The transfer to the Colonial Office in 1867

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Grievances under Indian rule

By the 1850s the merchants of Singapore had accumulated a long list of complaints against the government in Calcutta. The most serious concerned currency. In 1854 the East India Company proposed to make Indian copper coins based on the rupee legal tender in the Straits Settlements. The merchants objected because Spanish and Mexican dollars had served as the money of trade in Southeast Asia long before British settlement. They enlisted John Crawfurd, the former Resident, to petition against the measure, but the currency bill still passed.[1]

Other grievances followed. Calcutta formulated financial policies for the Straits without consulting local interests, while the merchants considered the judiciary ineffective and the police too weak to control the Chinese secret societies, whose riots Chapter V of Part A described.[2] The Settlements also served as a penal station for convicts from India, a burden that the merchants resented. After the Indian Mutiny broke out in May 1857, the transfer of further convicts, including mutineers, raised fears of violence in Singapore.[3]

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The petition of 1857 and the debate in Parliament

In September 1857 the merchants resolved to petition Parliament for the Settlements to be governed directly by the Crown. The petition, signed by most of the European community of Singapore, was sent to London in October 1857.[4] On 10 March 1859 Lord Stanley of Alderley presented it to the House of Lords on behalf of the bankers, merchants and residents of Singapore. He described Singapore as "the emporium of all the British trade with the Indian Archipelago, Java, Siam, and Cochin China", with an annual trade exceeding twelve million pounds, and complained that the place had been made the depot for convicts from India.[5]

The petitioners asked for a Governor of their own with powers comparable to those of the Governor of Hong Kong, including the conduct of relations with neighbouring states. They also drew attention to the expansion of Dutch, French and Spanish power in the region, which they saw as a threat to British commerce.[6] The debate in Parliament was prolonged by the absorption of the government in the reorganisation of India after the Mutiny. By February 1860 Parliament had agreed in principle to the transfer, although six more years passed before it took effect.[7]

The Straits Settlements Act 1866 and the transfer

The Straits Settlements Act, passed on 10 August 1866, provided the legal basis for the new colony. The transfer took effect on 1 April 1867 and was marked in Singapore by celebrations, fireworks and the inauguration of the Town Hall.[8] The first Governor under Crown rule was Sir Harry Ord. The new administration, with its executive and legislative councils, retained its basic form until the Japanese occupation of 1942.[9]

The significance of the transfer for commerce

For the merchants, the transfer brought three immediate advantages. First, decisions affecting the Straits would be taken by a government in Singapore answerable to the Colonial Office, which the merchants could lobby more effectively than the government in Calcutta. Second, the currency question was settled in their favour,

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since the rupee ceased to be legal tender in 1867 and the silver dollar became the standard currency.[10] Third, the colony acquired a legislature in which unofficial members, many of them merchants, could speak for commercial interests.

The transfer had a larger consequence. Freed from Indian priorities, the colonial government in Singapore abandoned the policy of non-intervention in the Malay states and became increasingly involved in their affairs. That shift led over the following decades to British control of the whole Malay Peninsula.[11] The Governor of the Straits Settlements also became High Commissioner for the Federated Malay States, British North Borneo, Brunei and Sarawak.[12] Singapore thereby became the administrative and commercial capital of British Malaya, a role that brought the tin and rubber of the peninsula, examined in Chapter IV of this part, into its orbit.

Notes

1. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026), on the currency proposal of 1854, the merchants' objection that "Spanish and Mexican dollars had been used for trade in Southeast Asia long before British settlement", the petition through John Crawfurd and the passage of the currency bill. ↩
2. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026), on unpopular financial policies made in Calcutta, an ineffective judiciary and weak police forces unable to control secret societies causing "riots and violence". ↩
3. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): after the Indian Mutiny began in May 1857, "concern over the rising number of convicts, including some mutineers being transferred to the Settlements, fuelled fears of potential violence". ↩
4. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): in September 1857 merchants "resolved to support the petition and also to petition for the Settlements to be governed by the Crown"; the petition was submitted in October 1857. ↩

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5. *Hansard*, House of Lords, 10 March 1859, "Singapore—Petition" (Lord Stanley of Alderley): Singapore "was the emporium of all the British trade with the Indian Archipelago, Java, Siam, and Cochin China"; trade exceeding £12,000,000 a year; complaints about the convict depot. ↩
6. *Hansard*, House of Lords, 10 March 1859, "Singapore—Petition": request for a Governor with powers similar to those of the Governor of Hong Kong; concerns about Dutch expansion and the French and Spanish presence in the region. ↩
7. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): by February 1860 "parliament agreed to the transfer of the Settlements to the Crown". ↩
8. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): the Straits Settlements Act was passed on 10 August 1866; the transfer on 1 April 1867 was marked with "celebration and fireworks in Singapore" at the inauguration of the Town Hall. ↩
9. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): executive and legislative councils led by Governor Sir Harry Ord, a structure that "would largely remain the same till the Japanese occupation in 1942". ↩
10. Wikipedia, "Straits dollar" (accessed October 2026): the Indian rupee remained legal tender until 1867, when the colony came under direct British administration; Wikipedia, "Straits Settlements" (accessed October 2026): the Straits dollar became the standard currency in 1867, valued equally with the Spanish dollar or Mexican peso. ↩
11. Wikipedia, "Transfer of the Straits Settlements" (accessed October 2026): the transfer shifted British policy from non-intervention to active involvement, "leading to the colonisation of the whole of Malaya". ↩
12. Wikipedia, "Straits Settlements" (accessed October 2026): the Governor was also "High Commissioner for the Federated Malay States on the peninsula, for British North Borneo, the sultanate of Brunei and Sarawak in Borneo". ↩

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