CHAPTER TWENTY-FIVE

THE ROLE OF THE CHINESE IN SOUTHEAST ASIA

The emigrating portions of the Chinese people come from a relatively minute area in the provinces of Kuangtung and Fukien, but wherever they go ... their adaptation is so quick and so perfect, their industry and their economy so in excess of those of the natives of these lands, their solidarity and their power of mutual cohesion so phenomenal, that it is necessary for the security of the remainder of the human race that “the Chinese must go!”

Rev. Arthur Smith (1894)¹

About an “Identity” of Chinese Migrants

Smith’s exclamation reverberates in the many present discussions about the identities of foreigners in most Western countries. And remind us of old-fashioned discourses about racism and nationalism, although they are now often clothed in highly abstract and rather meaningless words, not even concepts. To reflect on something like “the identity of the Southeast Asian Chinese” must lead to questions of who defined “The Southeast Asian Chinese” and under which circumstances? Almost certainly, we would arrive at British or French colonial sources of around 1850 qualified by a large degree of ignorance, prejudice and fear of “the other” of the “white” settlers, missionaries, administrators and military. It is not surprising that recently it was still argued ‘that the Chinese nationalist movements in colonial Malaya’, including those in which prominent Straits Chinese figures participated, were China-oriented and uninterested in developing ‘a separate overseas Chinese identity’ or in getting involved in local ‘indigenous nationalism’.²

¹ A. Smith (1894), p. 146, 147. See also A. Smith (1907) chapter two for many details on ‘A Great Race’ and about the opium question p. 73-80.
² D. Goh, p. 484. Important is the article of Wang Gungwu about the overseas Chinese (huaqiao) in D. Leese (ed.), p. 123-128.
Of course, Chinese have migrated away from China for centuries, originally did not belong to the indigenous population, and had no other alternative than to do what the American Reverend Smith demonstrates: therefore, they were attractive for the other “white” foreigners; sometimes also for the indigenous population, in which case they were promoted to *peranakans*. These are locally born “indigenous foreigners”, who could marry the indigenous daughters. In contrast to the *peranakans*, the Westerners were brutal and war-like from the very beginning, always focused on finding enemies.

At the start of the confrontations between the British and the Chinese, the former had difficulties with xenophobic opinions, which were not yet accompanied by racism and aggressiveness à la Reverend Smith. One of the few available examples of this early perception comes from Newbold, who wrote his extensive books in the time the British opium smuggling was about three decades old and already highly profitable.

The Englishman Thomas Newbold (1806-1850; soldier, administrator, traveler, writer) reproduced the classical English-colonial way of reasoning in his *British Settlements* (1839). Immigrant Chinese from Canton, Fukien or Macao had the following characteristics:

They are active, industrious, persevering, intelligent, educated sufficiently to read, write, and to use the swampan or reckoning board. They are entirely free from prejudices of caste and superstition, which are grand stumbling blocks to the natives of India. On the other hand, they are selfish, sensual, ardent lovers of money, though not misers; inveterate gamblers, and often addicted to smoking opium. The Chinese will expose himself to all dangers for the sake of gain, though he would not stir a finger to save a drowning comrade. They make bad soldiers, it is said; but the experiment has not ... been yet properly tried under British authority. They are capable of any crime, provided they run no direct personal risk ... ruled by the strong hand of power, they form an excellent class of subjects; but where the reins of government are slack, they are apt to turn refractory and rebellious.3

Newbold also created the highly dangerous fear of the ‘secret fraternities’ with which the Dutch in Java had such a ‘bad experiences’ and which in China ‘are deemed so dangerous to the government, as to be interdicted under penalty of death’. Chinese perjury, bribery and sometimes open violence was also well known in Singapore, according to him.4 (He could

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3 Th. Newbold, vol. 1, p. 13. He gathered the information for his 1000-page book in the years preceding 1835.

4 Newbold later contributed to the anti-Chinese sentiments. C. Trocki (1990), p. 20.
demonstrate how the giving of bribes was criminal, and not demanding or receiving them).

Remarkably enough, the British Singaporeans reacted to this and other remarks about Chinese immigrants by not selling Newbold’s book. They objected strongly and publicly in newspapers against the denunciation of the ‘greedy Chinese’ since ‘they regarded the pursuit of material gain as one of the main virtues of Chinese settlers’. The book was, furthermore, discredited because of other ‘unfashionable opinions’ (his proposal to tax the remittances exported by the Chinese settlers or to abolish a part of the British bureaucracy in Singapore). Turnbull does not mention Newbold’s anti-opium stand in the spirit of Raffles, which must have been the main source of criticism: half of the Malaysian and Singaporean budgets came from opium; the turnover of the annual trade was already at that time a million Sp. dollar.

In present Europe and the USA, migrants are feared by the settled, while there are many reasons for the migrants to fear the settled: the former may work for a trifle, and then be forced to return to where they came from. How one defines an identity is never discovered in these migrants, because only their labor is interesting, not their minds. Some very basic facts are forgotten.

The largest minority, if not a substantial majority, of all people in the world leave their birthplace sooner or later for many other environments; they undoubtedly develop several kinds of quite different allegiances with other men and women than their family; most of them use or have to learn more than one language or dialect. Many kinds of other mobilities are familiar as well.

Once turned around, the problem looks different: the political and religious choices are basically intolerant, they destroy “identities” more than they create them; patriots, seen as identity-supporting, are without doubt waning in increasingly larger political constellations. Small pockets of them radicalize quickly; and so on and so forth.

The influential Reverend Arthur Smith demonstrates aberrations of the identity discourse perfectly, concerning “Chinese who left their birthplace to find a future outside China”. Later, the reverend was thankful that the present Chinese did not migrate wholesale, like their ancestors at the time of Djenghis Khan: ‘it is hard to see what would become either of us, or of our doctrine that only the fittest survive’!

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5 Idem, vol. 1, p. ix in C. Turnbull’s introduction.
Map 15. British Trade routes in the 19th-century and important areas of Chinese Settlements in the Malay world.

Source: C. Trocki (2004).
It is remarkable that in his social-Darwinist perspective, he forgot the already invented tradition of “Chinese isolation” and the “Chinese aversion against an Open Door”. Apparently, the newer racist discourse has replaced it and now supports notions like: Chinese do not want contact with us, hate us, do not acknowledge the benefits of a Western civilization; they, therefore, are primitive and will be strangers whom you must fear and attack if possible. The other side of the old coin?

