

Original Paper

The Expansion of Penang under the East India Company

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Received: July 21, 2021

Accepted: August 15, 2021

Online Published: September 6, 2021

doi:10.22158/rem.v6n3p31

URL: <http://dx.doi.org/10.22158/rem.v6n3p31>

Abstract

This study highlights that the British had long experiences in the Malay Peninsula before Francis Light's acquisition and development of Penang, due to the central role of Malayan ports such as Kedah, Takuapa, Langkasuka, Terengganu, Palembang, Siak, and Malacca in global trade between China and India. Under the influence of Islam, Malacca (and, to a lesser extent, Kedah) became a Muslim Sultanate and reached its peak in this trading network, which attracted European traders (and subsequent colonialism), initially from Portugal and Spain, and later France, the Netherlands, and Britain. After the East India Company attained hegemony in India, it was strongly placed to extend its power from its presidencies in Calcutta, Bombay, and Madras. The EIC's main focus was Bengal, where the Company founded the Fort William College as its headquarters in Calcutta. As trade with China became more important, the Malay Peninsula commensurately became a more attractive destination for investment due to its closer proximity to the Chinese sea lanes, and closer access to the Indo-Malay hinterlands and their products. In 1784, the EIC sent Kinloch to Aceh but he was unsuccessful in negotiating to establish a factory there. Nevertheless, they succeeded in establishing a foothold in Malaya with Francis Light's embassy to Riau, Kedah, and Penang. Kedah also became prosperous under the Muslim Sultanates. Many Chinese and Indian merchants were settled there, benefitting from the trade in jungle products like camphor, betelnut, bird nests, situated near the Kedah River, was identified as a strategic location. Sultan Muhammad Jiwa Zainal Abidin Muazzam Shah II of Kedah (r. 1710-1778) at that time was facing many internal as well as external conflicts. His son Sultan Abdullah Mukarram Shah (r. 1778-1797) also suffered the same fate. As a result of internal crisis and dynastic intrigues, he agreed to lease Penang to the EIC in exchange for military assistance in 1785. In July 1786, Francis Light sailed from Calcutta and reached Penang in August, and thus Penang became an EIC stronghold.

Keywords

Bengal, British colonialism, British East India Company, Francis Light, Malay Peninsula, Sultan Muhammad Jiwa

1. Introduction

From the Spanish Reconquista of the 15th century the European powers sought to control the Spice Islands and to seize the treasures of the Indies, typified by the accidental arrival of Columbus in the Americas in 1492, and the Portuguese invasion of Malacca in 1511. Malacca and Kedah were prosperous centres for trade in jungle products like camphor, betelnut, swallows' nests, and rattan, which were exported mainly to China and India. When the English arrived on the Malayan scene somewhat later, the Portuguese and Dutch already had a strong presence. In July 1511, de Albuquerque personally led an expedition of 18 ships armed with over a thousand men and reached Malacca. Merchants from Spain also came to Malacca to extend the Mediterranean Crusade against the "Moors". With the gradual eclipse of the Spanish and Portuguese as the preeminent maritime powers, Dutch and English merchants were emboldened to seize increasing domination of the local spice trade over the following centuries, culminating in the Anglo-Dutch Treaty of 1824 by which the British and Dutch essentially accorded themselves Malaya and the Dutch East Indies, respectively. The English presence in Malaya dates from 1591, when James Lancaster, a veteran of England's victory over the Spanish Armada, became the first Englishman to sail the Straits of Malacca, but the main British interest was to be in India. To improve trade in the East, in 1600, Queen Elizabeth I had granted the EIC a Charter to trade in the Indies, based on which the Company obtained a strong foothold in the Indian Subcontinent, with its power centred in the presidencies of Calcutta, Bombay, and Madras. From 1764 onwards when the Company attained imperial power in Bengal, a new wave of British colonialism was launched toward the Malay Peninsula. This was due to its geostrategic importance and closer proximity to China, in addition to its intrinsic value due to improved access to local hinterland resources. When the Company was subsequently dissolved in 1857 and the British Raj assumed direct Crown control in India, the Company centres in Penang and Singapore remained under direct British control, while the Malay States retained semi-autonomy under the auspices of British colonial government and local Residents.

2. The Spice Islands

The South China Sea covers 3.5 million square kilometres, and is 40 per cent larger than the Mediterranean. In the West there is the Straits of Malacca, which is the main route between China and India. Because of its geographical location in the middle of the Indian Ocean in the West and South China Sea in the East, the Malay Peninsula attracted European traders and colonial interests (Note 1). The Indo-Malay Archipelago (including modern Singapore, Malaysia, and Indonesia) in Southeast Asia was always a locus of global sea trade between East and West Asia. This included larger deep

sea-going vessels that traded goods between major ports, and a thriving local trading network via smaller ports and entrepôts spanning modern China, Hong Kong, Taiwan, Cambodia, Laos, Myanmar, Thailand, Vietnam, the Philippines, Brunei, Malaysia, Singapore, and Indonesia. The most significant Malayan ports in this network were Kedah, Takuapa, Langkasuka, Terengganu, Palembang, Siak, and Malacca.

Under the influence of Islam, Malacca became a Muslim Sultanate and reached its peak in this trading network, with attractions including fresh water (for ships to fill their barrels), ample timber, and a variety of spices (Note 2). Beside Malacca, Kedah also became prosperous under the Muslim Sultanates and many Chinese and Indian merchants were settled there (Note 3). Because of trading opportunities, Kedah caught the eye of European explorers. These islands had much historical importance from the early days. The humid climate of the region had had an impact on the attitudes and lifestyles of its peoples. Most of the natives of these islands (predominantly the Malays) lived in villages around the river mouths and they were mostly farmers, hunters, and fishermen (Note 4). There was abundant rain which provided fertile soils to grow crops in lowland areas, while mountainous hinterland jungles provided hardwood, rattan, beeswax, ivory, and minerals like tin and gold. Because of the fertile land and monsoon winds, the small ports in the Malay Peninsula emerged as busy trading ports and popular trade centres. Many traders from India, China, and the Arab world established small settlements (trading colonies) near the ports (Note 5).

