

Middle Eastern entrepreneurs in Southeast Asia, c1750-c1940

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Asian entrepreneurs were skilled traders and financiers, as well as precocious manufacturers, probably more developmental in their impact on the 'periphery' than Western rent-seeking capitalists. This has been increasingly emphasised in the Southeast Asian context for communities from southeastern China, Japan, and southeastern India, and the older appellation 'trade diaspora' is now clearly seen to be far too limiting (Brown 1994). However, little attention has been paid to dynamic immigrants from further west, fragmented into small 'communities of trust'. They originated from a wide arc of land, that stretched from northwestern India to the Levant. This paper focuses on the majority among them, who had the Arabic language as a powerful common bond across divides of religion and place of origin. There is a lesser emphasis on Armenians and Persians, and 'Bombay Indians' have been left aside for a future occasion.

Southern Arabians were most numerous in Southeast Asia, perhaps 100,000 at their height in the 1920s and 1930s. Overwhelmingly Sunni Muslims of the same Shafi'i rite that predominated in Maritime Southeast Asia, they almost all hailed from Hadhramaut in modern Yemen. However, there were also a few Iraqi, Omani and Yemeni 'proper'. From around the middle of the eighteenth century, Arabs from these regions went in increasing numbers to the Malay World. Surabaya, on Java, and Singapore, at the southern tip of the Malay Peninsula, became their main bastions. A few were also scattered around the southern fringes of Mainland Southeast Asia, and in the southwestern Philippines (Freitag and Clarence-Smith 1997).

A smaller group of Arabic-speakers came from Greater Syria, including Lebanon, Palestine and Jordan. Almost all went to the Philippines, which they probably reached in the 1870s, and where they were usually lumped together as Syrians. Their numbers reached an atypical peak of just over 10,000 in the late 1970s, as a result of the Lebanese civil war, but there were only around 2,000 in earlier years. They were mainly Maronite, Greek Orthodox, or Druze by religion, although there were other Christians, as well as the odd Sunni Muslim. They may also have enjoyed some benefits in Indochina from a close historical relationship with France (Clarence-Smith forthcoming a).

Another small group of Arabic-speakers, possibly containing the wealthiest entrepreneurs of them all, were Oriental or Babylonian Jews, a branch of the great Sephardic rite of Judaism. Most originated in Iraq, and they were thus often referred to as Baghdadi Jews, though some were from northern Syria and Egypt. While it is not always easy to distinguish them from Ashkenazi Jews, it is likely that the community numbered around a thousand in Java and another thousand in the Malay Peninsula by the inter-war years, with a smaller scattering in northern Borneo and the Moluccas. Oriental Jews emigrated to India during the eighteenth century, and pushed on to Southeast Asia in the first decades of the nineteenth century. Their major Southeast Asian base was Singapore, but they were also numerous in North Java, where the Mussry family of Surabaya was especially renowned (Nathan 1986). Rangoon, in close commercial contact with Calcutta, was home to another small cluster, numbering around 500 in 1921 (Cohen 1956: 211). The Oriental Jews who began to enter the Philippines shortly before 1914 were more commonly of Syrian origin, and came via the United States rather than India (Griese 1954). There were about 500 Jews in the islands in the early 1930s, including a minority group of Ashkenazim (*EJ*, 13: 395).

Armenian Christians, mainly Orthodox but including some Uniates, were the most influential community that did not use Arabic as their home language. They had been deported in large numbers to New Julfa, on the outskirts of Isfahan, early in the seventeenth century, and were thus frequently fluent in Persian. Many pushed on to India and Southeast Asia from New Julfa in the eighteenth century, as Persian monarchs turned against them. Found chiefly in Burma, the Malay peninsula and Java, Armenians took Greek Christians under their wing, and had some rapport with Syrian Christians, as well as business connections with Oriental Jews (Seth 1988; Papazian 1979; Sarkissian 1987). Usually accepted as 'European' or 'White', they tended to emigrate from around the First World War, notably to Australia (Aghassian and Kévorian 2000: 39). By the 1930s, there were only about a hundred Armenians left in Singapore, their main Southeast Asian stronghold (Sarkissian 1987: 8, 29).

Other Middle Easterners were of less significance. There were Shi'i Muslim merchants from the Persian Gulf in Burma and Thailand, but they were much less prominent than in former centuries (Yegar 1972). The odd Greek appeared here and there, notably in Thailand, where connections went back to the seventeenth century (Wright and Breakspear 1908: 280-1). However, the large Greek presence in Bengal does not appear to have spilled over into Burma much (Norris 1992). Latino-speaking Turkish Jews in the Philippines were close to their co-religionaries, while also being attracted into the Spanish-speaking elite through language (Cesar Majul, personal communication).

Middle Eastern entrepreneurs concentrated on Maritime Southeast Asia, where their presence probably dated back to the earliest days of the fabled spice trade. Muslim links briefly faltered with the advent of the crusading Iberians, but Armenians exploited their Christian faith to extend their networks in the Philippines (Clarence-Smith forthcoming a). Even the Muslim connection never disappeared, and it began to expand again in the course of the eighteenth century, as the Dutch East India Company tottered on the edge of bankruptcy (Clarence-Smith 1997).

Southeast Asian regimes, both colonial and Thai, were generally tolerant of diasporas and economically liberal in the long nineteenth century, although conditions deteriorated after 1914. The adoption of free trade led to a titanic economic boom, and removed obstacles to immigration. The region thus proved a great magnet for Middle Eastern entrepreneurs, even if southeastern Chinese merchants were the main beneficiaries. In 1921, it was estimated that the Chinese had 340 million Guilders invested in 'large concerns' in Indonesia, compared to 36 million for the Japanese and 24 million for 'Arabs, Armenians, etc' (Cator 1936: 64).

Nevertheless, Middle Easterners possibly formed the wealthiest expatriate Asian community in Maritime Southeast Asia. This was certainly suggested for Hadhrami Arabs and Oriental Jews in the 1931 census for the Malay peninsula (Vlieland 1931). In 1936, the average 'other Foreign Oriental' paying income tax in the Dutch possessions earned around 3,000 Guilders, compared to a little over 2,000 for Chinese, a little under 2,000 for 'natives', and just over 4,000 for 'Europeans', a category that included all Japanese and individuals of any origin who had acquired European status (Tinbergen and Derksen 1941: 517). A number of Arabs in the Dutch East Indies were reputed to be 'multimillionaires' at the end of the 1930s (Vandenbosch 1944: 371).

Hawkers, peddlers and shop-keepers

Commerce was the sector in which all Middle Eastern communities could be found, and this was often how immigrants began their careers. The small scale of Southeast Asian trade with their homelands put Middle Easterners at a certain disadvantage, compared to Indian and Chinese competitors. However, a strong prior implantation in South Asia, together with major interests in Shanghai, acted as a palliative for Armenians and Baghdadi Jews. Hadhramis and Persians also

enjoyed good Indian connections. Syrians had a presence in East Asia and Australia, as well as strong bastions across the Pacific in the Americas, both North and South.