It should be investigated further whether the extended colonial practices of the West have proven a fundamental and basic inability of the Western elite to communicate with the outer world in other than a war-like manner. This was apparently the case when they felt guilty about their own opium production and distribution in these Asian countries. It seems as if the highly mobile life inside and outside of the many Chinese regions (border or coastal) or ethnic groups was never acknowledged, nor were the often dramatic fate and extreme poverty of Chinese in Western countries working in mines, plantations, on railways and so on.

It is disappointing that, even today, most acclaimed studies place the problem with this Chinese emigration in an ambiguous context. Take Philip Kuhn’s recent study with its substantial merits.\(^6\) To explain the background of the Chinese emigrations in the past, he starts to look into China’s internal agricultural situation and problems like land shortage. That is not unimportant, although one has to make a more complicated “push” story, considering that land shortage can be solved inside the enormous Chinese territory rather than by migrating overseas.

There are, furthermore, very different regions and circumstances leading to emigrations: natural disasters like floods or famines in China, bloody revolts or the collapse of local industry by cheap foreign imports and extreme exploitation. Why peasants migrate from the interior and why fishermen, traders or sailors along the coasts migrate are different stories. It seems reasonable to expect that people acquainted with the seas will and can migrate sooner to foreign countries (the straight distance between Canton and Batavia was 3,000 km and along the coasts about 4,000 km; a trip of one or two years!).

Still, the reasons given apparently do not cover the most relevant issues. Differences between permanent and temporary leaves should be considered as well. For instance, homesickness was very widespread under the coolies and Chinese literati alike. The return movements are considerable, which result in something other than “overseas Chinese”.

\(^6\) Ph. Kuhn.
No, the real problem with these emigrations is situated in the “host” countries. There is a considerable “pull” movement, trade in Chinese labor for Western colonial enterprises (see ch. 17 about the tin mines). A part of this coolie force remains in the foreign country. Chinese migrants are flexible and rather romantic people; they are prepared to give their labor for low wages, but mainly because they expect to get some “Golden Future” in return. In particular, later emigrations and the reuniting with already “arrived” family. This perspective will not only lead to quite different investigations, but also to other proposals for eventual solutions. The approaches are as varied as “blaming the Chinese” versus “blaming the Western assault on China”.

More to the point is, therefore, Daniel Goh’s study of the so-called Straits Chinese. The richer strata among them repeatedly show a conservative loyalty to the British Empire, which secured their safety only as long as the British patience lasted, their labor remained cheap, and some Chinese purses were so abundantly filled that the British always could “borrow” them. In a more extreme way this kind of loyalty is shown, for instance, by the Parsis and Jews of Bombay.

It concerns the producers of the opium, the product with which the largest and most long-lasting profits could be gained. For the Opium Problem, it seems inappropriate to study the migrations; only the context in which the “Chinese overseas” had to operate until the 1950s is relevant.

The Chinese Settle(ment) Strategy

The first features Western observers associated with this subject are “secret societies”, triads or kongsis, which were well-known after the 1860s. It became a hype comparable to what we have to swallow every day about a nearly mythical al-Qaeda. After the British stopped their Opium Wars, the European creators of the Opium Problem simply disap-

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7 D. Goh mentions relevant examples of this from a British Governor, Swettenham (1901), who knew perfectly well about the real relationship between the British Empire and “their” Chinese (p. 497 ff.) compared to Lim Boon Keng’s speech from 1917 (p. 499).
8 N. Randeraad (ed.), p. 33 ff. which has all the traits of a fanatic collaborating with the foreign occupier, which inevitably leads to great suspicion and inimical reactions among nationalist Indian groups (Id. p. 39).
9 In Vietnam there were Chinese organizations called bangs based on language and geographic origin (so Cantonese, Hokkien, Hakka, etc. bangs). They organized all things relevant to Chinese culture from schools to hospitals. Therefore, they cannot be compared to kongsis.
peared behind the widely publicized, alleged criminal activities of these Chinese kongsis.

As Trocki recently described them for the first time, the kongsis represent an effective strategy to settle in a foreign, often inimical, environment. This refers to both environment (of the mines and plantations) and settlement (town and city). Social, economic and cultural similarities and contradictions between town and country are covered by this. Sociologically, it concerns quite normal group formations for people of more or less the same background and everyday experience who do not yet know the new language, customs, etc. In the economic perspective of the 19th-century world, there is a close relationship between the Chinese kongsis and the provision of Asian resources to the European “industrial revolution” as demonstrated in ch. 17. This concerns thus both the resources and the labour necessary to obtain them.

It is similar to the situation in Western Europe, where hundreds of thousands of Wanderarbeiter (migrant laborers) came from Germany or East European countries to work in the Belgian, French and Dutch mines and factories. They were housed in very overcrowded conditions, exploited by ruthless proprietors and mostly spoke unintelligible dialects; they drank too much, and in exceptional cases they chose a criminal way of life. If they joined established trade unions, they protested within the normal channels for protesting; if they started their own strikes for obvious reasons, the trade unions were their fiercest enemies, and the mining or factory management could play an easy divide and rule game.

Many returned back to the homeland after a few years with some savings; a substantial number remained in Belgium, etc. and became more or less reasonably acclimated (very recently one of them became even prime minister in Belgium). For the latter their original isolation was a temporary disadvantage, for the former a temporary advantage, making their estrangement of the homeland less severe.

Compared to this Western mobile labor force, the Chinese one in Southeast Asian mines, plantations and other locations had to work under much more severe circumstances: many of them soon perished due to their poor treatment. Those who survived and stayed in Malaysia or the East Indies must have been mostly addicts. They were definitely in need of much support, which could be received from missionaries (if they accepted some Western belief) or Chinese “rescue” organizations.

The Western occupiers remained suspicious of the latter normal (temporary) support: “unknown activities” of 19th-century proletarian groups
in Europe or here in Southeast Asia transformed them automatically into
dangerous, criminal and secret groups.

In both areas the definitions and laws are made by the British, French
or Dutch bosses. They were themselves foreign in Southeast Asia and
were now confronted with other foreign “guests”. In addition, these
Western occupiers were not the most generous people in Europe; they
preferred not to invest capital to alleviate the life of the destitute migrant
workers.