The earliest Western record of the Malay Peninsula was that of Marco Polo in 1292; he noted that Samudra Pasai in North-Eastern Sumatra practiced Islam. Archaeological evidence like stone inscriptions show that by the 13th century people in the port cities namely Malacca, Kedah, Perak, Kelantan, and Terengganu had embraced Islam and became Malay Muslims, under Muslim Sultans (which was later to be an important concept in British colonial governance of the region) (Note 6). It was mainly through Arab traders that Islam came to the Malay Peninsula, where they mixed with the local population and inter-married them. Arab trading networks included Sufi missionaries whose spiritual teachings seemed to have influenced the latently Hindu-Buddhist population to lean towards Islam (Note 7). In the villages, Islam provided the concept of equality among all Muslims, and provided a legal system for civil and criminal law, property rights, slavery, inheritance, and commerce. Notably, with the advent of Islam in the Malay Peninsula, Malay women were able to secure property rights and enjoyed much higher status than women in China and India. These laws were outlined by the Quran, and the Malays instituted them as the *Undang Undang Melayu* (Note 8).

Local states were led by Sultans and their courts of nobles, *Orang Besar*. Officials supervised administrative tasks such as the maintenance of law and order, the supervision of the maritime fleet, and the operation of ports and warehouses. Because of the rising power of the Muslim Sultanates, Malacca became a famous port town for intra-Asian Trade where traders felt confident as regards the security and protection of their goods. The merchandised goods included dried fish, gold from Malacca, cloves from Maluku, nutmeg and mace from the Banda Island, porcelain from China, and textiles from

India (particularly Gujarat, the Coromandel Coast, Malabar, and Bengal) (Note 9). Malay traders imported Indian textiles from Malacca, sold them to various parts of the Archipelago, and bartered them for spices, aromatic woods, sea products, and other exotic items highly valued by the Indian, Chinese, and Arab traders. Tome Pires in his *Suma Oriental* (1512-1515) (Note 10) reported that Chinese junks (wooden sailing ships) regularly sailed to Malacca with a special licence from the Viceroy of Kwangtung (a coastal province of South China) despite having to pay exorbitant sums on trade. Sometimes, to evade the tax, many Chinese junk owners used to sail to Malacca or other destinations in the Archipelago without permits, and sold their goods in islands near Canton, leaving the problems of transshipments to the mainland in the hands of professional political intermediaries. Tome Pires also mentioned that a large number of individual Muslim traders from Cairo, Turkey, Aden, Persia, East Africa and Armenia accompanied the Cambay ships on their annual voyage to Malacca. He exclaimed that “this is a place where you find what you want and sometimes more than you are looking for” (Note 11).

Tome Pires discovered that there were 84 languages spoken in Malacca (Note 12). The majority of the people lived in kampongs (villages) under their own local jurisdiction and places of worship. There were four harbourmasters. One was for the Gujarati community. It was said that about a thousand Gujarati merchants travelled each year to Malacca together with between 4,000 and 5,000 sailors. Another harbourmaster represented people from Bago (Myanmar) and Pasai. The third represented people from the island of Southeast Asia i.e. Java, Maluku, Banda, Palembang, Borneo, and Luzon. The fourth harbourmaster was responsible for people from the north-east, namely Ryukyu, Champa, and China. The Gujarati merchants by no means monopolised Muslim trade in Southeast Asia, for there were substantial numbers of other Muslim Indian traders from the Malabar and Coromandel Coast in South India, as well as from Bengal in North-East India who controlled the trade. Nevertheless, they all played significant role in familiarising the island people of Southeast Asia with Islam, its attitudes, values and ways of life. Thus, it could be concluded that in the 16th century, Malacca enjoyed a golden era under the Muslim Sultanates (Note 13). Because of the zenith of the Muslim Sultanates, Malacca was the target of European explorers, initially comprising Iberian Crusaders, and later Anglo-Dutch traders.

3. The Reasons for European Exploration in the East

When Islam (Note 14) spread around the world from the 7th to 15th centuries, “Europe” was defined by being the part of Late Roman Christendom that did not come under the sway of Islam. By 1453 the Turks had seized Constantinople, marking the high tide of Islamic conquests. Subsequently, the Muslims were driven from Spain in the Reconquista, and the Catholic Crusaders like Albuquerque continued their battles in North Africa and then in the Indies. This was contemporaneous with the cultural movement subsequently dubbed the “Renaissance” in Europe, when “individuals showed increasing concerns with worldly life and self-consciously aspired to shape their destinies-attitudes that

are the key to modernity”, as stated by Jacob Burckhardt in his classic study *The Civilization of the Renaissance in Italy* (1860) (Note 15). This movement i.e. from 1350-1600 at first was born in the city states of northern Italy and spread to the rest of Europe; Columbus himself was a Genoese merchant who utilized the crusading zeal of the Catholic Monarchs of Spain to finance his voyage to the Indies in the 1490s. The Renaissance marked the birth of modernity in art, in the idea of individual’s role in history and nature, and in society, politics, war and diplomacy. Because of this new movement, Europeans found new ways of establishing human society. Philosophers, thinkers, artists got excited on the new subjects and new techniques, including in navigation and industrial production, which in the coming centuries gave them material superiority that facilitated many of their colonial conquests (Note 16).