Syrians were initially particularly dependent on peddling. The French Consul in Manila described their experience thus in 1892: 'Most of the time, to launch their careers, they have only their readiness to work and a pack of goods of little value. These modest traders scatter around all the provinces of the archipelago, seeking their fortune. They try to persuade the natives of the worth of their numerous goods, including cheap jewellery, rosaries, scarves, handkerchiefs, fans, combs, chains, watches and so forth. They are not put off by the protracted bargaining of the natives, and the endless discussions necessary to sell the least of objects. Under a burning sun, made even less bearable by the weariness of walking in the great heat of this country, they wander about thus, struggling against competition from the Chinese. When these peddlers are methodical and patient, qualities that most of them possess, they make a considerable profit in relation to the value of their wares. After a few years, most of them settle in some part of the Philippines, open a store, and progressively extend their businesses' (*Moniteur Officiel du Commerce*, 11 Jan 1894, Annex; my translation).

Syrian peddlers attempted to attenuate the hardships of this life. They preferred to deal in lighter and more valuable objects, especially jewellery and watches, leaving heavier textiles to the Chinese. Occasionally, they rode horses, or hired a 'coolie' to carry their wares. They went about in pairs, and stayed with parish priests whenever they could (Cesar Majul, personal communication). They were the subject of some hostility, compared unflatteringly to the Jews of Europe in the Cagayán Valley in the 1890s (Rodríguez and Alvarez 1998: IV, 1581).

The initial impact of the American take-over of the Philippines was positive. The new authorities made it difficult for Chinese competitors to enter the archipelago, and abolished remaining legal disabilities for aliens, in terms of travel, residence and trade (Jensen 1956: 46). They also completed the 'pacification' of the archipelago. By the 1900s, 'Syrian traders located on the crocodile-infested river bank' of the Agusan river, in northeastern Mindanao, were buying jerked venison from an American renegade (Gleek 1974: 187). However, growing assimilation into Spanish or American elites, who considered peddling unfit for Whites, led to a reluctance to follow this profession (Cesar Majul, personal communication).

The Philippine political environment also became increasingly hostile to 'alien peddlers and hawkers'. The Itinerant Traders Law of 1913 restricted their activities, and made them apply for licenses from district governors. The newly elected Democrat administration in Washington declared that it sought to protect non-Christian tribes from unscrupulous foreigners, but probably mainly wanted to curry favour with Filipino nationalists (Gowing 1977: 229-30). With legislative autonomy after 1916, Filipino politicians increased the pressure on alien traders, although there were still some Syrian 'wandering traders' in the early 1930s (Agpalo 1962: ch. 1; Miller 1932: 543).

Hadhrami Arabs with established shipping connections were able to eschew ambulatory trade, but the same was not true of their poorer brethren, who often acted as hawkers and peddlers (Berg 1886: 113-20). As late as the 1920s, recent arrivals from Hadhramaut hawked and peddled goods obtained on credit, especially in rural areas of Java, hoping to rise further on the commercial ladder (Alatas 1923: 49). However, many petty traders became insolvent in the 1930s crisis, dragging their creditors down with them in some cases (Ingrams 1937: 147).

Syrians settled down to shop-keeping in the Philippines, as this activity was not denied to aliens till 1954. In 1908, 'well established Syrian merchants in Manilla supply their countrymen

who are scattered in the Islands doing the retail trade', mainly in Bikol and the Visayas (Abdou 1910: 434). Syrians came to be particularly associated with bazaars, whereas Chinese and Filipinos were typically seen as running smaller shops: 'Bazaars in the Philippines usually exert considerable selling effort and do very satisfactory business. They are owned largely by Indians, Japanese and Syrians, and function as retailers, jobbers and importers. The management generally operates one or more branches and is in a position to dispose of considerable quantities of goods. [They] sell goods when some of the less developed retail establishments find difficulty in doing so' (Rohrer 1930: 23). There were risks involved. The Salem family store burned to the ground, and the Gabriel family closed theirs in the 1930s depression (Cesar Majul, personal communication).

Shop-keeping was also important for Hadhramis, including those of Sayyid status. During the Cultivation System in Java from 1830 to 1870, Hadhrami shops around state warehouses sold consumer items to peasants after they had been paid by the authorities for their crops (Elson 1994: 255-8). There were many Arab 'petty merchants and shop-keepers' in Singapore in the late 1850s (Wallace 1986: 32). Sayyid Masim b. Salih al-Jifri was among those who rose in the world by opening a small shop on Arab Street (Buckley 1965: 563-5).

Armenians and Oriental Jews were less often associated with petty trade, but a concentration on the fabulously wealthy leading figures in these communities is misleading. The poorer Baghdadi Jews of Singapore, who lived close to the synagogue, were often hawkers and peddlers. Abraham Penhas was one Singapore Jewish peddler who gradually improved his economic situation. Indeed, the Jews were unusual among Middle Easterners in having a fringe of professional beggars, of whom wealthy Baghdadis disapproved exceedingly (Nathan 1986: 26-7; 76-7, 84-5).

Import-export merchants

Both Oriental Jews and Armenians were initially heavily involved in Singapore's lucrative opium business, complementary to their operations in China, and also dealt in spices. Some Oriental Jews moved into general import-export functions as the opium trade was gradually suppressed from the 1880s (Nathan 1986: 3, 8-9, 28; Sarkissian 1987: 13). Wealthy Armenian merchants of Penang and Singapore, notably Agah Catchatoor Galustaun, contributed to Calcutta's Armenian Philanthropic Academy in the first half of the nineteenth century (Seth 1988: 131-4). George Manook, born of poor parents in Persia, was the greatest Armenian merchant in Java at this time, lending money to the cash strapped Dutch government and leaving a fortune of five million Guilders when he died in Batavia in 1827 (Seth 1988: 132). Armenians sold opium in the islands to the east of Java in mid-century, and they continued to be prominent merchants in Java up to the First World War (Schulte-Nordholt 1996: 169; Goor 1982: 239; Sarkissian 1987: 10-14). South Persian merchants of Isfahan and Shiraz were also heavily involved in trading opium to Java, where they bought sugar, although it is not clear whether they settled on the island at this time (Abbott 1983: xviii, 86, 101).

Armenians in Burma suffered over time from their close association with independent Burmese monarchs. Major Armenian traders were employed as officials, especially in charge of maritime customs and relations with foreigners from across the sea. The British blamed their intrigues for the Negrais Massacre of 1759, and in the 1820s portrayed them as 'the Jews of the East, a description of men subtle, faithless and indefatigable.' (Sarkissian 1987: 19-22). They survived the first Burmese defeat of 1826, when the British only annexed the fringe provinces of Arakan and Tenasserim (Seth 1988: 131-4, 159; Papazian 1979: 39). However, the British conquest of Lower Burma, the commercial heart of the country, in 1852, led to renewed accusations that Armenian merchants were anti-British, and even pro-Russian. There were further tensions when the British completed their conquest of Burma in 1885-86 (Sarkissian 1987: 24-6). Nevertheless, a new Armenian church was built in Rangoon in 1862 (Aghassian and Kévorian 2000: 159).

The import and wholesale sectors were a speciality for wealthier Syrians in the Philippines, both Lebanese and Jews placing a strong emphasis on jewellery and textiles (Gleek 1975, 181; Gleek n. d., 4; Yoshihara 1985, 117; Griese 1954, 49). A commercial directory from 1908 indicated that Syrian wholesaling and importing operations were exclusively concentrated in Manila, and made no mention of exports (Abdou 1910: 434). By 1927, half a dozen Middle Eastern families were prominent in Manila's import-export trade, albeit still with an emphasis on imports (*RMCD 1927-28*). These families appear to have been mainly Christians from Lebanon, Damascus and Bethlehem (Clarence-Smith forthcoming a).