While Southeast Asians were willing or obliged to offer their labor and
inventiveness, they largely had to depend on the Western foreigners. In
this triangle game between Westerners, Chinese and indigenous people,
the Chinese immigrants were the weakest party for a long time: labor
competitors of the indigenous, labor dependents of the Westerners and,
therefore, exploited to the utmost.

Indeed, the kongsis provided some safety and shelter for its Chinese
members or supporters. They made them stronger in the daily fights and
made it more difficult for the Westerners to exploit them. They, further-
more, became more competitive towards the indigenous interests: irrita-
tion about this competition, suspicion, jealousy, ignorance form the best
combination to make others dangerous and even criminal, if the social
barriers become too high for them to surmount within a reasonable time.

Trocki formulates this as follows for Singapore kongsis around the time
Reverend Smith wrote his bestseller:

The failure of British observers to dwell on economic factors when dealing
with the Chinese kongsis appears linked to the general tendency of the
Europeans to criminalize kongsi activities. If the kongsis were essentially
illegal organizations, then the possibility of their playing a necessary eco-
nomic function in the British settlements was not at issue. If the cause of
strife could be located in China or in some deviant characteristic of Chinese
culture, rather than in the immediate economic environment of the colony,
the British could easily deny the possibility that they themselves should
bear responsibility for being a partial cause of the strife.10

The negative perception of these Chinese groups was specifically appar-
ent after 1850 when many more Chinese “coolies” appeared in the streets,
mines, railways and plantations. At that time many impatient Western
adventurers of the types described in chapters 17 and 18 arrived to estab-
lish mines, plantations and factories. It is also the era that opium started
to influence all relationships in a large part of the world where Chinese

10 C. Trocki (1990), p. 37.
migrants appeared. That cannot be a coincidence, and it is not difficult to decide now which is cause and effect.

Tens of thousands of Chinese migrated to North America, Australia or New Zealand in the 19th-century (see ch. 28). Rice, silk and tea already belonged in a flourishing world market. These immigrants created a new world market for all Chinese products and activities; not only the chinoiserie hype at the end of the 19th-century, but also other features ranging from Chinese restaurants to the cheap, colorful playthings and nightclub accessories (see further ch. 22).

Markets are communication systems in which producers and consumers are connected in many ways, of which the exchange in goods and money is the most important one. Chinese emigrants connected their new locations with their Chinese homes by transmitting money back to their families left in China and receiving all kinds of products from China. Opium forms the leading commodity in the old and the new markets, with all possible consequences.

*The (pre-)History of the Chinese Opium Performance*

In the reconstruction of the Dutch opium history, we were confronted several times with the role Chinese immigrants played. It is important to note that the Chinese had a long history in the East Indies. It extends back at least to 1400 when trade developed between Banten and China, and the Chinese started to settle on Java and probably elsewhere in the archipelago. They slowly mixed with the Javanese population and established an original part of the Javanese population.

**Asian Trade**

Ong-Tae-Hae wrote already in 1791:

> The virtuous influence of our government extending far, all the foreigners have submitted, and thus mercantile intercourse is not prohibited. Those who ply the oar and spread the sail, to go abroad, are principally the inhabitants of the Fokien and Canton provinces, who have been in the habit of emigrating, for the space of 400 years; from then early part of the Bêng dynasty (AD 1400) up to the present day ..."  

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11 Ong-Tae-Hae, p. 2.
Therefore, long before the White Man looked for a new burden and created his Chinese isolation myth, the Chinese had an extensive maritime and land trade system and migrated over huge distances.\footnote{See even H. Gelber and J. Spence (1998) for many examples of this European and American myth. A main source of them is, indeed, the Macartney opium mission of 1793 which was accompanied by the most stupid anti-Chinese propaganda, including the myth about the two cardinal vices of Chinese men: ‘their passion for gambling and their appetite for opium’ (Spence, p. 102). D. Willmott, one of the few who studied the internal structure of Chinese enterprises, was confronted with Chinese business failures ascribed to the ‘speculative nature’ of the Chinese (p. 52). Acknowledging that speculation is a characteristic of Chinese business, he concludes anyway: ‘But it is doubtful whether Chinese entrepreneurs are any more speculative in business than their counterparts in other ethnic groups.’ (Id.) He should have added: and than Western capitalist entrepreneurs.} Their migrations were not confined to that enormous country of China itself, but encompassed the whole of Asia from at least the thirteenth-century onwards. Apart from and together with a lively trade, there were small groups settling all along the trade routes of the caravans or ships. This not only concerns the famous Silk Route, which still connects the Far East with the Middle East and has hundreds of settlements along it. There is also the old caravan trade route with Southeast Asian countries and, in particular, the extensive trade by junkes deep into the Indonesian archipelago long before Western powers came to dominate the markets in the East.

\footnote{See even H. Gelber and J. Spence (1998) for many examples of this European and American myth. A main source of them is, indeed, the Macartney opium mission of 1793 which was accompanied by the most stupid anti-Chinese propaganda, including the myth about the two cardinal vices of Chinese men: ‘their passion for gambling and their appetite for opium’ (Spence, p. 102). D. Willmott, one of the few who studied the internal structure of Chinese enterprises, was confronted with Chinese business failures ascribed to the ‘speculative nature’ of the Chinese (p. 52). Acknowledging that speculation is a characteristic of Chinese business, he concludes anyway: ‘But it is doubtful whether Chinese entrepreneurs are any more speculative in business than their counterparts in other ethnic groups.’ (Id.) He should have added: and than Western capitalist entrepreneurs.}
The best-known voyager was Zheng He (or Cheng Ho, 1371-1435). He was made an admiral of a fleet of 200-300 large, 6-9 masted junks (these ships were four times larger than the ship Columbus used). During seven trips Zheng He visited Arabia (Aden or Hormuz), East Africa (Mogadishu, Malindi), West India (Calicut, Cochin), Ceylon, Southeast Asia (Malacca, Siam), South Asia (the Indonesian archipelago). Some say that this fleet or ships of it also traveled the Atlantic Ocean.

Trade was the first aim, but some suppose that also imperialistic motives played a role since a substantial army always accompanied the fleet. However, no colonies or even strongholds were established. The aim of these voyages was to gather as much knowledge as possible about all the countries visited, from which detailed maps and chronicles were prepared (Ma Huan, 1416).

