Continuation and change on Dutch plantations in Indonesia

Melissa van Bijsterveld
S2111721
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University of Leiden
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Introduction

"By letting this [the return of Sukarno and Hatta to Djokjakarta] happen we would relinquish all control [...] The Republic would be able to set up the TNI again [...] The result would be that the same group would return."}

On May sixth 1949, the Dutch government agreed to the concept agreement set up by Van Roijen and Roem that would ensure Indonesian sovereignty. One of the concessions the Dutch government had to make was releasing Republic leaders Sukarno and Hatta to triumphantly return to the Republic capital Yogyakarta. This happened on 7 May 1949 when the Dutch government agreed to recover the Republik Indonesia, which was part of the Van Roijen-Roem Agreement. On the eve of Hatta and Sukarno’s return to Yogyakarta, the twelve members of the military council spoke about this decision by the Dutch government. The quote above is a statement made by General Spoor, which illustrates the reluctance among the military leaders of the Dutch army to release Hatta and Sukarno. They discussed the concept agreement and concluded it could only lead to the repeating of the same problems the army and planters in Indonesia had experienced since the beginning of the war. The military leaders felt like it would undo all the things they had achieved with the Second Police Action and strengthen the position of the Republik even more. The military leaders were not the only ones who felt this way about the situation. Planters in Indonesia sent a constant stream of complaints about the instable and dangerous situation on the plantations and in the nearby villages. These planters kept pushing the Dutch government in the Netherlands, the colonial administrators and the Dutch military leaders to send more troops to protect them and fight the Indonesian soldiers and gangs. Their position had been precarious ever since they had returned to their plantations after the end of the Second World War. The transfer of power to the Indonesian nationalists made the planters fear for their businesses and position in Indonesia.

Even though most of the recent studies concerning the decolonisation of Indonesia focus on the military aspect of the conflict, the decolonization of Indonesia mainly centred around the financial and economic aspects of colonialism. Van der Eng states that the issues of the international economy and labour were central dimensions of the decolonisation of the

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European colonies after the Second World War. The process of decolonisation was so closely connected to the economic aspects of society, that studying this without giving primary consideration to these issues is practically impossible.6 According to Van der Eng the Dutch government decided to agree to the Van Roijen-Roem Agreement, which included the ending of all hostilities between the two parties and it became the base for the Round Table Conference which would ensure the Indonesian independence, mainly due to economic and financial reasons. The Dutch saw the recovery of the Indonesian economy as inherent to their own economic recovery, which was a conviction also shared by the United States. Besides the recovery of the Indonesian and Dutch economy, the security policy of the Netherlands also became an important reason behind the decolonisation of Indonesia. Van der Eng explains how the mounting tension of the Cold War put even more pressure on the Dutch to rebuild their economy. This recovery was now not only a goal in itself, but also a way to defend the Netherlands against the rise of communism.7 This study will argue that the position and mindset of the Dutch planters in postcolonial Indonesia had to undergo a lot of changes after the transfer of sovereignty, but at the same time much stayed the same. The central question of this study will be: In what way did the Dutch planters adjust to the new political and economic situation in Indonesia after the transfer of sovereignty?

Planters have always been important for the Dutch and Dutch East-Indies economy. Besides their economic importance, the planters also played a big role in the upholding of the colonial society. During the War for Independence between 1945 and 1950, these two aspects made the planters a crucial group for the Dutch post-war colonial policy. According to Van der Eng nearly 14 per cent of the Dutch national income in 1938 originated directly and indirectly from the East-Indies, this calculation was done in the Netherlands right after the ending of the Second World War.6 However, Baudet argues that the fear that lived among the Dutch people in post-War period cannot be justified. After the transfer of sovereignty the percentage to the national income coming from Indonesia kept decreasing, until in 1958 with the nationalisation of the Dutch businesses in Indonesia it eventually reduced to nil. The national income and welfare on the other hand kept increasing.9 Even if the statement that the Netherlands would experience major economic consequences if Indonesia would become independent is not true, the Dutch people and politicians believed it was. The production and trade of raw materials and cash crops was not only important in the Dutch East-Indies. Kumar’s study of the indigo plantations in India shows the importance of indigo to the colonial commerce. He describes

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the economic necessity of indigo to the “remittance trade” of the East India Company. So economically, the planters were deemed essential by the Dutch government to help finance the war in Indonesia and the rebuild the Dutch economy after the German occupation. Politically, the Dutch government saw the planters as an essential element in the post-war reconstruction of Indonesia, because they were seen as the base from where the colonial system would be rebuild.

In a study of the labour health care on plantations in India Bhattacharya explains how sanitary policies and aspects of disease management in the plantations shows how many aspects of the life on plantations were politically, socially and economically entangled. He states that the relationship between the management and labourers could be described as paternalistic, of which the medical and hygiene policies were an example. These policies were also tied to economic interests because it was commercially important to the planters to keep their labourers healthy. Bhattacharya illustrates how the system of medical care on the plantations reflected the colonial state, in the way that all aspects of life were controlled by the British colonists in order “to fit the labourers into the production of work and their bodies into productive agents of their labour.” Similarly, Knight and Frakking show how on Dutch owned plantations in the East-Indies every part of indigenous labourers lives were controlled by the planters. Shipway sees the concept of power/knowledge as explained by Foucault central to colonial rule. Foucault explained how “the post-Enlightenment state came to exercise control over the most private and intimate practices and discourses of the individual.” This seems to apply when looking at the colonial states, although in this case the control was exerted more forcefully on the colonized.

This study will be divided into three chapters. The first chapter will look into the colonial period and the subsequent decolonisation of the Dutch East-Indies. A short summary of the War of Independence and the Round Table Agreement, and its implications for the political and economic situation after the transfer of sovereignty will also be discussed. In order to understand the position of the Dutch planters at the moment of the transfer of sovereignty in 1949, a brief history of the planters role in the colonial state will be given. Most importantly their role during the War for Independence. Three studies on the planters role during the War

\[10\] P. Kumar, *Indigo plantations and science in colonial India* (New York 2012), 54-55.
\[11\] Van Doorn and Hendrix, ‘De planters belegerd’, 45.
\[13\] N. Bhattacharya, *Contagion and enclaves: Tropical medicine in colonial India* (Liverpool 2012), 119-120.
\[14\] Bhattacharya, *Contagion and enclaves*, 148.
for Independence are the starting point for this chapter. Van Doorn and Hendrix study gives a
general look on the role of the planters during the War for Independence. They argue that the
planters had played an important role during the conflict because of the economic importance
of the plantations. The plantations are constantly attacked by the Tentara Nasional Indonesia
(Indonesian National Army) and guerrilla fighters. Although the plantations are deemed
important by the Dutch government and the army, the protection of the plantations was not
very successful.\textsuperscript{17}

Frakking’s study on the role of the plantations in the counterinsurgency strategy of the
Dutch has already been mentioned. He argues that due to the economic, social and political
importance of the plantations and planters, the plantations are used as a counterinsurgency
tool to rebuild the colonial state and fight the guerrilla war on a local level.\textsuperscript{18} Lastly, Knight’s
study on sugar factories in the early stages of the War for Independence. He explains how the
relationship between the indigenous Indonesian labourers and the Dutch and Dutch-Indies
management of the factories during the colonial period had been characterised by the
oppression of the indigenous Indonesians and the segregation between the two groups. The
situation had come to a breaking point during the War for Independence resulting in extreme
violence against the Dutch and Dutch-Indies management of the sugar factories.\textsuperscript{19} Both
Frakking and Van Doorn and Hendrix show the importance of the plantations in the war
strategy of the Dutch. These three studies show how control of the indigenous Indonesians on
the plantations and in factories was central to the functioning of the colonial state. This study
builds on these theories and in the second and third chapter will examine how the role of the
planters changed after the transfer of sovereignty. The first chapter will give more context as
to how the planters had become as influential as they were during the War for Independence,
especially focussing on the Ethical Policy which had been established at the beginning of the
twentieth century.

In \textit{De terugtocht} (the retreat), De Jong has conducted a study on the decolonisation
of Indonesia and how the Dutch dealt with the decolonisation of Indonesia. In his study, he sets
himself apart from the accepted idea that the Dutch refused to give up Indonesia completely.
In the historiography on the decolonisation of Indonesia the proposal of a federal state and the
military actions are used as an example to show that the Dutch tried everything to maintain
control in Indonesia. De Jong states that these events were not about restoring colonial power,
but about decolonisation. He believes the Dutch have long tried to work towards
decolonisation, even with the two military actions that took place in 1947 and 1948. He dives
into the many diplomatic conversations between the Dutch and \textit{Republik} and concludes that

\textsuperscript{17} Van Doorn and Hendrix, ‘De planters belegerd’, 44-72.
\textsuperscript{18} R. Frakking, ‘The plantation as counter-insurgency tool’, 67-83.
\textsuperscript{19} Knight, G. R., ‘Death in Slawi’, 606-626.
the generally believed idea of the suborn Netherlands refusing to give up their colony is not true. De Jong’s analysis is one-sided. My study applies needed nuance to his revisionist analysis. The Dutch politicians ultimately signed over sovereignty to an Independent Indonesia; however the Dutch planters found this much harder. They had been extremely vocal during the War for Independence and continually pressed for tougher action against the Republican troops.

Because this study focusses on the decolonisation of Indonesia and the results of this after the transfer of sovereignty it is important to explain how this study defines the concept of decolonisation. Le Sueur describes decolonisation as the process by which colonial powers left, whether voluntarily or by force, from their oversees possessions. During this process hard-won battles were waged between nationalists and colonial powers. Lindblad makes a distinction between political decolonisation and economic decolonisation. Whereas political decolonisation happens at the moment of the transfer of sovereignty, the process of economic decolonisation is much harder to be place at a specific moment in time. Lindblad explains in his study that many former colonies experienced delayed economic decolonisation, meaning the remaining presence of the former colonial power in economic activities. This differs from neo-colonialism, which is the dependence of a former colony on foreign, mostly Western, economic interests. An important concept that is linked to delayed economic decolonisation in the case of Indonesia is Indonesianisasi. Lindblad explains Indonesianisasi as: “a conscious effort to increase the participation and elevate the role of the Indonesian- and more particularly the indigenous Indonesian- in the more complex sectors of the economy.” In his study Lindblad elaborates on the different steps taken by the Indonesian government and Dutch enterprises to implement Indonesianisasi in all sectors of the economy. He mainly focusses on the Indonesian side of the story, going into the efforts of the Indonesian government to promote more Indonenesians to management positions and the process of nationalization of Dutch owned enterprises. How the Dutch entrepreneurs responded to these changes or how they tried to influence the government policy is of minor importance in Lindblad’s study. If the efforts of the Dutch enterprises to implement Indonesianisasi are mentioned, this concerns mainly big corporations like KPM (Royal Package Shipping Company). Therefore the second chapter of this study will focus on the economic changes after the transfer of sovereignty, and in what way these changes had an impact on the Dutch planters.

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20 J.J.P. de Jong, De terugtocht: Nederland en de dekolonisatie van Indonesië (Amsterdam 2015).
23 J.T. Lindblad, Bridges to new business: The economic decolonization of Indonesia (Leiden 2008), 2.
24 Lindblad, Bridges to new business.
The third chapter will look at the colonial mindset of the planters, which showed in part in to how the planters structured their plantations as described in Van Doorn and Hendrix, Frakking and Knight’s studies. They all explain how the vision of the colonial system was tangled up in the social control on the plantations. Buchheim conceptualizes what she calls the colonial system as “the constant interaction between the colonial state and the institutions, ideas and relations which shape, perpetuate and produce the process of colonization.” The ideas of this colonial system will in this study be referred to as the colonial mindset. Part of this was the distinction made on the basis of race. There were three different groups distinguished by the Dutch East-Indies government: European, Indisch (indigenous Indonesians) and Asian (mostly Chinese). There however was a complex relationship between class and ethnicity. In the East-Indies a child who was legally by his or her European father was accorded the same status. Besides class and ethnicity, a person’s job influence ones social status. Most of the time people socialised among people with the same type of job.

Lijphart’s study on New Guinea shows another aspect of the colonial mindset. Lijphart arguments in his study that the Dutch attempted to hold on to New Guinea for twelve years after the independence of Indonesia because of several psychological factors. He explains how the Dutch were emotionally committed to New Guinea and believed they had a moral obligation to help develop New Guinea and the Papua’s. This feeling of moral obligation towards the Papua’s was something that was also expressed towards the Indonesians before the transfer of sovereignty. It was part of the more general idea among colonial powers, as Gloria Wekker explains, that subject races should be ruled and that the superior race has the right to expand beyond its own borders. During the nineteenth century the Dutch had developed an image of the self that Wekker calls white innocence. This consisted the character traits that were seen as the Dutch identity: a small but ethical nation, free of racism and therefore being morally and ethically higher than most others. In the third chapter these aspects of the colonial mindset are studied, and in what extent these beliefs continued to exist among the planters after the transfer of sovereignty.

This study will mainly focus on archival research of the relevant archives. In order to answer the questions asked in this study I will look at several archives that were established by Dutch entrepreneur and trading companies. Institutions like the Ondernemersbond in Indonesië (The Association of Entrepreneurs in Indonesia), which united all representatives from Dutch companies in Indonesia, and the Algemeen Landbouw Syndicaat (General Agricultural Syndicate), which united representatives of all agricultural enterprises, were

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important and influential interest groups which lobbied to influence Indonesian policy. But also in the Netherlands planters organisations existed, the Ondernemersbond and Algemeen Landbouw Syndicaat (ALS) both have Dutch counterparts. The Dutch counterpart to the Ondernemersbond was the Ondernemersraad (The Council of Entrepreneurs) situated in Amsterdam and the counterpart to the ALS was the Federatie van Vereenigingen van Bergcultuurondernemingen in Indonesië (Federation of Societies of Upland Cultivation Enterprises in Indonesia, FEDERABO) also situated in Amsterdam. These institutions all have extensive archives which can be found at the National Archive in The Hague. Besides archival documents, newspapers are also examined. Delpher is an online newspaper database for both Dutch and Dutch East-Indies newspapers which has been used for this study.
1. From colonial to a national state

“The question, if and to what extent the Indonesian ‘can do it’, is after all no longer in order. It is certain that they ‘will do it’: governing their country in total independence. And now I would like to formulate a thought which in my opinion should become common thought in the Dutch camp: the more successful the Indonesians ‘will do it’, the better it also is for us.”