Hadhrami wholesaling and importing was focused on the north Javanese ports, Sumatra and Singapore. In the 1880s and 1890s, reputable Hadhrami firms with good distribution networks obtained supplies on two to six months' credit from European importers (Berg 1886: 113-20, 134, 142-7; Fernando and Bulbeck 1992: 69, 71). However, the authorities backed a handful of large Dutch concerns in the import trade, and attempts by a group of Western educated Hadhramis to break into direct importing from Europe were hard hit by the recession of the early 1920s (Alatas 1923: 49). In the 1920s, Hadhramis competed fiercely in Palembang, Sumatra, with Chinese, Europeans, Armenians, Indians and Malays (Vleming 1926: 241-2). Diamonds and coral were a Hadhrami niche market, together with perfumes (Berg 1886: 144; Fernando and Bulbeck 1992: 69; Deventer 1904: 102).

Japanese commercial penetration, particularly marked from 1914, helped to buttress the Hadhrami position. Japanese firms sought links with established Asian distributors, especially textiles, and politically motivated Chinese boycotts of Japanese concerns made Arabs and Indians privileged intermediaries (Post 1993: 149-50; Huff 1994: 266-9; Cator 1936: 76; Vuldy 1987: 137-8). A Japanese newspaper, published in Batavia in 1928, called for the elimination of Chinese intermediaries and their replacement by European, indigenous and Arab merchant houses. In the same year, the Arab owner of the Rasjid Kanaekan Trading Company of Sibolga in Sumatra, went to Japan to enquire about importing Japanese products directly (Post 1996: 87, 93).

Japanese commercial penetration intensified after the devaluation of the Yen late in 1931, despite Dutch and British counter-measures. Moreover, Japanese reliance on non-Chinese intermediaries increased after the Manchurian crisis in that year, which further increased tensions between Japanese and Chinese entrepreneurs (Post 1993: 149-50, 159). There was even an Arabic and Islamic printing press in Osaka in 1937, run by one Mansur bin Sulayman Mar'î al-Kathiri al-Hadrami (Ulrike Freitag, personal communication).

Arab and indigenous merchants benefited particularly from Chinese boycotts in Java and South Sumatra, whereas the boycott movement was little followed by Chinese merchants in eastern Indonesia (Post 1993: 149-50; Vuldy 1987: 137). In the Malay peninsula and East Sumatra, the more numerous Indians were the main beneficiaries (Huff 1994: 268-9). Dutch moves to protect their own enterprises from 1933 shored up a cartel of five Dutch importers in the main ports, but did little to help European firms at lower levels of trade (Vuldy 1987: 138).

A handful of Arab trading associations set up branches throughout the archipelago, as well as in India. One of them, Jibul Fitr, was said to have 'rivalled the larger Chinese corporations in size and volume of operations' (Kroef 1953: 316). This firm does not appear in any other account, but it may have belonged to 'Awad b. Marta', from Haynin, who built up the most successful Hadhrami wholesaling business in Indonesia, based in Surabaya (Meulen and Wissman 1932: 101, 105; Meulen 1947: 155, 163, 215-6). His clan became the leading Arab family in independent Indonesia (Serjeant 1957: 27). The N.V. Handelmaatschappij Antara-Asia was the joint-stock

trading vehicle of the Bin Marta' family after 1945, but this may have been a new name for the company (Post 1996: 105). More generally, the larger Hadhrami trading firms in Java began to set themselves up as joint-stock companies in the 1930s, although in practical terms they control remained with the founding families (Clarence-Smith 2000).

The famous *batik* dyed fabrics of Java were a pillar of Hadhrami commerce from the early nineteenth century, but Chinese competition in the finer grades intensified from around 1900, as did the Chinese grip on vital supplies of cambric and aniline dyes (Vuldy 1987: 74, 106, 146, 156-9; Van Niel 1960: 86, 89). To meet this perceived threat, leading Hadhrami families were at the forefront of the Sarekat Dagang Islam, a 'trade protection' movement which developed from 1909. Sarekat Islam emerged from these local trade associations in late 1912 as a Muslim political organisation for the whole of Indonesia. This attempt to protect the Hadhrami position in the *batik* sector by political means went tragically wrong. Relations with the Chinese degenerated into rioting in 1912, and Marxist elements increased their influence in Sarekat Islam. Hadhrami entrepreneurs withdrew from the organisation altogether after the Garut Incident of 1919, when radicals tried to foment an armed uprising (Algadri 1994: 106; Van Niel 1960: 86-94, 120-1, 145-6, 149).

The Hadhrami-Japanese alliance proved a better bet for *batik* traders. Arabs obtained plain Japanese cloth to sell to *batik* workshops, and sold the finished textiles directly to consumers around the Malay world and beyond (Ingrams 1937: 147, 150; Ingrams 1942: 172; Meulen and Wissman 1932: 44-5; *HCHONI 1940* : 1378, 1447, 1455). Business was good for some, even in the 1930s recession, for Sayyid H. b. Husayn Bin Shihab, a major Pekalongan trader in *batik* and checked cloth, endowed a *waqf* [charitable trust] for the Madrasah Arabiyah Islam school in the Arab quarter of the town in 1935 (Vuldy 1987: 216-7). *Batik* still figured high for Hadhrami traders in Java and Singapore on the eve of the war (Ingrams 1937: 147, 150; Ingrams 1942: 172).

In terms of exports, Middle Easterners were less visible, albeit with some exceptions. Neither Armenians nor Oriental Jews were prominent in this sector, although the Jewish Elias family were an exception. Indeed, Moshe Elias came to be known as the 'copra king' of North Sulawesi (Nathan 1986: 27). The Syrian presence in the Cagayán Valley was closely tied to purchasing tobacco for export, but an unfortunate speculation at the end of the First World War ruined many families (Cesar Majul, personal communication). The concentration of Syrians in provincial towns in 1918 suggests that *abaca* [Manila hemp] and copra [dried coconut flesh] were the main raw materials that passed through their hands (Miller 1920: 416-17). However, the greatest export specialisation of Manila's Middle Eastern community was embroidery, considered below under manufacturing.

Hadhrami exporters were also rare. The al-Saqqaf firm of Singapore was unusual in its emphasis on this sector, notably dealing in timber and spices, and this was possibly related to its shipping interests (Wright and Cartwright 1908: 705-7; *SMD 1940* : 396). Coffee was something of a speciality, albeit one long frustrated by Dutch government marketing in terms of the Cultivation System (Elson 1994: 37, 260; Clarence-Smith 1994: 245-50; Dobbin 1983: 103; Fernando and Bulbeck 1992: 69; Vleming 1926: 242). Hadhrami exporters also benefited to a limited degree from the gradual dismantling of similar government monopolies on pepper and spices in the Moluccas and Sumatra (Dobbin 1983: 167; Reid 1972: 39; Wright and Cartwright 1908: 707). In the key rubber sector, Hadhramis trailed far behind their Chinese and European competitors (Vleming 1926: 241-3, 258; Kroef 1953: 311).

