

# Summary of old penang essay sample

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During the sixteenth century, Portuguese sailors and traders called an island, Pulo Pinaom for the ‘pinang’ or areca nut palm tree probably cultivated there then. This tree, commonly known as the betel-nut palm, or pokok pinang in Malay, still grows there and has given its Malay name pinang, or ‘penang’ in English, to that island. The British named the island Prince of Wales Island for the future George IV, but this name was dropped after Malayan Independence in 1957. They also named the principal settlement George Town for his reigning father, George III, and although this name still appears in guidebook and maps, it is consistently used now. Some Penangites use the Malay word for cape, tanjung, to refer to the only city on that island. They also say the name for the whole island—Penang—to refer to the urban part of it. 150 years ago, immigrants and travellers to Penang approached the island by boat from the mainland or after a long sea voyage across the Bay of Bengal or through the Straits. Navigators preferred the North Channel because it was deeper than the southern one.

Ships entered the harbour, a 4.5-kilometre stretch between the mainland and the island, after passing the lighthouse at Muka Head and the northern beaches. The evidence of early map shows that Portuguese sailors were not the only visitors to Penang. Indian, Arabian, Chinese, Dutch, Danish and French ships, as well as those from the Malay Archipelago probably put into its protected harbour during the monsoons. The first recorded British visit to the island took place in 1592 when James Lancaster, captain of the *Edward Bonaventure*, dropped anchor at Penang. He and his sailors, many sick with scurvy, rested here for several weeks, taking on water and enjoying fresh oyster. Lancaster’s journals said nothing about people living on the island.

Yet during this period—for 500 years, in fact—the island was part of Kedah, a Muslim state sharing a long border with Siam, and the discovery of eighteenth-century burial grounds on Penang has confirmed the existence of a native community.

Pirates also lived on the island until the Sultan of Kedah drove them out, first in 1750, and again in 1786, Captain Elisha Trapaud, who witnessed the British flag rising ceremony in August 1786, depicted Malay styles home of fifty-eight people said to be living on the island in 1786. The sultan of Kedah helped British clear land by sending some able-bodied men, who were followed quickly by people from all parts of the Malay Archipelago, and later from south China and India. They became the backbone of Penang. They built roads and houses, caught and sold fish, pulled rickshaws, managed draught animals, grew fruits and vegetables, worked plantations and tin smelters, loaded and unloaded ships, and washed clothes. Yet the voice of the peoples of the region is rarely heard.

When British took over the island they began in their letters to East India Company officials in Calcutta and London what would become a voluminous record of the settlement, which they considered part of British India but this record of Penang, supplemented by later European visitors, is not balanced by the candid Asian perspective of another Munshi Abdullah, who was Malacca's Malay author of an early nineteenth-century chronicle. Modern readers will find most of these civil servants and travellers ethnocentric, narrow-minded, and judgemental. Maintaining their position by prestige, not military force, many Europeans believed they enjoyed the good life in the

East—large salaries with fine houses and servants—because they really were a superior race. According to Governor Bannerman (quoted in Wong Lin Ken), the natives in 1818 were too remote from civilization and far too unfit from education and habits to justify the smallest comparison being made between them and Europeans. Races other than Malays and Chinese do not have what would be considered a social life. Even during 1920s, George Bilainkin, a newspaper editor working in Penang, was shocked to discover that when he entertained a Chinese guest on the E & O Hotel's seafront terrace, he was snubbed by other Europeans. But we should be aware that pictorial evidence and the written record perpetuate certain racial stereotypes.