The birth of European colonialism during these years can also be seen as a manifestation of demographic pressures, with lesser European aristocrats (i.e., the equivalent of the *petit bourgeoisie* in feudal societies) sought opportunities for plunder and personal enrichment outside their homelands (Note 17). The materialist view of history posits that population growth was the key factor in many wars, like the Hundred Years War (1337-1453) which had terrible consequences for European society (Note 18). These trends were operating in the background of the overt cultural phenomena by which the crusading states of Spain and Portugal sought to extend their holy war to the Indies, both to Christianize those regions in themselves, and to deprive the Muslim world of the lucrative resources of the local spice trade (Note 19). However, the Roman Catholic paradigm—itself never a homogenous ideological civilization—was shattered by the Protestant Reformation during the 16th century, and England became officially Protestant from the 1520s onwards. Catholic-Protestant warfare ravaged Europe in the subsequent centuries, as nascent nation states used religion to pursue their worldly ends; during this process, Britain and the Netherlands emerged as the pre-eminent Protestant powers, implicitly at odds with Catholic interests in Europe, the Indies, and the Americas.

The Eastern world in the 16th century was known as the “Spice Islands”, with spices being valuable commodities for medicinal as well as gastronomic purposes (Note 20). Spices like cloves, pepper, nutmeg, and mace were often literally worth their weight in gold in European markets, where they traditionally arrived via the Eastern Mediterranean, under the auspices of the Ottomans, mainly undertaken by the Venetians (Note 21). Nutmeg was used as a cure for the Black Death pandemic, and as a treatment for vomiting, diarrhoea, and loss of appetite. Cloves were used for toothache relief and oral health, and pepper was valued for digestive health. Mace is a kind of spice with a delicate flavour used for cooking that was extremely popular in Europe, particularly during the 17th and 18th centuries. It was discovered that after two weeks drying under the sun, mace become light in weight and easily transportable, meaning it had good sales value. Pepper and cloves are also light and easy to transport (Note 22). The Malay Peninsula in Southeast Asia, particularly Malacca, became one of the targets of the European explorers mainly because of the value of spices. Additionally, other luxury goods from India and China like cotton, silk, textiles and porcelain were important side-lines in the spice trade

(Note 23). European merchants generally bought goods with silver bullion. These ideas led to overseas exploration which opened up new frontiers of economic opportunities and colonialism.

4. The Portuguese and Dutch in the Malay Peninsula

In 1498 Vasco Da Gama succeeded in discovering a new sea route to the Indies via the Cape of Good Hope, thereby cutting out the Ottoman middlemen in trade with the East. He rounded the Cape and found his way from Madagascar to Calicut (in South India) with the help of an Arab Muslim pilot named Ahmad ibn Majid (Note 24). Before the Europeans, the Arab merchants were the masters of navigational skills and knowledge of the sea in the region, thus they dominated Indian Ocean deep sea voyages (Note 25). To reach the Spice Islands the Europeans developed their marine power and military discipline, enabling the Portuguese to defeat a combined fleet of Egyptian and Gujarati ships at Diu (an Island in India) in 1509. In July 1511, de Albuquerque personally led an expedition of 18 ships armed with over a thousand men and reached Malacca (Note 26).

During the period of Islamization (15th century) in Southeast Asia, Islam united many rulers of the port towns or the Malay-Indonesian Archipelago, including the Acehnese in Perak, the Bugis from almost all parts of the area, the Minangkabau in Negeri Sembilan, Malacca, Pahang, Terengganu, and the Orang Laut in the coast of Johor. They represented an amalgamation of different ethnic groups from across the Archipelago. All of them accepted the Islamic faith. The European traders intermingled amongst the local population, leaving their cultural imprints on the new Muslim Sultanates. The people of this archipelago communicated with each other via the river system. The local inhabitants thus lived in relative peace and tranquillity at the beginning of the 16th century, with thriving trade and a diverse cultural milieu of Hindu-Buddhist and Islamic influences (Note 27). It was in this situation that in 1511, the Portuguese forcibly proclaimed their triumph by evicting the Muslim traders from Malacca and destroying the great mosque. They built their impressive fort instead, which they aptly named *A Famosa*. The fort had eight foot walls, which made it possible to hold off their enemies (including, implicitly, other Europeans who would clearly be following hard on their heels) (Note 28).

When the Portuguese established their power in Malacca, Johor and Aceh had supported the Malacca Sultanate. To the people of the Peninsula, the Sultan of Johor was the legitimate heir to the lineage of Malacca. After the Portuguese captured Malacca, Raja Ahmed Shah and his father Sultan Mahmud (the Malaccan Sultan) made a hasty retreat to Pahang. Sultan Mahmud was disappointed with his son's ineptitude during the crisis with the Portuguese. Sultan Mahmud Shah then escaped and fled by boat to Kampar (in the west coast of the Malay Peninsula), where he died in 1528. The Portuguese destroyed all the houses of the people of Malacca, which caused Raja Ahmed Shah (successor of Sultan Mahmud Shah) and his people to flee in all directions. No one could remain to oppose the Portuguese whilst Raja Ahmed Shah fled to Muar, then Johor and then Banten (Note 29). In 1526, the Portuguese finally destroyed the palace of the Sultan and established Portuguese power in Malacca. Within a decade, the Portuguese were able to compel the Sultan of Ternate (an island in modern Indonesia) and

many other port towns of Southeast Asia to pay tribute in the form of cloves (Note 30). With the Portuguese domination of Malacca settled, neighbouring Riau and Johor made alliance with the Portuguese and spent the rest of the century on the defensive (Note 31).