The military power must have had a defensive purpose, but Zheng He used it ruthlessly to suppress the many pirates in the Chinese and Southeast Asian waters. Pirates had plagued the lively Chinese or Arabian trade and fishery in these waters for a long time. Furthermore, these substantial fleet movements were used to relocate large numbers of Chinese Muslims to the nascent Malacca and other places. From that time Malacca became one of the most important international trade centers. In addition, in many countries small settlements of Chinese (mostly Muslims) were established along the coasts as trading and industrial centers, or Chinese lived in a quarter of an indigenous settlement.

... their industry and economy ...

At the time the Portuguese or Dutch entered the East Indies, every important town had such a “colony” of Chinese merchants and shopkeepers. From China they imported household pottery and porcelain, cotton goods, silk and paper, while they exported to China pepper, nutmeg and cinnamon. Junks came and went regularly and in large numbers. It did not take long before the Chinese established sugarcane mills; they were involved in wine, candle and peanut oil production. The Chinese elite from Batavia, Banten or Semarang, who had strong relations with the Southeast Asian and Chinese junk trade, also traded in the 18th-century in large quantities of opium imported by the VOC from Bengal. Early in the 17th-century local Indonesian rulers had already established some

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13 See J. Roberts, p. 172 ff., H. Gelber, p. 88 ff.; D. Willmott, p. 3 ff. and the relevant Wikipedia articles.
system of farming out monopoly tax rights, including import and export duties, the head tax or market fees.

So the wealth accumulated from several sources and the population increased: steadily new immigrants arrived, not the least attracted by the lively junk trade or revolts in China (for instance around 1644 when the Manchus overthrew the Ming), while there was a growing number of Indonesian-born Chinese. In every respect, this was a really free trade and not an “ideological one”, including all possibilities for the Chinese to accumulate substantial capitals.

The Dutch, always very busy with war-mongering in the 17th-century, needed these Chinese to consolidate their positions. In turn, these Western newcomers became another source of wealth for the Chinese. This dependence of the mighty Dutch Calvinists created the other side of the coin: this Chinese industrial and economical behavior and activity led to the “Reverend Arthur Smith reaction” among the Dutch. “The Chinese Must Go!” could have been the main drive behind the terrible massacres of the Chinese by the Dutch around 1740.14

Rural Chinese groups (not yet defined as but practically organized as kongsis) protested against their exploitation by Dutch VOC officials. Notwithstanding contradictions between the urban Chinese elite including their urban support groups and these rural groups, both suffered from the lethal Dutch repression. The consequence was that other Chinese groups tried to join the Javanese indigenous protests against the Dutch occupiers. However, they were betrayed by the indigenous ruler, extradited to the Dutch and massacred. This is a typical example of how the triangle game between Western foreigners, Chinese foreigners and the indigenous elite could be played.

This game remained one-sided as long as the Chinese could only effectively function as middlemen between the Dutch and the indigenous rulers, merchants or common people. It became a “normal” triangle-game when local East Indies rulers and aristocrats started to farm out monopoly taxes and duties, market rights or gambling concessions to wealthy Chinese merchants. Until the end of the Raffles government, the fate of the Chinese on this level was not further affected than in the 1740s. In the fully corrupt VOC culture, clever and rich Chinese could gain large advantages.

14 N. Randeraad (ed.), p. 23-25.
However, poor Chinese could also benefit from a certain trickle-down effect and slowly developed the stratum of Chinese shopkeepers. As usual, the local population did not like to pay taxes and certainly not to repressive rulers, as most of them were. Those Chinese who were rich supporters and instruments of those rulers or of Dutch occupiers became representative of and scapegoats for the overlords, while all resentments could easily be directed against an influential Chinese middle class. This could eventually be compared with the basis of the Western antipathy of the Jews. The framework is the same at least: the combination of state and private capital in privileged positions or even monopolies.15

This picture is not complete without the remark that among the always small minority of the Chinese (except in cities as Singapore), there existed at least two and mostly three options in the strategy of collaboration between the Chinese and others: with the dominant Western colonizers, with the indigenous authorities or with nobody. This last option was followed, for instance, for a long time after the massacres and wars of the 1740s. In the 17th and part of the 18th-century, with the extensive junk trade between the East Indies, Southeast Asia and China, this option was in principal always open to every Chinese.

The 19th-century

The grip of Western foreigners on “their colonies” was strongly intensified in the 19th-century, and much changed in a fundamental way on the Chinese side as well. As indicated already, the very different 19th-century migrations from China happened in several large waves. In the USA, Chinese are found from about 1850 onwards participating in the gold rushes and the construction of the railway network in very inhospitable regions. From Yunnan or several coastal provinces, numerous people fled south, establishing permanent Chinese settlements in the cities and regions of Thailand, Burma, Malaysia or the East Indies, now called “Dutch East India”. Soon they were involved in all kinds of trades in their new homes, but sustained relations with China itself.

After Raffles and the English occupation disappeared, the Dutch started a general repressive regime in 1820-1850 by introducing a pass-system and travel restrictions for the Chinese; specific Chinese quarters were formed, and Chinese living elsewhere were required to move their

15 See for the well comparable European situation H. Derks (2004), p. 149-187.
residences into these “ghettos”. In this well-known, racialist-induced segregation of a military-bureaucratic regime, the mask of colonial paternalism was thrown off in an attempt to regain some “former prestige”. The foreign occupiers and their state companies like the NHM took most of the opium profits, not the well-to-do Chinese middlemen and opium farmers, while the Dutch soldiers were among the best opium customers: they had to do the dirty work (Java War, etc.).

But after 1850, Chinese middlemen were soon back in their lucrative and dangerous position. The reason for this was that the Westerners could not communicate effectively with the indigenous majority without the Chinese networks. In addition, they needed a new kind of Chinese laborer to make the “Industrial Revolution” in the homelands complete. The middlemen were the best at labor acquisition among a new Chinese workforce.

We already described the example of the exploitation of the tin resources on Banka by the Dutch colonial administration and on Belitung (Billiton) by Dutch private entrepreneurs. Here and in the Malaysian tin mines, the exploitation of a new kind of Chinese worker, the imported coolies, took on a grim character like never before: slavery went here hand in hand with opium addiction.