The Indians are always 'docile' and 'cringing', the Chinese are 'the bone and sinew of the colony—industrious, but crafty', and Malays are 'lazy', 'half-naked' and 'copper coloured'. They must remember that there were also Indian teachers and lawyers, Chinese businessmen—philanthropists, and gifted Malay actors, dancers, craftsmen and writers. We must know too that not all Europeans enjoyed a comfortable lifestyle. Many came to East on missionary or educational impulses and lived close to the people they served. Founded in 1600 by Queen Elizabeth I, the East India Company had a monopoly of trade with the East Indies, and it eventually wielded enormous economic and political power in India. It functioned both as a company and a government, enjoying, until 1784, considerable independence from the British crown. Its troops wore blue coats with blue lapels and gold embroidery, accented by yellow buttons decorated with the company's crest. In Asia, the East India Company faced Dutch competition for the lucrative spice trade.

Since the middle ages, curries and peppers were in great demand in Europe to flavour the salted meats people had to live on for six months a year, for it was too expensive to feed animals through the winter. Long established Dutch bases at Malacca, Perak, Sumatra and Java were backed by exclusive trading agreements with the Dutch East India Company which local princes, who shared profits, had pledged to uphold, forcing the English out. After several military defeats in the region, British turned their backs on the Malay Archipelago to concentrate on building up England's political and economic interests in India. But by the second half of the eighteenth century, London and Calcutta had less to fear from the Dutch. As early 1714, British navy was larger and more effectively administered than Holland's, while British cartography and shipbuilding became the best in the world. The Dutch position, gradually undermined by internal weaknesses, no longer posed a serious threat. At the same time, new global conflicts were forcing the East India Company to look for a safe harbour where tea- and opium bearing-ships that sailed between Madras and Canton could be repaired and refitted. It needed a strategic base east of the Bay of Bengal to protect shipping during the north-east monsoon because French ships sailing out of ports on India's eastern coast were harassing the English in sea battles that mirrored Anglo-French conflict in Europe and America. During the middle decades of the century, cargo-laden ships of the company had to run the gauntlet between India and Malay Peninsula, and during the war of independence in America, where the French allied themselves with the thirteen colonies against the British, this harassment continued.

To make matters worse, in 1782-1783, and later during the Napoleonic war, when Holland was occupied by French, English ships were unable to seek refuge in Dutch ports. Even more important, the company needed a commercial base for the spice trade and other goods, such as gold, tin and bird's nests, which Chinese wanted in exchange for tea, silks and porcelain, as there was no market in China for British woollens and other goods. A new entrepot would stimulate the China tea trade and put an end to the drain on English silver. Since British government imposed a tax on tea, it depended more and more on tea imports for revenue. As early as 1771, a suitable harbour had been located by the young English captain of a ship owned by Madras merchants trading in the Malay Archipelago. Francis Light, a 'country trader' operating out of ports in South-East Asia, suggested the island known in Malaya as Pulau Pinang to Warren Hastings, then Governor-General in India, so that all English ships, not just those of the company, could at Dutch ports. Light's suggestion to establish a foothold off the Malay coast went unheeded until 1786 when, shocked by the steady damage inflicted by the French, company officials began to take him seriously. Sir John Macpherson, acting for the Governor-General, finally approved a provisional treaty between Light and the Sultan of Kedah for the transfer of Pulau Pinang to the British crown and the East India Company. Light's facility with the Malay and Siamese languages, combined with his knowledge of the people and their culture, helped him win their trust. After almost two decades of experience in the region, he also understood regional politics.

During much of the eighteenth century, the Siamese loosely controlled the northern Malay states of Kedah, Kelantan and Terengganu, but after the

Siamese-Burmese wars of the 1770s, they began to tighten their hold on their southern neighbours. When Light approached Sultan Abdullah, Sultan of Kedah, he found a man who saw potential advantages in the new English presence. If English would pledge to defend Kedah against threats from neighbouring Siamese and Burmese armies, Sultan Abdullah would lease Pulau Pinang to the East India Company for the annual sum of \$30, 000, the value of the trade in opium, tin, and rattan he expected to be diverted away from Kedah to Penang. Before a final unambiguous agreement had been signed, Light sailed in three vessels to the island with a small civilian and naval staff. They landed at what is now the Esplanade, in George Town, on 17 July 1786. On 11 August, the eve of the Prince of Wales's birthday, soldiers hoisted the Union Jack over the new stockade and Light took formal possession of the island in honour of the man who would eventually be crowned King George IV, and named the new settlement on the Eastern Cape George Town for the prince's father, George III. The ambiguous agreement with the Sultan of Kedah, however, would cast a shadow over the infant settlement.