Unlike Riau and Johor, Aceh in Sumatra was a powerful Muslim province. Under the leadership of Sultan Alauddin Riayat Shah Ali Kahar (r. 1537-1568) Aceh combined the religious fervour and a formidable military machine to achieve success. Aceh assembled the most modern non-European military force in the area, with Turkish mercenaries providing advanced gunnery skills. The artillery capabilities and uniqueness of Acehnese gave Sultan Alauddin Riayat Shah Ali Kahar an awesome force (Note 32). Acehnese fought the Portuguese for a century, trying to wrest control of the Straits of Malacca and to push them out of the area. Unfortunately, in the end they were defeated by the Portuguese because of the more advanced Portuguese military superiority and the impregnable fortress at Malacca (Note 33). The Bugis and the Malacca Sultans were also against the Portuguese, but the Portuguese marine power, military superiority, and barbaric prowess helped them to advance further. The Portuguese were followed by other European companies that penetrated Malacca for the same purposes. By that time Malacca's sea route was opened to all Europeans (Note 34).

Merchants from Spain also came to Malacca as part of the Iberian Crusade, sent by Philip II (1556-1589), the King of Spain and pre-eminent Catholic monarch of Europe (Note 35). Philip II's most ambitious holy war was the Spanish Armada debacle in 1588, in which the English were saved from Catholic invasion by a combination of botched offensive tactics and inclement weather, but this was just one instance of the greater maritime warfare played out across Europe, the Mediterranean, the Americas, and the Indies. English pirates like Sir Francis Drake harried Spanish vessels carrying bullion to Spain, while Barbary Corsairs continued to be a thorn in the side of Spanish policy in the Mediterranean and North Africa. English and Dutch (i.e., Protestant) pirates preyed on Spanish and Portuguese galleons in the Indies, and Philip II imposed an embargo on the trade in spices from English and Dutch interests, limiting their sale in Antwerp, the main trading port of the Holy Roman Empire. With the Spanish and Portuguese dominance at sea undermined by the early 17th century, the Dutch and English merchants felt emboldened to seize the Indies spice trade in an Anglo-Dutch (Protestant) cartel (Note 36).

By 1595 Dutch trading syndicates from their small republic had become the masters of regular voyages to the East. They were more adventurous and ambitious, introducing new forms of debt and credit systems that supported a huge increase in trade. In 1598, they established a factory at Banten in the Sunda Straits in West Java. In 1600 English merchants obtained a Charter from Elizabeth I to trade in the East Indies, thereby incorporating the East India Company (EIC) (Note 37). In 1601, Dutch ships defeated the Portuguese ships in the Battle of Banten (Note 38). In 1602 the Dutch East India Company established a charter with the East known as the Vereenigde Oostindische Compagnie (VOC), which dominated the trade of the Indo-Malay Archipelago for the next 300 years. In 1606, the Dutch Admiral Cornelius Matelief de Jonge (1569-1632) secured a significant victory over the Portuguese fleet

in the Straits of Malacca. Finally, in 1641, the Dutch and their local allies assaulted and wrested Malacca from the Portuguese and finally dislodged the Portuguese flag from the Formosa. The bitter history of barbaric Portuguese treatment of the Muslims and eastern cultures in general was highly instrumental in the Dutch being initially viewed as liberators among many local communities. Immediately after the defeat of the Portuguese, the Dutch and the English occupied all the Portuguese positions (Note 39).

5. Early British Voyages in the Malay Peninsula

In 1591, James Lancaster, a veteran of England's victory over the Spanish Armada became the first Englishman to sail the Straits of Malacca. Like other Europeans, he also came as a trader due to the lure of spices (Note 40). James Lancaster sought refuge in the quiet waters of the Straits of Malacca. He saw nearby Penang Island, where he took rest. Many of his emaciated crews felt hopeless, and were unable to pilot their vessels. Good air, fresh water, food (oysters) and courtesy from local fishermen helped the survivors regain their strength, thus James Lancaster felt strong to make raids on the Portuguese. His small, depleted fleet attacked four Portuguese vessels in the Straits of Malacca, seizing a valuable cargo of pepper. They then turned back for the long journey home, meeting a Portuguese vessel at Goa which was attacked and seized, with its crew being abandoned on a nearby shore. James Lancaster then set his face towards home but met with a terrible storm in which he lost two of his ships, including his own ship (*The Edword Bonaventure*), but he managed to escape from the disaster. Although James Lancaster's first expedition was faced with some kind of a disaster yet he survived and managed to reach home safely (Note 41).

Lancaster undertook a repeat voyage under the auspices of the EIC in February 1601, with Levant Company vessels (i.e. the *Red Dragon*, *Hector*, *Susan* and *Ascension*), bound for the East (Note 42). In June 1602, he reached the island of Penang, both as a Company Director and a Commander of the first Company fleet who later crossed the Indian Ocean and arrived at Aceh, in North-Western Sumatra (Note 43). Sultan Alauddin Riayat Shah Sayyid al-Mukammal (r. 1589-1605) of Aceh was a powerful and wise man who encouraged trade and invited foreign merchants to trade there. James Lancaster had with him a form signed by Queen Elizabeth I for trading purposes. On the basis of the documents Sultan Alauddin Riayat Shah Sayyid al-Mukammal and James Lancaster agreed to a relationship of amity and trade. In the beginning, English intentions and expectations were totally different (and more limited) than those of the Dutch and the Portuguese. They wanted to trade with the East particularly for pepper, and were required to bring it back to London, as expeditiously and as economically as possible (Note 44).

From Aceh, sufficient stocks of Sumatran pepper were found to fill the *Ascension*, which set off back to London—eventually arriving in June 1603 with a great fortune. The *Susan* was able to find peppers at Priaman (a coastal city in the Malay Archipelago), and it turned and headed home, arriving in London shortly after the *Ascension*. The *Hector* and the *Red Dragon* continued the expedition deeper

into South and Southeast Asia. They headed for the main port on Java's western flank, Banten. They then traded at Surat for Indian calicos (a kind of Indian cotton), spices, and peppers. In 1617, the Company made a factory in Banten where James Lancaster left a few English men to support future expeditions. This started the building of the first EIC factory in the Indo-Malay Archipelago at Banten (Java) (Note 45).