Hadhramis played a larger role in the internal trade of the Dutch East Indies. They gained a stranglehold over the export of horses from south-eastern Indonesia to Java, chiefly destined for

transport. Arab firms in East Java initially sent agents to the Lesser Sundas to purchase horses, but the major company of the inter-war years, Mohamat Aldjuffrie & Co., had its headquarters on the island of Sumba, with representatives in East Java (Kistermann 1991; Clarence-Smith forthcoming b). The al-Jifri brothers who ran this firm were of the same Hadhrami Sayyid clan as the Arab representative on the Volksraad [advisory council] before the war (Ingrams 1940: 122). Hadhramis were also quite active in the internal rice trade, especially that from Bali in the early nineteenth century (Berg 1886: 146; Broersma 1934: 133-4; Elson 1994: 259). Sales of slaves and guns led to occasional confrontations with the authorities (Kniphorst 1885: 291; Reid 1972: 38).

More modern commercial niches emerged in Manila in the inter-war years. Thus, the Ysmaels, probably the foremost Lebanese family in the Philippines, represented the American pharmaceuticals company of Winthrop-Stearns before the Second World War (Gleek 1975: 145). The related Hashim family appears to have had a stake in the importation of automobiles in 1927 (*RMCD 1927-8* : 512).

Real estate, finance, and other services

Diversification out of trade was uneven, for Middle Easterners were probably more over-represented in urban real estate, in relation to their numbers, than in any other economic sector in Southeast Asia. In contrast, their presence in other services was patchy. Hadhramis were prominent moneylenders, but not bankers, whereas other Middle Eastern communities appear to have been altogether absent from financial services.

One easily underestimated factor in urban real estate was timing. The Chinese, were surprisingly slow off the mark in Singapore, the beacon of free enterprise founded by Raffles in 1819. Of the 43 merchant houses recorded there in 1846, 6 were Oriental Jewish, 5 Arab, 2 Armenian and only 5 Chinese (Nathan 1986: 1). This partly explains the extraordinary Middle Eastern prominence in Singapore's real estate sector in later years, though it cannot explain why European entrepreneurs were so much slower off the mark.

Oriental Jews were making fortunes in Singapore's real estate market by the end of the nineteenth century, as they moved out of the declining opium trade. Salleh Manasseh Salleh, who left Baghdad in 1862 and went quite quickly from India to Singapore, was one of the pioneers. However, the great plutocrat Manasseh Meyer, undisputed leader of the community for many years, was the largest owner. From real estate, it was a natural progression to hotels and stables. Manasseh Meyer owned both the Adelphi and Sea View hotels in Singapore, and Nissim N. Adis was famous for building what became the Grand Hotel de l'Europe (Nathan 1986: 6-9, 21-5, 28-30). Meyer Mansions was also a famous block of flats, 'built by the Meyer family, one of several Jewish millionaire families in the business life of the city (Peet 1985: 84).

Armenians were important early on, but seem to have pulled out at the beginning of the twentieth century. Sarkis [Sarkies] Brothers, active in business in Singapore since 1828, built the Raffles Hotel, perhaps the most famous of all the great hotels of Singapore (Sarkissian 1987: 6; Papazian 1979: 39).

Hadhrami prominence in real estate was equally renowned (Alatas 1923: 49; Peeters 1994: 32). The estimates in the table below are probably more useful in indicating geographical spread than actual quantities of capital invested.

Table 1: estimated value of Arab investment in real estate, c. 1885

Town	Millions of guilders	Per cent of total
Singapore	4	25.0
Surabaya	3	18.8

Batavia	2.5	15.6
Pontianak	2	12.5
Semarang	1	6.3
Penang & rest of Malaya	1	6.3
Palembang	0.5	3.1
Rest of Indonesia	2	12.5
TOTAL	16	

Source: Berg 1886: 136

Among the cosmopolitan pioneers of Singapore, Hadhramis excelled in buying prime land and property at advantageous prices (Buckley 1965: 563-5). In 1887, leading Hadhramis joined with Chinese property owners to protest at a proposal to levy rates on vacant houses (Song 1923: 232). The al-Saqqaf family owned the prestigious Raffles Hotel in the 1900s, while the al-Kaf were second only to the Dock Board as rate payers. Sayyid ʿUmar b. Shaykh al-Kaf owned the Grand Hotel de l'Europe in the 1930s, and the family firm in Singapore in 1940 styled itself 'Alkaff and Co., House and Landowners and Estate Agents (Real)' (Wright and Cartwright 1908: 707, 710; Meulen and Wissman 1932: 137; *SMD 1940* : 395). Arabs and Jews were the 'largest owners of house property' in the town in 1931 (Vlieland 1931: 87). Despite the 1930s recession, urban property made Arabs the wealthiest community per head in Singapore, with thirteen principal families owning assets valued at £2.5 million. Whole streets were owned by Hadhramis, there and in Penang (Ingrams 1937: 150). Indeed, there was resentment against Arabs for allegedly pushing up land prices and crowding Malays out of Singapore (Roff 1967: 192).

The Hadhrami stake in urban property in Java was also impressive. As early as 1860, the al-Saqqaf family of Singapore owned 20 houses in Surabaya, 3 in Batavia, and undeveloped land in the latter city (Al-Saqqaf 1993: 192-3). In 1914, Shaykh Salih b. ʿUbayd b. ʿAbdat owned the luxurious Hotel des Galeries, the second largest in Batavia (Mobini-Kesheh 1997: 237; Mobini-Kesheh 1999). The al-Kaf had a subsidiary in Batavia at the end of the 1930s, the N.V. Bouw Maatschappij Alkaff (*SMD 1940* : 395). In the same decade, 'the well-known capitalist, Ba Suwaydan, originally from Shibam in Hadhramaut, possessed 'hundreds of houses in Singapore and Batavia' (Meulen and Wissman 1932: 80-2, 116).

The 1930s recession hit this sector hard. As late as 1939, Sayyid Abu Bakr bin Shaykh al-Kaf of Tarim, the religious centre of Hadhramaut, was suffering from low returns on his extensive property portfolio in Singapore and Batavia. Similarly, Shaykh Salim bin Jaʿfar bin Talib of al-ʿUqda was reported to be 'in trouble with regard to his houses in Surabaya, the rents of which had diminished because of the world economic crisis' (Meulen 1947: 159, 219-20). A mixed story came from al-Hurayda, the family town of the al-ʿAttas family. The local school operated in 1934 with the rents of a building in Batavia, but it was closed in late 1937 as 'the house in Java whose rent was its mainstay is empty because of the slump' (Stark 1945: 60). Two year later, however, the school was open again, still on the basis of revenues from the house in Batavia (Meulen 1947: 145). Indeed, for those Hadhramis with abundant capital, steep falls in the prices of all other factors of production presented tremendous opportunities in the real estate sector (Clarence-Smith 2000).

Urban real estate held a similar appeal for Syrians in the Philippines. The Ysmael [Ismail] family came from Lebanon to trade, but later generations were largely involved in property (Yoshihara 1985, 117). Possibly the most successful of all Lebanese immigrants, they gradually became Catholic and Spanish-speaking, intermarrying with the Hashim and Hemady families. Magdalena [Wadi'ah] Ysmael Hemady bought a large parcel of land, in what was known as New Manila, later subdivided and sold in smaller lots at great profit (Quirino 1987, 53). A street in what

became Quezon City was named after her, and there was a 'Magdalena subdivision' in affluent New Manila in the late 1930s (Benito Legarda and Dan Doeppers, personal communications). The Ysmaels, at some point after 1912, put up 'their own edifice' (Gleek 1975, 44). The Awads of Davao did the same in 1927, though the building was destroyed in the Second World War (Dan Doeppers, field notes 1969).