The company agreed to pay \$6, 000 annually (Light had suggested \$10, 000) but it never pledged to defend the Sultan against the Siamese. Ever since 1711, when the East India Company first began its discussions about Kedah and Penang, the company had vetoed all proposals that might lead to an 'offensive' alliance because of recent conflicts among the peninsular Malay states. Later, after the loss of the American colonies in 1783, England passed Pitt's Act which brought East India Company under government control, depriving Calcutta of the power to make any treaty that might lead to war.

Taking place at a time molasses-slow communications over vast distances between Kedah, Calcutta and London, they were characterized by misunderstanding caused by vague language and misrepresentations on all sides. In his eagerness to bring both parties to an agreement, Light played his intermediary role with skill, telling each side what it wanted hears.

He told the company that the Sultan would accept less than \$30, 000; then he told the Sultan that the East India Company would comply with the Sultan's request for military aid without informing him of the implication of Pitt's Act. Exactly what the Sultan expected in terms of military assistance—offensive or defensive—against Siam was never made clear. By 1770, the Sultan of Kedah felt betrayed by the British. Since their arrival in Penang he had asked regularly, and in vain, for protection from the Siamese. He determined to win the island back because the East India Company had reneged on its promises. Hoping to force the company's hand, he enlisted the help of Illanun pirates, who had just driven the Dutch from the Riau islands at the southern end of the Straits, and demanded that the company either leave the island or guarantee the military aid he requested and pay a higher annual sum of \$10, 000. Getting wind of these plans, Light tried to put pressure on the Sultan by offering to pay him \$10, 000 after these forces were dispersed. When this failed, Light decided on a pre-emptive strike against the Sultan.

Three companies of sepoy soldiers in four gunboats embarked from George Town at four in the morning, landed on the opposite shore, and surprised the coastal fort. With few losses, English dispersed the larger force collected for



its defence, burned two forts, and forced the Sultan to accept British terms; the annual sum of \$6, 000 and no military protection. Light was rumoured for decades after his death to have acquired the island from the Sultan as part of his wife's dowry. The new settlement had to attract all its needs—labour, settlers and capital. Light believed that useful immigrants would not come if government ruled with a heavy hand. A mild and at the same time active government is necessary. Light believed too, that the traders would take their business elsewhere if the island imposed duties in imports and exports. In order to provide the necessary revenue that would not come from duties, Light made opium available to attract merchants who would distribute it together with other goods further east. As the matter of policy, the company had decided to tax the produce of the land rather than sell or rent the land itself for the company's account.

Light insisted, further that land should be easy for immigrants to acquire. Such an open-door policy, he hoped, would persuade people to come and trade despite the risk of reprisals either from the Dutch or the Siamese. As a result of these decisions, settlers arrived so fast that Light did not have the staff to do proper land surveying. The company lured a polyglot mix of Chinese and Indians from Kedah and other Malay and Siamese ports like Junk Ceylon (now called as Phuket). Muslim Bugis from Sulawesi, Chulias (a class of Muslim merchant) from India, Arabs, African negroes, Armenians, Persians, Siamese, Burmese and Sumatrans flocked to the island. Long time Chinese residents of Malacca also migrated in order to escape the Dutch monopoly. Knowing that such a mixed population could generate tensions, Light adopted the administrative strategy he had observed during his earlier visits

to Malacca. He organized the different ethnic groups which settled in the island through ‘ head men’ or kapitans—trusted men who were fluent in the dialect of their communities.

