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CHAPTER X

THE PARTITION OF BORNEO

The dominions inherited by the Second White Raja of Sarawak extended from Cape Datu on the Sambas border to Cape Kidurong, a small promontory seven miles north of the mouth of the Bintulu River. The greater part of this territory had been acquired in two huge 'bites': the first in 1853, when the Rajang Basin was absorbed, and the second in 1861, when the frontier was moved up the coast to beyond the Bintulu. The motives which prompted the Sarawak Government to demand this second cession were primarily economic. The country between the Rajang and the Bintulu included the districts of Oya and Mukah, which together supplied most of the sago then being exported from Kuching to Singapore. Native traders from Sarawak visiting the sago districts had often been maltreated by the local Brunei chiefs, and taxes and tolls levied on their goods.⁶¹⁰ The Sarawak Government had therefore considered it imperative to remove these obstructions to a trade that was vital to the country's prosperity, and the cession of 1861 had been negotiated, the Sultan of Brunei receiving a compensation for the loss of this territory amounting to \$ 4,500 annually.⁶¹¹

This policy of expansion northwards, begun during the reign of the First Raja, was continued by his successor. Early in 1868 Charles Brooke asked the Sultan of Brunei if he would cede the district of Baram in return for a suitable yearly payment; ⁶¹² by acquiring this area Brooke was planning to add another hundred miles to Sarawak's coastline. The Sultan refused to consider any such proposal, however, and appealed for support against the 'aggression' of Sarawak to Governor Pope-Hennessy of Labuan (who was also British Consul-General for Borneo), claiming that Brunei had a right to British

⁶¹⁰ Singapore Chamber of Commerce to Lord Russell, October 5th, 1860. (F.O. 12/28).

⁶¹¹ Spenser St. John to Lord Russell, August 29th, 1861. (F.O. 12/29).

⁶¹² This was some months before Charles Brooke actually acceded to the Raj, but he was already administering the Government with full powers in his uncle's name.

protection under the Treaty of 1847.⁶¹³ Pope-Hennessy announced that he would be willing to act as arbitrator in the matter, if both parties wished him to do so⁶¹⁴ — a suggestion which greatly irritated Brooke, who believed that sovereign powers like Sarawak and Brunei had no need of outside assistance in the management of their affairs. The Governor of Labuan, he complained to the British Foreign Office, had been listening to “false and cunning statements” from the Sultan of Brunei, upon whose word no credence could be placed. A simple matter like the cession of Baram could be settled by the Brunei and Sarawak Governments alone, and he was “ignorant why it should require interference from other parties”.⁶¹⁵ The Foreign Office, however, were not so easily to be persuaded to lay aside the responsibilities they believed Great Britain owed to Brunei. “You will . . . remind the Raja of Sarawak”, they told Pope-Hennessy at the end of 1868, “of the provisions in our Treaty with Brunei against the cession of territory without the consent of the British Government, and, in so doing, you will state that H. M. Government have no desire to see any change in the present state of territorial possession in Borneo, nor are they disposed to countenance any attempt to induce the Sultan to act in contravention to that Treaty”.⁶¹⁶

The British Government maintained their opposition to territorial changes in Borneo for the next ten years. In 1874 Brooke suggested that Great Britain should declare a protectorate over the whole of Brunei or, alternatively, should allow the Government of Sarawak to do so. Neither proposal was acceptable to the Foreign Office. Her Majesty’s Government, he was told, had no thought of extending protection to Brunei themselves, nor did they favour “any considerable extension” of his own “anomalous jurisdiction”.⁶¹⁷ Two years later he asked the Foreign Office to waive the stipulation in the 1847 Treaty which forbade the Sultan to alienate territory without British consent, and once again his request was bluntly refused.⁶¹⁸

Brooke was understandably annoyed at not being allowed to enlarge his dominions at the expense of Brunei, which he regarded as “debased,

⁶¹³ Sultan of Brunei to Governor Pope-Hennessy, April 13th, 1868. (F.O. 12/34A).

⁶¹⁴ Governor Pope-Hennessy to Charles Brooke, April 23rd, 1868. (C.O. 144/28).

⁶¹⁵ Charles Brooke to Lord Stanley, April 30th, 1868. (Ibid.)

⁶¹⁶ Foreign Office to Governor Pope-Hennessy, December 2nd, 1868. (F.O. 12/34A).

⁶¹⁷ Earl of Derby to Charles Brooke, May 10th, 1875. (F.O. 12/42).

⁶¹⁸ Charles Brooke to the Foreign Office, March 20th, 1876. Foreign Office to Sir James Brooke (sic!), June 12th, 1876. (C.O. 144/47).

sordid, exacting, and unreliable".⁶¹⁹ The inhabitants of a district like Baram, he contended, would be much happier under his rule than under their rapacious Brunei overlords. He laid the blame for the British Government's restrictive policy on the Governors of Labuan, who, he believed, were unfairly prejudiced against Sarawak, and had been using their influence with the Foreign Office to sabotage his plans.

Most Governors of Labuan between 1860 and 1880 were in fact jealous of Sarawak, and with good reason, for they saw in its expansion along the north-west coast a threat to the prosperity, if not the existence, of their own colony. The reports they sent home of the "restless aspirations of the Sarawak Government for territorial aggrandizement"⁶²⁰ consequently tended to emphasize the less reputable incidents in the story of Sarawak-Brunei relations. When, for example, Governor Pope-Hennessy advised the Foreign Office in April 1868 that Brooke was trying to obtain the district of Baram, he disclosed that during the previous year the Sarawak Government had 'fined' the Sultan \$ 4,000 for "breach of dignity". Letters had arrived from Brunei with the seal fixed much higher up the paper than was customary, and the General Council at Kuching had decided that this was a calculated insult. Only one third of the annual tribute money owing to the Sultan had therefore been paid.⁶²¹ In 1876 Brooke again held back a large sum (\$ 3,805) from the tribute money, because some debts due to Sarawak traders from a Brunei *nakodah* were outstanding. "I learn", wrote Governor Ussher to Lord Derby, the British Foreign Secretary, "that Raja Brooke offered to forego his deduction of the debts and other matters, if the Sultan would cede him Baram. I fear this aspect considerably diminishes the integrity of the transaction".⁶²²

These reports from Labuan were responsible for the British Government's conviction that Brunei required protection from the encroachments of Sarawak, and led to the Foreign Office ban on territorial changes in northern Borneo. It was obvious that Great Britain had the power to impose such a ban. That she had a moral duty to support a weak native ruler, with whom she was allied by treaty, against a powerful and ambitious neighbour was arguable. But whether she had any legal right to interfere in a dispute involving the transfer of territory from Brunei to Sarawak was extremely doubtful.

⁶¹⁹ Charles Brooke to Governor Pope-Hennessy, April 30th, 1868. (C.O. 144/28).

⁶²⁰ Governor Bulwer to Earl Granville, June 18th, 1872. (C.O. 144/37).

⁶²¹ Minutes of the Sarawak General Council, September 8th, 1867. Governor Pope-Hennessy to the Foreign Office, April 23rd, 1868. (C.O. 144/28).

⁶²² Governor Ussher to Lord Derby, September 15th, 1876. (C.O. 144/46).