With these words, taken from 1950s first issue of the planter magazine The Bergcultures, J.G. Van ‘t Oever, the chairman of the ALS, spoke about sovereign Indonesia and how the Dutch planters can still have a place in this new state. The message from Van ‘t Oever is generally positive, focussing on the future of Indonesia and the planters’ willingness to work with the new government on het restoration of the economy. Yet the question whether the Indonesian government would be able to govern Indonesia successfully still seemed to be a matter of concern. What Van ‘t Oever actually said in his article, is that the planters needed the Indonesian government to function properly in order for their businesses to flourish. The planters could not dwell on the idea that the Indonesians were not ready to govern, they needed to look forward. Although the general tone of the article seems positive, there still seems to be an overall concern when it comes to the ability of the Indonesian government to effectively govern Indonesia and the underlying idea that the Indonesians were not ready yet to govern themselves. To understand how much planters had to adjust to the postcolonial society, we need to understand the place the planters had in that society and the War for Independence. How did the mindset of the colonial society and the War for Independence influence the planters and set up the economic and political situation in postcolonial Indonesia?

The Netherlands fought the Indonesian nationalists who had proclaimed independence for the Republik Indonesia on 17 August 1945, until 27 December 1949 when the transfer of sovereignty was signed. The Dutch counterinsurgency was the biggest colonial war they had ever fought. After five years of German occupation the Dutch were left impaired. With only a population of eight million people at the time, the Dutch assembled 140.000 men to fight half-way across the world. As mentioned by Brocades Zaalberg, the Dutch army in Indonesia, in proportion to their population, outsized that of the Americans in Vietnam and was even bigger than the French army sent to Algeria. The first Dutch troops reached Indonesia at the end of 1945, but were denied access by the British South East Asia Command (SEAC) led by Lieutenant-General Christison. Only in March 1946 were the first Dutch troops from the Netherlands allowed to enter Indonesia, until that point the only Dutch forces in Indonesia were

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the Royal Dutch Indies Army (Koninklijk Nederlandsch-Indisch Leger, KNIL) who were severely weakened in the Japanese internment camps.31

Dutch Governor-General Hubertus van Mook was an important figure in the constructing Dutch policy during the War for Independence, as one of the first officials he opted for a diplomatic approach instead of regaining control over Indonesia through force. On 27 March the Netherlands and the Republik signed the Linggadjati Agreement. In this agreement the idea by Van Mook for a federal United States of Indonesia was first formulated.32 Not long after the agreement was signed the Dutch started the first Police Action, in which they had annexed large parts of Java and Sumatra. This were mainly the areas which encompassed the Dutch plantations in order to secure the Dutch economic interests. While the Dutch called it a police action, it was in fact a military action. The Dutch wanted to avoid international interference, therefore they stressed the military actions were merely the restoring of peace and order and that it was an internal conflict, not a war between two states. The Dutch Prime Minister Beel stated the military action was to restore the peace and order, the actual reasoning behind the action was to ensure the Dutch economic interests on Java and Sumatra.33 The planters had pushed the Dutch government into taking military action, convincing them the Republik would not uphold the Linggadjati Agreement. The planters reasoned that the Republik would hold control over their plantations and taking the profits for themselves.34 The military action eventually came to an end in early August because the United Nations had issued an ceasefire.

After the First Police Action the negotiations between the Dutch and the Republik continued, eventually leading to another agreement in January 1948. The Renville Agreement was a continuation of the plans as stipulated in the Linggadjati Agreement. The negotiations were led by a committee, the Good Offices Committee, which was established by the United Nations to intermediate between the two parties and look into the conflict. The result of the Renville Agreement was that the land annexed by the Dutch during the First Police Action was now officially under Dutch rule again, meaning all Republican troops needed to withdraw from these areas.35 The Dutch also continued with their plan to form a federal state in Indonesia, for instance during the Bandung Conference. During this conference several regional leaders from the Outer Islands were invited to talk about the plan for a federal state. The Dutch wanted to establish different states that would be loyal to them and lessen the power of the Republik in

32 Shipway, Decolonization and its impact, 100-103.
34 Frakking, ‘The plantation as counterinsurgency tool’, 62.
35 McMahon, Colonialism and cold war, 190-211.
the federation. Shipway calls this the divide an rule tactic, in which the Dutch tried to surround Republican territory with the states they had established. On 19 December 1948 the Second Police Action was launched, which did not have a same clear aim as the first. The Dutch government hoped to supress the Republik and incorporate some of the Republican territory into the federation on Dutch terms. The action was a success military, but politically it caused for international scrutiny on the Dutch actions and resulted in a much weaker position for the Dutch in the upcoming Round Table Conference. Because of the international opinion the Dutch had to go into further negotiations with the Republik Indonesia, this time with much less support for their point of view.

**Planters and the War for Independence**

As mentioned briefly, the Dutch planters had an influential role during the War for Independence. How important was this role and how had planters become this important? The reason behind this lay in the changes the colonial system went through in the second half of the nineteenth century. After the liberalisation of the Dutch political system after 1848, the Dutch parliament gained more control, not only in the Netherlands but also in the colonies. Before 1848 the Dutch crown had held complete control over the colonies. With their newly gained power the parliament implemented the Agrarian Law of 1870 which secured the rights to the lands of the indigenous Indonesians. All the common and waste land was left to the Dutch government which they opened up to private investment for favourable rates. At first the new colonial policy was successful, but the falling prices during the 1870’s and injudicious lending polies resulted in immense losses and near collapse of the colonial state. The state was saved by the Dutch commercial banks who incorporated many of the newly founded Dutch plantations into limited liability companies. This largely increased the Dutch economic interests in the colony.

As a result the trade and industry in Indonesia had become one of the most important aspects of Dutch colonialism. Which is why during the Indonesian War of Independence the Dutch most feared losing the Dutch East Indies, because of the implications it would have on the Dutch economy. There was even a Dutch saying about this: Losing Indonesia means disaster (Indonesië verloren is rampspoed geboren). The saying was first introduced by C.G.S. Sandberg as the title of a pamphlet in which he tried to point out how indispensable the East-

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36 Shipway, Decolonization and its impact, 102-103.
37 McMahon, Decolonization and cold war, 106.
Indies were to the Dutch economy.\textsuperscript{40} The pamphlet was not read by many due to the incorrectness of the numbers with which Sandberg tried to prove his point, but the saying became widely used.\textsuperscript{41} The fear for the financial loses the Netherlands would have to deal with was only worsened by the effects that the Second World War had had on the Netherlands. After five years of German occupation the Dutch economy was severely damaged. Because of this the financial importance of Indonesia to the Netherlands was deemed even more important because the Dutch considered it as a vital aspect in the rebuilding of their economy.\textsuperscript{42} So the wellbeing of the Dutch businesses was considered to be of high importance to the Netherlands by the Dutch. The extent of this showed in the code name for the first Police Action, which was called Operation Product. The main objective for this military action was to regain control over most of the plantations.\textsuperscript{43} The fact that the Dutch businesses were of key importance to rebuilding the Dutch economy was only one of the reasons why the opinion of the Dutch planters was so highly valued. They were also a key factor in rebuilding the social colonial order and were seen as being knowledgeable about the Indonesian people.\textsuperscript{44} For these reasons Dutch planters had a lot of influence on the Dutch policy during the Indonesian War of Independence.

During the war the Dutch planters had close relationship with the Dutch politicians in the Netherlands and in Indonesia with the army commanders and other Dutch administrators. Through weekly meetings and numerous reports the Dutch planters made clear what they expected from the Dutch policy and even tried to influence it.\textsuperscript{45} Frakking explains in his article how the planters have played a big part in forcing the Dutch government into taking military action, which resulted in the first Police Action in 1947.\textsuperscript{46} What is not mentioned by Frakking is that the planters have also played a big part in the Second Police Action. In a letter written in July 1948 by J.S. Sinninghe Damsté, the chairman of the Ondernemersbond, to W.J. de Jonge, the chairman of the FEDERABO, Sinninghe Damsté mentions a private conversation he had with the Dutch General Spoor. In this conversation, they talked about the increasing instability and danger on the plantations which would most likely lead to the abandonment of many plantations if nothing would change. As a solution, Sinninghe Damsté preferred quick and forceful measures.\textsuperscript{47}

\textsuperscript{40} C. G. S. Sandberg, \textit{Indië verloren, rampspoed geboren} (Den Haag, 1914).
\textsuperscript{41} H.L. Wesseling, \textquote{Post imperial Holland}, \textit{Journal of Contemporary History}, 15, 1 (1980), 126.
\textsuperscript{42} Van Doorn and Hendrix, \textquote{De planters belegerd}, 45.
\textsuperscript{43} Ibid, 45-47.
\textsuperscript{44} Frakking, \textquote{The plantation as counter-insurgency tool}, 57-65.
\textsuperscript{45} J.G. van \textquote{t Oever aan de vertegenwoordigers van de ALS en ZWSS, de Rayonvertegenwoordigers van de ALS en de ZWSS en de Ressortleider van de ALS, 3 September 1949, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNA, FEDERABO, 2.20.50, 59
\textsuperscript{46} Frakking, \textquote{The plantation as counter-insurgency tool}, 62.
\textsuperscript{47} J.S. Sinninghe Damsté aan W.J. de Jonge, 30 Juli 1948, NL-HaNA, FEDERABO, 2.20.50, 58.
W.F.G. Jongejan, the chairman of the Ondernemersbond, had been informed of this meeting by Sinninghe Damsté and had approached Prime Minister Beel. Jongejan had told Sinninghe Damsté that Beel understood the seriousness of the situation, but that he most likely had a different idea about how to intervene than the planters. All of this led to a meeting with Governor General Van Mook and General Spoor in which Van Mook, Spoor, Sinninghe Damsté and V.J. Koningsberger, the chairman of the General Syndicat of Sugar Manufacturerers in the Dutch-Indies (Algemeen Syndicaat van Suikerfabrikanten in Nederlands-Indië, ASNI) came to the conclusion that “direct and spectacular measures” should be taken, including clearing out the Indonesian fighters. Sinninghe Damsté does not specifically explain what he means by spectacular measures, all he said about the measures was that the Dutch army should take action against the remaining Indonesian fighters and that these measures should be different from the measures taken from now on. Van Mook however did explain that the political situation did not allow for an action like this at this moment.48 This shows that planters were always closely involved in the politics and strategies of the War for Independence. It illustrates the significant influence planters had on politicians and military leaders both in the Netherlands and the Dutch East-Indies.

As explained above, the Second Police Action was a complete fail on a political level. Again, as with the First Police Action, the United Nations stepped in and ordered the Dutch to end all hostilities on 24 and 28 December 1949. Both times the Dutch refused to comply. The United Nations Security Council resolution of 28 December stated that the Dutch had to end the military action and release the Republican leaders, which they had captured during the action. The Dutch government realised that taking this deal would seriously weaken their negotiating position, but that continuing the military action would not be sustainable for long due to the high costs and scrutiny from the international community. Under heightened pressure of the United Nations the Dutch eventually agreed to releasing the Republican leaders and convoked the Round Table Conference (RTC) in The Hague.49 Once the transfer of sovereignty was completed the Dutch planters stayed in Indonesia, but now under a different government. This however did not mean that they stopped trying to influence political decisions. Both in the Netherlands and in Indonesia the Dutch planters continued to lobby for changes that would be advantageous to the Dutch business interests. In the next chapter, this study will go in to the many problems the planters faced after the transfer of sovereignty. Some of these problems resulted from the New Guinea conflict, while others originated from deeper laying dissatisfactions resulting from the colonial heritage.50 That New Guinea was a source of

48 J.S. Sinninghe Damsté aan W.J. de Jonge, 30 Juli 1948, NL-HaNA, FEDERABO, 2.20.50, 58.
50 Lindblad, Bridges to new business.
major conflict which influenced the planters and their businesses and resulted in the harassment of Dutch planters.

The Round Table Conference, August - November 1949

On 23 August 1949 the Round Table Conference began, it ensured the transfer of sovereignty, a little over four years after the declaration of independence from the Republik. At the conference four parties were attending. The Dutch delegation that led the conference, the Republican delegacy, the Federalist delegacy and the United Nations Commission for Indonesia (UNCI), who mediated between the three parties. During the course of 1949 most of the political parties in the Netherlands were more and more starting to believe that a compromise with the Indonesian nationalists was necessary. There were however a few exceptions. The protestant party ARP was one of the few parties who had voted against the agreement that gave Indonesia their independence. Also the communist party voted against the agreement. This was however not because they were opposed to the transfer of sovereignty, but because they believed the agreement did not go far enough. The communist party wanted full sovereignty for Indonesia instead of the Union that was proposed.

How did the RTC Agreement influence the economic interests of Dutch planters in Indonesia and the political situation of postcolonial Indonesia?

During the RTC the structure of the Union would be decided. The Dutch ideas about what the Union should look like were far-reaching, in the way that they wanted the Union to become a powerful state body with its own powers. During the RTC negotiations it soon became clear that this would not be possible. The Dutch delegation had expected to receive support from the Federalist delegation, but the Republican and Federalist delegacies had come to an agreement before the start of the RTC. The so called ‘inter-Indonesian agreement’ was achieved during two conferences held in July and August of 1949. They came to the conclusion that both the Republicans and the Federalists had the similar ideas on what the new constitution of the United States of Indonesia and their relation to the Netherlands should look like. They found allies in each other which made the negotiating during the RTC much harder for the Dutch. Especially because the Dutch had expected the Federalists to be an ally, instead they ended up being more suborn than the Republican delegacy during the negotiations. As a result the Dutch forced to make considerable concessions regarding the makeup of the Union.

51 J. Bank, Katholieken en de Indonesische revolutie (Baarn 1983), 457.
53 Coerts, De ARP en Nieuw Guinea, 10.
54 Bank, Katholieken, 455-457.
Instead of the Union becoming a body with its own powers it consisted a board of six representatives, three from each partner in the Union. These representatives held responsibility towards their own state, which meant they did not have the right to make decisions on their own, making them subsidiary to the two partners of the Union. Decisions could only be made if all representatives agreed. This meant that the decisions made by the Union were heavily dependent on both the Dutch and Indonesian government. The only Dutch requirement that was taken into the Union agreement was that the Dutch queen would become the head of the Union. In return the Dutch agreed to a Union as a partnership instead of a state body. The only one of the state bodies that made it into the Union agreement was the Court of Arbitration. This was a court made up of six judges, of which each partner got to appoint three judges. These judges decided upon legal disputes between the two partners.

Where the Dutch had to give in to the position of the Indonesian delegacies concerning the Union, the Indonesian delegacies had to accept significant losses when it came to the Financial and Economical agreement. The biggest loss for Indonesia was regarding the debts. The debts made before the transfer of sovereignty by the Dutch Indies government were to be transferred to the new Indonesian government. The Indonesian delegacies proposed to take over 2 billion guilders in debt, the Dutch strongly opposed this proposal. The Dutch delegacy threatened that if this proposal would become the base for the discussion the Dutch cabinet would surely fall, which would be an unwanted delay in the negotiations. In the end the Indonesians agreed to cover all debts from the Dutch East Indies, all but the military costs which led up to 2 billion guilders. They had to pay 2 billion guilders to the Netherlands, 101 million to several other countries and all the internal debts of Indonesia, which all together came to about 4 billion. During the negotiations the debt ratio was highly debated, even shortly before the intended ending of the Conference both parties had not come to an agreement. The Indonesian delegacies argued that all debts were made during the Dutch sovereignty, making them responsible for these debts. They also pointed out that:

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55 Unie-Statuut Artikel 4-12, November 1949, Ontwerp mantelresolutie, Nationaal Archief Den Haag, Ronde Tafel Conferentie [After this: NL-HaNa, Ronde Tafel Conferentie Indonesië], 2.10.38, 81.
56 Bank, Katholieken, 457-458.
57 Unie-Statuut Artikel 13-19, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.
58 Bank, Katholieken, 458.
59 Financiële en economische overeenkomst Afdeling D, November 1949, Ontwerp mantelresolutie, NL-Ha, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.
“The sovereignty and responsibility of the Netherlands made it possible, that in Indonesia a policy was implemented, which was also focussed on the interests of the Netherlands. This argument is even more true for the period after 1942, when consultation with the representatives of Indonesia was no longer possible.”