The first Kapitan China, a wealthy and educated man named Koh Lay Huan had rebelled against the Manchu dynasty and settled in Prince of Wales Island as a merchant, planter and tax farmer. Light’s term as the first superintendent of the Prince of Wales Island came to a premature end. He never recovered from a malaria attack in 1787, and by the middle of 1794 he was very ill. Eight years after the establishment of the settlement, with its future still in doubt, he asked his good friend and business partner, James Scott, to draft a letter to Calcutta explaining why Prince of Wales Island was a better choice than Junk Ceylon, which had been occupied in 1787 by English. Light died at fifty-four, before the Calcutta directors of the East India Company, ending years of ambivalence, had begun to share his commitment to the future of the Prince of Wales Island. In 1800, Sir George Leith, then Lieutenant-Governor of the Prince of Wales Island, negotiated a final settlement with Sultan of Kedah for the acquisition of Province Wellesley, giving Penang control over its harbour and eliminating its dependence on foreign sources on the mainland for much of its food supplies.

In a treaty of ‘ Peace, Friendship and Alliance’ between Kedah and East India Company, Kedah ceded the 5-kilometre wide strip of land opposite the Prince of Wales Island between Muda and Krian Rivers, a distance of about 48 kilometres. In return, the Sultan received the annual payment of \$10, 000. After 1800, a basis-legal or otherwise—British influence in the northern

Straits was firmly established. It had taken six months for news of Britain's great naval victory, when the British navy defeated the combined fleets of France and Spain, to reach Penang. And it would be several years before any of the men sipping port at the dinner, and their superiors in Bengal and London, realized that the victory at Trafalgar in October 1805, had established British naval supremacy on a global scale. Given the great distance between London and Penang and the lack of hindsight, they could not know that their decision that year to upgrade Penang to the same level as Madras, Bombay and Calcutta in British India—to make it the 'fourth presidency of India'—and to develop it as a shipbuilding centre and naval base had just become unnecessary.

It was not only the Trafalgar victory that was to affect the future of Penang. Sipping port in their midst that evening was a young assistant secretary who would soon be credited with founding another entrepot like Penang but one which, by virtue of its strategic location at the southern tip of the Malayan peninsula, would quickly surpass Penang as a centre regional trade. Just now, though, almost twenty years after the arrival of Francis Light, Penang's future hung in balance. The Admiralty in London and the directors of the East India Company received reports on Penang's advantages from Sir George Leith and Colonel Norman Macalister, who served as Governor from 1807 to 1810. It was obvious to these company men, who had vision and faith in Penang's future, that no sensible investor would put money into a settlement which the company might soon abandon. Settlers, especially those with capital necessary to develop its plantations, would leave if the government did not declare its intention to keep the island. Their reports read like

advertising copy: Penang was blessed with a ‘salubrious’ climate, its harbour was ‘capacious’, its water like ‘nectar’.

Addressing the company’s concern about the scarcity of seasoned oak wood in Europe for shipbuilding, the island’s promoters suggested ships teak made in Penang. Its wood, they said, was strong as the cedars of Lebanon. These reports touched sensitive nerve in London because French threatened again to dominate the south sea. Although Napoleon’s dream of world conquest was halted temporarily in Egypt in 1798, French troops had occupied Holland. London worried that Dutch possessions in the Malay Archipelago, except Malacca, would come under the heady influence of France and liberal new French ideas. One way to stop Britain’s arch-rival, the company decided, was to develop Penang as a shipbuilding centre. In 1805, a larger—and more expensive—East India Company administration arrived under Governor Philip Dundas. His job, and that of his 24-year-old assistant secretary, Thomas Stamford Raffles, was to implement that decision.

As a student of Asian languages and cultures, Raffles found few kindred spirits during his five-year assignment in Penang. Most of his colleagues wanted to make fortune from trading for their own accounts. Of course, almost everyone who worked for the East India Company stood a good chance of making money, and Raffles also hoped to retire a wealthy man. The settlement that Raffles found in 1805 would not have an Anglican Church until 1817, but Governor Leith and others had made many improvements. Full of enthusiasm after the acquisition of Province Wellesley on the mainland, Leith, followed by the energetic, spendthrift R. T. Farquhar,

concentrated on local affairs and new building. The government of Penang, under a rapid succession of superintendents, had grown from that of an understaffed company outpost to a more sophisticated and permanent administration. At a public meeting, leading residents, including the merchants James Scott and David Brown a Scottish planter at Glugor, elected a committee of assessors, the forerunner of an elected municipal council.