By the Treaty of 1847 the Sultan of Brunei had promised not to cede "any part of his dominions to any other nation, or to the subjects or citizens thereof, without the consent of Her Britannic Majesty".⁶²³ But there was nothing in this Treaty to prevent him from ceding territory to the subjects of Great Britain. Indeed, since 1847 he had twice made over large sections of his dominions to a British subject (Sir James Brooke) and on neither occasion had he secured Foreign Office approval beforehand. When these cessions had later been reported to the British Government, moreover, no objection to them had been raised. But now, when Sir James Brooke's successor, also a British subject, wished to negotiate a precisely similar cession, the Foreign Office assumed the right to check him.

There was a strange inconsistency at this time in the attitude of the British Government towards Sarawak. From the beginning, as has been shown, the Foreign Office firmly refused to recognize the territory of the White Rajas as an independent state, yet the logical consequence of this refusal do not appear to have been understood. If the Brookes were not independent sovereign princes, then they were obviously vassals of Brunei, and, in that case, the grants made by the Sultan to the First Raja were feudal in nature, and not to be regarded as absolute cessions of territory. From this it should have followed that further grants of the same kind would not be contrary to the Treaty of 1847, the purpose of which had been to prevent the Sultan of Brunei from alienating his country permanently to foreign nations, not from farming portions of it to British subjects in exchange for an annual tribute. In denying to Charles Brooke the right to acquire land in Brunei, the Foreign Office were recognizing the fact of Sarawak's independence and, at the same time, refusing to admit that it was independent in theory.

Such a policy, whether logical or not, was feasible only so long as no other powers besides Sarawak had territorial designs on the Sultanate of Brunei. But during the 1860's and 1870's several foreign Governments, including some who had never previously shown any interest in Borneo, began to realize that the northern part of the island possessed considerable commercial and strategic possibilities. The growth of foreign competition obliged the British Government to re-examine their policy towards Sarawak, since if Brooke were not allowed

⁶²³ Treaty of May 27th, 1847, Article X. (F.O. 93/16 (2). Maxwell and Gibson, *op. cit.*, p. 146).

to absorb the Sultanate of Brunei there was a risk that it might before long be swallowed up by an alien power.

Early in July 1865 Mr. Charles Lee Moses, who had recently been appointed United States Consul to Brunei, arrived at the Sultan's capital to take up his duties. These presumably consisted in giving advice to visiting American merchant ships, but Moses was not a man to neglect the opportunities for private gain to which his official position provided access. By emphasizing that he was an accredited representative of the Government of the United States, he succeeded in persuading the Sultan and Pengeran Temenggong of Brunei to grant him a personal ten-year lease of the greater part of northern Borneo, together with the islands of Banggi, Balabac, and Palawan, in exchange for an annual rental of \$ 9,500.⁶²⁴

Having negotiated this remarkable bargain, Moses departed for Hong Kong, where he transferred his rights to the 'American Trading Company of Borneo'. The president of this company was a certain Joseph Torrey, who travelled to Brunei the following November in order to be installed as 'Raja of Ambong and Marudu and Supreme Ruler of the whole of the northern portion of Borneo'.⁶²⁵ Under Torrey's guidance a small plantation and trading settlement, staffed by 10 Americans and 60 Chinese coolies, was established on the shores of Kimanis Bay. The enterprise was financed temporarily by loans from the Chinese merchant community at Labuan.⁶²⁶

Torrey soon quarrelled with Moses, however, and went back to Hong Kong, hotly pursued by one of his Labuan creditors. The settlement at Kimanis languished, became bankrupt, and at the end of 1866 finally died.⁶²⁷ From then on the American Company⁶²⁸ confined itself to occasional trading ventures on the Borneo coast. Torrey and his associates still retained their title to most of northern Borneo, however,

⁶²⁴ Governor Callaghan to the Foreign Office, July 8th, 1865. (F.O. 12/32B).

⁶²⁵ Proclamation by Joseph William Torrey, December 21st, 1865. (F.O. 12/33A).

⁶²⁶ Governor Bulwer to Earl Granville, August 17th, 1872. (C.O. 144/37).

⁶²⁷ Acting-Governor Low to Lord Stanley, December 1st, 1866. (C.O. 144/25).

⁶²⁸ In 1868 Torrey was in New York, trying to obtain new financial backing. A prospectus for a new 'American Trading Company of Borneo' published by him that year spoke of the country's "enormous wealth, the salubrity of its climate, and the unsurpassed fertility of its soil." "The auriferous deposits", Torrey announced, were "only equalled by the Australian and California mines." The latter was a large claim, since gold had not then been discovered in northern Borneo, at any rate by Europeans. (*American Trading Company of Borneo: organized under special concession from His Highness the Sultan*

though it remained to be seen whether they would be able to profit by it.

The next 'interlopers' to appear on the north-west coast of Borneo were the Italians. In February 1870 Captain Racchia of the Royal Italian Navy brought his ship, the *Principessa Clotilde*, to anchor in Labuan harbour, and astonished the British authorities there by announcing that he had been instructed to look for a site in Borneo for a penal colony.⁶²⁹ For some time past the Government of Italy had been trying to create such a colony, but their attempts to do so in Abyssinia, Socotra, and the Nicobars had all been frustrated.⁶³⁰ Racchia examined the coast opposite Labuan, and decided to recommend Gaya Bay, generally recognized as the finest anchorage in north-western Borneo. The British at Labuan complained to the Colonial Office that an Italian penal colony would corrupt the people of Brunei,⁶³¹ and a long correspondence ensued between London and Rome on the subject. In the end nothing came of the plan, since in 1873 the Italian Government abandoned of their own accord all idea of transporting convicts overseas.⁶³²

Meanwhile the Spanish Government of the Philippines had become involved in what proved to be the final phase in their seemingly endless contest with the Sultans of Sulu. Spain had first occupied Sulu in 1638, but since then, despite frequent military expeditions and numerous treaties of friendship and mutual protection, its piratical and warlike inhabitants had never submitted to the Spanish yoke for more than a few years at a time.⁶³³ In 1851, for example, after his capital had been occupied by Spanish troops, the Sultan agreed to make a "solemn act of incorporation and adhesion to the sovereignty of Her Catholic Majesty", and promised to suppress piracy in his dominions, but four years later raiders from Sulu captured and burnt the greater part of Zamboanga.⁶³⁴ Spanish intentions with regard to this area were of importance to the future of Borneo because the Sultans of Sulu possessed hereditary sovereign rights over the whole of the north-east coast

of Borneo . . ., New York, 1868). The business men of New York, however, were not to be persuaded to invest in wild-cat schemes of Torrey's devising, nor were the American Government ready to listen to his plea that the U.S. Navy needed a base on the island of Banggi.

⁶²⁹ Governor Pope-Hennessy to Earl Granville, April 11th, 1870. (C.O. 144/31).

⁶³⁰ Chevalier Cadorna (Italian Ambassador in London) to Earl Granville, January 29th, 1872. (C.O. 144/39).

⁶³¹ Governor Bulwer to Lord Kimberley, January 15th, 1873. (C.O. 144/40).

⁶³² C.O. 144/40 and 41.

⁶³³ Najeeb M. Saleeby, *The History of Sulu*, pp. 177-200.