Tourism and entertainment were related to real estate. The Hashim brothers owned the Manila Grand Opera House, which specialised in vaudeville and musical presentations, and they established a bicycle race track (Gleek 1975, 96, 181; Gleek n.d., 4). The Gabriel family ran a hotel in Bontoc, northern Luzon, and the Bichara family owned cinemas in Bikol. Elie Akrass ran a night-club for Americans after 1945, where he was murdered in mysterious circumstances (Cesar Majul, personal communication).

Moneylending was central to Hadhrami economic activity, although few made it their exclusive profession, with the exception of the secondary urban centre of Tegal in North Java. Rich Hadhramis lent to the wealthy of all races at yearly interest rates of 25 to 30 percent. The rescheduling of bad debts was preferred to foreclosing on collateral. Smaller operators, obliged to lend on dubious assets, pushed interest rates up to 200 percent, extracting labour services in case of default. Koranic prohibitions on usury were side-stepped by fictitious sales and the 'renting' of money (Berg 1886: 136-8; Fernando and Bulbeck 1992: 49-51; Ingrams 1937: 147; Kroef 1953: 312-6). Critics nevertheless denounced this as 'usury', including reformist Hadhramis in the 1930s (Algadri 1994: 6-7). However, rescheduling lowered real interest rates, and great losses were incurred in the 1930s recession (Kroef 1953: 312-6). Arabs themselves often obtained credit from Indian or European firms (Berg 1886: 139-41, 146, 168-70).

Moneylending never developed into fully fledged banking, possibly because it would have been more difficult to avoid the ban on interest, and there were few other financial activities of note. Singapore Hadhramis exchanged notes of the Java Bank, together with Indians, a significant business because of the port's pilgrim traffic (Fernando and Bulbeck 1992: 141). Tax farming, so important for the Chinese, attracted hardly any Arabs (Clarence-Smith 1997).

Another growth area for Hadhramis was newspapers in the British possessions. They were first associated with *al-Imam*, appearing in Singapore in 1906-09, but it was in the 1930s that 'hard-headed Arab press barons' emerged in Singapore and Penang, employing mainly Malay journalists and selling some copies in the Dutch possessions. The foundation of the *Warta Malaya* group of newspapers in 1930 by the al-Saqqaf family of Singapore was a milestone. Sayyid ^cAlawi b. ^cUmar al-Bar was another Singapore press baron of the time, while Sayyid Shaykh b. Ahmad al-Hadi owned the *Jelutong Press* in Penang, which published two influential papers. Indeed, there was Malay resentment by the end of the decade at the degree of Hadhrami financial control over the press, despite the pro-Malay political stance of papers (Roff 1972: 8-10, 51; Roff 1967: 64-5, 168-9).

Land transport attracted a few Syrians in the Philippines, as the internal combustion engine replaced the horse. Businesses based on buses, lorries and petrol stations were centred on Manila, or on major provincial towns in Luzon (Cesar Majul, personal communication).

Shipping

Transport by sea was much more important, but Hadhrami Arabs appear to have been the only Middle Eastern community involved. Hadhrami shippers prospered under European flags, and this activity probably overshadowed trade in the middle decades of the nineteenth century (Clarence-Smith forthcoming c). The port records of Java show that although Arabs accounted for only 2

percent of sea captains in 1774-77, they operated larger vessels and covered longer distances than all competitors except the Dutch East India Company. Since at least the mid-1750s, Arabs specialised in sailing between Java and Palembang and Malacca, on either side of the Straits of Malacca. The average size of ship owned by Arabs was only just over 50 tons, but some of their vessels were much larger. Arab captains resident in Java were mostly to be found in the central and eastern ports of the North coast, notably Semarang, Pekalongan, Gresik and Surabaya. Crew members were mainly Javanese, and were probably free. Arab ships were a mixture of types, at a time when older Southeast Asian models were giving ground to ones of European design built in local yards (Knaap 1996: 33-7, 65-73, 83, 155-6, 212-3).

The British occupation of the Dutch colonies from 1795, effective in 1811 for Java, stimulated an inflow of Hadhrami shippers, and they proved better able than the British to cope with the return of the Dutch in 1816. From 1818, all coastwise shipping was legally restricted to Dutch flagged vessels owned by residents of the Dutch colonies, to which ships registered in the Netherlands were added in 1850. International shipping was initially confined to the port of Batavia, though Riau, Semarang and Surabaya were opened in 1825. These regulations were tightened in 1834, to prevent foreigners with only a few years' residence from flying the Dutch tricolour and engaging in coastal shipping (Broeze 1979: 251-2).

This legislation helped to propel Hadhramis, legally Dutch subjects, to the forefront of coastal shipping. Not only British but also Dutch concerns declined, while ships owned by locally resident Chinese were confined to short hops, and were on average much smaller than those belonging to Arabs. Over medium and long distances within the Dutch East Indies, Hadhrami ships gained supremacy. >From 22 percent of the registered tonnage of European rigged ships in 1820, Arabs went to just over 50 percent in 1850, compared to 29 percent for the Chinese, 9 percent for the Dutch, 9 percent for the British, and 3 percent for 'natives'. Arabs had no European rigged ships in Batavia in 1820, but they possessed nearly 2,000 tons of such shipping in the port by 1850. However, it was the twin harbours of Gresik and Surabaya in eastern Java which witnessed the fastest progression, with some 11,500 tons owned by Arabs in 1850 (Broeze 1979: 257-60, 266-7).

Hadhramis were able to expand shipping links not only between Dutch ports, but also with British settlements in Malaya from the 1830s. Flying the Dutch flag, these 'fine vessels', built of teak and ranging from 150 to 500 tons, engaged in much contraband to avoid Dutch tariffs (Buckley 1965: 324). Furthermore, independent Muslim rulers allegedly accorded Hadhrami Sayyid shippers a remission of duties, on account of their 'superior sanctity' as descendants of the Prophet (Earl 1971: 68).

There was a gradual concentration of ships into fewer hands, with the complete disappearance of the formerly dominant Arab skipper-owner in Batavia and Surabaya by 1850. However, 7 Arab captains out of 25 still owned their ships in Gresik in 1850, and the practice remained somewhat more common among Arabs than among Europeans. The average size of vessels rose, with the number of Arab ships of over 200 tons in Gresik going from 9 in 1830 to 16 in 1850. Shipping became a more specialised business, rather than a mere appendage of commerce (Broeze 1979: 264-6).

Sayyid families involved in the great Javanese shipping boom included the al-Saqqaf and the Ba Raqbah, but the most notable among them were two members of the al-Hibshi family, Hasan and ʿAlawi, who received the coveted Javanese title of Pangeran in the 1840s. By 1850, they possessed half the Arab tonnage of Surabaya, as well as owning ships registered in Gresik and Batavia. All seven al-Hibshi ships in Surabaya were barks, totalling over 2,000 tons (Broeze 1979: 265-6). Sayyid Hasan was also the greatest Arab trader in Java in the 1820s and 1830s (Earl 1971:

67-8). He was entrusted by the Dutch with delicate diplomatic missions as far away as Siam, where he probably had trading interests (Broersma 1934: 133-4).