As elsewhere in Southeast Asia, the kongsi constellation was adopted on several levels and for several purposes, which must be kept clearly separated. First, they were organized for labor solidarity among people suffering the same fate, including induced opium consumption as part of their exploitation. It concerned a new phenomenon, Chinese proletarians, who immigrated massively from China, with Singapore acting as a central distribution point. For these miners/coolies, indeed, as Trocki formulated: opium was both the worst thing and the best thing available to them.

Of the three options mentioned above, the last one was standard among many Chinese coolie immigrants. They remained somehow in permanent contact with the homeland, so that they could return to China without much difficulty.

There was also a very different kongsi, however, described by Rush in the 1870s when the Chinese opium farming had its heyday. It concerned the already long established procedure at the opium auctions of the Dutch administration:

16 D. Willmott, p. 6.
For the Chinese [opium farmers], forming partnerships was among the most important aspects of preparing for the auctions. The Dutch required prospective farmers to have two formal guarantors who, along with the farmer, signed the farm contract and bound themselves to its obligations. In most cases these three men ... represented a much larger association of backers—the opium farm kongsi—who actually financed the farms.¹⁷

Only kongsi leaders became wealthy as Chinese opium and tin farmers on Banca. On Billiton the private Dutch firm acted, in fact, as the opium farmer of the Dutch administration in Batavia and sold opium directly to the kongsi people and were paid by their labor; a lethal form of labor lasting only a limited number of years and a lethal kind of narcotic compensation.

On the other end of the Chinese spectrum stood the wealthy and superwealthy. They were the opium kings.

The Rich “Overseas Chinese” and Opium Criminality

If the populations of Hong Kong (before the transformation) and Taiwan are included, the total number of “Overseas Chinese” in East and Southeast Asia (excluding North and South Korea and Japan) amounts to somewhere between 17 and 23 million in the 1990s, although higher estimates exist. Who are the rich huaqiao among them? Certainly a very small minority; if we estimate 1% rich people among them (the large majority of “Overseas Chinese” now belongs to the shopkeeper category) than we are talking about 200,000 people. Opium or drug tycoons, so well known today in Colombia or Mexico, were not so prevalent in Asia or Southeast Asia in the period until 1950. In this time the trade was largely conducted by Europeans (including Jews) and some Parsis from India with Chinese support. We now want to deal only with the problem of the latter, who operated in organizations conducting numerous kinds of trade, distributions and so on.

The Rich

For the present situation Hodder assesses the economic performance of this small minority in Southeast Asia only in superlatives.¹⁸ They control a larger share of regional trade than do other ethnic groups, generating

¹⁷ J. Rush, p. 46. Rush did not write about the Banca or Billiton kongsis.
¹⁸ R. Hodder, p. 3, 4.
the equivalent of a GNP two-thirds the size of China’s. The three countries which are populated largely by these Chinese (Hong Kong, Taiwan and Singapore) possess larger foreign reserves than either Japan or the United States. Excluding the first two, the “funds” of the Overseas Chinese in the region are conservatively estimated at $400 billion.

In Indonesia the small Chinese minority controls half the country’s trade and about three-quarters of private domestic capital. In Thailand the majority of the corporate assets, nine-tenths of investment in commerce and manufacturing, and half the financial resources of Thai banks are owned by Chinese. In the Philippines 40% of the assets of private domestic banks are Chinese property. And so on and so forth.

Many and varied reasons are given to explain this formidable position apart from the broader macro-economic policies or international trading strategies pursued by governments. The usual suggestions are that the Chinese happened to be in the right place at the right time; that they had the skills, drive and commercial experience in urban networks already during the period of European imperialism and colonialism; that they were patient, hard-working, frugal and possessed sharp business acumen. There is much which can serve as a warning against these easy explanations; in particular, the analysis so far.

Hodder’s conclusion is certainly right:

... in reality there is no group, no “Chineseness”: there is only the idea of a group, culture or society, and the limited, unidimensional and static presentation of changing and multidimensional contexts.19(italics from R.H.)

They do not form a homogeneous group; they originate from many parts of China, though mostly from southeastern China; they speak different dialects, posses different beliefs and values; they often do not differ much from indigenous people like the babas in Malaysia or peranakan in Indonesia; they often adopted indigenous names or foreign religions like Catholicism and Protestantism; most of them are nationals. Since the dubious racial and racist judgments persist, the “racial purity” (whatever that may mean) is very difficult to find since they mixed with indigenous peoples from the beginning. “Ethnicity” is mainly conjured up by outsiders and is in this case nearly meaningless.

In short, sweeping generalizations about “Overseas Chinese” or similar concepts cannot be accepted. There is simply no monolithic bloc called “Overseas Chinese”. The economic success of some of them is to be under-

19 Idem, p. 8. See for the alternative view F. Dikötter, B. Sautman (ed.).
stood partly by European colonialism, the Communist revolution of 1949, Japan’s economic growth (itself built upon American strategic concerns). Most crucial in Hodder’s perception

is the desire of many Chinese to achieve material progress or, more accurately, the desire of many Chinese to “turn” institutions towards the extension, safeguarding, legitimization and institutionalization of trade and its associated wealth values.20

In a less abstract way characteristics of the Overseas Chinese super rich can be given as follows. Indeed, one generalization is probably appropriate: one is confronted here with real capitalists operating in a real free market: free for them (and monopolies for others). Two controversial things often form the lucrative, starting activities to make the jump to the top: opium and local politics; once on the road to the top, it is necessary to free oneself of both.

“Free” is related to an overriding characteristic of their capitalist activities: free from active involvement in politics, and free from the bureaucrats by bribing them. Besides these “apolitical” elements, crucial economic elements should be added that were derived from their location: only these “Chinese Overseas” had a threefold advantage by remaining strongly in touch with the motherland, whatever the political regime in China or in their own settlement.

First, the profuse selling of many cheap gadgets, small and bulk products in the immense Chinese open internal market. The conglomerate is, therefore, the most beloved company model. Second, the effective use of the internal Chinese mega-sized industrial capacities, which were established very quickly after 1900. They can potentially outdo every kind of competition in their branches. The third advantage concerns the interaction between the previous two and financial and investment programs. Such a large internal open market for the Chinese, and a large competing open market outside China, is not available anywhere for others.21

For those who could profitably exploit these opportunities, there was only a limited need to deal in opium and a limited willingness to take the risks of losing the opportunity to exploit the indicated threefold advantages. In economic terms: the chance that a management of risks in dealing with very large money capitals will lead to a zero-solution is high, and

20 R. Hodder, p. 22.
21 See for modern data the articles ‘Industrial Policy’, ‘Industrialization’ and ‘Information Technology’ in D. Leese (ed.), p. 486-492.
certainly much higher than those super-rich who remain involved in politics as well. In other words: dealing with many large countries, with many products, with many branches outside the political conflicts carries a very low risk and the strongest possible basis for accumulation of capital.