The administration of justice came under scrutiny too. A lawyer, John Dickens was appointed to set up a new system for keeping law and order because the small police force that had served the island until now had become inadequate. Major Forbes Ross Macdonald, the island's superintendent in 1796, did not mince words about the problems that confronted George Town's expanded police force. He described the town's population a 'mixed'. Many problems within each ethnic community could be solved by its headman, but in cases of conflict between members of different groups, a magistrate was to be guided in his arbiter role by 'laws of universal and natural justice'. By 1800, the population of the immigrant society numbered over 10, 000 only about 300 of whom were Europeans. But they were a vocal and powerful minority of merchants and planters who could appeal to a higher authority if they disagreed with company policies, which often sacrificed the welfare of the settlement for business interests of the company. Despite these frictions within the European community, progress was evident. Governors Leith and Farquhar built a customs house, jail and hospital, surveyed the downtown area, and had a grid pattern of streets marked out at 20-metre widths.

A road going west from Fort Cornwallis, part of which is now called Macalister Road, terminated at the waterfall in the present-day Botanic Gardens. Ever since 1795, Penang had served as the penal colony for all of India. Convicts earning enough pocket money ‘ to furnish themselves with bazaar articles’ were employed building and maintaining roads, bridges and houses.

Travellers to old Penang often praised the wide, well-maintained, tree-shaded roads, but they also complained that Penang was a dumping ground for the dangerous criminals. Although the island prospered, it never lived up to the East Indian Company’s expectations. The company was always trying to cut costs because it could never generate enough local tax revenues. Its well-being depended not only on income from revenue farms but also on London commodity prices, which fluctuated wildly in peacetime.

To make matters worse, Napoleon embargoed all trade between Britain and the continents beginning in 1807, so that English exports of spices, pepper and coffee to France and other continental markets were cut off. Spices accumulated in the company’s London warehouses, and Penang growers, unable to cut costs, faced ruin. Penang failed as a shipbuilding centre.

Despite the new hopes raised when a British naval expedition set out from Penang to Java in 1811, only one ship was ever built at Penang. Timber suitable for shipbuilding had to come from Burma, but the cattle used to transport it there were diseased. The company could not find skilled shipbuilders and engineers to build dockyards, and it took too long to get building materials from Europe. Finally, London lost interest in the project and naval stores were transferred from Penang to Trincomalee in Ceylon. By 1835, Penang had grown so much that James Low, the Scottish agronomist,

could write that there were 21 bazaars, 28 mosques and 59 native schools where about 600 boys studied Arabic and learned Koran.

He might also have mentioned that the first English language school in South-East Asia, the Penang Free School, had been established in 1816. Other important construction had taken place by 1835. In 1805, government buildings were erected on property along the north beach of George Town that once belonged to Francis Light and, Suffolk House was built a few years later as the governor's residence. The Khoo clan house, known as Khoo Kongsi, had also been built, following the Cheah and Tan clans which had completed their meeting halls earlier. A Supreme Court building at the junction of Light and Pitt (now Jalan Kapitan Kling Mosque) Streets was put up in 1809, but it was rebuilt in 1905. Colonel Nahujs reports, too, that in 1824 there was a Chinese poorhouse and a hospital for local people. The 1835 census recorded 40, 207 inhabitants, with the 16, 435 Malays, many of whom had fled to the safety of the island from a Siamese attack on kedah, outnumbering all other groups.