The Dutch delegacy responded to this by pointing out that the Dutch government in the Netherlands and the Dutch Indies government were two separate governments, and that the Dutch Indies government had acted on its own. They also stressed that the policy implemented by the Dutch Indies government was solely to better the Indonesian economic activity and in no way had the Dutch Indies government taken on a loan to cripple the Indonesian economy. None of the proposals of the Indonesian delegacies were accepted by the Dutch, resulting in the adverse agreement for the Indonesian party.

Another win for the Dutch delegacy was regarding the Dutch businesses in Indonesia. The Financial and Economic Agreement it secured all the rights, concessions and permits which were granted by the Dutch East-Indies government. It stated that the Indonesian government would acknowledge and restore these rights, concessions and permits, and would only change these if it was in the common interest. Generally the whole section about the businesses was aimed at the continuation of the Dutch businesses and the safeguarding of their rights. It was also specified that there would not be any discrimination regarding the Dutch businesses in regard to Indonesian businesses or third party businesses. The Indonesian government would take into account the particular interest that the Dutch had in Indonesia. The safeguarding of the Dutch business rights came with the condition that the Dutch entrepreneurs would include Indonesians in their businesses. This meant that firstly, that organised consultation between employers and employees had to be established. Secondly, that employers and employees had to work towards communal interest in order to improve the living standards of both parties. Thirdly, that the social services had to be improved, especially the housing arrangements. But most importantly, the Dutch employers had to include Indonesians in the management of their businesses, and provide schooling for Indonesians to prepare them for management functions. Eventually this had to lead to a majority of Indonesians in the management of the Dutch businesses. The Dutch businesses and the Indonesian government made an agreement after the acceptance of the RCT Agreement that Dutch plantations should exist for seventy percent of Indonesian employees. This goal was

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60 Overzicht van de Financiële besprekingen ter Ronde Tafel Conferentie te ’s-Gravenhage, 23 Augustus tot 2 November 1949, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 84.

61 Overzicht van de Financiële besprekingen, 23 Augustus tot 2 November 1949, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 84.

62 Financiële en economische overeenkomst Artikel 1 en 2, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.

63 Financiële en economische overeenkomst Artikel 1-11, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.

64 Financiële en economische overeenkomst Artikel 12, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.
however unclear, since there had no date been set as to when this should be achieved and neither did it specify if management positions would also for seventy percent be made up of Indonesians.65

The section of the agreement concerning the trade policy and co-operation between the Netherlands and Indonesia was also more beneficial to the Dutch interests. It mainly focussed on the continuation of co-operation between both countries. It stated clearly that both countries were responsible for their own trade policy and would still remain in control of their own export. However most articles stressed that co-operation between both countries would be more advantageous for both and in some cases was even agreed upon. It encompassed for instance that the long presence of the Dutch in Indonesia had resulted in considerable financial and economic interests for the Dutch in Indonesia which the Indonesian government should take into account in their policy. The agreement also specified that both countries agreed to reciprocal preferential treatment in trade.66 All the articles of the Financial and Economic Agreement specifically focussed on the continuation of the former trade relations between the Netherlands and Indonesia. Some of these agreements limited the options of the Indonesian government to seek the most advantageous trade relations or establish a completely independent trade policy. The negotiated terms set up in the Financial and Economic Agreement illustrated the delayed economic decolonization, as explained by Lindblad. He explains that delayed economic decolonization often led to economic nationalism, which is the aspiration to control and own the productive assets owned by foreigner and to perform the important economic functions that are performed by these foreigners.67 Later on this study will look into the consequences for the planters caused by this delayed economic decolonisation and the impact it had on the Indonesian people.

Also part of the RTC negotiations was the future status of New Guinea. When it came to the island group, most Dutch parties agreed that it should be excluded from the United States of Indonesia. The conflict about New Guinea was already present in 1945, at the beginning of the Indonesian War for Independence, but at this point it was still of minor importance.68 In the Linggadjati agreement already encompasses that New Guinea should receive a separate status, this was however opposed by the Republicans.69 Dutch politicians argued that New Guinea was different from the other islands of Indonesia, both in a geographical and anthropological way.70

66 Financiële en economische overeenkomst Artikel 20-24, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesia, 2.10.38, 81.
67 Lindblad, Bridges to new business, 2.
68 Lijphart, The Trauma of decolonisation, 11.
70 Coerts, De ARP en Nieuw Guinea, 13-14.
concerning New Guinea. In the article multiple reasons are summed up for the decision to postpone the transfer of sovereignty. The first reason stated that the parties could not seem to come to an agreement, but all parties wanted to end the Round Table Conference on 2 November 1949. A second reason was that there were many factors to the problem that still needed to be addressed and there had been too little time to instigate a proper study. A third reason to postpone, was the already difficult task ahead of the partners of the Union. It was deemed desirable if the partners of the Union would solely focus on the successful cooperation between the United States of Indonesia and the Kingdom of the Netherlands. In conclusion, both parties desired to solve their differences about the matter in a peaceful and reasonable way the decision was made to postpone the transfer of sovereignty to a year from the signing date of the RTC agreement.

At this point during the conference it was deemed most important to finalize the transfer of sovereignty. Both the Dutch and the Indonesian delegation would not barge when it came to their stance on New Guinea. The Netherlands wanted New Guinea to be a state outside the United States of Indonesia, but Indonesia wanted it to be a part of the Federal Republic. Since neither of them wanted to abandon their standpoint, the only option to finalize the RCT negotiations before November 2 was to postpone the decision on the matter. What is not included in the Charter is who would govern New Guinea during that one year period. It just stated that the question of the political status would be determined after one year and that during that year the status quo would be maintained. J.H. Maarseveen, the chairman of the Dutch delegation, and the chairmen of the Republican and Federalist delegations, Mohammed Hatta and Hamid, decided after the negotiations had been finalized that this meant Dutch rule would be maintained.

The Dutch colonial mindset

Now that the planters would have to make the transition into the new political situation, they also had to adjust their own political and social stance. What place did they have in the colonial society and what kind of changes did the planters have to go through in order to be able to adjust to the postcolonial society? To understand the changes this, a short summary of what the Dutch East-Indies colonial system enticed is needed. In 1901 the Ethical Policy (Ethische Politiek) was implemented by the Dutch government, led by Abraham Kuiper of the Antirevolutionary Party as Prime Minister. The Antirevolutionist Party followed the Calvinistic

71 Article two of the charter of the transfer of sovereignty, November 1 1949, Ontwerp-mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38. 81.
72 A. Lijphart, The Trauma of decolonisation, 14-15.
73 Article two of the charter of the transfer of sovereignty, November 1 1949, Ontwerp-mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38. 81.
74 Lijphart, Trauma of Decolonisation, 15.
principles, which strongly opposed the exploitation of the indigenous Indonesians and pushed for greater interest in the moral, economic and welfare position of the Indonesians. This point of view had become more and more present in the Dutch politics and society over the course of the second half of the nineteenth century. In the early nineteenth century King Willem I instituted, but designed by Johannes van den Bosch, the Cultivation System (cultuurstelsel), which forced indigenous peasants to use portions of their land for the cultivation of cash crops like sugar, coffee and indigo. The profits of these crops went to the Dutch state, making up about one third of the total revues. The policy of forced cultivation essentially meant the exploitation of indigenous farmers, demanding them to give up a part of their land and labour to crops that they would have to sell at a fraction of their actual value and at the same time exhaust the land to meet production targets.

At the time of the introduction of the Cultivation System the Dutch crown still held full control over the colonies, and government censorship prevented scrutiny on the colonial policy. However with the growth of liberalism and the effects of revolutionary year 1848, the parliament gained more control over the colonies which started debates about the change of the economic colonial system. Not just liberal parties in the Netherlands wanted change, also in the East-Indies people pressed for change. Minister of a Reformed Church in Batavia, W.R. van Hoëvell, and former civil servant, Eduard Douwes Dekker, both urged for the reform of the Cultivation System, which in their eyes harmed the indigenous Indonesians. To this background the Ethical Policy was developed and officially implemented by the Dutch government at the beginning of the twentieth century. This new policy was founded on two elements: the development of the country in order to be directly ruled by indigenous Indonesians under Dutch guidance according to Western ideals on the one hand, and the aim for the unification of all the islands of the archipelago under Dutch dominion on the other. In reality the latter resulted in the suppression of traditional indigenous rulers who refused to apply to the Western views and Dutch authority.

The policy included several changes. The taxation system was reformed by the Dutch government, the revenues of these taxes were to be invested in the construction of infrastructure and education. Another change was the Agrarian Law of 1870 which secured the rights to the lands of the indigenous Indonesians and abolished all state imposed cultivation. All the common and waste land was left to the Dutch government which they opened up to private investment for favourable rates. At first the new colonial policy was

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75 Moore, 'An 'ethical imperialism', 274-277.
77 Moore, 'An 'ethical imperialism', 274.
successful, but the falling prices during the 1870's and injudicious lending policies resulted in immense losses and nearly the collapse of the colonial state. The state was saved by the Dutch commercial banks who incorporated many of the newly founded Dutch plantations into limited liability companies. This largely increased the Dutch economic interests in the colony, and mainly in the large plantations.80

Another part of the Ethical Policy was the emphasis on the civilizing of the Indonesians. The Dutch saw themselves as ‘parents’ who had the obligation to raise their ‘child’ until they were ready to stand on their own. This narrative was used to legitimize the Dutch presence in the East-Indies.81 The idea that the Dutch were responsible for educating the Indonesians until they were ready to govern the country on their own, was still in place at the moment of the transfer of sovereignty. This showed in how the Dutch political parties argued for the maintenance of the Dutch sovereignty over New Guinea. Various political parties pointed out that New Guinea was an area that still needed help from a Western country to develop.82 This so-called civilizing mission (beschavingsoffensief) had always been most visible on Dutch plantations. Frakking explains how the plantations were the place where this civilising mission and the additional social control that it included showed most. On the plantation there was the case of far-reaching social segregation in which the Dutch were superior to the Indonesians.83 This social segregation did not only take place on plantations, but also in the government. As a result of this social segregation, Indonesians lacked knowledge on how to govern and manage businesses, since these positions used to be predominantly reserved for Europeans. As a result, when Indonesia finally became independent they remained heavily dependent on aid from their former colonizers to educate them in management and leading positions.84 As mentioned before, Lindblad refers to this as delayed economic decolonization.85

Another important concept regarding the aspiration to achieve economic independence, which is the base for Lindblad’s argument, is Indonesianisasi which he describes as:

"Indonesianisasi is a conscious effort to increase the participation and elevate the role of the Indonesian -and more particularly the indigenous Indonesian- in the more complex sectors of the economy."86

The implementation of Indonesianisasi by Dutch business owners was a part of the Financial and Economic Agreement, as mentioned earlier. Besides the educating of Indonesians and including them in management positions, it was also expected of companies to have a board

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81 De Jong, De terugtocht, 17.
82 Coerts, De ARP en Nieuw Guinea, 13-14.
83 Frakking, ‘The plantation as counter-insurgency tool’, 57-60.
84 Lindblad, Bridges to new business, 15-17.
85 Ibid, 2.
86 Ibid, 2.
of management seated in Indonesia. These regulations would help further the process of Indonesianisasi. This was also the case for the Dutch owned plantations. In their magazine *The Bergcultures*, a whole article was dedicated to how the inclusion of Indonesian workers in the management would be executed. The ALS had appointed several of their members to set up a research committee to look into how to most effectively educate Indonesian workers and prepare them for management positions. The committee stated that all planters should let go of their pre-war way of thinking as a starting point and that not only *mandoers*, which were Indonesian supervisors, should receive the opportunity for education, but also young new workers. The committee concluded after a couple meetings that as an emergency measure a one year crash course would be established, but in the long run educational institutes needed to be founded where young Indonesians would receive a proper education. Even though the establishing of such a crash course would be difficult and expensive, the committee stressed that it was important to show the Indonesian government some goodwill.

The idea that the absence of Western help would harm the Indonesian economy is another example of how Dutch planters were still stuck in the old colonial mindset. This is also one of the reasons given by Lindblad as to why delayed economic nationalism existed in Indonesia. The Dutch, as all other colonial powers, believed in the idea of economic dualism. This presupposed that there was a fundamental difference between the Western and Asian sectors of the economy. Whereas the Western sectors were seen as modern and dynamic, the Asian sectors were characterised as traditional and stagnant. This binary thinking was very real in the colonial society. There was a distinguishing between European and native on a general level in society. G.R. Knights explains that the plantations had their own distinctive microcosm, where this binary system became most visible. In this distinctive microcosm the European employees occupied most, if not all, management, technical and supervisory positions. The people who occupied these leading positions lived physically, socially and culturally separated from the Indonesian workers. They lived in separate buildings, surrounded by fences, closing them off from the Indonesian society and culture outside. This illustrates the extreme social hierarchy that was present on the plantations. The planters determined every part of the Indonesian workers lives. They did not just provide housing, they also set up a time schedule of where the workers had to be at what time, they provided medical care and wrote their own laws which all workers had to follow. This way the colonial mindset became a part of all aspects of life and was enforce by extreme surveillance and the threat of force.

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87 Financiële en economische overeenkomst Artikel 12, November 1949, Ontwerp mantelresolutie, NL-HaNa, Ronde Tafel Conferentie Indonesië, 2.10.38, 81.
89 Lindblad, *Bridges to new business*, 17.
90 Knight, ‘Death in Slawi’, 611.
91 Frakking, *The plantation*, 60.
This was the society Dutch entrepreneurs expected to come back to after the capitulation of Japan. They soon realised much had changed, this however did not change their minds on reclaiming their businesses. Even though the planters realised the mentality of the Indonesian workers had changed, they expected that minimal changes would guarantee the return to business as usual. In a general instruction to the planters who were about to return to their plantations after the First Police Action in 1947, the ALS explained that this change of mentality could be easily met by including the workforce in consultation about the work.92 This is exemplary for the mindset of most of the planters during the Indonesian war of Independence. They did not expect much change was needed for them to continue in their work. They still remained stuck in their old ways and it took them a long time to accept the changing society around them.