There are rather interesting biographies of the (super)rich and powerful Chinese in Southeast Asia. One example will suffice here, and it concerns the Semarang-born Oei Tiong Ham (ca. 1866-1924).23

Oei was the last of Java’s nineteenth-century Chinese “kings” and the first of the 20th-century corporate businessmen and modern community leaders. Of course, he was ‘opium monopoly holder for Semarang and three other residencies, had made a profit of 18,000,000 guilders’.24 His father, Oei Tjie Sien, arrived in Semarang in 1858, having fled China during the Taiping chaos, married into a locally established family, and made a successful and traditional career of *peranakan*: first, a small shop (his ‘Kian Gwan kongsi’); next, a bigger one; savings enough to take advantage of an economic crisis and to buy an opium farm for a bargain, which was lost by another; once economically established, he also became sociopolitically involved by his nomination as Chinese lieutenant of Semarang. This combination was the basis for a quick accumulation of capital: after the first opium farm, he acquired four others. The basis he laid for the career of his son Oei Tiong Ham was, in all respects, solid.

Although Oei Tiong Ham never learned Dutch, kept Semarang as his hometown and always spoke Amoy-Chinese or Malay, he was one of the first to wear European dress in public, cut off his Manchu queue, which was followed by many other radical changes. Around 1900 the *Kian Gwan kongsi* was extended into a *Kian Gwan Handelsmaatschappij* with still the largest opium monopoly and sugar monopoly in Java.

In the meantime, however, a shipping company was added. Soon his company became one of the largest exporters of all kinds of products, moved to Singapore, abandoned Chinese bookkeeping practices, hired teams of Western-trained accountants, and so on:

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22 See part III in J. Butcher, H. Dick (ed.), p. 249-281 with five biographies.
23 For the following see Idem, p. 272-281; D. Willmott, p. 24 ff. and J. Rush, p. 248-252.
24 D. Willmott, p. 24. On Idem, p. 149 we learn that Oei Tiong Ham netted this sum only with opium in the years 1890-1903. Also at that time an extraordinary amount of money. Compare this with the Singapore table 34 p. 454 in which a monthly net profit of $30,000 per month is given; over 13 years this is about $5 million.
Oei’s true competitors were not his fellow Chinese merchants, but large European trading firms ... such firms as the Nederlandse Handelsmaatschappij [NHM] and the Internationale en Handelsvereeniging Rotterdam ...25

As described in ch. 18 the NHM became not only the largest industrial and commercial Dutch conglomerate, but laid the basis for its Dutch monopoly position through an original and solid opium position. In 1924, therefore, Oei’s fortune and commercial “empire” can be measured in values amounting to hundreds of millions.

Criminality

In ch. 31 the item of “Chinese opium criminality” is discussed in detail, but this concerns the situation inside China from about 1900 to the establishment of Communist China. There is less information about Chinese opium criminality in Southeast Asia.

The logo of the Southeast Asian opium problem, the Golden Triangle, is at the moment directly connected to narco-criminality on a world scale. This phenomenon started not earlier than World War II. It is perfectly possible that the leaders in Burma, Thailand, Laos, Singapore, etc. used local Chinese. It seems to me the most insignificant feature of the drugs criminality in Southeast Asia whether or not local Chinese were available in those functions. Of course, it does not make any difference in the present Opium (and its derivatives) Problem.

Is that true? Not entirely: if that kind of ethnicity could be attested, it could be used in Western anti-Chinese propaganda in many kinds of racist discourses and publicity campaigns. Secondly, there is the reasoning: since “Overseas Chinese” became fabulously rich, they stand, “therefore”, at the basis of this Golden Triangle story. Take Ronald Renard’s remarks in his opium history about new banks established in Thailand after 1960:

These firms were generally dominated by first- or second-generation immigrants from southern China. Their emigration ... had been taking place since the mid-nineteenth-century ... many stayed in Thailand, others returned, out of which emerged a network linking the Overseas Chinese with those in China ... these Chinese controlled the conglomerates ... By the 1960s, most of the country’s [Thailand’s] major commercial banks and principal trading houses were run by these families. Rags to riches stories abound. To mention just ... a family in the pawnshop business expanded in real

25 J. Rush, p. 250.
estate, establishing the Land and House real estate company capitalized at 62 billion bath in 1995 ...26 And so on.

This, however, is calling a Chinese connection “fundamental”. In this way, decades ago, every flu in Europe was called “Mao flu” (Mao exists, flu exists, but the combination is pure propaganda); today it is “Mexican flu” and that is “also” a major drugs paradise!

As indicated above, even the CIA was aware of the fact that the Chinese were not involved in poppy production around 1950. This concerned, however, only, the Chinese inside China and the CIA of about 1950, which rapidly changed colors. And today these Chinese play at best a small role (if any) in this area, but historically and thanks to Yunnan production, we have to talk about a Golden Quadrangle until the new Communist regime terminated the connections with the Golden Triangle (see further ch. 31).

Daniel Goh’s clear analysis of the political factions and ideological stands of “Overseas Chinese” before 1942 and the large contradictions between the several new China-oriented groups (from Nationalists to Communists) is not very helpful. It is certainly too adventurous to move from this to linking an opium banking network between “Overseas Chinese” and Communist Chinese at the time.

Anyway, Renard provides only loose threads in a highly complicated history. These arouse suspicions, but have limited value in a proper research study with proper questions. For instance: How to define or understand a criminal relationship between Chinese-outside-China and opium in the pre-1950 period? Trocki sketches the problem at stake in the following way:

Opium, the preparation, distribution, and consumption of which was the other integral part of the Chinese economy of Singapore, was not only part of the system of labor exploitation but actually made the system work to the profit of the shopkeepers, the secret societies, the revenue farmers, and the colonial government. Opium was the grand “common interest” of the Anglo-Chinese elite of Singapore. For the laborers, it was both the worst thing and the best thing available to them ... the worst because it was addictive, and habituated consumers were ready to sacrifice first their profits, then their labor, and finally their lives and futures to obtain it ... the best because, in an environment so deprived, it was virtually the laborers’ only source of pleasure. Not only did it substitute for women and banish loneliness, but it may have been more than a luxury when the workday was long and the toil strenuous.27

26 R. Renard (2001), p. 23, 24. If I have counted well this is still US$ 1.8 billion at a rate of 100 baht = US$ 3!
27 C. Trocki (1990), p. 67.
This concerns largely the consumer side of the problem, and since all or most of the involved parties in Singapore had a keen interest in opium, including the addicts, criminality or perpetrators were difficult to identify.

