering English language and knowledge was a springboard for engaging in social and economic exchanges with Westerners. By doing so, the Chinese merchants gained better competitive edge to ensure their economic edge to ensure their economic survival or advancement. Quah Beng Kee, for example, after his education at the Roberts' College, worked for Messrs Behn Meyer & Co. in Penang. Later he went into business with European partners. In the early 20th century, he was appointed by the government as a managing agent of the Government liner, a rice distributing agent of the Food Control Department and the director of the Government Rice Mill (Lee & Chow, 1997).

Conclusion

As the earliest British colonial possession in the Malay Peninsula, Penang became a major destination for Chinese immigrants. The largest dialect group among these immigrants were the Hokkiens from Fujian Province. With their early settlement and entrenchment in the business and trade in the newly established British outpost, the Hokkien emerged as the principal participants in coastal and maritime trade. They were soon able to spin an extensive web of networks to advance maritime trade, business partnerships, inter-marriages, and education which linked Penang tightly with surrounding states as far as the eastern Indian Ocean. An analysis of these four linkages reveals that the web of relations had contributed to the wealth and economic success of Hokkien merchants and configured the contours and patterns of Penang's surroundings as well as those of the littoral states of the eastern Indian Ocean in the 19th century. In essence, it was the Hokkien merchants and their networks who were the driving force in the emergence of Penang as a major trade entrepot in the thriving maritime trade linking Southeast Asia and the larger commercial world of the eastern Indian Ocean and South China Sea. The emergence of Penang as an entrepot added to the examples of earlier entrepots such as Melaka, Hoi An, Manila and Ayutthaya but, in this case, it was the Hokkiens who played a leading role in the process.

This historical perspective contrasts with and contradicts the conventional view that regarded Hokkien merchants and their networks as homogenous, essentialist, and a static structure connecting only to the Chinese maritime world of commerce and migration. A defining understanding of Hokkien merchants and their networks in the context of Southeast Asia, especially Penang, therefore, needs to take into consideration of not only multiplicity, transnationality and flexibility, but also, more importantly, geospatial connectivity. It is only in this way that we can

recognize the fact that the Chinese merchants played nodal and pivotal roles in shaping and expanding local and regional economy and society at large in Southeast Asia as well as Asia.

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Notes

- 1 Che Toah's full name was Lee Toah [李癩]. His vessels were mostly built at Pungah (Phang Nga). He was also involved in revenue farming since 1816.
- 2 Steamer Fitzpatrick sailed to Rangoon three times in a month.
- 3 The partners of Ee Soon & Co. were Khoo Sim Bee, Lee Cheng Keat, and Lim Soo Tean.
- 4 One pikul or picul is equivalent to 60.5 kilograms.
- 5 All the Batak tribes of the north of Sumatra were almost exclusively pepper planters.
- 6 The market price for black pepper in Penang increased from \$4 per pikul in 1844 to \$12 in 1870s. The market price for white pepper in Penang increased from \$7 per pikul to \$24 per pikul in 1870s.
- 7 Rupee was the official currency used in India. The British East India Company introduced it to the Straits Settlements and it was made legal tender in 1837, from which year several efforts were made to circulate and replace the existing Spanish dollar. One Spanish dollar was equal to 2.1085 rupees. By 1867, when the British government took over direct control of the Straits Settlements from the East India Company, rupee ceased to be used. Spanish dollar was widely used in the Straits Settlements, the Malay States and North Borneo and it was only replaced with the British trade dollar in 1895. On the recommendation of a Straits Settlements Currency Committee in 1903, a new silver Straits dollar was issued in coins and notes to become the legal tender of British Malaya until 1939.
- 8 One coyan is equivalent to approximately 1,334.7 kilograms.
- 9 Their origin can be traced from Madurai, Tirunelveli and the Coromandel Coast of Southern India. They settled mostly in western Sri Lanka, especially in the ports of Jaffna, Colombo and Galle from the 16th to mid-17th centuries. The Chetties of Western Sri Lanka converted to various forms of Christianity during the colonial era.