As mentioned before, the example of the planters playing an important role in the instigation of the idea for another military action showed the attitude of the planters towards the fight for independence. After the failing of the Second Police Action it however became clear that independence was inevitable. At this point the planters already started looking to the future. One of the first changes in their point of view was regarding the authority of the TNI, *Tentara Nasional Indonesia* (Indonesian National Army). During most of the time of the War for Independence the planters demonized the TNI soldiers, portraying them as terrorists and extremists.93 However towards the end of 1949 the planters already started thinking about the upcoming change in power and focused on working with the TNI. Instead of depending on the Dutch soldiers to protect them from rampaging gangs in the countryside, they turned to the Indonesian army. The Dutch planters advocated for the Dutch army to work alongside the TNI. They even pressed Dutch authorities to help arming and training the TNI soldiers.94 In a meeting for the members of the planters organisations ALS and ZWSS (South-West Sumatra Syndicate), they discussed how at this point the only ones who would be able to keep their plantations safe were the TNI soldiers. This meeting took place in December 1949, after the

92 Algemene instructie, 19 Juli 1947, Stukken betreffende de organisatie van de ondernemingen in de bezette gebieden, NL-HaNA, FEDERABO, 2.20.50, 57.
94 J.G. van ‘t Oever aan W.J. de Jonge, 12 December 1949, Stukken betreffende de veiligheid en politieke situatie in Indonesi, NL-HaNA, FEDERABO, 2.20.50, 59 ; J.G. van ‘t Oever aan W.J. de Jonge, 21 November 1949, Stukken betreffende de veiligheid en politieke situatie in Indonesi, NL-HaNA, FEDERABO, 2.20.50, 59 ; Aantekeningen van de bespreking met de HVK, de legercommandant en vertegenwoordigers van de ondernemingen, 22 Oktober 1949, Stukken betreffende de veiligheid en politieke situatie in Indonesi, NL-HaNA, FEDERABO, 2.20.50, 59.
RCT Agreement had been signed and the planters knew they had to prepare for the changes to come.\textsuperscript{95}

\textit{Conclusion}

The Dutch planters in Indonesia were accustomed to a certain kind of society that in 1949 was about to change abruptly. In the colonial era, especially with the introduction of the Ethical Policy and the opening up of Indonesia to private investment, the planters had played an important role in the upholding of the colonial society. On the plantation the social control, that was an integral part of this colonial society, was most visible and far-reaching. Planters completely controlled the lives of their employees, from providing their living space to organising the schedules of their day to regulating their health and hygiene. This had given the planters a reputation among the Indonesian people, who saw them as the everyday embodiment of the colonial regime.

With the Japanese occupation and after that the War of Independence, the power that the Dutch planter had over their employees crumbled. Where once the Dutch seemed all powerful, this image now change and showed that the Dutch rule could be easily overthrown. During the Japanese occupation and on some plantations also during the War of Independence, the Indonesian who used to work under Dutch management now got to manage the plantations themselves. This debunked one of the main ideas of the colonial policy, which assumed Indonesians were not ready to govern and manage the country and, on a smaller scale, the plantations themselves. So when the planters came back to their plantations during the course of the war, they expected to go back to business as usual, but to their surprise found a changed society. For a long time the planters refused to accept this new reality, and fought hard against the Indonesian fight for independence.

When on November 2, 1949 the Round Table Conference Agreement was signed, that ensured sovereignty for Indonesia, the planters realised they had to adjust to the new situation quickly. The RCT Agreement secured the rights of the planters in Indonesia, but stated that all Dutch businesses required to include more Indonesians in management positions and in the company on a whole. Yet generally, a lot stayed the same when it came to the economic situation, the Indonesian society remained very dependent on the Dutch. This delayed economic decolonisation, together with the New Guinea conflict, became the main problem for the Dutch planters in Indonesia after the transfer of sovereignty.

\textsuperscript{95} Ledenvergadering van het ALS en ZWSS, 7 December 1949, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNA, FEDERABO, 2.20.50, 59.
2. The political and economic changes after the transfer of sovereignty

"With all this, the entrepreneurs have to suffer the consequences and we will have to wait and see what kind of thunderstorm will burst out over them and the other Dutch people in Indonesia."\(^{96}\)

J. Oldenborgh, chairman of the Ondernemersraad, wrote this in a letter to J.S. Sinninghe Damsté, the chairman of the Ondernemersbond in Indonesia. Oldenborgh wrote this right after the failure of the New-Guinea conference in 1950. The one year interim period in which the new status of New-Guinea should have been decided had ended and with no solution to the problem. Oldenborgh described the feelings of insecurity and dread among the entrepreneurs, when faced with the new situation of an independent Indonesia. The Indonesians nationalists on the other hand were displeased with the continued rights and domination of the Dutch enterprises. Alongside their nationalist ideals, many of the top leaders in Indonesia also had socialist goals for Indonesia. Big capitalist, Dutch companies thus faced a two-sided scrutiny from the Indonesian leaders.\(^{97}\) It seemed like the planters could not expect much support from the Dutch government, but at the same time they were faced with a government that was far from happy was with their presence. How did the planters approach the economic and political problems they faced after the transfer of sovereignty and who did they go to for help?

According to B. Glassburner the years between 1950 and 1957 can be seen as a lost battle on the part of a small group of pragmatic and conservative political leaders against an increasingly powerful group of radical oriented politicians in Indonesia.\(^{98}\) The biggest challenge for sovereign Indonesia was how to establish a national economy which would make Indonesia completely independent from their former colonizer. Jasper van de Kerkhof explains that there were two points of views concerning this issue. One viewpoint believed Indonesia still needed foreign expertise and capital to build the economy. This group deemed that indigenous Indonesians should be aided by the government until they would be able to compete with foreign companies. The other viewpoint stated that a national economy could never exist in the old colonial frameworks. They advocated for the departure of all Dutch business owners and the transfer of their companies to Indonesians. The first group which Van de Kerkhof calls ‘the moderates’ were the pragmatic politicians which mainly came from the Masyumi Party, which stands for Partai Majelis Syuro Muslimin Indonesia (Council of Indonesian Muslim Associations). They were the most powerful during the first couple of years of independence, until the fall of the Wilopo cabinet in 1953.\(^{99}\) While after that ‘the radicals’ gained more power,

this group consisted mainly of the communist party PKI, who were extremely popular among the Indonesian people. However even the most radical cabinet until 1957 did not go as far as nationalising the Dutch companies, only because they knew Indonesia did not have the capital nor the political resources to do so.

**Labour problems**

The first cabinet formed after the transfer of sovereignty was led by Mohammed Natsir of the Masyumi party. Short after he became prime minister in 1950 he gave a speech about the newly obtained independence. He pointed out that political independence would not mean an immediate change in prosperity, it would be a long process to change the colonial economy into a national economy. Natsir stressed that for the time being the Indonesian state could not yet go without foreign capital and expertise. Mohammed Natsir, can be seen as one of the more moderate politicians in postcolonial Indonesia. In the eyes of the Dutch planters, this moderate point of view was seen as a reason to mainly approach politicians who where part of the Masyumi party. Contrary to the planters, most of the Indonesian people did not support this statement by Natsir. They felt like the government sided with the Dutch planters, while they had expected the influence of foreigners, mainly the Dutch, would have decreased after the transfer of sovereignty. For the planters this discontent with the continuing foreign influence was most visible through the worsening relationship with their labourers and the labour unions. How did the planters deal with problems like land occupation and labour strikes, and how did they try to convince the Indonesian government of their point of view on these matters?

The deteriorating relationship between the Netherlands and Indonesia, caused by the ongoing conflict about the status of New Guinea, made the influence of Dutch politicians in Indonesia reduce to nil. So where before the planters came to the Dutch administrators for support, they now had to find a new ally who would listen to their complaints and support their interests. One big problem the planters faced was concerning the unlawful occupation of plantation land. The restoration of foreign-owned property was first mentioned in 1945 in a manifesto written by Vice President Mohammed Hatta, who was greatly influenced by Prime Minister Sjahsrir. Hatta stated that all foreign-owned property would be restored, if the Republik would be granted sovereignty over Indonesia. The Dutch and Republican governments

100 Grassburner, ‘Economic policy’, 113-114.
agreed with the signing of the Linggadjati Agreement in 1946 that the occupied lands would be restored to their rightful owners. These were the people who had legally obtained the rights to the land prior to 1942 when the Japanese had invaded the Dutch East-Indies. In article 14 of the Linggadjati Agreement it stated that the Republik recognised the claims of the foreign planters to the restoration of their rights and the restitution of their goods.\textsuperscript{106} The returning of the Dutch and other foreign planters to their possessions should have happened immediately after the signing of the Linggadjati Agreement. However, as Frakking states, the Republik did not start this restoration as quickly as they could have. The plantations played an important role in financing the fight against the Netherlands thus an immediate return of these plantations to the Dutch owners was not in the Republik’s best interest.\textsuperscript{107} This recognition of the rights of the Dutch planters was also ensured in the Round Table Conference Agreement.

After the transfer of sovereignty many plantations were still in the hands of Indonesians, who occupied the Dutch planters’ land and made it impossible for the Dutch owners to return and restart production. These so called unlawful occupations were very difficult to resolve, in some occasions plantations could not be returned to their lawful owners. Most of the time the occupants were local peasants who had taken control of the plantations during the Japanese occupation and War of Independence. In some cases the occupants had been running the plantations for years and because of this refused to leave. Conflicts over property rights could go on for years. The issue worsened to the point that it brought down the Wilopo cabinet in July 1953, due to a violent confrontation between local peasants and the police. The government had a hard time dealing with the problem of these unlawful occupations because they were sympathetic to the situation of the Indonesian locals, but were forced to uphold the property rights of the Dutch owners as stated in the Round Table Conference Agreement.\textsuperscript{108}

The Minister of Agriculture, Tandiono Manu, asked A.L.W. Seyffardt, the chairman of the ALS, during a meeting in 1950 to give his opinion on which measures should be taken to solve the problems that planters currently faced. He also talked about the unlawful occupations and the rights of the legal owners. Seyffardt thought the government had to draft a national regulation regarding the restoration of the plantations to their rightful owners. He emphasized that this regulation should be clear about the rights of the occupied grounds. It should be explicitly stated that they belonged to the people who owned the plantations before the Japanese occupation. Lastly, Seyffardt insisted that the debts that were made during the time

\textsuperscript{106} Basic Dutch-Indonesian issues and the Linggadjati Agreement, 9 June 1947, Central Intelligence Group Washington.


\textsuperscript{108} Lindblad, Bridges to new business, 182-183.
of the occupation should not be covered by the rightful owners but by the occupants themselves.\textsuperscript{109}

That same year the governor of Aceh promised to return the occupied plantations to their rightful owners who from now on were free to cultivate their lands however they wanted. There would even be police posts set up in areas that were still believed to be unruly. The governor however did not want to cover all costs that were made during the occupation for himself, so he offered to split the costs in half.\textsuperscript{110} The question of who would be responsible for the costs and debts that had built up during the time the plantations were occupied was highly debated. As stated by Seyffardt, the planters wanted the occupants or government to pay those costs since they were made without their approval or leadership. The Indonesian government thought otherwise. The governor of Aceh already made a compromise to pay half of the costs, which still was hard for the planters to accept. In East-Java the authorities were not planning to give in to the planters demands. They planned to restore the plantations, yet the rightful owners would have to pay a certain amount of money that would be determined for every plantation individually. The Minister of Agriculture stated this sum of money should be seen as a way to repurchase their enterprises.\textsuperscript{111}

The problem of unlawful occupations remained an ongoing discussion, that a lot of the time was linked to the unsafety that still existed in rural areas. In 1954 an emergency law was put in order by the Indonesian government, which among other things offered protection for planters against new occupations that still happened. It was based on the agreements made in de Financial and Economic accord of the RTC, which stated that the plantations were to be restored to their rightful owners, meaning the Dutch planters.\textsuperscript{112} However in a letter to the Council of Ministers, which is another name for the cabinet of the Indonesian government, the planters organisations also pressed for the restoration of the plantations that still remained occupied, in order to resume production.\textsuperscript{113} Also the Indonesian government had complaints when it came to the restoration of the Dutch plantations. At the beginning of 1954 Sadjarwo, the Minister of Agriculture, stated that all plantations should be put into operation again. If this

\textsuperscript{109} Memorandum van de besprekingen tussen A.L.W. Seyffard en Minister van Landbouw Manu, 22 Maart 1951, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.

\textsuperscript{110} C.C.J. Maassen, voorzitter van de AVROS, aan leden van de AVROS, 17 April 1951, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.

\textsuperscript{111} Vergadering Dagelijks Bestuur ALS, ZWSS en Ondervoorzitters van de Bonden, 12 December 1952, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.

\textsuperscript{112} S. Pompe, Indonesian law 1949-1989: A bibliography of foreign-language materials with brief commentaries on the law (Dordrecht 1992), 188-189.

\textsuperscript{113} Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Raad van Ministers van de Republiek Indonesië, 20 Oktober 1954, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
would not happen the rights to the land would be revoked and the state would seize them. The planters are very alarmed by this ultimatum and protested that there should be made a distinction between the planters who did not want to return and the planters who were not able to return.\footnote{Aantekeningen van de vergadering van het Algemeen Bestuur van de ALS, 4 Februari 1954, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.} The fact that there were laws against new occupations in 1954 and planters who were not able to return to their plantations shows how unsafe rural areas still were.

Another issue concerning the occupations were the labourers working on the plantation at the time of the restoration. In Seyffardt’s advice to the Minister of Agriculture he proposed these labourers should at least remain employed for two months, after that it would be up to the legal owner of the plantation to make a selection of the needed personnel. He also emphasised that in this case the resolution issued by Minister Suroso, the Minister of Employee Affairs, which stated that no more than 10 people at once could be fired should be revoked in this case. The reasoning behind this was that there were a lot of costs coming with the restoration of a plantation, and labourers were becoming more and more expensive due to the many efforts of the labour unions to raise the wages. The planters therefore wanted to be able to fire all the unnecessary personnel.\footnote{Memorandum van de besprekingen tussen A.L.W. Seyffard en Minister van Landbouw Manu, 22 Maart 1951, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.} This is only one example of how the conflicts about property rights were closely tied to the deteriorating labour relations. Unlawful occupations were only one side of the tense relationship between the Dutch employers and Indonesian employees. Labour unions became more and more militant. On many occasions unions called strike actions, particularly at Dutch and other foreign owned businesses, which resulted in major losses for these businesses. According to J.T. Lindblad these strikes at the Dutch owned businesses only further proved the urgency for economic decolonisation.\footnote{Lindblad, Bridges to new business, 155-156.}

In a statement made by the Minister of Labour, Iskandar Tedjasukmana, the many issues surrounding the labour unions were addressed. The government wanted to acknowledge or set up labour unions for all areas in order to stop the ongoing establishing of new labour unions. This way reaching to an agreement between the employers and employees would become much easier. Also laws about wages would be constituted, so conflict about wages would be reduced. As would the government set up a regulation for the resolving of labour conflicts, that way the labour strikes would be reduced as well. The government strived to better the social relations by organising the labour movement and setting up laws to make sure labourers were treated properly. Tedjasukmana however emphasised that the improvement of the social relations should be proportionate to a production increase. The betterment of wages and social conditions would be less important once they would not lead to an increase in production, and
contrarily an increase in production would not be possible if it would not also lead to higher wages and better social conditions. This statement made by Tedjasukmana does not solely give us information about the Indonesian policy towards the conditions of the labourers, but also shows the amount of conflict happening between the employers and employees. What seems to be the main issue is the troubled relationship between the employers and employees, which seemed to be only worsened by the ever growing number of labour unions and the absence of regulations about labour strikes and other labour conflicts.