⁶³⁴ *Ibid.*, pp. 209 and 214.

from Boeloengan to Marudu Bay and over the north-west coast as far south as Pandasan.⁶³⁵

In 1873 the Government of the Philippines decided to subdue Sulu once and for all. This could best be done, they believed, by driving away all trading prahus and by blockading all ports. "Every vessel coming from the Sulu Archipelago and manned by Moors [ie. Moros]", ordered the naval commander-in-chief at Manila, "shall be destroyed, and its crew and passengers destined to labour on public works . . . If the vessels . . . be armed, they shall, as our laws direct, be held as pirates, and their crews be tried by court-martial . . . Every vessel, although it may not be manned, belonging to the Moors of the Islands of Sulu and Tawi Tawi, shall be destroyed by the cruisers".⁶³⁶ In addition, foreign nations were peremptorily informed that no ships other than those sailing under Spanish colours would be permitted to trade directly with Sulu or with any of its dependencies.⁶³⁷

Most of the overseas trade of Sulu was in the hands of British and German firms at Singapore, who became highly indignant when a Spanish blockade was declared. Prompted by Sir Harry Ord, Governor of the Straits Settlements, the British Government lodged a protest in Madrid against the restrictions, while the German Government, which had already sent a warship to Sulu to conduct an investigation on the spot, suggested that Germany and England, by joint action, should compel Spain to restore freedom of trade to the Archipelago. Neither the British nor the German Government, it was pointed out, had ever admitted that Sulu formed part of the Spanish Philippines.⁶³⁸

Bringing pressure to bear on Spain by the methods of diplomacy, however, was a tedious process, and while negotiations dragged on in Europe, several enterprising merchant skippers in the Far East started a brisk smuggling trade with the proscribed Sulu ports. The small Spanish naval forces based on the Philippines were able to intercept only a small portion of this traffic, but they did succeed in capturing a few blockade-runners, and Anglo-German protests became

⁶³⁵ Sir Hugh Low, 'Selesilah . . .', *JRASSB*, June 1880, pp. 13-17.

⁶³⁶ Orders issued by Rear-Admiral Don Juan Antequera y Bobadilla, August 2nd, 1873. (*P.P.*, 1882, LXXXI, p. 338).

⁶³⁷ Notification by the Spanish Consul in Singapore, published in the *Straits Settlements Government Gazette* of November 7th, 1873.

⁶³⁸ Governor Ord to Lord Kimberley, March 13th, 1873. Earl Granville to Mr. Layard (British Ambassador in Madrid), October 20th, 1873. Count Münster (German Ambassador in London) to Earl Granville, January 19th, 1874. Governor Bulwer to Earl Granville, March 22nd and April 10th, 1873. (C.O. 144/40).

stronger than ever. At last, in November 1876, the Government of the Philippines agreed to open Jolo, the main port of Sulu, to the trade of all nations, and the following year a protocol was signed in Madrid by England, Germany, and Spain, providing for "free access" and "free trade and navigation" throughout the whole Sulu Archipelago.⁶³⁹

Although Spain was thus compelled to rescind her blockade policy, she had no intention of abandoning the struggle altogether. Indeed, she was now all the more determined to conquer Sulu. In 1876 Spanish troops had made a successful assault on Jolo, and garrisons had been installed at strategic points in the Archipelago. Unrest continued during the following two years, but all outbreaks were harshly suppressed, and by the middle of 1878 the people of Sulu were ready to admit defeat. On July 20th of that year "articles of pacification and capitulation" were signed at the Sultan's capital, and Spanish sovereignty proclaimed over all his dominions, including those on the mainland of Borneo.⁶⁴⁰ Already, however, events in that island had placed His Highness' mainland possessions beyond the Spanish sphere of influence for ever.

One of the most successful of the merchant ship captains who ran the Sulu blockade during the 1870's was W. C. Cowie, a Scot employed by Carl Schomburgk and Company, of Singapore. Cowie received many favours from the Sultan of Sulu, including permission to erect a trans-shipment depot for his merchandise at Sandakan, a fine natural harbour on the north-east coast of Borneo. He later entered into partnership with Schomburgk and with Captain Ross, another trader with wide experience of the Eastern Seas, and the three men formed the 'Labuan Trading Company', the sole purpose of which, despite its apparently innocent title, was to smuggle guns, ammunition, opium, tobacco, and other contraband into Sulu.⁶⁴¹

In order to dispose of the barter goods which he collected in northern Borneo and the nearby islands, Cowie made a practice of paying occasional visits to Hong Kong. During one of these trips, while arranging for the sale of a cargo of pearls and rattans, he received an

⁶³⁹ Decree of the Government of the Philippines of November 16th, 1876, and Protocol of March 11th, 1877. (*P.P.*, 1882, LXXXI, pp. 434 and 545-7).

⁶⁴⁰ Saleeby, *op. cit.*, pp. 222-31.

⁶⁴¹ W. C. Cowie, 'North Borneo and how it became British', *London and China Express*, November 27th, 1908 (Supplement). 'Confidential report on the state of the Sulu Archipelago', by Commander Buckle, R.N., June 3rd, 1873. (C.O. 144/45). See also F. W. Burbidge, *The Gardens of the Sun*, pp. 183-4.

unexpected demand for a ten per cent 'export duty' from Joseph Torrey, the only surviving member of the American Trading Company, and now the manager of a Hong Kong sugar refinery. Cowie had not previously been aware of the existence of Torrey's Bornean concessions, but he immediately saw their value, and suggested to his two partners that they should join with him in buying the American out. Ross and Schomburgk, however, would not agree.⁶⁴²

Although Cowie did not know it, the Bornean concessions had already attracted the attention of a resident of Hong Kong who was in a position to make better use of them than an impecunious Scottish gun-runner.⁶⁴³ This was Baron von Overbeck, consul at Hong Kong of the Austro-Hungarian Empire, and at one time the local manager of the great China opium firm of Dent and Company. In 1874 Overbeck visited London, and submitted a scheme for acquiring Torrey's rights to the Austrian Ambassador, Count Montgelas, who, in turn, fired the enthusiasm of certain capitalists in Vienna. As a result an Austrian warship was sent to Labuan in May 1875 to inquire into commercial prospects. Yet another European power had become involved in the fortunes of northern Borneo.⁶⁴⁴

Returning from Europe to Hong Kong in January 1875, Overbeck purchased Torrey's rights in the American Trading Company,⁶⁴⁵ and the following June visited Brunei himself to make sure that the concessions he had just bought were valid. (The leases acquired by Moses in 1865, it will be recalled, were to run for a period of ten years only). Having satisfied himself on this score, the Baron entered into partnership with Alfred Dent, a son of his former employer, who undertook to supply most of the necessary financial backing. Two years later Overbeck made a second journey to Brunei in order to negotiate a permanent settlement with the Sultan.⁶⁴⁶

⁶⁴² Cowie, *op. cit.*

⁶⁴³ Cowie later became Managing Director and Chairman of the British North Borneo Company and spread abroad the story that he was that Company's real founder. The facts do not support him. (See K. G. Tregonning, 'The administration and development of North Borneo by the British North Borneo Company, 1881-1903', Unpublished Dissertation, University of Oxford, 1952, p. 21).

⁶⁴⁴ Acting-Governor Low to the Foreign Office, May 30th, 1875. (F.O. 12/41). Governor Treacher to Lord Derby, January 2nd, 1878. (C.O. 144/50).

⁶⁴⁵ Tregonning, *op. cit.*, p. 20.