James Lancaster thus paved the way for the Company to its success of the spice trade in the English markets. Although the EIC was successful in its initial trade with the Spice Islands, it had to face serious competition with the VOC. Fights erupted in 1623, ending with the gruesome torture and murder of a few Englishmen of the EIC in Amboinya Island in Maluka (modern Indonesia) by the psychotic Dutch Commander Coen (Note 46). This rapacious Dutch trading practices forced the British to withdraw from the Island and marked an era of Dutch dominance (Note 47). From this period onwards, the EIC did not get involved much with the Dutch, and concentrated mainly on its own business, particularly its factory in Banten. The EIC's main concern was to increase its lucrative domination of Bengal, which was facilitated by intermittent Anglo-French warfare in Europe as well as in India itself. From almost two centuries after the Amboinya Massacre, the EIC's focus was in India, which it came to dominate absolutely by the late 18th century.

6. The Rise and Growth of the British East India Company

Like all of the European companies, the British EIC mainly aimed to trade with the "Indies", including India and China as well as the lands between, but India was its main source of revenue due to its egregious capture of state machinery there (Note 48). Its initial foothold in the Subcontinent was established by William Hawkins, whose ships docked in Surat in 1608 and asked the Mughal Emperor Jahangir (r. 1605-27) to grant him trading concessions at Surat. Finally, in 1615, Sir Thomas Roe arrived with some official embassies (on behalf of James I, 1566-1626), who had an audience with the Mughal Emperor Jahangir (r. 1605-27) to seek a trade agreement. The Emperor allowed the EIC to establish trading posts in Surat, Ahmadabad, Cambay and Goa (Note 49). By taking advantage of the permission granted by the Mughal Emperor, the EIC also made many trading ports in the coastal areas of India namely Musalipattanam (British's first factory, 1611), Surat (1615), Ahmedabad and Agra (1633), Hariharpur in Bengal (1633), Madras (1639), Chinsura (1653), Casimbazar, Baranagore, Patna, Balasore, Negapatam (1659), Cochin (1663) and Bombay (1668). Besides these trading posts, the EIC divided the Indian regions into the three presidencies of Madras (Chennai), Bombay (Mumbai), and Bengal (Kolkata).

The EIC obtained many advantages in Bengal and thus the EIC focused on maximum exploitation there. In the beginning, the English appeared to the Mughal nobles in Bengal as traders, and the Mughal rulers did not know of their imperial strategy. The EIC's contract and conversations of their strategy with the Mughal rulers were indirect. Local people were only alerted to the aggressive designs of the EIC after they had consolidated a formidable power base in Bengal. At first the EIC built

many factories in Bengal but later they bought over three villages namely Kolikata, Govindopur, and Sutanuty, from Azim us-Shan (a Mughal noble) in 1698, founding thereby the nucleus of Calcutta. They built Fort William in 1700 to safeguard the city (Note 50). The EIC extorted *Dastak* status from the Mughal imperial government, whereby Company ships had extraordinary privileges, including immunity from stops and searchers, and exemption from all duties; they only paid a nominal annual tribute of Rs 3,000, in exchange for which they were accorded such privileges by Farrukhsiyar (r. 1713-1719), in a *farman* (decree) of 1717. The principal articles of trade of the Company in Bengal during this period were silk, cotton, saltpetre and sugar (Note 51). Each presidency functioned by autonomously, but was answerable to the Court of Directors in London (Note 52). Because of the privileges enjoyed by the EIC, it grew aggressively, which caused animosity and a number of resistance movements and conflicts against them, among locals and jealous European rivals. The most important battles won by the EIC were Plassey (1757) and Buxar (1764), led by Robert Clive. This was the foundation of the conquest of Bengal by the EIC (Note 53).

Contemporaneous developments in the Indo-Malay Peninsula were relatively limited for the British prior to the conquest of Bengal. As mentioned previously, in 1617, the EIC built its first factory in Banten (Java, presently in Indonesia) in the Malay Archipelago and soon after the Amboina Massacre (1623) the EIC did not move further. After this event, the resolution of trade relations eventually moved from the dangerous position. As a result there were wars between England and the Dutch Republic to take control over the seas and its trade routes (Note 54). In 1682, the Dutch again forced the English out of Banten. In the face of this threat the EIC realised the importance of the pepper trade and saw the vast and uncontested forest of Sumatra as a source (Note 55). As a result, in 1685, the EIC established a factory at Bencoolen (West Sumatra) and built a Fort known as Fort York. Later in 1714 it was rebuilt into a stronger Fort and renamed it as Fort Marlborough to protect the factory. This was the first Company's Presidency in the Indo-Malay Archipelago, at a time when British interest was more associated with Java than with the Malay Peninsula. During this period, EIC trade in the local region was a profitable but fairly limited concern, dwarfed by the stupendous success of the Company's interests in Bengal (Note 56).

The conquest of Bengal was a turning point for the EIC, and the ease with which they had absorbed the entire revenue of one of the richest realms in the world made them anxious to repeat this feat with China. Opium exports from India to China were a highly lucrative intra-Asian trading activity undertaken by the Company, and one of the initial rationales for establishing colonies in the Malay Peninsula (in what later became the Straits Settlements) was to grow opium there and ship it to China more cheaply. It was also strategically important to bolster the British presence in the Archipelago, to provide naval bases and harbours for the increasingly important British fleet, which defended EIC trade from European rivals, particularly the French. The Malay Peninsula was a perfect midpoint to control the sea lanes between China and India, particularly Malacca and (later) Singapore. Thus, to safeguard its maritime conquered land in Bengal and to progress over the eastern seas, the EIC wanted to expand

its control over the Malay Peninsula. In 1784, the EIC sent Kinloch to Aceh but he was unsuccessful in negotiating to establish a factory there. Around this time Francis Light travelled through Southeast Asia for the same purposes (Note 57). Skilfully, the EIC got opportunities from Francis Light's negotiations with the Sultan of Kedah for this purpose.