The planters however had many complaints concerning the rising wages and labour unions that caused a rise in production costs. The planters organisations pointed out in a letter to the Council of Ministers, that the rising labour costs were the main reason many plantations were experiencing financial problems. According to the planters in many occasions labour unrest was solved by yet another raise in wages, while they believed the problems did not lie with labour remuneration but rather with labour discipline. The raises that were instead implemented only caused plantations production to decline because the extra expenses for wages needed to be taken from other parts of the business. The planters asked the government to make up a legislation concerning the social charges, in order to ensure a certain kind of stability for the planters. In letter to the Monetary Council of the government in 1956, the planters organisations again explained that the costs of production kept rising while the rupiah incomes remained the same, causing for shortages which threatened the continuation of many plantations. The planters stated that it was difficult to reduce the production costs due to the high percentage of labour costs. This led up to 70 percent of all the production costs. In another attempt to convince the Monetary Council of the extremely high production costs in relation to the incomes, the planters organisations showed how production costs mainly consisted of labour costs and the stagnant incomes caused plantations to be on the verge of bankruptcy.

117 A. van Oranje, Hoofd van Sociale Zaken AVROS aan de leden van AVROS, 4 Mei 1951, Stukken betreffende de terugkeer van eigenaren naar hun ondernemingen alsmede de teruggave en heropening van die ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 68.
118 Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Raad van Ministers van de Republiek Indonesië, 20 Oktober 1954, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
119 Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Monetaire Raad, 3 Februari 1956, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
120 Memorandum inzake de financieel economische situatie der Robusta-koffiecultuur geschreven door de Grootlandbouw organisaties aan de Monetaire Raad, 27 Januari 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
**New state, new rules**

Besides the rising labour costs the Indonesian government issued many new laws and taxes that were intended to help develop the Indonesian economy. In the case of the labour related problems, the planters had a certain knowledge about the issues. It concerned their own labourers and their own businesses. Yet in the case of the new laws and taxes that were implemented, they did not have the same level of expertise. However, these changes had a lot of impact on their businesses, and the planters did regularly plead to the Indonesian government for changes. How did this differ from their lobby concerning the labour problems? Central to many of the problems surrounding taxes and new laws was the Benteng policy. It was launched by Djuanda in 1950, who was the Minister of Transport at that time. The policy intended to give indigenous Indonesians government protection in order for them to be able to compete with foreign importers. The government tried to achieve this by giving credit to newcomers and allocating certain priority imports to them. In the beginning these so called Benteng goods made up 10 percent of all imports, but in 1950 this had increased to 50 percent. Trading companies needed to register for them to obtain a licence to import these Benteng goods. The planters also suffered from this. The continuation of production became problematic due to essential goods which were not imported and delivered on time. They claimed that they were forced to buy domestic products instead, causing the production costs to rise even more.

There were many more problems concerning imports. In a decree from the Ministry of Agriculture the government informed all planters organisations that they had to apply for import licenses for all raw materials, excipients and capital goods. If the planters would not do this accordingly these goods would not be placed on the list of primary goods, and therefore might not be imported on time. The import licences would also be limited to the goods needed for the continuity and maintenance of the existing agricultural businesses. The planters had to fill out a form to stating why certain goods were essential to their business and what they would be used for, in order for the government to assess. Similarly planters were forced to apply for profit transfers, according to these applications businesses were divided into different urgency groups. The more a company was determined as serviceable for the Indonesian economy, the higher up they came in the urgency groups. The higher the urgency group, the more profit

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121 Lindblad, *Bridges to business*, 129-130.
122 Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Raad van Ministers van de Republiek Indonesië, 20 Oktober 1954, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
123 Van het Ministerie van Landbouw aan de Cultuurondernemingen, 13 Juni 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
these businesses would be allow to transfer. If not deemed important enough for the Indonesian economy, the business was forced to invest their profits in Indonesia.\textsuperscript{124}

The countless amount of regulations concerning the transfer of profits, dividend, interest payments and contributions to pension and saving funds however had not the effect the Indonesian government had hoped for. Whereas the Dutch claimed the total of all these lowered to 500 million in 1957 from 1,1 billion in 1953, the Indonesian government came with different numbers. They calculated a drop in 1954 to 840 million but after that another rise to 1 billion in 1957. It’s hard to say which numbers portray the truth, but either way the number remained very high considering the many restrictions implemented by the Indonesian government. These big amounts of profit remittances show how Dutch businesses focussed rather on a short-term plan in Indonesia, than for a long-term stay. By transferring big portions of their profits back to the Netherlands instead of investing in their businesses in Indonesia they showed they did not expect to stay in Indonesia for the long-term.\textsuperscript{125} This was also shown in a letter from J.S. Sinninghe Damsté to J. Oldenborgh, where he wrote the following: “They want us – and I think this will happen shortly – supress us from the position of owner to the function of performing services; and then – in the long-term – send us back to our homeland.”\textsuperscript{126} This was already written in 1951, showing that important Dutch businessmen like Sinninghe Damsté knew very well their time in Indonesia was limited. This however did not mean the planters and other Dutch corporations planned on leaving their businesses voluntarily or easily when the nationalisations were decreed.

**Political playing field**

Both the labour related problems and those related to political policy showed how the planters tried to adapt themselves to the new situation, and how their strategies differed. The contact between the Dutch planters and Indonesian government went further than just labour trading policy. The planters have always had a close relationship to the Dutch government and have never shied away from letting their opinions be heard. After the transfer of sovereignty their position drastically changed. The Dutch had always seen the planters as an important party, taking their opinion into account when making certain decisions. How did the planters change their role in Indonesian politics? In Jasper van de Kerkhof’s study on Dutch trading firm Internatio he included a statement from the company concerning the newly gained sovereignty

\textsuperscript{124} W.H. Meijer aan W.J. de Jonge, 23 Augustus 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.

\textsuperscript{125} Lindblad, *Bridges to new business*, 158-160.

of Indonesia. They stated that their political influence had been reduced to nothing, but there was still an economic and financial basis for them to find their place in the newly sovereign country.\textsuperscript{127} It seems like the planters did not quite have the same point of view during these early days of the new state. In a formal letter to President Sukarno, Sinninghe Damsté congratulated him on his presidency and gaining independence. However in a second paragraph Sinninghe Damsté wrote the following: “The Ondernemersbond and the associated organisations are willing to provide specific information to the government which she might need, at all times.”\textsuperscript{128} This shows two things. Firstly, the planters do not plan on giving up their place in the political arena. They need to keep close to the new government in order to be able to let their voice be heard so they could stir policy in a way that would also benefit their interests. Secondly, it shows the feeling of superiority had not faded yet. The offer shows how Sinninghe Damsté felt like the Indonesian government might still need assistance and that the Dutch planters had the information and knowledge to provide a helping hand.

In order to be able to be heard by the Indonesian government, the planter were constantly trying to find politicians that would listen to their complaints and suggestions. For example, J. Oldenborgh contacted Sinninghe Damsté and pressed him to get in contact with Minister of Trade and Finance Sumitro Djojohadikusumo. Oldenborgh had been told that Sumitro is one of the few capable members of the current cabinet and was willing to work with the Dutch.\textsuperscript{129} Sinninghe Damsté however believed the Dutch should focus on the Masyumi Party. Sinninghe Damsté explained the Masyumi Party was the only party that implemented the right policy as they believed every citizen should have the same rights regardless of their religion and that old community ties should be upheld. He stated Seyffardt, already had regular contact with Natsir, who updated him weekly on what happened in Indonesian politics. Sinninghe Damsté proposed to approach Christianto Wibisono, a Chinese-Indonesian business analyst who was the leader of the intellectual group of the Masyumi. Sinninghe Damsté saw him as a weak man but possibly very influential. Also Sjafruddin Prawiranegara, former Prime Minister and Minister of Finance, who after that became Governor of the Bank of Indonesia, who Sinninghe Damsté viewed as a powerful figure and understanding.\textsuperscript{130}

Finding politicians that were open to working with the planter in order to promote their interests was only one way the planters lobbied. Another way was approaching Indonesian employers. By working together with Indonesian business owners the Dutch planters hoped to

\textsuperscript{127} Van der Kerkhof, ‘Indonesianisasi of Dutch economic interests.’ 190.
\textsuperscript{128} J.S. Sinninghe Damsté aan Minister President Sukarno, 29 December 1949, Voorzittersbrieven minuten van uitgaande stukken van de voorzitter 1949, NL-HaNA, Sinninghe Damsté, 2.21.308, 3.
decelerate the government and the labour unions. They believed the Indonesian government might be more indicated to listen to Indonesian employers than Dutch.\textsuperscript{131} The planters also worked alongside the Fact Finding Committee of the Monetary Council in 1953. The committee asked the planters to make up a memorandum concerning the problems that the agricultural businesses faced. According to Rozendaal of the research committee of the ALS, this memorandum had little effect because of the negative reaction to this memorandum from the Ministry of Agriculture. He stated that the Ministry might have felt bypassed and therefore did little to nothing with the information given by the planters community.\textsuperscript{132}

\textit{New Guinea conflict}

The announcement of the take-over of the Dutch owned businesses in Indonesia in December 1957, and the nationalisation of these companies in early 1958 was linked to the New-Guinea conflict. In the decree issued by the Chief of Staff of the Indonesian army, New Guinea is named as one of the main reasons for the take-over of the Dutch businesses. It was also linked to the decision of the government to end all economic ties to the Netherlands, which was a result of the conflict as well.\textsuperscript{133} How did the planters deal with the New-Guinea conflict and the implementations it had on their position in Indonesia? The far-reaching decision to nationalise the Dutch businesses however did not come as a complete surprise to the Dutch planters. In a conversation with Prime Minister Sukiman Wirjosandjojo, Sinninghe Damsté discussed the relationship between the Netherlands and Indonesia. Sinninghe Damsté wondered why the contact between the two countries had deteriorated so much after the transfer of sovereignty. According to him the Dutch had reached out to Indonesia and it had seemed like there would be an improvement in the relationship between the two countries. Yet Sinninghe Damsté continued that Indonesia had not reciprocated the Dutch tries to rebuild their relationship. Sukiman reasoned this was because of the New Guinea conflict and the failed coup by former Dutch military leader Westerling. Sinninghe Damsté who thought both of these issues were in no way related to the planters, he argued that the lack of trust was most likely not due to these two problems but more generally a certain mistrust towards all that was foreign.\textsuperscript{134}

\textsuperscript{132} P. Rozendaal aan de voorzitter van de Contactcommissie Grootlandbouw Organisaties, 3 Mei 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
\textsuperscript{133} Bevelschrift van de Chef Staf van de Landmacht, A.H. Nasution, aan alle Militaire Gezaghebbers, 10 December 1957, Stukken betreffende de overname, onderbeheerstelling en overname van bedrijven aan de Indonesische autoriteiten, NL-HaNA, FEDERABO, 2.20.50, 73.
The lack of trust between the Indonesians and Dutch is a recurring theme. It were not just Indonesians who mistrusted the Dutch, but on many occasions it was also the other way around. In a letter to J. Oldenborgh Sinninghe Damsté wrote:

"We're still in the first phase, the one of trying to take away the xenophobia and the mistrusting of foreigners. Recently I wrote about the necessity of breaking the vicious circle, in order to achieve ending the mutual mistrust that exists."

Right after this, Sinninghe Damsté specified that there never would be complete trust from both sides. He explained there was a certain type of wishful thinking among the planters, who wanted to believe the promises made by Indonesian politicians. Sinninghe Damsté thought Indonesian politicians wanted the Dutch planters to believe they were safe and that that they would fight for the planters interests, but that in reality the government was already planning on manoeuvring the Dutch business owners out of Indonesia. Sinninghe Damsté further explained his statement by saying that the Indonesian government and the Dutch business owners have very different interests and it was only a matter of time before they would be forced to leave but they were still needed for now.

The tense situation created by the New Guinea conflict harmed the planters and other Dutch businesses in many ways. The conflict fuelled the nationalistic movement in Indonesia, which caused difficulties for the government in the decision making on everyday issues like housing, immigration and the schooling system. Any decision which seemed to aid the Dutch interests became controversial, making it hard for the government to make these decisions without keeping the tensions surrounding New Guinea and the Netherlands in mind. For instance the immigration laws could not be changed, making it hard for Dutch planters to find expert employees who could not yet be provided by the Indonesian people. Similarly the Dutch education system got less and less support from the Indonesian government, which the planters also blamed on the high tension between the two countries. What has to be kept in mind is this is the point of view from the planters. The Immigration laws and regulations towards Dutch schools were most likely deliberate government policies that tried to nationalise the Indonesian society by slowly taking down the remnants of the colonial society.

On many occasions the Dutch planters tried to convince both the Indonesian and Dutch governments to take action, they believed their position in Indonesia could still be saved as long as the conflict of New Guinea would be solved. When the chairman of the

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Ondernemersraad, J.S. Sinninghe Damsté, visited the Netherlands in 1950, he also met with multiple Dutch politicians to talk about the New Guinea conflict and to urge them to find a solution to it. Sinninghe Damsté told prime minister Drees and minister Oud:

“He warned the gentlemen Drees and Oud to not be led by the defeatist views from the returning Indonesian officials, the chairman explained to them, that the Dutch businesses in Indonesia still see real possibilities, provided that the source of the problem will be taken away.”138

Besides assuring that there are still real possibilities for the Dutch businesses in Indonesia once the conflict about New Guinea had ended, the Ondernemersraad also focused on a more scientific way to persuade both parties to end the conflict. J.S. Sinninghe Damsté proposed a study on the importance of the Western businesses, specifically the plantations, to the Indonesian economy. He stressed that the findings of this research could strengthen their position against the anti-western groups that were becoming more vocal. Sinninghe Damsté also pointed out that this research is needed because there was a lot of ignorance about the subject. Therefore the research needed to portray the Western businesses and their addition to the Indonesian economy, this would mainly consist of facts and numbers instead of opinions and the Dutch point of view.139

Not just in the Netherlands did the representatives of the planters try to change the policy on New Guinea, but also, and maybe more so, the Dutch planters advocated for the ending of the New Guinea conflict in Indonesia. In a meeting with the Financial Economic Council of Indonesia the chairmen of the Ondernemersbond spoke about how the New Guinea conflict was being used by anti-western groups as a reason to start new harmful activities against the Dutch businesses, for instance a boycott. In December 1950 several anti-western groups had announced a boycott against Western businesses. During the meeting with the Financial Economic Council the chairmen of the Ondernemersbond argued that the ongoing social-economic problems were closely tied to the ongoing political problems. The Indonesian unions demanded higher wages and more social security for the Indonesian workers during the course of the first year of independence. Yet the Ondernemersbond claims that the failing economy which caused for many of the problems that were faced by the Indonesian workers originated from larger political problems, one of which was the New Guinea conflict. The Ondernemersbond claimed that the discontent about the unsolved problem of New Guinea fueled the anti-western activities that targeted Dutch businesses. According to the Ondernemersbond, the ongoing insecurity caused by these activities harm the Indonesian economy and the relationship between the Indonesian workers and the Dutch businessmen.