⁶⁴⁶ Acting-Governor Low to Lord Carnarvon, July 6th, 1875. (C.O. 144/44). 'Memorandum respecting the cessions to Messrs. Dent and Overbeck...'

(Printed for the use of the Cabinet, October 6th, 1879: F.O. 12/54).
The total capital of the North Borneo enterprise at this stage was £ 10,000,

On December 29th, 1877, by means of four separate instruments, the Sultan and Pëngeran Tëmënggong of Brunei ceded to Baron von Overbeck and Alfred Dent, Esq., all the territories, rivers, lands, and provinces lying in the area between Kimanis Bay on the north-west coast of Borneo and Seboekoe River on the east.⁶⁴⁷ Baron von Overbeck was created 'Maharaja of Sabah and Raja of Gaya and Sandakan',⁶⁴⁸ with powers of life and death over the native populations in the ceded areas, absolute ownership of all agricultural, animal, and mineral products of the country, the right to make laws, coin money, create an army and navy, and levy customs duties and taxes, with "all other powers and rights usually exercised by and belonging to sovereign rulers".⁶⁴⁹ In exchange the Sultan was to receive \$ 12,000 annually, and the Tëmënggong \$ 3,000.

The Pëngeran Tëmënggong was involved in these transactions because of the complicated system of land tenure then operating in Brunei. All revenues, whether from land or taxation, fell into three categories: *kërajaan* (lit. 'rule, empire'), implying, in this case, state revenues which were automatically inherited by a new Sultan from his predecessor; *koripan*, a name given to revenues allotted to a state official by virtue of his office; and *tulin* or *pësaka* (lit. 'heirloom') revenues belonging to anyone, whether Sultan, noble, headman, or commoner, in his private capacity. The Tëmënggong of Brunei possessed *tulin* rights over some of the districts bordering on Kimanis Bay, and was consequently able to participate in the tribute money offered by (or extracted from) Baron von Overbeck.⁶⁵⁰

It will immediately be seen that the recipients of these grants acquired far wider powers than the Dutch had ever obtained from the princes in their part of Borneo. Under the Dutch system, as applied on the West and East Coasts, though not on the South, a sultan or raja who had ceded his territories to the Netherlands Government continued to administer them as a sovereign prince (by and with the advice of a

of which Dent had contributed £ 6,000. Torrey surrendered his rights to Overbeck for £ 15,000, less the costs of the expedition of 1877-8. (Governor Treacher to Lord Derby, January 2nd, 1878: C.O. 144/50).

⁶⁴⁷ Maxwell and Gibson, op. cit., pp. 154-6. These cessions did not confer a title to the entire coastline between the points named, but they were sufficiently comprehensive for Overbeck's purpose.

⁶⁴⁸ 'Sabah' was originally a native name for certain parts of the north-west coast, but later became applicable to the State of North Borneo as a whole.

⁶⁴⁹ Maxwell and Gibson, op. cit., p. 157.

⁶⁵⁰ This paragraph is based on a memorandum written by Administrator Leys of Labuan, dated December 14th, 1885. (C.O. 144/59).

Dutch official), and his jurisdiction extended to all persons in his dominions except Europeans, Chinese and other 'foreign orientals', and those of his subjects who were employed in Government establishments.⁶⁵¹ The powers conferred on Overbeck, on the other hand, constituted an absolute transfer of sovereignty. He was given the right to set up an independent state, not within the Sultan of Brunei's dominions, but entirely separate from them. The grants were subject to one proviso only, namely, that if the tribute money were not paid for three consecutive years the leases would lapse. But it cannot be supposed that the Sultan of Brunei, weak and impoverished as he was, would ever have been able to regain possession of his territories, once having surrendered them.

Indeed, as Overbeck well knew, the Sultan of Brunei did not exercise any effective rule in most of the territory he now so unreservedly gave away. The whole of the north-east coast was claimed by the Sultan of Sulu, and insofar as the local chiefs recognized any superior authority at all, they regarded him, and not the ruler of Brunei, as their overlord. The Baron therefore decided to visit Sulu in order to obtain a second cession, which would place the grants he had already received beyond doubt, and on January 22nd, 1878, the Sultan of Sulu transferred to him sovereignty over all the lands lying between the Seboekoe and Pandasan Rivers in return for an annual tribute of \$ 5,000. In addition His Highness appointed Overbeck "supreme and independent" ruler of the ceded territories and "Datu Bëndahara and Raja of Sandakan", with powers as extensive as those already granted by the Sultan of Brunei.⁶⁵²

By virtue of these two cessions, Alfred Dent and his associates in London—Overbeck, failing to gain Austrian Government support, withdrew from the North Borneo enterprise early in 1879—became the owners of a territory with a total area of over 30,000 square miles and a coastline of 850 miles. Their neighbours were the Spanish Government of the Philippines to the north-east, and the Netherlands Indian Government and Sarawak to the south. None of these powers was likely to welcome an addition to the ranks of existing sovereign authorities in the Indian Archipelago.

The first act of the new proprietors of northern Borneo was to set up administrative posts at various places around the coast. Initially,

⁶⁵¹ Cf. E. de Waal, *Onze Indische financiën*, Deel viii, pp. 76-81.

⁶⁵² Maxwell and Gibson, *op. cit.*, pp. 158-60.

these establishments were on a very small scale.⁶⁵³ The staff provided for Resident W. B. Pryer of Sandakan, for example, who was theoretically responsible for the whole area from Marudu Bay to the Dutch border, consisted of "a West Indian black named Anderson, a half-cast Hindoo named Abdul, and a couple of China boys".⁶⁵⁴ Consequently, when on September 4th, 1878, a Spanish warship steamed into Sandakan harbour to lay claim to north-eastern Borneo in accordance with the treaty concluded between the Philippines and Sulu the previous July, Pryer was not in a strong bargaining position. He refused to be cowed by mere superior force, however, and blandly rejected all his visitors' demands. Finding that argument was useless, the Spanish commander resorted to threats. Unless the Spanish flag was flying over Sandakan by twelve noon on the 6th, he announced, he would order his guns to open fire. Pryer remained unimpressed, and the Spaniards, not wishing to provoke an international incident, had no option but to sail ignominiously away.⁶⁵⁵

The Philippine Government did not make any further attempt to assert their authority over north-eastern Borneo, although the British and Spanish home Governments carried on a fitful correspondence on the subject for some years. Eventually, by a protocol of March 7th, 1885, Spain abandoned all her territorial claims in Borneo and, in return, the United Kingdom and Germany recognized her undisputed sovereignty over the Sulu Archipelago, including Cagayan Sulu and Balabac.⁶⁵⁶ The Philippine Government did not long enjoy this unchallenged supremacy, however, for on August 20th, 1899, following the Spanish-American War, the Archipelago of Sulu became a possession of the United States.

The first move by the Dutch Government against the new British enterprise was less warlike, but more effective. In September 1879 a landing party from a Dutch gunboat hoisted the Netherlands flag at Batu Tinagat, more than forty miles up the coast from the Seboekoe River, and therefore well within the territory of North Borneo as defined in both the Brunei and Sulu cessions. With the limited resources available to him Pryer could do nothing to enforce his Government's territorial claims. He did, however, make a formal protest later to a visiting Dutch naval commander.⁶⁵⁷

⁶⁵³ *North Borneo Herald and Official Gazette*, March 1st, 1883.

⁶⁵⁴ Ada Pryer, *A Decade in Borneo*, p. 14.