Sultan Muhammad Jiwa Zainal Abidin Muazzam Shah II of Kedah (r. 1710-1778) at that time was facing many internal and external conflicts (Note 58). His son Sultan Abdullah Mukarram Shah (r. 1778-1797) also suffered the same fate. As a result of internal crisis and dynastic intrigues, he agreed to lease Penang to the EIC in exchange for military assistance in 1785 (Note 59). In August 1785, Sultan Abdullah Mukarram Shah wrote to the Governor General in Bengal seeking to lease Penang to the Company in return for the naval and military assistance. In addition, he wanted British to protect and support him against the enemies, and in return he would offer them a trading base and trading concessions. In his letter he wrote "if any enemy comes to attack us by land and we require assistance from the honourable Company will supply at our expense" (Note 60).

Because of his pressure Captain Francis Light went to Calcutta for the above purpose with the Sultan's letter (Note 61). In July 1786, Francis Light sailed from Bengal and reached Penang in August. Francis Light inaugurated Pulau Pinang on 11th August 1786 and renamed it Prince of Wales Island and established the new settlement of Georgetown in honour of George III (r. 1760-1820) (Note 62). To attract settlers and traders, Francis Light allowed immigrants to claim whatever land they could clear, and threw the port open to ships of all nations, free of duties. These advantages (free trade, cheap land, and a strategic location relative to sea lanes, protected by the EIC) quickly attracted an exodus of multi-ethnic immigrants including Malays, Sumatrans, Indians, Arabs, and Chinese. From this time onwards Penang developed as a British port town and in 1805 it got the EIC's fourth Presidency status, which led the foundation of establishing British hegemony in Malay Peninsula.

7. Conclusion

The EIC established three presidencies in India, namely Bombay, Madras, and Bengal, but Bengal was its main concern for strategic reasons, and the ease with which they assumed direct control of that realm. The conquest of Bengal was a remarkable historical aberration, whereby dominion over one of the richest regions in the world was accrued by a motley crew of itinerant traders, forming the nucleus of the unprecedented commercial empire of the EIC, who subjugated the whole of the Indian Subcontinent to their will. Subsequently, Southeast Asia was an attractive launchpad to extent their reach to China, entailing the formation of the Straits Settlements and major naval bases in Penang and Singapore.

It can be noted that James Lancaster played the most significant formative contribution in establishing this dominion in driving the Portuguese out from the Straits of Malacca. Ironically, on the way back to Britain, he met a devastating natural disaster but he could hardly survive. In his second voyage to the Southeast Asia, he also contributed significantly. The establishment of the British

Presidency at Georgetown (Penang) was solidified at the hands of Francis Light, who played a key role in negotiation between Sultan of Kedah and the EIC based in Calcutta, the headquarters of the Bengal Presidency. Francis Light seized the full opportunity in helping the Sultan militarily in exchange of Penang as a lease. This move eventually proved to be a catalyst in making Penang the EIC's fourth Presidency, laying the foundation of establishing British hegemony in Malay Peninsula.

The Malay Peninsula had a number of distinctive advantages, and it was regarded as the bridge between the East and the West. It was inherently rich in many lucrative products, including cloves, nutmeg, pepper and other spices, as well as lumber. The resources of the Indo-Malay Archipelago made it an obvious target for unscrupulous foreign imperialists, and intra-European warfare was at least as significant in shaping the destiny of the region as local acts of resistance. By the early 19th century the crusading powers' efforts were a distant memory, and the two traditionally Protestant powers of Britain and the Netherlands dominated the region, cementing their mutually lucrative cartel with the Anglo-Dutch Treat of 1824, which basically created modern Malaya (including Malaysia and Singapore etc.) as a British domain, and modern Indonesia as a Dutch concern, which settled the colonial scene—notwithstanding localized and sporadic resistance—until the Second World War.

Notes

Note 1. John N Miksic & Geok Yian Goh, *Ancient Southeast Asia*. (London: Routledge World Archaeology, 2017), 1; 51; Andrew Barber, *Penang under the East India Company 1786-1858*, (Kuala Lumpur: AB&A, 2009), 17.

Note 2. Ibid., 61.

Note 3. Andrew Barber, 43, 136; John N Miksic & Geok Yian Goh, 210.

Note 4. Jim Baker, *Crossroads A Popular History of Malaysia Singapore*. (Singapore: Times Books International, 1999), 15-22.

Note 5. The famous interregional ports for trade in Southeast Asia were Aceh, Malacca, Jambi, Banten, Makassar, Ambon, Brunei, Semarang and Palembang. See Nordin Hussin, *Trade and Society in the Straits of Melaka: Dutch Melaka and English Penang 1780-1830* (Singapore: Nuss Press, 2009), 1-3; Anthony Webster, 'The Development of British Commercial and Political Networks in the Straits Settlements 1800 to 1868. The Rise of a Colonial and Regional Economic identity?', *Modern Asian Studies* (Volume, 45. Issue 04/ July 2011, pp. 899-929).

Note 6. Few examples of the Sultanates are Kedah (1136-present), Malacca Sultanate (1276) Kelantan Sultanate (1411-present), Johor Sultanate (1528-Present), Pahang Sultanate (1470-present), and Riau-Linga Sultanate (1824-1911). See, Barbara Watson Andaya, *A History of Malaysia*, (Palgrave, 2017), 57.

Note 7. Arshad Islam 'The Spread of Islam in India and Southeast Asia' (Department of History and Civilization, IIUM, 2017); Abhijit Dutt, *Muslim Society in Transition: Titu Meer's Revolt (1831)*(Minerva: Calcutta, 1986), 2.