138 Kort verslag van de vergadering van het Algemeen Bestuur van de Ondernemersraad voor Indonesië, 7 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.
139 Kort verslag van de vergadering van het Algemeen Bestuur van de Ondernemersraad voor Indonesië, 7 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.
The boycott is being portrayed as of national importance by the anti-western groups. The Ondernemersbond fought this statement, they argued that the Western businesses were as much a part of the Indonesian economy as anyone else. They even stated that if this boycott would follow through not only the Western businesses would suffer, but the whole Indonesian economy and many Indonesians who worked in these businesses.\textsuperscript{140}

\textit{Nationalisation}

When in 1957 all Dutch businesses were nationalised the process began with the take-over of the KPM, Koninklijke Pakketvaart Maatschappij (Royal Package Shipping Company). On December third 1957 Union activist Mamesah took over the KPM by reading a proclamation of appropriation of authority to the President-Director De Gous and two other directors. Mamesah got the directors to leave and read the same declaration to the staff and rose the Indonesian national flag. This act instigated a stream of other take-overs to happen all across the country. Because the take overs kept happening, and Dutch goods were being boycotted, the Indonesian government decided to take responsibility for further take overs. This made sure that all other appropriated companies would come to fall under government responsibility.\textsuperscript{141} In the decrees that announced the military would take charge of the banks the labour take-overs were specifically mentioned as one of the main reasons for this decision. Associated with this was the second reason, that stated that putting the military in charge would safeguard the financial traffic in Indonesia on which the economy depended.\textsuperscript{142} What happened to the Dutch planters after the announcement of the take-overs and how did they try to fight it?

J.T. Lindblad gives two different explanations for the take-overs and following nationalisations of the Dutch businesses. The first connecting the nationalisations to the New Guinea conflict, explaining that they were a show of political prestige after being unable to put the issue of New Guinea on the agenda of the National Assembly of the United Nations. The New Guinea conflict was used by the government as the official explanation for the nationalisations. This reasoning was strengthened by blaming the Dutch businesses of lacking in the implementation of \textit{Indonesianisasi}. Another explanation was that the tense economic and political situation was used by communist and nationalist groups who made the Dutch the scapegoat for everything going wrong. The failure in the National Assembly and a failed

\textsuperscript{140} Ondernemersbond op audiëntie bij de Financieel Economische Raad, Aide memoire betreffende het namens het georganiseerde bedrijfsleven door de voorzitter van de Ondernemersbond voor Indonesië betoogde inzake de handhaving van de arbeidsvrede, 11 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.

\textsuperscript{141} Lindblad, \textit{Bridges to new business}, 182-183.

\textsuperscript{142} A.H. Nasution Chefstaf Landmacht aan Militaire Gezaghebbers, 8 December 1957, Stukken betreffende de overname, onderbeheerstelling en overname van bedrijven aan de Indonesische autoriteiten, NL-HaNA, FEDERABO, 2.20.50, 73.
assassination of Sukarno made for a perfect momentum to kick the Dutch from their dominant positions. In the first explanation it seems more likely the government had a big role in the orchestrating of the take-overs. While the second explanation puts the government in the background, making communist and nationalist groups the main actors. In this case, the government was taken by surprise by the take-overs, and were forced to make up their plan as they went. This view is supported by the statements of Prime Minister Djuanda who stated that the government was bypassed by the trading unions.\textsuperscript{143}

Initially the Indonesian Minister of Agriculture, Sadjarwo, explained the take-overs did not mean the planters had lost their businesses. He stated that measures were to prevent the Dutch businesses to fall in the hands of other parties, meaning the labour movements which had been associated with communism.\textsuperscript{144} The take-over meant that the planters had to hand over the management of their plantations to the senior Indonesian employees. The second phase of the take-over was the final transfer of power meaning the planters had to hand over their cash and stocks.\textsuperscript{145} The Dutch planters were forbidden to contact the employees to whom they had handed over their businesses, or when allowed it had to happen under Indonesian surveillance.\textsuperscript{146} When in 1958 it became clear that the Indonesian government planned on nationalising the Dutch owned plantations and businesses in general, the planters organisations tried to change the government decision one last time. A protest letter was sent by the Federation of owners of the Indonesian based Sugar Companies in The Hague, the Federation of Royal Agricultural Enterprises in The Hague, FEDERABO in Amsterdam and the Societies of Owners of the Besuki Tabacco Enterprises in Rotterdam. Before these agricultural organisations decided to collectively address the nationalisations, multiple different approaches had been discussed. The FEDERABO had proposed writing their own protest letter asking all members to sign the letter. In the end this idea was opposed by some of the members who did not want their name signed under the protest against the anti-western measures, for instance the non-Dutch members or members that wanted to stay in Indonesia even if the nationalisation would proceed. The Ondernemersraad also intended to write a protest letter but could not agree on the format either.\textsuperscript{147}

So the board of the FEDERABO decided on working with other agricultural organisations and sent a collective protest. The main argument was that the nationalisation of the Dutch

\textsuperscript{143} Lindblad, Bridges to new business, 185-186.
\textsuperscript{144} Minister van landbouw Sadjarwo verklaard: Ondernemingen worden niet genationaliseerd maar beveiligd, 10-12-1957, Algemeen Handelsblad.
\textsuperscript{145} Eigenmachtig optreden van personeel verboden: Tijdelijke maatregel zegt Indonesische ambassadeur te Bonn, 14-12-1957, Het Parool.
\textsuperscript{146} Minister Luns in regeringsverklaring: Voor een gesprek met Indone"si"e is een uiterst smalle basis, 24-12-1957, De Volkskrant.
\textsuperscript{147} Aantekening van de vergadering van de Gecombineerde Besturen van de FEDERABO, 14 Januari 1958, Stukken betreffende de overname, onderbeheerstelling en overname van bedrijven aan de Indonesische autoriteiten, NL-HaNA, FEDERABO, 2.20.50, 73.
owned plantations went against the Indonesian constitution and the general principles of international law. This was supported by several different sub-arguments. Firstly the planters stated it went against the general human rights as laid down in the Indonesian constitution and the Indonesian law that protected property, also foreign owned property. Secondly, they addressed the Indonesian argument that stressed that the nationalisation was legal because Indonesia was in a state of war. This state of war was issued by Sukarno in March that same year, due to the worsening of the conflict in New Guinea. This state of war was declared because of the fall of the cabinet caused by the Masyumi Party stepping down. This happened because Vice-President Hatta had resigned, due his different opinion on the New Guinea conflict. According to the planters organisations this claim about the state of war was not legitimate. Thirdly, it was deemed unacceptable by the planters and contrary to every principle of law to attack Dutch private businesses in order to settle a political dispute. Lastly, the measures taken against the Dutch businesses could be seen as discriminatory when seen in the political context. In the wider picture of the nationalisation of all Dutch owned companies, the Deli Company, a tobacco plantation and shipping company, protested against the redirection of tobacco shipments from Amsterdam to Bremen. They sought the help of three experts in international law to go against the nationalisation. The Bremen court however stated that the nationalisations were part of the decolonisation process and argued that the request from the Dutch tobacco companies could be seen as a claim for compensation for the ending of colonial injustice. This decision was extremely important because it refuted the planters argument that the nationalisations were going against international law.

For a long time the Dutch plantations were being held under supervision of the Indonesian army. The planters were not allowed to return to their businesses, yet they were not nationalised either. Eventually at the end of 1958 the Indonesian government decided to officially nationalise the Dutch businesses that were taken over by the army. The government offered a compensation to the former owners, but the exact amount of this compensation could not yet be determined. However not all Indonesian parties agreed with the decision to nationalise the Dutch businesses. Mohammed Sardjan of the Masyumi Party argued that the nationalisation of the Dutch businesses would only worsen the Indonesian position in the New Guinea conflict. The nationalisation would roughly cost Indonesia twenty six billion rupiah and would thus lead to serious financial consequences. Even though the official nationalisation

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148 Pompe, Indonesian law, 83.
149 De Geus, De Nieuw Guinea kwestie, 84-85.
150 Van de Cultuurbonden aan President Sukarno, 22 Januari 1958, Stukken betreffende de overname, onderbeheerstelling en overname van bedrijven aan de Indonesische autoriteiten, NL-HaNA, FEDERABO, 2.20.50, 73.
151 Lindblad, Bridges to new business, 196-197.
152 Indonesisch parlement besprak nationalisering, 24-11-1958, Algemeen Handelsblad.
of the Dutch plantations and other businesses were not yet announced until November 1958, a lot of the planters left before that time. In an interview with former planter Volleboom who owned a rubber plantation in Bandoeng in West-Java he explained why he already planned to come back to the Netherlands in January 1958. He explains how it had become dangerous for planters to stay in Indonesia now they could no longer live on their plantations. The mistrust between the Indonesians and Dutch had become increasingly worse due to the New Guinea conflict and the resentment of the Indonesian people towards their former colonisers. Volleboom states he does not believe the Indonesian government planned on restoring the plantation to him, even though formally the Indonesian government had not announced the nationalisation.\textsuperscript{154}

**Conclusion**

As formulated by J. Oldenborgh in 1949, the Dutch did undergo a thunderstorm the following eight years in Indonesia. Where in the beginning there were high hopes for restoring the old relationship between the two countries, in the end the New Guinea conflict and the mutual mistrust that remained from the colonial past stood in the way of a fruitful relationship. The planters tried very hard to pick up where they left off, but faced many new problems in sovereign Indonesia. One of the major problems concerned the tense relationship between the Dutch and the general public. Many still had a problem with the Dutch because of their role of former colonizers which resulted in the occupation of land and the fierce attitude from the labour unions. Both influenced the planters community immensely, making it hard for many planters to successfully execute the normal levels of production. The Indonesian government found themselves in a hard position because they wanted to stand by the occupiers and labour unions, but were obligated to uphold the rights of the Dutch owned businesses as agreed upon in the Round Table Conference Agreement.

Another one of the problems that the planters had to face were the many new laws and regulations issued by the government who were intended to boost the national economy and Indonesian entrepreneurs. The Benteng policy tried to help new Indonesian importers by handing out import licences for Indonesian businesses and by giving them the rights to importing certain priority products. This caused problems for the planters, who were not able to get essential products as easily anymore and led for a rise in prices. Also regulations concerning profit transfers were introduced for Dutch companies, trying to keep Dutch businesses from transferring most of their profits to the Netherlands and instead investing it in the Indonesian economy. All these new regulations and the tense relationship between the

\textsuperscript{154} Waarom planter Volleboom terug gaat naar Holland, 11-01-1958, *De Volkskrant*. 

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Netherlands and Indonesia caused by the New Guinea conflict made planters realise their time in Indonesia was limited. They however kept trying to make the best of the situation and tried to influence Indonesian government policy the best they could. When finally in 1957 the nationalisations were announced, the planters tried to fight the decision but in the end could not do anything to save their businesses. Generally the planters kept trying to involve themselves in the Indonesian politics to influence policies that influenced their businesses. They mainly approached politicians that seemed most understanding towards their own point of view.
3. Dutch planters’ colonial mindset

“I have said, that I think that this puberty will not be followed by a period of full adulthood. You believe, that this picture is too gloomy, however I am convinced of the accuracy of this assumption and I believe, that in our calculations we should let go of the idea that there will be an improvement in the attitude. I believe that every form of reasoning which assumes that the Indonesian is ’not yet’ ready, is in essence wrong.”

This quote is from a letter written by J.S. Sinninghe Damsté to J. Oldenborgh. The letter was written in 1951 after nearly two years of independence. The image Sinninghe Damsté painted is one that seems to be outdated. As shown earlier, the Dutch planters in Indonesia were strongly rooted in the colonial society and its mindset. Yet at the end of the Indonesian War for Independence there seemed to have been a change. The planters realised, however quite late, that there was not much left that could be done to maintain sovereignty over Indonesia. They turned to the new leaders, mostly the army top, seeking protection and support. This might seem as a small change in the right direction, but this quote by Sinninghe Damsté tells a different story. To what extent did the Dutch planters in Indonesia really adjust to the new situation and how much of the former colonial mindset was broken down?

The decolonization process was never as black and white as a ceremony of a transfer of sovereignty makes out to be. In many cases the transfer of sovereignty just meant the transfer of political sovereignty and it did not yet encompass economic sovereignty. A big part of what made decolonization an unclear and ambivalent process was what Buettner calls mental decolonization. Buettner explains this as the realization of a group of people that they are able to and should be entitled to the governing of a state. In many cases the mental decolonization process of the colonized and the colonizers did not match. In the case of the Dutch East Indies, the Indonesians had mentally decolonized in 1945, and among elites even at the beginning of the twentieth century. Most of the Dutch had not gone through the process of mental decolonization at the moment of the proclamation of independence in 1945. Buchheim explains that the Dutch who remained in Indonesia after the transfer of sovereignty found themselves in a difficult situation. Their once dominant position in the society which they had grown accustomed to was now lost, which according to Buchheim was a painful transition. This transition had become even harder because the mistrust between the Dutch and the Indonesians worsened during the course of the 1950’s. This was caused by the New Guinea conflict and the fact that aggression against the Dutch in Indonesia had become more public. The polarization between the groups was only sparked by the propaganda in both the Dutch and Indonesian media. Buchheim further explains how the Dutch East-Indies had been built

156 E. Buettner, Europe after empire: Decolonization, society and culture (Camebridge, UK 2016) 4-5.
on entrepreneurship and that because of this the colonial project and mindset had initially been created in the Dutch businesses. This also meant that this colonial mindset was most visible and persistent here.¹⁵⁸

Knight and Frakking both show in their studies the tenacity of the colonial mindset among the Dutch planters. They explain how on most plantations a strict physical and professional segregation and control was enforced by the planters. Colonial plantation economies, not just the in Dutch East-Indies, were all coercive in nature as there was left little choice for labourers when it came to their contracts and the class and race-making that fundamental to the plantation system. Besides their role in the extractive colonial economy the 'plantations became the site where visions of colonial modernity were wedded to far-reaching social control.' This had been a result of the shift to the Ethical Policy.¹⁵⁹ As explained before, Knight shows how this social control was also enforced with strict social segregation. The social segregation between the management, that was mostly build up out of Dutch and to a smaller extent Indies-Dutch employees, and the indigenous Indonesian workforce resulted from the imbalance of power. Knight explains how the imbalance of power, that had existed during the entirety the colonial era, resulted in the extreme violence perpetrated against the former management of the sugar factories during the early days of the War for Independence, which was called the Bersiap period.¹⁶⁰ Both articles illustrate how the plantations embodied the colonial mindset and eventually resulted in the deeply rooted mistrust between the Indonesians and Dutch planters during the War for Independence and later in the postcolonial era.