Not all major Hadhrami ship-owners in Java were Sayyid, for the Ba Hashwan also possessed several European rigged ships in Gresik and Batavia by 1850 (Broeze 1979: 266). In the 1860s, Muhammad b. ʿUthman Ba Hashwan did a flourishing trade in horses, transported from Sumba to Java in one of his ships (Parimartha 1995: 214). This family was drawn from the Maskin social stratum, the most lowly in Hadhramaut's free population. That said, the Ba Hashwan belonged to a 'bourgeois' group, who claimed to have immigrated from Iraq together with the founder ancestor of Hadhrami Sayyid families (Berg 1886: 49-50).

Outside Java, Palembang, in southern Sumatra, was the main rival to Surabaya as a centre of Hadhrami shipping (Berg 1886: 147-8). Only three Arab ship-owners were registered in Palembang in the 1830s, but from 1840 there was a rapid growth in Arab barks, brigs and schooners, generally between 200 and 600 tons. Foremost among the Hadhrami ship-owners of the port was Sayyid ʿAli b. Abu Bakr b. al-Shaykh Abu Bakr b. Salim. He and his family owned about half the total Palembang Arab fleet by 1850. The Dutch appointed him Captain of the Palembang Arabs from 1833 till his death in 1878, and granted him the title of Pangeran. The other half a dozen major Arab ship-owners in Palembang in 1850 were also of Sayyid origin, initially linked to Java, but with much of their business directed to Singapore after 1819 (Peeters 1994: 27-30). In 1823, Arab ships also controlled much of the traffic with Penang, in vessels locally built with elements of European schooner design, or in brigs (Dobbin 1983: 94). The al-Qadri sultans of Pontianak, West Borneo, owned a brig and other merchant vessels in the 1810s (Moor 1968: App., 101-6). In eastern Indonesia, Ternate, Ambon and Banda were centres of Hadhrami sailing ships, with close links to Surabaya (Clarence-Smith 1998: 39).

The British flag was a rival attraction. Among the Arabs who flocked to Singapore after 1819 were shipping families of Sayyid origin, notably the al-Kaf [Alkaff] and the al-Junayd [Aljunied]. Most prominent was Sayyid ʿAbd al-Rahman al-Saqqaf [Alsagoff], who had earlier traded between Malacca and Java, and was from an influential Hijazi family with a branch in Hadhramaut (Buckley 1965: 85, 563-5; Morley 1949: 155; Berg 1886: 122). Sayyid Ahmad made a shrewd marriage into the royal family of Gowa in South Sulawesi, which drove much trade with Singapore, denounced as 'contraband' by the powerless Dutch (Buckley 1965: 564; Wright and Cartwright 1908: 707; Alsagoff 1963: 9-11). Sayyid Ahmad then initiated a regular pilgrim service to Jiddah in the 1850s. Singapore was the hub of the rapidly growing pilgrim flow from Southeast Asia, because the Dutch stubbornly attempted to limit numbers for political and social reasons (Lee 1991: 165).

Steamers provided competition from around 1850. The number of European rigged sailing ships owned by 'Dutch Arabs' continued to rise between 1850 and 1864, reaching a total of 96 in 1860-64, but the Arab percentage fell slightly, as Chinese shippers expanded their operations. The aggregate number of such ships in Arab hands then fell for the first time in 1865-69 (Mansvelt 1938: 98; Campo 1992: 367, 683). Nevertheless, Arabs still owned 75 such ships around 1885, amounting to some 16,000 tons in all. They were concentrated in Palembang and Surabaya, and specialised in less frequented routes, especially in eastern Indonesia (Berg 1886: 119, 147-50). The schooner became the preferred Arab ship, easier to manoeuvre than a square rigged brig or bark, and requiring a smaller crew per ton. Up to 1914, Arab schooners operated between the small islands of the Moluccas and the Lesser Sundas, serving ports and islands at which steamers did not call (Broersma 1934: 144-5, 325-6; Broersma 1935-36: 425).

A functional niche which Arab sailing ships retained for a long time was the transport of live animals, pride of place being taken by horses brought from the Lesser Sundas to Java (Berg 1886: 150; Clarence-Smith forthcoming b). However, sailing vessels could only leave the Lesser Sundas when the monsoon was blowing in the right direction, for fear of horses losing condition (Kuperus 1936: 28). Arab ship-owners held their own until special facilities for the transport of live animals were introduced on steamers around 1900. By the interwar years, European rigged ships had become obsolete in this trade (Kistermann 1991).

Arab *perahu*, rigged and built in the local manner, survived for longer, for example to bring horses to larger ports visited by steamers (Kistermann 1991: 51, 62, 65). In the 1930s, they transported bulky but low value chalk and lime from Sulawesi and the Lesser Sundas, for use in the Javanese construction industry, possibly a cost cutting response to economic recession. Arab *perahu* were also of some importance in fishing in East Java and pearling in the eastern archipelago (Kroef 1953: 316; Clarence-Smith 1998: 38-9).

While harming established interests, steamers in theory provided new opportunities. A few Hadhramis responded positively, but promising beginnings gave way to frustration. No other Middle Eastern community is known to have dabbled in this sector, where the forces of Western protectionism were at their most naked and harsh.

The Dutch possessions witnessed the beginnings of Hadhrami steam navigation. In the early 1860s, a group of Arabs from Ambon were the real owners of the 'Menado', which operated between Java and eastern Indonesia. The steamer was registered in the name of an Ambonese with European legal status, and had a European captain. Despite somewhat scanty return freight, consisting mainly of spices and coffee, the 'Menado' undercut subsidised mail boats in the 1870s (Clarence-Smith 1998: 39-40). In 1878, two Arabs and a European founded the N.V. Voorwaarts company for a weekly Batavia-Semarang service along the coast of Java. A year later, the company purchased a small 300 ton steamer in Singapore, able to carry 70 passengers, and extended its services to Surabaya. However, the venture collapsed after a year later, allegedly for lack of sufficient capital (Campo 1992: 46; Berg 1886: 148-9). Two Arab firms still owned a single steamer apiece in the Dutch possessions in 1886, one in Ambon and the other in Palembang (Berg 1886: 149).

The foundation of the Koninklijke Paketvaart Maatschappij [KPM], in 1888, sounded the death knell of Hadhrami steam navigation in Indonesia. The Dutch were determined to eliminate 'Foreign Oriental' competition in coastal shipping. Financed by the major Dutch shipping companies and benefiting from generous official subsidies and assistance, the KPM became a quasi-monopolistic force, closely linked to the Dutch programme of military 'pacification'. Arab steamer services within Indonesia were thus almost entirely choked off by the end of the 1890s, although the KPM could not control routes to Singapore, or other foreign ports, as effectively as those lying entirely within Indonesia (Campo 1992). In the 1910s, an Arab steamer service still ran from southeastern Sumatra to Singapore, and Arabs owned a few small tramp steamers in North Sulawesi (Purwanto 1992: 54, 89-90; Jansen 1990: 19). Indeed, one Arab owner of motorboats in North Sulawesi, Sayyid ^cAbd al-Rahman b. Shaykh al-Hasni, remained defiant till the eve of the second World War, exploiting links with Japanese shipping companies purchasing copra (Dick 1989: 257-8, 266).