At this time there were 8, 751 Chinese, 9, 208 Indians, a total of less than 3, 000 Arabs, Siamese, Burmese, Parsees, Armenians, Achehnese, Bataks, ' native Christians', and only 790 Europeans. By 1891, however, the balance between the Chinese and Indian populations in the Malay-dominated ethnic mix had vanished. In the last decade of the nineteenth century, the trickle of Chinese immigrants arriving in Penang had swelled the tidal wave so that the Chinese constituted half the Penang population. And even though other ethnic groups increased in number, they did not grow as fast as the Chinese.

The proportion of Indians in Penang declined from 28 per cent in 1818 to 13 per cent in 1906, which is about where remains today. The mostly male Chinese migrating to Penang, as well as to Singapore and Malacca, during the nineteenth century left China for a better life. The Manchu rulers had begun to lose control, especially in the southern provinces, making emigration from poverty, famine and hardship possible. The lure of wealth and comparative safety under the British flag attracted Chinese willing to tolerate even the most crowded living conditions in their new home.

The British considered the Chinese ideal immigrants because of their willingness to endure hardship, their industry, perseverance, and intelligence and their ability to organize themselves. Passage was easily available through indentured contractual service arrangements. The opening up of the Perak tin mines under Chinese control in the middle decade of the century proved another powerful magnet to the Chinese. Although they did not become the largest ethnic group in Penang until the end of nineteenth century, the Chinese were always visible because of their commercial activities. As early as 1794, in an official report to his superiors, Captain Light remarked on their pecuniary value to the new community: they were ‘ the only people from whom revenue may be raised without expense and extraordinary effort of government. The Chinese clan system, which settled disputes privately, frustrated the police because members of the same clan would never testify against or inform on each other. Many clans brought some of their old feuds in China with them, and faction fights broke out again in Penang.



For so many reasons, the Europeans began to agitate for change. Residents criticized the company as an anachronism, arguing that Penang was not part of India and should keep accounts in dollars, not Indian rupees. They were tired of paying for more troops and officers than the island needed. They wanted better services and a more representative government. At the same time, the East India Company was looking for new ways to economize and simplify its administrative tasks in the Straits. After Bencoolen, in Sumatra, was exchanged with the Dutch for Malacca in 1826, creating separate English and Dutch spheres of influence in the region, the company united Penang with Malacca and Singapore to form the Straits Settlements and downgraded them from a ' Presidency' to a ' Residency'. Penang remained the administrative centre of the Straits Settlements until 1832 when the seat of government was transferred to Singapore, but it continued as the centre for judicial administration until 1856. Nevertheless, the Straits Settlements also proved to be an unwieldy creation for the East India Company.

The governor and his secretaries shuttled by ship among the three stations: Penang was 433 kilometres north of Malacca, and 633 kilometres north of Singapore. With the expansion of their business interests into new tin mines of the Malayan interior, prosperous merchants and businessmen—believed, incorrectly as it turned out, that they could acquire more political control of the British Colonial Office. Transfer Road, connecting Burma and Northam Roads, commemorates that switch in 1867. Thanks to the development of steam navigation, commercial and passenger shipping lanes changed during the century, to Penang's advantage. Before the Suez Canal opened in 1869, ships rounding the Cape of Good Hope could use the Sunda Straits, between

Java and Sumatra, on the voyage to China. But after the Canal and steam navigation made the trip East both shorter and cheaper, the Straits of Malacca, with stops at Penang and Singapore, became the preferred route to the Far East. There were good reasons to go to Penang. Besides its coaling services, Penang was also the closest port to the new wealth in tin being extracted from the Malay Peninsula, under new British control.