On the production side of the Opium Problem, the connection is also difficult to find: the production was in the hands of non-Chinese tribal groups or concentrated in non-Chinese countries in Indian and European hands. Therefore, one has to look for them in the trade, distribution and financial sectors. New research has to uncover the relevant data. We need, however, to obtain some indication about what was meant by “criminality” in earlier periods.

The historical record provides some examples of this last problem. Around 1800 the Chinese traveler, Ong-Tae-Hae, keenly observed, for instance, the customs under a corrupt VOC regime and how “Overseas Chinese” merchants reacted to it. About these Java-Chinese he wrote:

Our rich merchants and great traders amass inexhaustible wealth, whereupon they give bribes to the Hollanders and are elevated to the ranks of great Captain, Lieutenant, Commissioner of insolvent and intestate estates … but all of them take the title of Captain … When the Chinese quarrel or fight, they present their cause to the Captain … The rights and wrongs, with the crooked and straights of the matter, are all immediately settled, either by imprisonment or flogging, without giving the affair a second thought. With respect to flagrant breaches of the law and great crimes … reference must invariably be made to the Hollanders. Those who journey by water and land must all be provided with passports, to prevent their going and coming in an improper way; from this may be inferred how strict the Hollanders are in the execution of the laws, and how minute in the levying of duties.

The life of man, however, is not required at the hand of his next neighbor.28 … when men are killed, they are either thrown out into the streets, or suffered to float downstream, every one being silent without inquiry, and nobody daring to stand forward as a witness. Alas! alas! that the important affair of human life should after all be treated so lightly. With respect to the Dutch, they are very much like the man who stopped his ears while stealing a bell. Measuring them by the rules of reason, they scarcely possess one of the five cardinal virtues …29

28 The 1850 editor adds: ‘In China, if a dead body is found, the nearest inhabitants are taken up and required to discover the culprit; the Chinese writer laments that it is not so in Batavia.’
29 Ong-Tae-Hae, p. 4; see also D. Willmott, p. 148, 149.
As if the above is not enough, there follows a long, harsh and impressive criticism of the Dutch that I had never encountered before or since: the Dutch do not score satisfactorily on any single feature of these five cardinal virtues (benevolence, righteousness, propriety, wisdom and truth): ‘it is scarcely worthwhile wasting one’s breath upon them’! But Dutch gardens south of Batavia are beautiful and in their manners Europeans aim to be polite against the rich and powerful “other”.

Again, who was wrong and/or a criminal? The answer is clear: the Dutch had stringent laws with heavy penalties to prevent, for instance, bribery in any form, and that was not the case among “Overseas Chinese”, wealthy or not. In addition, the Chinese were apparently not instructed about these Dutch laws, which were for them anyway laws of foreign barbarians with red hair, long noses, grey eyes.

However, this example already provides a main criterion, a legal one: if a law is violated, it is a criminal act, which can and has to be punished.

Indeed, no laws, no crimes? The historian and sociologist will point to other circumstances and, at least practically, to different criteria. Take already an obvious extension to the argument given: no state, no laws, no crimes? This refers to a rather famous discussion about the so-called ‘primitive law’, which will not be repeated here, at very least because “primitives” do not create an Opium Problem.

However, in that discussion the moral value of a law which is imposed on the “primitives” by a foreign state was not a theme, while at the same time it was a law exclusively aimed at these “primitives”. The highly ambiguous nature of this was also known among “primitives” 200 years ago and relative to opium. Ong-Tae-Hae wrote in 1791:

In every case it is the same. At the same time Europeans forbid their people the use of this drug, and severely punish those who trespass; how is it then

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30 See also Ong-Tae-Hae, p. 14, 15 where he severely criticizes the Javanese from Bantam, because they are so afraid of the ‘Hollanders’, building them even a fort which has the sole aim to control them, erroneously thinking that the Dutch respect them; etc. The Dutch only ‘form plans for entrapping the people ... till they have sufficiently subdued their minds ...’. Ong-Tae-Hae forgets or does not know how the people from Bantam in a decades-long struggle against the Dutch were repressed in a genocidal way from the harsh reign of Governor-General J. P. Coen onwards. So, their fear is well grounded and perhaps became a basic element in their collective memory. There is a Dutch translation of Ong-Tae-Hae’s booklet: ‘Chineesche aanteekeningen omtrent Nederlandsch-Indie’ (The Hague: Martinus Nijhoff, 1858). However, it has only 48 pages of the 80 + xv in the English translation of W. Medhurst. I could not find a copy of it to check whether the fierce criticism of the Dutch had been censored or not.
that we Chinese, together with the Javanese, are so thoughtless as to fall into the snare!\textsuperscript{31}

Without any doubt this is a strong legal argument: the Dutch VOC-State used its excessive violence and the fear of it to impose their Western martial law, which had nothing to do with the laws and customs of indigenous Javanese or “Overseas Chinese”. Furthermore, they created a habit of opium smoking among a mass of Javanese based on this basic fear, in order to tame those “primitives”. This law was exclusively issued for the sake of a profit for the foreign VOC-State.

Many questions arise now: was this allowed according to the prevailing international law (Grotius, etc.)? Was opposing this law a criminal act? The dominant Calvinist Dutch must have affirmed these questions, because they formed the government imposed upon the pagans thanks to God’s will and by virtue of their Christian civilizing mission. Anyway, they sometimes punished violations severely, as mentioned earlier (ch. 13 and 15). But, even today, these Calvinists and their Christian enemies have never succeeded in convincing Asian people of their West European and Christian truth. They yielded fear, but not respect.