Singapore, more liberal in its administration, thus became the bastion of Hadhrami steam navigation. As early as 1871, Sayyid Ahmad al-Saqqaf's Singapore Steamship Company ferried pilgrims to Jiddah, with a European captain (Sherry 1966: 47). Three years later, the company had

four steamers and conveyed 3,476 pilgrims to Jiddah. After Sayyid Ahmad's death in 1875, his son, Sayyid Muhammad, continued the business (Lee 1991: 165-7).

In 1880, a major scandal befell the Singapore Steamship Company's 'Jeddah'. This was an eight year old steamer of over 1,000 tons, built in Dumbarton, Scotland. The European captain together with European crew members and Sayyid ʿUmar al-Saqqaf, abandoned the stricken vessel in the Gulf of Aden, following a bad storm. They reached Aden in a lifeboat, and reported to the authorities that the ship had gone down with nearly a thousand pilgrims on board. To general astonishment, the ship was then towed into Aden by another steamer. The 'Jeddah' was found to have had only six lifeboats on board, but accusations that the incident was staged to gain £30,000 in insurance money proved groundless (Sherry 1966: 43-64).

Despite this scandal, there were still two Arab steamer companies active in Singapore in the mid-1880s, the al-Saqqaf firm and Sayyid Masim b. Salih al-Jifri [Joeffrie]. Arab capital from Surabaya and some Chinese funds were invested in one of these companies. They owned two steamers apiece, employed European captains and engineers, and were locked in fierce competition with two Dutch lines for the pilgrim traffic to Jiddah. They also ran services to the east, as far as China. However, Sayyid al-Jifri's business collapsed some time before his death in 1894 (Berg 1886: 149-50; Buckley 1965: 564-5).

The long term problem for Hadhrami steam navigation was that British liberalism failed to prevent the emergence of powerful cartels, the shipping 'conferences' or 'rings' which enmeshed the Indian Ocean in their coils from the 1870s. One solution was to join these cartels. Sayyid ʿUmar al-Saqqaf was a founding member of a pilgrimage syndicate in 1896, in alliance with the British company Holts, several Dutch shippers, and the Sharif of Mecca. The syndicate enjoyed a monopoly over the transport of pilgrims from the Straits Settlements to Jiddah (Lee 1991: 165-6). How long this arrangement lasted is not certain, but the al-Saqqaf company was still transporting pilgrims to Jiddah in 1908 (Wright and Cartwright 1908: 707).

The cartelisation of steam navigation in Asian waters increased greatly from the turn of the century, leading Singapore Arabs to join an unsuccessful public protest in 1910 (Huff 1994: 135). Moreover, rapid technological change led to larger and more costly ships, raising barriers to entry. Nevertheless, some Arab involvement persisted into the interwar years. Salim b. Muhammad b. Talib, of tribal [Qabili] origins and among the wealthiest Arab entrepreneurs in Singapore, owned several steamers until his death in 1937, when his family sold them (Ulrike Freitag, personal communication).

Manufacturing

The 'third wave' of diversification out of trade focused on manufacturing, making Middle Easterners seem more like Chinese than Indians. Unlike the Chinese, however, Middle Easterners were not prominent in processing raw materials for export. Rather, they specialised in consumer goods, notably textiles.

Hadhramis were drawn early into the famous *batik* dyeing business of Java, but their progress from trade to production was slow and cautious. In the 1840s, Pekalongan Arabs simply advanced imported cotton cloth and wax to Javanese women for home production, and sold the finished product. From around the 1860s, they financed workshops for individually drawn *batik tulis*, and for the cheaper *batik cap* produced with metal stamps. At some point in the later nineteenth century they set up their own workshops, often run by their wives (Vuldy 1985: 106-9; Vuldy 1987: 107, 110-13, 138-42).

As the number of Hadhrami workshops grew, the centre of gravity of the business shifted inland to the old capital city of Surakarta. Of the 130 Arab *batik* workshops in Java in 1930, 88 were in Surakarta and 25 in Pekalongan. The Hadhramis of Pekalongan compensated in the 1930s by creating workshops weaving *palekat*, a checked cloth formerly imported from India. Arabs accounted for only 3 percent of the 4,384 *batik* workshops in Java in 1930, compared to 16.5 percent for the Chinese and a mere 0.3 percent for Europeans. However, Arab workshops were usually larger than those of the Javanese, and Hadhramis indirectly controlled many of the 3,515 Javanese enterprises through supplies of inputs and credit (Vuldy 1985: 108-9; Vuldy 1987: 124-5, 129-32, 138-42; Cator 1936: 117-8).

A few Hadhramis owned larger and more modern units by the 1930s, moving from *batik* to cotton textiles themselves. One of the effects of the 1930s recession was to push the Dutch authorities into supporting industrialisation, notably on Java (Clarence-Smith 2000). In 1939, enterprises owned by 'Foreign Orientals' other than Chinese were responsible for 16 percent of the 56.8 million metres of cloth produced by large-scale weaving units (Segers 1987: 155). In 1942, Europeans owned 40 percent of installed power looms, compared to 31 percent for Chinese, 22 percent for Arabs, and 7 percent for indigenous entrepreneurs. Moreover, three of the seven largest textile concerns on Java belonged to Arabs (Matsuo 1970: 47-8).

The most significant Hadhrami textile empire was that created by the Bin Marta' family. The Firma Alsaïd bin Awad Martak set up a weaving plant in Surabaya in 1934, on the advice of a Javanese engineer working as government industrial adviser. A year later, the brothers Faraj and Ahmad bin Sa'ïd bin 'Awad bin Marta' set up a second and larger weaving mill at Kesono in eastern Java, which was managed by a Dutchman. At the end of the 1930s, the Firma Alsaïd bin Awad Martak had become the largest non-European textile concern on Java. The Kesono plant alone had 1,000 looms, of which 600 were Suzuki power looms imported from Japan (Post 1996: 104-5; Matsuo 1970: 48). The Surabaya plant employed nearly 2,000 workers (Ingrams 1940: 113). Under the Japanese occupation, the family dominated the Textile Control Board created in 1942 to monopolise the purchase, storage and sale of yarn in East Java (Post 1996: 104-5).

There were other Hadhrami textile pioneers. The Bin Sunkar [Soengkar] family combined weaving with *batik* production in their Surakarta factory by the end of the 1930s, and helped to finance a school in Pekalongan (Ingrams 1940: 123; Vuldy 1987: 217). The N.V. Textielfabriek en Handel Maatschappij Baswedan, set up in Surabaya in 1938 with a partly paid up capital of 300,000 Guilders, was headed by Ibrahim Ba Suwaydan [Brahim Baswedan] (*HCHONI 1940*: 1011). An unnamed Arab founded the first weaving factory in Pekalongan, and the E. K. J. Muallim factory in Tjermee had 560 power looms, 2,200 hand looms and 2,700 workers by 1942 (Matsuo 1970: 30, 48). The al-Kaf family attempted to emulate these developments in Singapore, but the business foundered when war broke out (Ulrike Freitag, personal communication).