Changing times

The planter community was very aware of their reputation, and tried very hard to change its colonial identity. This ended up being a difficult task, in which the tense political relationship between the Netherlands and Indonesia did not help. What were the grievances among the Indonesian people concerning the planters and how did the planters try to changes these points of concern? On several occasions the planters are accused of favouring Dutch interests and Dutch employees, both by Indonesian and Dutch parties. In conversation with Djuanda Kartawidjaja, Minister of Communications, Djuanda mentioned that he wished the Dutch from before the war would leave and that only young Dutch people would remain in Indonesia. But not only Djuanda wished this, also R.M. Kusmuljono, a Indonesian businessman, had expressed a more favourable attitude towards young Dutch planters.¹⁶¹ Clearly, Indonesian

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¹⁵⁸ Buchheim, Passie en missie, 32.
¹⁵⁹ Frakking, 'The plantation as counterinsurgency tool', 59-60.
¹⁶⁰ Knight, 'Death in Slawi', 609-611.
politicians made a distinction among Dutch planters. The older planters, who had been part of the colonial state were still seen as unpleasant, and hard to work with. Conversely newly arrived Dutch planters were seen as a positive addition and better adapted to the new situation. It is not that all Dutch planters in Indonesia are perceived as backwards and unable to adapt, this was only believed for the older Dutch planters.\textsuperscript{162}

Sinninghe Damsté did not believe this assumption to be true. He did not deny that a lot of the planters from before the war would have been a problem in independent Indonesia, but he claimed that these planters had all left Indonesia in 1949. Sinninghe Damsté also admitted there were still planters who had trouble adjusting to the new circumstances, yet he doubted these planters were a cause of agitation for the Indonesian politicians. “The other Dutch people from before have been mentally adjusted enough and their presence does not, objectively speaking, need to be a problem to our opponents, rather the contrary.”\textsuperscript{163} Sinninghe Damsté actually stated the opposite, he saw the young planters as uncommitted and only looking for adventure while the older were committed to Indonesia and their companies. What is noteworthy is that Sinninghe Damsté did not deny that there probably still were planters who had a hard time adjusting.

Not just Indonesian politicians seem to think planters were not well adjusted to the new political situation, also in the Netherlands the planters were accused of not trying hard enough to adapt to the postcolonial situation. \textit{De Maasbode}, a Dutch catholic newspaper, published an article about Dutchmen in Indonesia which stated that Dutch employers were still in a difficult position because of the lack of social insight. They made this statement because of the patriarchal attitude which some planters had towards the Committee Employment Conditions Employees in Indonesia, an advisory committee of the Ministry of Social Affairs in the Netherlands. The newspaper expected the planters to change their attitude after the war.\textsuperscript{164} In response to this article Sinninghe Damsté explained that the Dutch employers in Indonesia had been acting like what \textit{De Maasbode} called patriarchal because they feel discriminated.\textsuperscript{165}

In a letter to the Minister of Agriculture, Sinninghe Damsté defended the planters. Dutch planters were accused of only selling their products to buyers who were mostly foreign, which Sinninghe Damsté again contradicted. According to him the Dutch planters had always sold their products to the highest bidder and they still upheld this policy. Damsté stated that in selling

\textsuperscript{164} Nederlanders in Indonesië, 3 November 1951, \textit{De Maasbode}.
to the highest bidder nationality was not a factor, all the planters wanted was to obtain as much profit as they could. Another point that was repudiated was that the planters refused to co-operate with Indonesian businesses.

"The assessment in what extent the large-scale agriculture producers are willing to co-operate with national companies and on helping the progression of these companies – in a way that these Indonesian companies will also be able to buy this product – is therefore in no way dependent of the performed sales in a certain time period. That willingness has always been there."

Apparently the Minister of Agriculture had linked the reluctance to work with Indonesian companies to the sales of the products to the planters. By not selling products to Indonesian companies these companies, which according to Sinninghe Damsté was not because they were Indonesian, had a lesser chance to grow. The claim that large-scale agricultural producers had always sold their products to the highest bidder was incorrect. Taking into account that many of what Sinninghe Damsté here called large-scale agricultural producers had also been working in Indonesian under colonial rule proves that they had not always solely sold told to the highest bidder. Under colonial rule the Indonesian economy served to enrich the Netherlands. Indonesia was responsible for one sixth of the national income of the Netherlands.166 J.T. Lindblad states that the high level of mistrust between the Dutch and Indonesians influenced the process of Indonesanisasi at Dutch owned businesses. He states that, however the evidence is incomplete, it does suggest that other non-Dutch foreign firms were more likely to successfully implement Indonesanisasi in their businesses. According to Lindblad this happened because of the mutual mistrust between the Dutch planters and Indonesians, which he claims is due to the legacy of colonialism.168

Among the general population in Indonesia there was even a stronger sense of mistrust for the planters and Western people in general. In a meeting with the governor of Bandung, Sinninghe Damsté and Paardenkoper, an ALS representative, talked about the mutual mistrust between the planters and the Indonesian population and authorities. Where the planters did not trust the policymaking of the authorities, the authorities and mainly the Indonesian population did not trust the loyalty of the planters. Whenever in roaming gangs there were European members, the population suspected the planters of aiding these gangs.169 The colour of a person’s skin was still seen as the most important factor when it came to loyalty. The binary way of thinking that was the backbone of the colonial society still was upheld.

167 Buettner, Europe after empire, 89.
168 Lindblad, Bridges to new business, 175.
see more. In a letter from the chairman of the ALS, J.G. van ‘t Oever, to the chairman of the FEDERABO, W.J. de Jonge, where Van ‘t Oever mentioned that one of the representatives of the planters had a conversation with an Indonesian army commander. In this conversation the colonel explained how a big part of the Indonesian population felt that the RTC agreement was a disappointment or even a loss. They felt like the agreement did not change anything for most Indonesians. They only saw how the Dutch still maintained the higher positions in the government and were still in charge of most of the big businesses. The colonel saw this as the cause of many of the problems of the Dutch entrepreneurs.\(^{170}\) These problems are mentioned in an aide memoire addressed to the president of Indonesia. According to them a lot of crimes are committed among them the destruction of property, stealing and even kidnapping and murdering of European employees. The explanation to why these crimes were committed is explained as:

“All these crimes point to one goal, namely to disadvantage and attack the entrepreneur in order to make the functioning of their business impossible. They also suggest, that there might be a central actor behind these destructive activities.”\(^{171}\)

The Dutch planters continue to explain how most of the violence perpetrated by these groups is targeted at the entrepreneurs in order to obtain the leadership for themselves, or to turn it into a communist business, or for *rampok* gangs to use the business as an illegal way to earn money. Followed by this explanation is the warning of the possible leaving of many European planters because of this violence. The planters stress how this will harm the Indonesian economy because they deem themselves as indispensable since in their eyes the Indonesians are far from ready to operate the businesses on their own.\(^{172}\) Cribb explains that that the legacy of colonial oppression led to what he calls ‘emotional crimes’. A lot of the times these crimes enticed the violence against planters of the destruction of their property.\(^{173}\) Peace, order and control had always been crucial to the colonial state. During the War for Independence restoring the peace and order had been used by the Dutch officials as a way to legitimize the two military actions.\(^{174}\) Similarly the planters had put a lot of weight on the restoring of the peace and order, because they believed it to be intertwined with the restoration of the economy.\(^{175}\) Buchheim explains how order and control had always been crucial to the colonial

\(^{170}\) J.G. van ‘t Oever aan W.J. de Jonge, 10 Februari 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNA, FEDERABO, 2.20.50.59.

\(^{171}\) Aide memoire betreffende de zorgwekkende toestand met betrekking tot de veiligheid gepresenteerd aan de Minister President van Indonesië, 22 November 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNA, FEDERABO, 2.20.50.59.

\(^{172}\) Aide memoire betreffende de zorgwekkende toestand met betrekking tot de veiligheid gepresenteerd aan de Minister President van Indonesië, 22 November 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNA, FEDERABO, 2.20.50.59.


\(^{174}\) McMahon, *Colonialism and cold war*, 168-170.

\(^{175}\) J.G. van ‘t Oever voorzitter van het Algemeen Landbouw Syndicaat aan Generaal Meyer, 25 November 1948, NL-HaNA, FEDERABO, 2.20.50.58.
ideology and state. In order to ‘keep the colony venerable, respectable and credible’ it was crucial to maintain and monitor the order and control in the colonial society.176

A lot of the implemented policies on agriculture and trade were intended to stimulate the Indonesian businesses and the Indonesian economy in general. One of the changes Dutch businesses had to make was the hiring of more Indonesian employees in management positions. As shown previously, this was a part of the Round Table Conference Agreement. In a memorandum about the current immigration policy sent to the Minister of Finance and the Minister of Labor by the planters organisations, it was emphasized that the Dutch employers did think *Indonesianisasi* was important. They stated the following: “It can be stated that the large-scale agriculture is very aware of the justified pursuit of *Indonesianisasi* by the Indonesian government, it is common sense and even profitable for ourselves too.”177 However the planters protested to the strict immigration rules that were set for foreign employees. They went out of their way to convince the government that they did think more Indonesians should be in management positions, but that there were not yet enough skilled Indonesian workers to do so. They explained that forcing companies to solely hire Indonesian employees would in the end only be hurting the Indonesian economy because these companies would not be able to produce as well as they could with more experienced foreign employees. The planters understood why the Indonesian government was making these laws, but they used the same rhetoric to convince the government to change it back.

Using the same argument as the government and using it in a way to benefit their own goal was a tactic often used by the planters to convince they were just as supportive of advancing the Indonesian economy as the government was. In a memorandum to the cabinet, the chairmen of the ALS, AVROS and ASSI argued that there were not enough skilled Indonesian managerial staff available. They advocated for more schooling opportunities and the easing of the immigration laws. They used the argument that they wanted to hire more Indonesians but that there just were not enough Indonesians with the needed experience. They even went as far to changing the blame:

“Besides that it needs to be pointed out that the highest percentage of the graduates of the existing secondary technical education institutions are being hired by the government, so that – despite the explicit attempts of the businesses to hire Indonesians – these attempts fail.”178

Passages like these illustrate the need the planters felt to prove they did change and that they did want the best for the Indonesian people. At the same time it shows that they did not want

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177 Notities over gevolgen van het huidige immigratiebeleid voor de grootlandbouw, 24 Augustus 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
178 Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Raad van Ministers van de Republiek Indonesië, 20 Oktober 1954, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie
to help stimulate the Indonesian economy enough for them to risk losing profit. Their own interests remained most important.

**Sticking to the old ways**

According to J. Bank the Dutch planters realised at the end of the War of Independence that they had something in common with the Indonesian nationalists. Already in 1945 the Republik Indonesia had stated that they would acknowledge the Western businesses if they would gain political independence. Only after four years of violent counterinsurgency the planters realised the Dutch government would not be able to ensure the safety of their businesses. In 1949, therefore, the planters started to campaign for sovereignty, putting their trust in the new Indonesian government.\(^\text{179}\) However this switch of loyalty to the Republik was merely based on economic interests. As shown before, the many new laws, which were meant to stimulate the national economy, hurt the interests of the Western businesses. On top of that many gangs still perpetrated violence against plantations which the Indonesian government had a hard time controlling. In this newly sovereign state, which according to the planters failed the Western businesses in providing a healthy environment for their businesses to operate properly, did the planters still support this government now that the common interest seemed to have disappeared? And did the attitude of the planters actually change like the planters had said it did?

One of main accusations made by Indonesian politicians was the colonial mindset that remained present among Dutch planters, which was a stance strongly opposed by Sinninghe Damsté. There were many cases however where this colonial mindset was still present. One of the ways this showed was in the feeling of being superior to the Indonesians, this can be found in many different forms. This feeling of superiority can just be stated plainly, however this was not usually found in official documents, but personal letters and diaries can contain thoughts like this. J.S. Sinninghe Damsté wrote a daunting amount of letters to J. Oldenborgh which varied from business matters concerning problems with labour unions or the safety of the plantations to political matters like the New-Guinea conflict or policy on agriculture and trade. There are also some letters in which Sinninghe Damsté gave his personal opinions on the general condition of the country and usually tackles some of the problems that had been going on.\(^\text{180}\)

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In 1951, Sinninghe Damsté wrote a couple letters tackling the current state of affairs in Indonesia, mainly reflecting on the relationship between the Dutch and the Indonesians. He was not too positive about the way things were going and he did not believe things would get any better.

"In short, they started with enthusiasm, with the overconfidence of an adolescent – to keep up my old imagine – and they hit a wall, and then it becomes dependent on character traits. Then the Western spirit looks for other solutions in a positive way, because experience and humiliation are incentives for the creative mind. But with the Oriental, especially the Mohammedan, fatalism comes to the surface, adjusting to the inevitable."  

According to Sinninghe Damsté, the Indonesian people were doomed to fail because their genetics and beliefs make them unable to cope with big problems like Western people did. They were not as resourceful or creative as Europeans. This is an evident example of othering, a term coined by Edward Saïd in the late 1970’s. In his book Orientalism, Said explains how Europeans had created an image of the Orient. The idea of the image of the Other came from the natural act of portraying people who do not belong to your own group as inherently different, they are portrayed as the opposite of what you are. However in the case of orientalism there was a power imbalance. The Europeans had the power to implement the ideas of the Other on Asians. By portraying themselves as inherently good, resourceful and capable and Asians as the opposite they tried to affirm their superiority and keep their control over them. This quote by Sinninghe Damsté is an example of how this way of thinking worked. However hard the ‘Oriental’ tried, he would always fail because that was just the way they were.

This was partly a moral superiority, but also a genetical one. Social-Darwinism tried to prove the genetic superiority with science, tracing back the genetics of groups of people in order to show they had superior genes. In this quote by Sinninghe Damsté, not only the sense of genetic superiority, showing in how he portrayed the different characteristics that were given to the two different ethnic groups, but also the sense of moral superiority that Europeans felt showed. Europeans felt morally superior because of their Christian faith. As put by Younghusband, a British adventurer and writer, "our superiority is not due to sharpness or intellect, but to the higher moral nature which we attained in the development of the human race." This genetic and moral superiority the Dutch felt made them believe they had the obligation to help and teach the Indonesians how to properly govern.