The exploitation of the new tin mines in Perak in the 1860s helped to double trade revenues between 1860 and 1880. Entrepreneurs provided capital investment in the mines in response to the new canning industry in Europe and America. Penang was the closest gateway for importing mining equipment and other provisions for the mines, and for the export of tin ingots. With smelting operations in Province Wellesley and on Penang, and construction by 1900 of a railroad connecting Penang with Kuala Lumpur, Penang was ready to profit from the lucrative trade not only in tin but also in rubber. Until the 1890s when the price of coffee collapsed Henry (Rubber) Ridley's rubber plant promotions sparked no interest in Malaya. Planters had already discovered, however, that the rubber plant seedlings from Brazil grew better between the mountains and the west coast of Malaya than anywhere else in the world. As the demand for rubber increased with the growth of the automobile industry prices soared, attracting British capital to form companies with European managers.

By 1911, there were 250 000 hectares in rubber and in 1914 rubber earned even more revenue than tin. In less than ten years, the amount of land under rubber cultivation had multiplied four times, the economy of the region was

transformed and Penang's investors and port facilities thrived until the Depression of the 1930s. The melting-pot or mixing bowl images do not provide an adequate picture of Penang. The kaleidoscope, with its shifting intricate patterns of colourful pieces, overlapping sometimes to make new shapes, some larger in one frame and smaller in others, offers a better metaphor for Penang's multiethnic population and its changes over time. Despite the growing pains that accompany modern development, Penang communities have preserved to a remarkable degree in their traditional religious practices, language or dialect, clothing, folkways, dietary habits and economic function of Malays, Chinese, Indians, Thais, Burmese, Eurasians and Arabs.

Less than 200 years after the British East India Company arrived to claim it as a mercantile and naval centre, Penang—the island and Province Wellesly, now known as Seberang Prai—became one of independent Malaysia's thirteen states. Independence came after twelve years after the Union Jack replaced the Japanese flag over Fort Cornwallis. The choice of an island underlines the British intention to avoid entanglements on the mainland beyond the acquisition of Province Wellesley to protect Penang's harbour. To the eighteenth-century sultan Kedah, however even sparsely populated and densely forested Penang Island was always part of the main, and the 13.5-kilometres bridge opened in 1985, which now links it like an umbilical cord with Butterworth, is the obvious symbol of its close ties with the peninsula. Unlike Singapore, an island state that controls its own destiny under a Chinese majority, Penang has become part of larger and quite different nation.

As the only state among Malaysia's thirteen with clear non-Malay majority, Penang has had to adjust to a new reality. Political power under Malay leadership resides in Kuala Lumpur, and policies formulated at the federal level have an impact on all the states. Lacking the natural resources like timber, rubber and tin that have enriched other states, Penang has capitalized on its skilled population by inviting multinational investment to the island. Modern Penang is the most industrialized Malaysian state, receiving more revenue from industry than from commodities. Penang provides jobs in electronic and rubber-based industries and tin smelting for workers from all the region, who send remittances home; at the same time, substantial numbers of Penang workforce migrate to other parts of the country, especially to Kuala Lumpur, in two-way migration that keeps the island's population stable.

Although almost anything will grow these days on Penang, commercial agriculture is limited. Only durians, nutmeg, cloves, vegetables, bananas, cocoa and coconut trees, and a small amount of rubber are cultivated on very small island holdings. There is also some rice farming, as well as a rice mill, but most of Penang's rice is now imported from Thailand. Industrialized and tourism have meant continuing changes; Penangites move to high-rise condominiums, Malay fishermen leave their kampong to make way for hotels, hilltops are cleared and flattened for housing estates and paddy-fields are drained for industrial development. In 1990, the annual number of visitors to Penang was twenty times larger than 1070.

But much of old Penang survives if one knows where to look. In the shadow of the 65-storey Komtar office building which towers over George Town, the owner of a dim pawnshop does calculations on an abacus, a street cook manually fans the charcoal fire under his wok and a hood as the call to prayer sounds from a nearby mosque. On a sidewalk, a Burmese sesame seeds dry in the sun on a piece of burlap. In the more suburban and rural areas, the older generation meets informally on Gurney Drive for an invigorating walk in the early morning sea breeze—and for a gossip. A coastline drive to the fishing village at Gertak Sanggul passes pristine beaches edged with palm trees. Time has stood still in some corners of Penang.