⁶⁵⁵ *Ibid.*, pp. 29-31.

⁶⁵⁶ Saleeby, *op. cit.*, pp. 371-3. Maxwell and Gibson, *op. cit.*, pp. 174-7.

⁶⁵⁷ W. B. Pryer to H. O. Wickes (Comd. Z.M.S. *Atjeh*), July 4th, 1880. (F.O.)

To determine precisely where the north-eastern boundary of Dutch Borneo lay in 1879 was by no means easy. The *Besluit* of February 28th, 1846 (which instituted the short-lived 'Government of Borneo') fixed the frontier at 3° 20' North. In March 1850 it was raised by *Kabinetsbeschikking* to 4° 20', a parallel which intersects the coast well to the north of Batu Tinagat. But this decree was not made public, and Dutch maps and atlases produced between 1850 and 1879 continued to show various and conflicting boundaries. The 'Algemeene land- en zeekaart van de Nederlandsche overzeesche bezittingen', by J. W. Walter (1857), for example, retained the 1846 boundary of 3° 20' N. In J. Kuijper's map, 'Nederlandsch Oost-Indië' (1866), the boundary was marked to coincide with the Seboekoe River, while the 'Algemeene Atlas van Nederlandsch-Indië' (1870), by Baron Melvill van Carnbee and W. F. Versteeg, placed it north of Sebatik Island. There was general agreement that Dutch Borneo extended as far as the borders of the Sulu dependencies, but no one was sure just how far south these came.

The truth was that the Dutch had given little thought to the problem of defining their frontiers in eastern Borneo before the negotiation of the Dent-Overbeck concessions made this a matter of urgency, and even then, apart from the one gesture of sending a gunboat to Batu Tinagat, they did not try to hinder the spread of British influence southwards.

Inevitably, charges of apathy and negligence were levelled in the States-General at Baron van Goltstein, the Colonial Minister, but he was able to satisfy most of his critics by pointing out that, in the first place, the new undertaking was a private one, with no British Government support behind it, and that, secondly, no infringement of Dutch sovereign rights was involved, since the Dent-Overbeck concessions had been obtained from native princes who were not, and never had been, in alliance with the Kingdom of the Netherlands.⁶⁵⁸ Appropriate steps, he added, were being taken to ensure that Dutch boundaries in Borneo were adequately safeguarded.

The Dutch felt that there was no cause for alarm so long as North Borneo was being developed by a genuinely private concern, but they were anxious, nevertheless, to prevent Dent's undertaking from being

12/86). 'Koloniaal verslag van 1880', *Staatscourant, Bijblad*, 1880-1, Bijlage C, p. 16. Sir Rutherford Alcock to Earl Granville, July 1st, 1882. (F.O. 12/86). P. Adriani, *Herinneringen*, p. 181.

⁶⁵⁸ *Nieuwe Rotterdamsche Courant*, October 20th, 1879.

used as a cloak for British imperialism. In November 1879 the Dutch Ambassador in London, Count van Bylandt, told the British Foreign Office that his Government would be obliged to make "reservations" should the Borneo enterprise "acquire the character of an establishment under an English Protectorate". Such an establishment, said van Bylandt, would be "contrary to the spirit which prevailed at the drawing up of the Treaty of the 17th March 1824".⁶⁵⁹

To this line of argument, by now very familiar, the British Government made their usual reply. Great Britain, van Bylandt was told, had never recognized that the Treaty of 1824 applied to Borneo. All the same, Her Majesty's Government had "no present intention" of extending protection to any part of that island, their object being "to promote the development of the resources of the country . . . not to set up any dominion or to enter upon controversy with respect to territorial claims".⁶⁶⁰ With this somewhat evasive statement of British policy the Dutch were temporarily content.

Meanwhile Alfred Dent and his colleagues in London had been working hard to secure official British recognition for their undertaking. From the outset the North Borneo project received support from men of position and influence in the community, and Dent's standing with the Foreign Office was always high. In this respect he had a great advantage over the Raja of Sarawak. His associates included Mr. Richard Biddulph Martin, M.P., the eminent banker, Admiral Sir Henry Keppel, conqueror of the Borneo pirates, and Sir Rutherford Alcock, a retired diplomat with a long and distinguished career in the Far East. It was Alcock who succeeded in winning the co-operation of Sir Julian Pauncefote, the legal adviser and later the Permanent Under-Secretary to the Foreign Office, who became an untiring advocate and champion of the Dent enterprise and, holding the appointments he did, was well placed to see that his views were carried into execution.

Largely on Pauncefote's recommendation, the British Government indicated halfway through 1880 that they were prepared to confer a Royal Charter on Dent's undertaking. Advising Count van Bylandt of this decision, the Foreign Secretary, Earl Granville, gave an assurance that 'political considerations' were not involved, and that Great Britain

⁶⁵⁹ Baron van Lynden van Sandenburg to Count van Bylandt, November 11th, 1879. (*P.P.*, 1882, LXXXI, p. 72).

⁶⁶⁰ Marquis of Salisbury to Mr. Stuart (reporting a conversation with Count van Bylandt), November 24th, 1879. (*Ibid.*, p. 73).

had no thought of annexing northern Borneo or of obtaining a protectorate over it.⁶⁶¹ To the Dutch, however, the granting of a Royal Charter implied a degree of official British support for the undertaking that involved very definite 'political considerations'. Such a document, they maintained, "would seem to create a tie between the Company receiving and the Government bestowing it".⁶⁶² Moreover, the enterprise would certainly not retain its private character if, as was proposed, the British Government reserved the right to share in the selection of the Company's chief officials, to control its foreign policy, and to veto the transfer of its territories to third parties.⁶⁶³ But all that the Foreign Office would promise was that the Dutch would be allowed to see a copy of the Charter before it was promulgated.⁶⁶⁴

Early the following year a 'British North Borneo Provisional Association, Limited' was formed for the purpose of acquiring Dent's interests. This association, the leading members of which were Dent himself, Alcock, Martin, Rear-Admiral R. C. Mayne, and W. H. M. Read, petitioned the Crown for a Royal Charter, on the understanding that when this privilege had been conferred, the Association would wind itself up and transfer its assets to a new body, to be known as the 'British North Borneo Company'. For reasons which will be examined later, this request was granted with little delay, and the North Borneo Company received its Charter under the Great Seal on November 1st, 1881.⁶⁶⁵

True to their promise, the Foreign Office had sent a draft of the Charter to the Netherlands Government the previous July, inviting comments and suggestions.⁶⁶⁶ The Dutch immediately raised objections to several articles, claiming that ratification of the document as it stood would result in "profound disturbances in the present political relations in the north of the Island of Borneo".⁶⁶⁷ The British, however, refused to modify the text in any particular whatever. When the Charter was finally gazetted in November, the Dutch accepted the *fait accompli*,

⁶⁶¹ Earl Granville to Mr. Stuart, July 21st, 1880. (Ibid., p. 75).

⁶⁶² Baron van Lynden van Sandenburg to Count van Bylandt, August 2nd, 1880. (Ibid., p. 77).

⁶⁶³ Count van Bylandt to Earl Granville, April 8th, 1881. (Ibid., pp. 87-8).

⁶⁶⁴ Earl Granville to Mr. Stuart, May 27th, 1881. (Ibid., p. 88).