Speculating about Ong-Tae-Hae’s answer and assuming that he experienced the opium smuggling practices of the British and Americans back in China, he must have known which scenario would follow. The next step could be to protest publicly (which was done by the Chinese government, in vain); to take prohibitive actions (which was done by the Chinese government, in vain) and to start a defensive war (which was done by the Chinese government, but it lost). What next? There was not yet an International Criminal Court. In fact, it was Mao Zedong in the 1950s who introduced the first effective systematic anti-opium measures in history—whatever one thinks about it.

Back to Ong-Tae-Hae’s Java and the bribery example. This shows that what was a criminal act in Holland or in the VOC was not the case in China or among “Overseas Chinese”. It must have been around 1725 that a Dutch Governor-General punished bribery in a draconian fashion for the last time; after that date, this never happened again. The social and economic practice apparently undermined the validity of this Dutch law, although it formally did not disappear (nor did bribery: in the 1930s high Dutch police officials in Java demanded bribes from Chinese opium dealers; ch. 19).

\textsuperscript{31} Idem, p. 19.
During the VOC era officials should be judged in a different way than for the period after 1820 when the Dutch attempted to establish a state in the East Indies. The VOC bosses in Amsterdam wanted to prevent their employees conducting all kinds of business for themselves; in the state period, the state-bureaucratic officials should not be bribed, because they had to stand above all parties and interests to safeguard the common good, or to judge *sine ira et studio*. In the VOC period a practical argument was dominant, and in the state period, an ideological one.

It is certain that Oei Tiong Ham bribed a Dutch official to get his title of lieutenant (later major). In many cases, this *illegal* practice should be a reason to change the law. In addition, there were no official or legal criteria for becoming a captain. The practice in the East Indies was, first and foremost, to promote a person who could be a good “tool of the Dutch”, in Singapore a “tool of the British Empire”, etc.\(^{32}\)

After 1865 the criteria for the nomination of Chinese officials in Singapore were stated by the British Governors as ‘details of Chinese racial character, such as natural corruptibility, criminality and clannishness ...’\(^{33}\) Stronger even than the Dutch, the British were willing to change the basis under the law to declare the giver of a bribe as a criminal rather than the British receiver of the bribe.\(^{34}\) This was not a “normal” criminal, but somebody who had a racial inclination to bribe people, who was a *natural criminal*.

Again, many Chinese being a “natural trading folk” had no law against bribery; they felt that nearly all acts in life were a matter of supply and demand; they were the real “free traders”.

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\(^{32}\) D. Willmott, p. 151.

\(^{33}\) D. Goh, p. 490. His article is one long discussion about the criteria of Chinese “unofficials” as ‘loyal colonial subjects’ or not and how these changed in the course of time until 1942.

\(^{34}\) Now many Western companies are competing heavily to get a Chinese profitable relationship, they bribe Chinese officials on a large scale. The *Los Angeles Times* (August 10, 2007) reports that Zheng Xiaoyu, head of China’s food and drug agency, was executed because he accepted a bribe of $850,000 from Western pharmaceutical industries. The title of the article is: ‘Chinese bribes: Better to give than to receive’ and inside it reads ‘Bribe-givers tend to get off relatively easy in China, according to legal experts, government statistics and media accounts.’ The same procedure was demonstrated in the recent, well publicized Rio Tinto (Australia) affair in which the four receivers of bribes got draconian sentences. See *The New York Times*, March 29, 2010.
emperors (law), but also in moral codes and public opinions (Confucianism or Taiping ideology).

Gambling was another vice defined by Ong-Tae-Hae as a ‘perversion’. With special dances and songs the Chinese in Batavia were enticed by the Chinese gambling farmer (who paid 10% of the stakes annually as tribute to the Dutch).35 Earlier I quoted extensively about how he castigated the use of opium by “Overseas Chinese” and Javanese as well as the conqueror’s invention of ‘the black fumes of opium’.

How strong Ong-Tae-Hae condemned the opium “invention” or gambling and the perversion of Chinese farming these activities, he had no “crime definition” for it as Westerners had. The authorities in China at the time used criteria like “bad for the health and the mind”, “bad for society” as this “perversion” was the subject of business in the streets, “dependence on uncivilized barbarians”, apart from macro-economic complaints about the loss of silver, etc. In China he could have referred to verdicts (“laws”) of the Emperor, which was not the case in overseas territories, which at that time had been conquered by the Dutch more often than not.36

One may suppose that the rich “Overseas Chinese”, who were also opium farmers, had no scruples about earning money in the opium business because their activities were extensions of foreign-induced trade, of the law-makers themselves and, therefore, legal (= without danger). What Hodder stated above seems applicable here as well, that there is ‘no “Chineseness”, there is only the idea of a group, culture or society’: as peranakans they lived outside China in a fully different world in between a dominant small minority of heavily armed Western people and a large majority of non-Chinese: materially on the side of the British, French or Dutch; culturally on the side of the Malaysians, Javanese, etc.

As in between people, however, there are again several modes of behavior, which are very different for the rich and for the large majority of the “Overseas Chinese”: in the process of accumulating wealth, they lost every trace of an in-between position and became “Western” (see rich Singapore and Hong Kong Chinese) and freed themselves of dependence and of such things as opium.

If “Overseas Chinese” operate as opium (heroin, etc.) criminals, then it must be in a Western environment, Western gangster methods, etc. and

35 Ong–Tae–Hae, p. 61, 62.
36 Idem in his Section III he describes most islands in the whole archipelago and always mentions whether they are subjected to the Dutch.
in all probability in combination with other Western criminal activities like gambling or prostitution. “Ethnic Chinese” are no longer seen as Chinese, but as other Western citizens who can be cheated, exploited, etc. But even in this milieu one may expect the development that as someone becomes richer, he moves away from the bad activities and looks for a more “honest” field. A remarkable example of this is given by Sinn.

She describes how a notice in a San Francisco Chinese newspaper warned consumers against fake opium (14-1-1906).\textsuperscript{37} Two firms, claiming they were renowned and registered in Hong Kong and Macau, announced that they sold opium from old raw Patna (India). In support, they also state that their brands are patronized by rich merchants in the USA. Their warning concerned the activities of criminals using their names to sell cheap and low-grade opium under false pretexts. Only one person, Mr. H. G. Playfair, was authorized to import their product.

This is a good example to introduce the following section in which the “New Imperialists”, Japan and the USA, write their part in the History of the Opium Problem and implement the most extensive criminal laws against opium production and consumption.

\textsuperscript{37} E. Sinn, p. 16, 17.