Note 8. Thomas Raffles, 'On the Malay Nations with Translation of its Maritime Institutions'. *Asiatic Research, Calcutta*, (1818, vol, 12, Chapter II, pp.102-159); Jim Baker, 20; O.W. Wolters, *The Fall of Srivijaya in Malay History* (Cornwell University Press, 1970), 108.

Note 9. Philip Lowson, *The East India Company: A History* (London: Longman, 1993), 61.

Note 10. Tome Tires was a Portuguese apothecary who gathered information on Malacca immediately after the Portuguese conquest of Malacca.

Note 11. K.N. Chaudhuri, *Trade and Civilisation In The Indian Ocean*. (Cambridge: Cambridge University Press, 1985), 110-112; Barbara Watson Andaya, 47-58.

Note 12. Ibid.

Note 13. Ibid., Nordin Hussin, 137; C. M. Turnbull, *A Short History of Malaysia, Singapore and Brunei*, (Singapore: Graham Brash Singapore, 1981), 30.

Note 14. The Islamic civilization developed from the inception of human knowledge given by almighty God. Many Muslim intellectuals developed and enriched knowledge which forms the basis of human civilization. Their creativity encompasses not only way of life but also showed in all the fields of education (i.e. science, mathematics, astronomy, physics, chemistry, medicine, Islamic learning, theology, literature, history, geography art and architecture). See, Aniba Israt Ara & Arshad Islam, *Chinggis Khan and His Conquest of Khorasan: Causes and consequences* (Lap Lambert Academic Publishing, 2013), 61.

Note 15. Marvin Perry, Myrna Chase, James R. Jacob & Theodore H. Von, *Western Civilization: Ideas, Politics and, Society* (New York: Houghton Mifflin Company, 2007), 289.

Note 16. Ibid., 300-334; C.H.C. Blount ed, *An Outline History of the World* (Oxford: Oxford University Press, 2001), 47.

Note 17. Jim Baker, 53

Note 18. Marvin Perry, Myrna Chase, James R. Jacob & Theodore H. Von, 270-274; Philip Lawson, 30.

Note 19. Christian Knights (Soldiers of the Christ) pushed back the Muslims on the Iberian Peninsula and drove them from Mediterranean Islands. Ibid.; Jim Baker, 54.

Note 20. Arshad Islam, 'Arab Navigation in the Indian Ocean before European Dominance in South and Southeast Asia: A Historical Study,' *Journal of the Pakistan Historical Society*, (2010, vol. Iviii, No.2, pp.7-23).

Note 21. *Five Letters From a free Merchant in Bengal to Warren Hastings, Esq. Governor General of the Honourable East India Company's Settlement in Asia. (1783)*, 60, 99; Marvin Perry, Myrna Chase, James R. Jacob & Theodore H. Von, 394.

Note 22. Ibid., 103; Andrew Barber, 17-18 ; Nordin Hussin, 12-13; Philip Lawson, 15, 25.

Note 23. Marvin Perry, Myrna Chase, James R. Jacob & Theodore H. Von, 300-334; C.H.C. Blount ed, 47; Ramkrishna Mukherjee, *The Rise and Fall of the East India Company: A Sociological Appraisal*, (New York and London: Monthly Review Press, 1974), 54-55; Philip Lawson, 4.

Note 24. Andrew Barber, 19; Muhammad Muhar Ali, *History of the Muslims in Bengal, vol-I*. (Department of Culture and Publications: Imam Muhammad Ibn Sa'ud Islamic University, 1985), 350.

Note 25. Arshad Islam, 'Arab Navigation in the Indian Ocean before European Dominance in South and Southeast Asia: A Historical Study,' *Journal of the Pakistan Historical Society*, (2010, vol. Iviii, No.2, pp.7-23).

Note 26. C. M. Turnbull, *A Short History of Malaysia, Singapore and Brunei*, 38; Thomas H Reid, *The Malay Peninsula* (London: T. Fisher Unwin 1913), 21; Barbara Watson Andaya, 62; Jeremiah W. Jenks, 'English Colonial Fiscal System in the Far East' (Publication of the American Economic association 3rd Series, Vol-I, No. 3. pp. 263-303, 1900, Stable URL: <http://www.JSTOR.Org/stable/2485798>).

Note 27. Thomas Raffles, 'On the Malay Nations with Translation of its Maritime Institutions'. *Asiatic Research, Calcutta*, (1818, vol. 12, pp. 102-159).

Note 28. John N. Micsic & Geok Yian Goh, 535-540; Nordin Hussin, 138; Jim Baker, 57.

Note 29. Thomas Raffles, 'On the Malay Nations with Translation of its Maritime Institutions'. *Asiatic Research, Calcutta*, (1818, vol. 12, Chapter II, pp. 102-159).

Note 30. Barbara Watson Andaya, 63.

Note 31. Riau, at the southern end of the Straits of Melaka, became an important port-town in the middle of the seventeenth century, serving as an important centre of trade in the Straits. Traders from China, Indian and various places of the Archipelago came to Riau. See, Jim Baker, 77; Nordin Hussin, 8.

Note 32. Barbara Watson Andaya, 66; Nordin Hussin, 8.

Note 33. Ibid., 68-70.

Note 34. Joginder Singh Jessy, *History of South-East Asia (1824-1965)*, (PD: Penerbitan Darulaman, 1985), 19.

Note 35. Andrew Barber, 23; Joginder Singh Jessy, 33; Philip Lawson, 7.