⁶⁶⁵ The text may be found in Maxwell and Gibson, op. cit., pp. 160-71.

⁶⁶⁶ Earl Granville to Count van Bylandt, July 29th and August 8th, 1881. (P.P., 1882, LXXXI, pp. 88-9).

⁶⁶⁷ Baron van Lynden van Sandenburg to Count van Bylandt, August 11th, 1881. (Ibid., p. 92).

but still maintained their original reservation, namely that the Treaty of 1824 prohibited "absolute British annexation" of the areas concerned.⁶⁶⁸

The problem now was to decide where the boundary-line between British and Dutch Borneo should be drawn. The Netherlands flag hoisted at Batu Tinagat in 1879 had been removed by the local inhabitants, but early in 1883 a Dutch *controleur* was stationed at the nearby village of Tawau, and Dutch warships, based on Tarakan Island, were patrolling the north-east coast.⁶⁶⁹ In September 1883, W. H. Treacher, the first Governor of North Borneo, determined to assert his territorial rights. Proceeding to the disputed area in his official launch, he steamed at full speed past two Dutch gunboats at anchor off Tawau, and landed on the south bank of the Seboekoe River, where he hoisted the North Borneo flag. A *feu de joie* was fired, the flag run down again, and the symbols — BNB 83 — carved on an adjacent mangrove tree. Returning to Tawau, Treacher exchanged visits with the gunboat commanders, and entertained the *controleur* to dinner. No sooner had he left the coast, however, than the Dutch chopped down his boundary mark.⁶⁷⁰

An incident of this kind might easily have caused serious friction, but in 1884 the British and Dutch Governments very sensibly agreed to set up a joint commission to look into the whole boundary question on the spot. This commission began its work in July 1889, and its recommendations provided the basis for an Anglo-Dutch frontier convention signed in June 1891.⁶⁷¹ As often happens in such cases, the boundary then laid down represented a compromise between the extreme claims of the two parties. At the time the geography of the interior of Borneo was not sufficiently well known for a boundary-line to be drawn in detail. The frontier which now divides the British colony of North Borneo from Indonesian Borneo was established by a joint Anglo-Dutch survey team in 1912.⁶⁷²

⁶⁶⁸ Mr. Rochussen to Count van Bylandt, December 12th, 1881. (*Ibid.*, p. 102).

⁶⁶⁹ 'Koloniaal verslag van 1883', *Staatscourant, Bijblad*, 1883-4, Bijlage C, p. 16. *China Telegraph*, February 22nd, 1883. Sir Rutherford Alcock to Earl Granville, July 1st, 1882. (F.O. 12/86).

⁶⁷⁰ Governor Treacher to Sir Rutherford Alcock, September 10th, 1883. (F.O. 12/86).

⁶⁷¹ 'Convention between Great Britain and the Netherlands defining boundaries in Borneo', June 20th, 1891. (*P.P.*, 1892, XCV, pp. 721-6. Maxwell and Gibson, *op. cit.*, pp. 215-17).

⁶⁷² See the *Verslag der commissie tot uitzetting op het terrein van de tusschen*

The Dutch had not acquiesced willingly in the foundation of the British North Borneo Company, yet it cannot be said that they fought a full-scale diplomatic battle against it. By comparison with Ambassador Dedel's vigorous denunciations of the activities of James Brooke forty years before, the protests which Count van Bylandt was instructed to make were weak and hesitant. This was because most Dutch Liberals, whose party was in power at the time, openly admitted that the Netherlands had forfeited all right to oppose British expansion in northern Borneo by accepting the British treaty with Brunei of 1847.⁶⁷³ Van Bylandt's protests were probably intended more to pacify the Conservative party in the States-General than to impress the British Foreign Office. The Government of Sarawak, on the other hand, which had been trying for ten years to obtain from Brunei a much smaller cession of territory than the one negotiated by Baron van Overbeck, could not afford to take so detached a view.

From the beginning Raja Brooke was bitterly hostile to the North Borneo enterprise, and sought to defeat it by every means at his command. As soon as he learnt that the Dent-Overbeck concessions had been signed, he hurried to Brunei and harangued the Sultan and Court, pointing out that the negotiations had been completed without the approval, or even the cognizance, of the chiefs who ruled the ceded areas.⁶⁷⁴ Crossing the bay to Labuan, he told W. H. Treacher, then the Acting-Governor of the Colony, that the proposed company might easily be a total failure, that the Sultan, who was in his dotage, had no right to dispose of territory at all, and that he himself "intended to proceed up the coast and stir up the minds of the natives against the Baron".⁶⁷⁵ Finally, he wrote in protest to the Foreign Office against the "wholesale" character of the cessions, and claimed that, in any case, they were contrary to the Treaty of 1847.⁶⁷⁶

In basing his case on this Treaty, which the Foreign Office had so often used to block the expansion of his own country, Brooke appeared to have an unanswerable argument. Overbeck was, after all, an Austrian

het Nederlandsche gebied en Britsch Noord-Borneo vastgestelde grens, Batavia, 1913.

⁶⁷³ See the debates in the Tweede Kamer of December 2nd, 1879, and December 5th-6th, 1881.

⁶⁷⁴ Brooke to Treacher, April 6th, 1878. Overbeck to Treacher, April 7th, 1878. (C.O. 144/50).

⁶⁷⁵ Acting-Governor Treacher to Lord Derby, April 17th, 1878. (Ibid.).

⁶⁷⁶ Brooke to Lord Derby, April 11th, 1878. (F.O. 12/53).

baron, and therefore belonged to that category of 'foreign subjects' whose interference in the affairs of Brunei the Treaty was expressly designed to prevent. The cessions had been signed, moreover, without the British Government's knowledge, and this, too, was contrary to the Treaty.⁶⁷⁷ Yet, on receipt of Brooke's communication, Sir Julian Pauncefote commented sourly: "Raja Brooke is evidently incensed with jealousy of Raja Overbeck, but considering that his uncle annexed large portions of territory in defiance of the Treaty which he now cites against the Dent-Overbeck concession, the objection comes with bad grace from him".⁶⁷⁸ It was clear that, so far as Pauncefote was concerned, the Foreign Office would give no support to Sarawak in its coming battle with the influential North Borneo Company. Her Majesty's Government, Brooke was told, "have no reason to apprehend any proceedings on the part of the Company likely to affect injuriously the rights and liberties of the native populations, and they would regret to learn that . . . any action had been taken by *any Foreign Government* prejudicial to the private interests of the British capitalists concerned".⁶⁷⁹ Here is further proof of the confusion of thought prevailing at this time concerning the status of Sarawak. When Brooke's plans to expand his own borders were being discussed, his country was refused recognition as an independent power. Now, he is apparently to be regarded as the head of a 'foreign government'!

In June 1878, sensing that Dent and Overbeck had more powerful backing than he had at first supposed, Brooke asked the Borneo Company, Limited, for a loan of £ 20,000. With this money he hoped to be able to bribe the Sultan of Brunei into granting him the entire north-west coast as far as Marudu Bay — thereby getting Overbeck and Dent "out of the way", as he put it. The Borneo Company agreed to supply the necessary funds, but the plan was not carried through.⁶⁸⁰ Brooke then decided to approach the Sultan once more regarding the

⁶⁷⁷ No stipulation was included to this effect in the Brunei cessions, but, illogically enough, British approval was made a pre-requisite of the cessions obtained from the Sultan of Sulu, with whom Great Britain had no treaty relations whatever. By the time he reached Sulu, Overbeck had become convinced that no enterprise in Borneo could survive without the goodwill of the British Government. When the second treaty was signed he therefore agreed to the insertion of a restrictive clause. (Tregonning, *op. cit.*, p. 27).