An earlier involvement in ship-building declined in tandem with the Hadhrami sailing fleet. During the short British occupation of Java from 1811 to 1816, Hadhrami shipping entrepreneurs of Gresik exploited the renowned teak forests of east-central Java to build vessels, but the returning Dutch slapped restrictions on teak (Broeze 1979: 256-7). One Arab nevertheless built a ship of over 1,000 tons upstream from Surabaya, the largest ship ever built in Java at the time. He lacked the funds to fit her out, and was thus obliged to sell her at a loss, but she probably remained in Hadhrami hands as the 'Fait Allam', registered in Semarang at 1,120 tons in 1850 (Earl 1971: 71-2; Broeze 1979: 264). The Bin Shihab sultan of Siak also built his own vessels in the 1820s (Dobbin 1983: 94).

Other Arab workshops and factories turned out diverse goods for the local market, chiefly in Java and Sumatra. In the 1880s, Hadhramis were engaged in printing and brick making (Berg 1886: 153). Of the ten factories making cement tiles in Batavia in 1940, one belonged to the al-^cAydarus [Alaydroes] family and another to the Ba Hashwan [Bahasoean] family, linking up with their real estate businesses (*HCHONI 1940* :1280). In later decades, Arabs produced foodstuffs, clove-flavoured cigarettes, garments, sandals, umbrellas, perfume, furniture, candles, matches, torch batteries, religious texts, and construction materials. Arab enterprises typically employed ten to twenty women and children, labouring under rudimentary conditions (Jonge 1993: 78; Purwanto 1992: 86-7; Cator 1936: 117-20; Kroef 1953: 316-7). Some units were larger, however, such as Zayn Ba Jabir's factory in Surabaya in the late 1930s, which produced tin trunks and fibre suitcases (Ingrams 1940: 113).

Processing raw materials was less common, although the al-Saqqaf family again proved exceptional. The Handel- Industrie- en Cultuur Maatschappij S. Alwi Assegaf, in Palembang, was founded as a joint-stock company in 1928. Managed by Sayyid ^cAlawi bin Shaykh al-Saqqaf in 1940, its main assets consisted of the Prinses Juliana sawmill and rice mill (*HCHONI 1940* : 769-70). In the 1900s, the al-Saqqaf Express Saw Mill in Malaya was 'one of the largest sawmills in the East' (Wright and Cartwright 1908: 707). Of the five rubber mills processing smallholder rubber in south-eastern Borneo in 1925, one belonged to the Arab Shaykh Mutlaq [Mutlek], and there were Arab sawmills in southern Sumatra (Vleming 1926: 266; Purwanto 1992: 54, 86-7).

The Syrian contribution to Philippines manufacturing developed with exports of embroidery after 1909, when the Philippines gained unimpeded access to the American market. Firms in the USA, mainly run by Lebanese and Jews in New York, sought to make the islands a supplement to embroidery from Japan, China and Europe. Some importers thus set up branches or subsidiaries in the Philippines (Gleek 1975: 69-73; Safa 1960: 32-3, 216; Kayal 1975: 88). However, importers seem to have relied more on trusted agents. Oriental Jews were active exporters of embroidery, as well as buttons, and there was a close correlation between their immigration and the rise of embroidery exports from the islands (Griese 1954: 49). Syrians of all faiths were represented in the late 1920s, and one firm also dealt in hats, produced in much the same way (*RMCD 1926-27*).

From just over 0.2 million Pesos in 1912, the first year in which they were separately recorded, the value of embroidery exports rose to some 12 million Pesos in 1929 (Miller 1920: 370, 402, 461; Miller 1932: 473-4; Philippines 1933: 219). Helped by the impact of the First World War, and by a stiff import duty on European products entering America, embroidery made up about 5 percent of the Philippines' exports by value in the 1920s and 1930s (Doeppers 1984: 13, 22-3). Nineteen 'concerns' employed some 60,000 women in 1918, and there were about 1,700 salaried women in Manila factories, as well as 350 peripatetic agents (Doeppers 1984: 22-3). By 1930, about 50,000 women worked in 18 'factories' in Manila, and another 53 establishments produced 'hand-made embroidery', though the number employed was not stated (Mendinueto 1930: 9-10).

Embroidery was no more than semi-industrial in nature. Firms in America bought cotton or linen cloth, which they bleached and sent out to the Philippines, where the only textile mill collapsed in 1923. In Manila, the cloth was cut and stamped in factories, according to specifications of American purchasers. Travelling agents or contractors provided advances of cloth, other inputs and cash to local women, who worked part-time. They embroidered principally lingerie, handkerchiefs, tablecloths and children's clothing. The business began in suburban Manila, but soon spread out over southwestern Luzon. Agents, many of them women in the early years, bought finished products by the piece, at a previously agreed price and time. They took them

to Manila factories, where they were graded and prepared for export, with further 'sewing, trimming, ribboning, ironing and packing.' Some women were brought together in large buildings, but this was for greater supervision and division of labour, rather than to apply mechanical power (Gleek 1975: 69-73; Miller 1932: 472-9; Doeppers 1984: 17, 22-3).

Primary production

Hadhrami entrepreneurs were chary of tying up capital in risky primary production, about which they knew little, making them more akin to Indians than Chinese. Even the exceptions tended to prove the rule. A handful of wealthy Hadhramis owned *partikuliere landerijen* around Batavia, enjoying quasi-feudal rights over local inhabitants, but the authorities began to buy these lands back in the inter-war years (Heuken 1996; Abeyasekere 1989: 106). Hadhramis occasionally grew coconuts, as well as tea in upland Java (Clarence-Smith 1997; Clarence-Smith 1998). British land policies in Malaya were more favourable than those of the Dutch, but only the al-Saqqaf family took much interest, focusing on rubber, while trying out a variety of crops (Wright and Cartwright 1908: 707; *SMD passim*). A Western craze for mother-of-pearl offered rich pickings off New Guinea from the 1890s, making a fortune for Shaykh Sa'ïd b. ʿAbdallah Ba Adilla, Lieutenant of the Banda Arabs, but the boom collapsed with the advent of war in Europe (Clarence-Smith 1998: 38-9)

Much the same was true of Oriental Jews and Syrians. Among Baghdadis, the Elias family was unusual in investing in Malayan tin and rubber (Nathan 1986: 78). In the Philippines, Juan Awad married a wealthy local woman in eastern Mindanao, and grew Manila hemp and coconuts from around 1885. However, falling hemp prices led his heirs to sell the estate to pay off debts (Abdou 1910: 434; Dan Doeppers, field notes 1969). Timber, pearling and mining tempted no more than the odd Syrian here and there (Clarence-smith forthcoming a).

Conclusion

Much remains to be discovered about Middle Eastern entrepreneurs in Southeast Asia, not least why they chose the economic and geographical niches which they did. However, it is abundantly clear that the neglect of this group in standard economic histories of the region is quite unwarranted, for they were undoubtedly a force to be reckoned with. In all cases, Middle Eastern communities in Southeast Asia were only part of a wider diaspora, so that further research needs to place them in this broader context.

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HCHONI = *Handboek voor Cultuur- en Handelsondernemingen in Nederlandsch-Indië*. Amsterdam: De Bussy

RMCD = *Rosenstock's Manila City Directory*, Manila: Philippine Education Co. Inc.

SMD = *Singapore and Malayan Directory*. Singapore: Printers Ltd. (yearly).

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