Note 36. *Five Letters From a free Merchant in Bengal to Warren Hastings, Esq. Governor General of the Honourable East India Company's Settlement in Asia. (1783)*, 74-75; Andrew Barber, 23; Joginder Singh Jessy, 33

Note 37. Syed Muzaffaruddin Nadvi, 'An Impartial Study of Nawab Siraj-Ud-Dawla', *the proceedings of the Pakistan Historical conference* (third session, Held in Dacca, (1953), 193-201); Philip Lawson, 20-28; Ramkrishna Mukherjee, 65-66.

Note 38. *Five Letters From a free Merchant in Bengal to Warren Hastings, Esq. Governor General of the Honourable East India Company's Settlement in Asia. (1783)*, 61; John N. Micsic & Geok Yian Goh, 548; Andrew Barber, 19; Jim Baker, 60-61; Joginder Singh Jessy, 73.

Note 39. Andrew Barber, 24-26; *Five Letters From a free Merchant in Bengal to Warren Hastings, Esq. Governor General of the Honourable East India Company's Settlement in Asia. (1783)*, 69; L. A. Mills, *British Malaya, 1824-67* (Singapore: Malayan Branch of Royal Asiatic Society, 2003), 16.

Note 40. Andrew Barber, 24-26; Philip Lawson, 14; Thomas H Reid, *The Malay Peninsula* (London: T FISHER UNWIN, 1913), 22; Ramkrishna Mukherjee, 64.

Note 41. Ibid., 23-24; Thomas H Reid, 22-23.

Note 42. John Keay. *The Honorable Company: A History of the English East India Company*. (Harper Collins Publishers, 1993), 126.

Note 43. Islam reached in Aceh in the 13th century (1250) and from that time Muslim Sultans were powerful and wealthy. Under Sultan Iskandar Muda (1607-1636), Aceh became a centre of Islamic Hub. The direct outcome of James Lancaster's adventure in the Eastern water (Penang) made him the East India Company's attraction. See, Thomas H Reid, 23.

Note 44. Andrew Barber, 26-27.

Note 45. Ibid., Philip Lawson, 46

Note 46. In 1623, this event was known as the Amboinya Massacre. See, L. A. Mills, 18; Percival Spear (ed.), *The Oxford History of India*, 4th edition, (London: Oxford University Press, 1981), 65; Joginder Singh Jessy, 37;

Note 47. Andrew Barber, 26-27; Ramkrishna Mukherjee, 106; Dianne Lewis 'British Trade to southeast Asia in the Seventeenth and Eighteenth centuries' *New Zealand Journal of Asian studies* (II, June 2009, 49-59).

Note 48. Dutch (1602), Danish (1616), Portuguese (1628), French ((1664), and Swedish (1731) East India Companies were founded for trading purposes. See, Om Prakash, *The New Cambridge History of India European Commercial Enterprise in Pre-Colonial India*. (Cambridge: Cambridge University Press, 1998), 76-80; Philip Lawson, 17.

Note 49. Om Prakash, 76; Ramkrishna Mukherjee, 95; *Early History of The Company's Settlement in Bengal*, clxxiii.

Note 50. Philip Lawson, 48.

Note 51. *Five Letters From a free Merchant in Bengal to Warren Hastings, Esq. Governor General of the Honourable East India Company's Settlement in Asia. (1783)*, 16; Ramkrishna Mukherjee, 27.

Note 52. Om Prakash, 108.

Note 53. Om Prakash, 132-134; Abdul Majed Khan, *The Transition in Bengal 1756-1775: A Study of Saiyid Muhammad Reja Khan* (Cambridge: Cambridge University Press, 1969), 2-3.

Note 54. The First Anglo Dutch War (1652-1654), the Second Anglo Dutch War (1665-1667), the Third Anglo Dutch war (1672-1674) and the Fourth Anglo Dutch War (1780-1784) erupted for naval power among the British and Dutch. In the Fourth Anglo Dutch War, the British became the most powerful maritime force in the world. See, <https://www.britannica.com/event/Anglo-Dutch-Wars>

Note 55. The 17th century was known as the era of the spice trade. Due to the largest profit of the spices both the Dutch and English made many factories in Southeast Asia and India. Those factories were used where stocks of the desired commodities were collected for conveyance to Europe by the annual fleets. See, H. Morse Stephens, 'The Administrative History of the British Dependencies in the Further East', *The American Historical Review*, 246-272.

Note 56. Andrew Barber, 28-29; Lady Sophia Raffles, *Memoir*, 301; H. Morse Stephens, 'The Administrative History of the British Dependencies in the Further East', *The American Historical Review*, 246-272; Om Prakash, 36, 108.

Note 57. L. A. Mills, 24.

Note 58. Sultan Muhammad Jiwa was succeeded by Sultan Abdullah Makram Shah (r. 1778-1797), who was the Sultan of Kedah for twenty years. He wrote a letter to the Governor General in India to lease Penang to the Company in return for navel, military and financial assistance (against Siam), *Ibid.*, 47-54.

Note 59. In 1785, Francis Light visited Calcutta with that letter and explained Light's view and the requirements of the EIC. The first Lieutenant Governor of Penang was Francis Light 1786-1794, then Menigton 1794-1796, Mac Donald 1796-1800 and Sir George Leith 1800-1803. See, Sir George Leith, *A Short Account of the Settlement, Produce and Commerce of Prince of Wales Island* (New York: Cornell University Library, 1804), 2-8; Andrew Barber, 53.

Note 60. *Ibid.*, D. K. Bassett, Anglo-Malay Relations, 1786-1795, *JMBRAS*, (December, 1965, Vol. 38, No. 2 (208) pp. 183-212).

Note 61. When Francis Light came from Bengal to Penang in 1786, Lord Cornwallis became the new Governor General in Bengal. See, A. Francis Steuart, *The Founder of Penang and Adelaide: A Short Sketch of the Lives of Francis and William Light* (London: Marson & Company Limited, 1901), 9.

Note 62. *Ibid.*, 5.