⁶⁷⁸ Minute by Sir Julian Pauncefote on Brooke's letter of April 11th, 1878. (F.O. 12/53).

⁶⁷⁹ Marquis of Salisbury to Charles Brooke, June 3rd, 1878. (C.O. 144/51).

⁶⁸⁰ Minutes of the meetings of the Board of Directors of the Borneo Company, Ltd., June 16th, and August 14th, 1878.

cession of Baram, and in December His Highness agreed to hand over the entire Baram River basin in exchange for a tribute of \$4,200 per annum. At once Brooke applied to the Foreign Office for permission to close the deal.⁶⁸¹ His request was referred to the Colonial Office who, for their part, were inclined to support it. "Raja Brooke", remarked the Colonial Secretary, Sir Michael Hicks-Beach, "would appear to have strong claims for consideration, as his government has now been firmly established for many years, and has been conducted with success".⁶⁸² But the Foreign Office were still reluctant to give their consent,⁶⁸³ and decided to seek advice in the matter from Acting-Governor Treacher of Labuan.

From Brooke's point of view, any reference to the Government of Labuan was bound to be disastrous. Not only had Treacher inherited the prejudices of his predecessors against Sarawak, but he had by this time all but thrown in his lot with the North Borneo Company, then in process of formation, and was soon to become that Company's first Governor. In forwarding his advice to the Foreign Office, therefore, Treacher mustered every argument he could against the extension of the authority of Sarawak to Baram. The Chinese of Labuan, he told the Foreign Secretary, were unanimously opposed to the cession. Labuan, they had said, was like a crab with its claws on the trading rivers of the opposite coast. Cut those claws away and the crab would die. The Brunei traders were equally hostile to the proposed transfer. If Baram passed to Sarawak, its trade would be diverted from Brunei to Kuching. Even the Sultan had no real desire to part with additional territory to Raja Brooke. He had agreed only because he was afraid that a refusal might lead once again to the withholding of the annual Sarawak tribute money.⁶⁸⁴

Most of these arguments contained little substance, for the trade of Baram was quite insignificant, but Treacher correctly described the attitude of the Sultan, who, throughout the whole of this period, was playing a double game. At one moment he would agree to cede Baram and at the next refuse his consent, at the same time appealing to the British Government for protection against Raja Brooke's aggressiveness.⁶⁸⁵ In all probability he was hoping that these tactics would enable

⁶⁸¹ Charles Brooke to the Foreign Office, December 10th, 1878. (F.O. 12/52).

⁶⁸² Colonial Office to the Foreign Office, February 9th, 1878. (Ibid.).

⁶⁸³ Foreign Office Minute of February 15th, 1879. (F.O. 12/52).

⁶⁸⁴ Treacher to Salisbury, May 3rd, 1879. (C.O. 144/52).

⁶⁸⁵ Sultan of Brunei to Treacher, May 18th, 1879. (Ibid.).

him to extract from Brooke a particularly high price for the cession. Brooke soon realized this and in August 1879, when he received a note advising him that Her Majesty's Government were "not prepared to take any steps to induce the Sultan to act contrary to his feelings in the matter", gave orders for all negotiations in connection with Baram to cease.⁶⁸⁶

Meanwhile Alcock, Keppel, and others had been urging the Foreign Secretary, Lord Salisbury, to approve the granting of a Royal Charter to the proposed North Borneo Company. Salisbury was an early convert to this plan. Keppel persuaded him that northern Borneo would be useful to Great Britain as a naval base, and he was impressed by a warning from Alcock that unless some form of official British recognition were given to the Dent enterprise another European power might step in and occupy its territory.⁶⁸⁷ A delay was caused, however, while the protests of Spain and the Netherlands were being considered, and early in 1880, before any decision had been reached, the Conservative administration to which Salisbury belonged was replaced by a Liberal Government under Mr. Gladstone.

Support for schemes involving an increase in Britain's imperial responsibilities was, of course, entirely against the Liberal tradition. In spite of this, the new Foreign Secretary, Earl Granville, the new Colonial Secretary, the Earl of Kimberley, and Gladstone himself all gave their blessing to the plan to confer a Charter on the North Borneo Company. The circumstances were held to be exceptional for two main reasons.⁶⁸⁸ In the first place, as Kimberley pointed out, the powers most likely to annex northern Borneo, if Britain took no action, were Spain, Germany, and the Netherlands. Of these, both Germany and Spain were 'protectionist'. If the country fell into the hands of either, British trade must inevitably suffer. As for the Netherlands, he personally would be "sorry to see an extension of their power".⁶⁸⁹ Secondly, as Gladstone and Lord Granville later explained in the Commons and Lords respectively, the cessions had already taken place, and a company to exploit them would certainly be formed whether a Royal Charter were conferred on it or not. Only by granting such a Charter could the Government make sure of being able to exercise

⁶⁸⁶ Marquis of Salisbury to Brooke, August 25th, 1879. Brooke to Salisbury, August 29th, 1879. (Ibid.).

⁶⁸⁷ Minute by the Marquis of Salisbury, October 11th, 1879. (F.O. 12/54). Cf. Tregonning, *op. cit.*, pp. 44-5.

⁶⁸⁸ Cf. Sir Charles Dilke, *Problems of Greater Britain*, Vol. ii, pp. 165-6.

⁶⁸⁹ Minute by the Earl of Kimberley, July 15th, 1880. (C.O. 144/54).

a restraining influence on the company's activities. "The Charter", said Granville, "confers no powers beyond those which Mr. Dent and his partners might have procured under the Companies Act", but, by conferring one, the Government had acquired a "negative control" over the domestic as well as the foreign policy of the new State of North Borneo.⁶⁹⁰

When the text of the Charter was made public in November 1881, therefore, it was found to consist almost entirely of restrictions on the Company's future policy and behaviour. Some of its articles bore witness to the workings of the Liberal conscience. Others revealed the Government's anxiety about the possibility of foreign intervention. The Company was always to remain "British in character and domicile" (Art. 3). It was forbidden to alienate its territories or possessions without the British Government's consent, and its relations with other nations were to be subject to the British Government's control (Arts. 4—6). It must take all practical steps to abolish slavery in its dominions, preserve native religion and customs, and administer justice with due regard to native law (Arts. 8—10). It must grant free facilities in its ports to ships of the Royal Navy (Art. 12), and the appointment of its principal representative in Borneo must receive the British Government's prior sanction (Art. 13). In return, the Company was apparently to receive nothing at all. The Charter made no reference to the provision of British military aid in time of war, or even to British moral support. Yet Dent and his friends were well satisfied. The dignity of a Royal Charter not only enhanced the prestige of their undertaking in the eyes of the inhabitants of Borneo, but improved its standing and, it may be added, the value of its shares, in the city of London.⁶⁹¹

It is not always realized that the North Borneo Company was the first of the great chartered companies which figured so prominently in the story of British colonial expansion during the latter part of the nineteenth century. The Royal Niger Company was not chartered until 1886, the Imperial British East Africa Company until 1888, nor the British South Africa Company until 1889. To find a precedent for the British Government's action in issuing to the North Borneo Company a Royal Charter conferring exclusive sovereign rights over foreign

⁶⁹⁰ Speech by Earl Granville, March 13th, 1882. (*Hansard*, Vol. 267, Cols. 713-18).

Speech by W. E. Gladstone, March 17th, 1882. (*Ibid.*, Cols. 1188-96). Cf. Paul Knäplund, *Gladstone and Britain's Imperial Policy*, pp. 146-7.

⁶⁹¹ Cf. Owen Rutter, *British North Borneo*, p. 128.

territory, it is necessary to go back to the seventeenth century.⁶⁹² The East India Company, moreover, the greatest of all chartered companies of earlier days, had ceased to exercise governmental functions only a short time before (Act for the Better Government of India, August 1858), while the Hudson's Bay Company had similarly made over its remaining sovereign powers to the Crown in 1869 (Deed of Surrender, November 1869). The chartering of 'the North Borneo' was a reversal of the trend of history and marked the start of a new era in European commercial imperialism.

An immediate result of the granting of the North Borneo Charter was the removal of the British Government's ban on the acquisition of new territory by the Government of Sarawak. The Foreign Office realized that they could not continue to refuse Brooke permission to extend his frontiers, and at the same time approve the concessions which had been obtained by the North Borneo Company. In January 1882, therefore, the Government of Brunei was advised that Great Britain had now withdrawn her earlier objections to the transfer of the district of Baram,⁶⁹³ and five months later, much against his will, the Sultan ceded this long-disputed area to Raja Brooke.⁶⁹⁴

The successful negotiation of the Baram cession initiated a period of intense competition between Sarawak and North Borneo for control of the few Brunei territories now remaining. Agents dispatched to the Sultan's capital by Brooke and by Governor Treacher obtained numerous grants and concessions — some from the Sultan himself, some from the pñgerans of the Court — and many of these, when compared later, were found to be conflicting. Brooke and Treacher promptly accused each other of 'piracy' and 'extortion', and angrily appealed to the British Government for redress.

The situation became even more confused when in August 1884 an armed revolt took place in the district of Limbang. By now the Brunei Government had become so weak and inefficient that it was forced to borrow twenty-four rifles from Labuan in order to defend the Sultan's palace, and peace was restored only through the intervention of a British gunboat. In May of the next year, following the death of Sultan Abdul Mumin of Brunei, another crisis occurred. The Pñgeran Tēmñggong, Hassim, was raised to the throne, but several

⁶⁹² Cf. Pierre Bonassieux, *Les grandes compagnies de commerce*, pp. 517-27.

⁶⁹³ Administrator Leys to the Foreign Office, January 18th, 1882. (C.O. 144/56).

⁶⁹⁴ Charles Brooke to Administrator Leys, June 13th, 1882. (*Ibid.*).

influential members of the Court and many provincial headmen refused to accept him as their lawful ruler.⁶⁹⁵

While chaos reigned in Brunei, the Foreign and Colonial Offices were doing their best to unravel the tangle of claims and counter-claims with which Brooke and Treacher had presented them. They found their efforts were greatly hindered, however, by the inaccuracy of the maps supplied by the two contestants.⁶⁹⁶ A certain amount of delay was therefore inevitable before an equitable solution to the problem could be worked out, and meanwhile tempers in Borneo had reached boiling-point. "If something is not done soon", remarked a member of the Colonial Office in May 1885, "to cool the exasperation of Messrs. Brooke and Treacher, there will not be a pñgeran left in Brunei".⁶⁹⁷

The 'scramble for Brunei' coincided with a sudden quickening of the tempo of European colonial expansion in other parts of the Far East. It was during the years from 1883 to 1885 that the French, under the energetic leadership of Jules Ferry, made good their hold on Annam and annexed Tongking. The Germans were equally active; in addition to claiming huge areas in Africa, they hoisted the Imperial flag in the Caroline Islands and declared a Protectorate over north-eastern New Guinea. Either or both of these powers, the British realized, might soon be fishing in the troubled waters of northern Borneo. Of the two, Germany was considered the more dangerous. "Remember the new principles Bismarck has introduced into colonial politics", warned Lord Salisbury in October 1885. "He might as likely as not seize the balance [of Brunei] while we are waiting to see it reach the proper stage of decay".⁶⁹⁸ If the Germans were to obtain a foothold in Brunei, the strategic consequences would be serious, since from there they could threaten British trade with China.⁶⁹⁹

By 1886 it was clear that unless preventive action were taken soon, northern Borneo might pass into the German, or possibly the French, sphere of influence. From the British point of view, therefore, the two essentials were, first, to forestall any attempt by a foreign power to meddle with the area and, secondly, to bring to an end the prevailing anarchy in Brunei. In October of that year a joint Foreign and Colonial Office conference was called in London to consider how this twofold

⁶⁹⁵ C.O. 144/58-9. Baring-Gould and Bampfylde, *op. cit.*, pp. 343-6.

⁶⁹⁶ Minute by Sir Julian Pauncefote, October 15th, 1885. (F.O. 12/68).

⁶⁹⁷ Colonial Office to the Foreign Office, May 22nd, 1885, Private. (C.O. 144/60).

⁶⁹⁸ Minute by the Marquis of Salisbury, October 24th, 1885. (F.O. 12/68).

⁶⁹⁹ Cf. Dilke, *op. cit.*, Vol. ii, pp. 188-9.

object might best be achieved. The Foreign Office had already put forward a suggestion that Brunei should become a British Protectorate, and it was now decided that a simpler and more effective course would be to extend formal British protection to North Borneo and Sarawak as well. By these means other nations would be given warning that they must not interfere, and relations between Brunei and its more powerful neighbours would be brought under closer British supervision.⁷⁰⁰

Early in 1887 Sir Frederick Weld, Governor of the Straits Settlements, was sent to Brunei to secure the Sultan's consent to this plan. His Highness gladly accepted British protection, but refused to comply with an additional suggestion from Weld that a Resident should be provided to advise on matters of domestic policy.⁷⁰¹ No British Resident was appointed to Brunei until 1906. Sarawak and North Borneo also accepted the British offer, and by September 1888 Protectorate agreements had been negotiated between Her Majesty's Government and all three powers.⁷⁰²

The Sultan of Brunei welcomed a British Protectorate primarily because, without it, he had small chance of retaining his throne. It gave him, moreover, a far more effective guarantee than he had had before that Great Britain would come to his assistance if exorbitant demands for territorial concessions were made upon him. To the North Borneo Company, the chief advantage of a Protectorate was that it ensured full British support in time of war, while still leaving the management of all internal affairs in the hands of the officials of the Company. Similar benefits of greater stability and security were conferred on Sarawak, but to Raja Brooke a British Protectorate meant something more: it marked the successful conclusion of a battle which had been begun forty years before by the First White Raja. The British Government had now finally admitted that Sarawak was independent from the Sultanate of Brunei, and a sovereign state in its own right.

⁷⁰⁰ Foreign Office to the Colonial Office, October 29th, 1886. (F.O. 12/73).

Colonial Office Minute of the same date. (C.O. 144/62).

⁷⁰¹ Sir Frederick Weld to Sir Julian Pauncefote, June 21st, 1887, Private. (F.O. 12/77).

⁷⁰² *P.P.*, 1888, LXXIII, pp. 181-5.