However Sinninghe Damsté thought the Dutch had not done this as well as they should have. He explained that the Dutch government believed, just as he did, that the Indonesian

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184 F.E. Younghusband, The heart of a continent (London 1896), 397.
people would never be ready to govern Indonesia, and because of this they did not teach the Indonesian people as much as they could have. “In hindsight a historical error was made, which we have to deal with now.” The Dutch made the error not to teach the Indonesian people well enough, and the planters now had to deal with the consequences. They did not fulfil their purpose. They were supposed to be the ‘adult’ teaching their ‘kid’, to use the same rhetoric as Sinninghe Damsté. This was the patriarchal attitude that Indonesian politicians talked about to the planters. The idea that the Dutch had made Indonesia into what it was had been propagated by many Dutch politicians. Both Prime Minister Pieter Sjoerds Gerbrandy and Minister of Foreign Affairs Eelco van Kleffens wrote a book about the Dutch East Indies during the Second World War. Both Gerbrandy and Van Kleffens agreed that without the Dutch, there would be no such thing as a united Indonesia. According to them the thousands of islands encompassing the archipelago would had never been united as one nation without the help of the Netherlands. Gerbrandy, who published his book in 1950, proclaimed that the Dutch had created the Indies as a united country and had led the world in creating a developed colonial society and that the majority of the Indonesian people had willingly and gladly assented to the Dutch rule. While Gerbrandy and Van Kleffens had been predominantly positive about the Dutch rule, Sinninghe Damsté was a little more critical. The mindset behind it however is the same. All of them agreed that the Dutch were capable and even obligated to helping the Indonesian people develop.

Buchheim argues that especially in Dutch businesses the colonial mindset continued to present, even after the transfer of sovereignty. This was due to the initial focus of Dutch colonialism in the East-Indies, which was solely economic. The colonial mindset was therefore inherent to Dutch businesses. Similarly Bhattacharya shows that on plantations in India the economic aims and social relations of production did not fundamentally change after the transition from a colonial state of a national one. This can be explained by what Shipway calls the imperialist view of change. With this he means the belief that Asian countries first had to pass through the similar stages of evolution that Western countries had experienced, before these Asian countries would be ready to govern themselves. The, in Western eyes, rapid decolonisation of their former colonial states was the opposite to this imperialist view. The remaining colonial mindset among the planters can therefore be explained as the continuation

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186 Buettner, Europe after Empire, 79-80.
188 Buchheim, Passie en missie, 197-223.
189 Bhattacharya, Contagion and enclaves, 147-149.
190 Shipway, Decolonization and its impact, 9.
of the ‘education’ of the Indonesians, because they believed the Indonesians had not been ready to govern Indonesian by themselves.

Another less visible way the feeling of superiority showed was when the planters offered their counsel and knowledge to Indonesian politicians. Just before the one year interim period, in which the status of New Guinea should have been decided, came to an end without coming to a solution. This caused the tension between the Indonesian people and the planters increase even more. A boycott of all Dutch products was being set up by anti-western groups, they portrayed it as of national importance to stand up against the Dutch. The Ondernemersbond fought this statement, they argued that the Western businesses were as much a part of the Indonesian economy as anyone else. They even stated that if this boycott would follow through, not only the Western businesses would suffer, but the whole Indonesian economy and many Indonesians who worked in these businesses. The Ondernemersbond portrayed themselves as a vital part of the Indonesian economy and society. The way the chairmen addressed the Council was indictive for the way Dutch businessmen still viewed themselves as needed in the Indonesian society. The following quote from the memorandum shows this:

“De representatives of the trade and industry fear, that Indonesia is stuck in a vicious circle, and they deem it necessary, that this circle is broken, for which the only solution is, that the government uses its full power to supress the social unrest. The businesses are willing to make their experience and insight available to the government. They are all entrepreneurs, who work in Indonesia, who feel like they are a part of this country and who are through their activities a part of the society.”

This was not the only time the chairmen of the Ondernemersbond offered their “experience and knowledge” in order to solve the social-economic and political problems. However there seemed to be a change in how the planters gave their opinion about political issues. Putting emphasis on having more knowledge and experience like in this quote from the planters seems to have vanished later on. Instead they focussed on facts and numbers that substantiate their stance. The planters still felt the need to convince the government to change certain policies, but they did not seem to feel the need to point out how knowledgeable they were. On the contrary, the planters seemed to realise that certain issues lay outside their field of knowledge.

191 Ondernemersbond op audiëntie bij de Financieel Economische Raad, Aide memoire betreffende het namens het georganiseerde bedrijfsleven door de voorzitter van de Ondernemersbond voor Indonesië betoogde inzake de handhaving van de arbeidsvrede, 11 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.
192 Ondernemersbond op audiëntie bij de Financieel Economische Raad, Aide memoire betreffende het namens het georganiseerde bedrijfsleven door de voorzitter van de Ondernemersbond voor Indonesië betoogde inzake de handhaving van de arbeidsvrede, 11 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.
193 W.J. de Jonge aan J. Fernhout (AVROS), 26 Maart 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64 ; Van de voorzitters van het Algemeen Landbouw Syndicaat, Algemeen Syndicaat van Suikerfabrikanten in Indonesië en Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra aan Monetaire Raad, 3 Februari 1956, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64 ; Memorandum inzake de financieel economische situatie der Robusta-koffiecultuur geschreven door de Grootlandbouw organisaties aan de Monetaire Raad, 27 Januari 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
**The beginning of change?**

Planters’ attitudes seemed to change. It is a bit too black and white to just paint the Dutch planters as a stagnant, old-fashioned, racist group. In what way, and to what extent did this change in the planters attitudes take place? In the years leading up to the nationalization of the Dutch businesses in 1957 this change in attitude started to show in the way the planters interacted with the Indonesian government. A lot of the new laws and regulations were an increase in taxes or import control policies.\textsuperscript{194} The ALS had set up a committee to look over some of the new policies, to see if there was a way to make sure their products would be able to keep more of their profits, instead of having to pay a lot of taxes. Rozendaal, one of the members of the committee, wrote the outcome of the committee’s findings. He stated:

> “The small committee has come to the conclusion that we should renounce from giving advice concerning the export revenue measures. It can’t be the organizations business to give a detailed advice to the government or one of its branches. The businesses would put themselves on the chair of the government, which would be wrong and risky.”\textsuperscript{195}

Whereas in the early days of sovereign Indonesia the planters took it upon themselves to advise the government on all sorts of matters. As summarized above, they now renounced the option of giving advice on government policy. The committee gave three reasons for their decision. One, as stated above, because it was not their place to take part in government decisions. Two, because the government had decided the export revenues were needed and it would be wrong if the Dutch planters would oppose their decision. And lastly, because it would be hard to bring out advice that would suit all different plantations.\textsuperscript{196}

What is different from earlier decisions made about government policy is the incentive to avoid meddling in government tasks. This shows how much change had happened among the planters community in just a few years. Where in 1951 there was still the idea that the Indonesian government was unfit to govern, in 1957 the planters realised it was not their place to meddle and that they should respect the choices the government made. Similarly in 1956, when during a meeting the chairmen of the different agriculture organizations decided they should avoid sparking the impression that they wanted to co-determine government policy.\textsuperscript{197}

Avoiding the impression of wanting to take part in making decisions for other institutions was something the planters took into account. Not only did they not want the government to think they stuck to their old ways, but the planters also tried not to meddle with issues that should

\textsuperscript{194} Lindblad, *Bridges to new business*, 127-139.
\textsuperscript{195} P. Rozendaal aan de voorzitter van de Contactcommissie Grootlandbouw Organisaties, 3 Mei 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
\textsuperscript{196} P. Rozendaal aan de voorzitter van de Contactcommissie Grootlandbouw Organisaties, 3 Mei 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
\textsuperscript{197} Resume contact Economische Grootlandbouw Organisaties, 17 April 1956, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
be handled by other important parties like the banking sector. In other words, the planters became aware that taking it upon themselves to give advice on issues outside their sector was not desirable.

What has always been a big part of how the planters interacted with the government was the feeling that they knew more than the Indonesian politicians. They felt they were more experienced and could play a big part in helping the new government make decisions on agriculture and trade. As mentioned earlier this was because of the idea of racial and moral superiority. The feeling of superiority however seemed to slowly change over the years. On multiple occasions the planters passed on giving advice because they said they did not have the knowledge to do so. In 1957, the planters organization Algemene Vereniging van Rubberplanters ter Oostkust van Sumatra (General Foundation of Rubber planters on the Eastcoast of Sumatra) wrote a memorandum on problems concerning the rejuvenation of the plantations. One of the problems addressed was the incomes in rupiah the organizations obtained and how these could be increased, this was mainly a matter of monetary regulations concerning exchange rates. The addressing of this problem in the memorandum was however frowned upon by a research committee from the ALS. One of the main reasons they gave was that the planters should not involve themselves in financial and monetary issues because they lacked the knowledge to give a substantiated advice. This was not the only time this argumentation was used to keep the planters from giving their thoughts about certain issues. In a meeting with the Minister of Agriculture, A.L.W. Seyffardt was asked to give his opinion on the ideas of the Minister to set up a new committee which would look into the quality of Indonesian products, in order to give certificates to able companies so that the overall quality of the Indonesian products would increase. Seyffardt turned down the offer with the argument that he himself did not know enough on this subject to give advice. Instead he told the Minister that he would come back on the issue after he had consulted with agricultural producers and exporters.

This realization that there were certain subjects of government policy that the planters were not equipped to advise on was not just limited to specialist issues like exchange rates and export policies. Also general political issues were shunned away from. When board of the ALS talked about the different measures taken by the government, which harden the exportation process of their products, they agreed that the ALS would just provide the government with numbers that proved how much the plantations suffered from the new import

198 W.J. de Jonge aan J. Fernhout (AVROS), 26 Maart 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
199 W.J. de Jonge aan J. Fernhout (AVROS), 26 Maart 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
200 Van A.L.W. Seyffardt aan W.J. de Jonge, 7 Oktober 1955, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
and export policies. This rapport would only contain numbers and facts, to support their claim that these new measures hurt the Indonesian economy, but would not include detailed plans on what the government should do about this. According to the board, giving a detailed plan on what to do had to take into account the political plans of the government in which the planters were not competent.  

In 1955 Sinninghe Damsté stepped down as the chairman of the Ondernemersbond. He wrote a letter to W.F.G. Jongejan, who was the current chairman of the Ondernemersraad in the Netherlands, telling him that he would soon resign. “Me leaving means that the O.B.I. [Ondernemersbond in Indonesië] as it is will disappear, to make place for an organization without a colonial past and of a more acceptable form.” Saying that the organization would change into a more acceptable form without its colonial past shows Sinninghe Damsté realised that with the older generation planters, who were still seen as remnants of the colonial society by the Indonesian people, the Ondernemersbond and the planters would never be able to be a part of the Indonesian society. Changing their colonial identity was hard. This was partly because it was difficult for the Indonesian people to see the planters as non-European and all the colonial connotations that came with that. The fact that the relationship between Indonesia and the Netherlands was still very tense did not help with the changing of the image of the Dutch. The continuing presence of the Dutch as a colonial power in New Guinea made it hard to forget the colonial identity. Lastly it was due to their own struggles to let go of their colonial identity.

Conclusion

The planters community found themselves in a society that remembered the part the planters had played in the colonial society all too well. Mistrust and suspicion seemed hard to overcome. The planters however tried to convince the Indonesian government that they did care about strengthening the Indonesian economy and create better circumstances for the general population. It is hard to say to what extent the planters really tried their best to stimulated the growth of the Indonesian society and to what extent they just tried to please the Indonesian government in order to bend things to their will. What however can be said is that there was a change in how the planters interacted with the Indonesian authorities. In the first couple years of independence the planters did not fundamentally change their attitude. They saw themselves as superior to the Indonesian people and felt obligated to helping them. This was

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201 Vergadering Dagelijkse Besturen van ALS, ZWSS en CPV met de ondervoorzitters van de Bonden, 14 Oktober 1955, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.

always to benefit their own interests. This colonial mindset also showed in the person letters from chairman of the Ondernemersbond, Sinninghe Damsté. On multiple occasions he proved that the binary thinking of Western versus Eastern was still present. Yet roughly from 1955 on their attitude started to changed slightly. The offering of advice happened way less. If they wanted to influence the government in certain decisions, they confined themselves to writing down facts and numbers instead of advices on what the government could best do. Completely becoming a part of the Indonesian society was not something the planters could achieve. The colonial heritage of social segregation and suppression was far from forgotten. Anti-Dutch resistance only grew because of the New Guinea conflict and strongly affected the Dutch employers.
Conclusion

“The businesses are willing to provide their experience and insight to the government. They are all entrepreneurs, who work in Indonesia, who therefore feel like they are a part of this country and because of their work are a part of this society. As such they feel a responsibility.”

“Giving suggestions for making changes conversion rates is a matter which, with its consequences for the national economy, is very complex. Because of this the planters organisations, who are merely superficially informed in the country’s financial and monetary matters, could only objectionably sent anything other than a documented and cogent request for the raising of the rupiah-incomes.”

The first quote is from a meeting with the Financial Economic Council in 1950. The second is from a letter from the chairman of the ALS to the chairman of the AVROS concerning a memorandum in 1957. These two quotes besides each other illustrate the change that happened in the planters attitude towards the government and their own place in the society. This study tried to answer the following question: In what way did the Dutch planters adjust to the new political situation in Indonesia after the transfer of sovereignty? The adjusting to the political situation would not only have to happen on a political level, but maybe even more on a social. The Dutch planters had to adjust their identity on a political and social level, which were closely intertwined and mutually influenced each other.

The change in the political identity of the Dutch planters was the most visible one. The planters used to be a part of the elite in power during the colonial era, their position in the colony was crucial on several levels. Firstly, they were the backbone in the Dutch East-Indies economy and also played an important role for the Dutch economy. Most of their profits were transferred to the Netherlands and many of their products were also shipped there. Because of this during the War of Independence the economic importance of the planters, and more general the all the Dutch owned businesses, were the main point for the Dutch worries. Losing their economic investments in Indonesia would mean bankruptcy for the Netherlands, or at least so it was believed. Secondly, the Dutch plantations were important for upholding the social order of the colonial society. This meant the segregation of European and Indonesian people, not just in the business but also in all other aspects of life. This segregation happened in all of Indonesia, but on the plantations this segregation was the most far-reaching. This two-sided importance of the Dutch planters meant they had a big influence on the Dutch-East Indies politics and the Dutch policy during the War of Independence. They went to the Dutch officials for protection and gave advice on the situation.

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203 Ondernemersbond op audiëntie bij de Financieel Economische Raad, Aide memoire betreffende het namens het georganiseerde bedrijfsleven door de voorzitter van de Ondernemersbond voor Indoneesië betoogde inzake de handhaving van de arbeidsvrede, 11 December 1950, Stukken betreffende de veiligheid en politieke situatie in Indonesië, NL-HaNa, FEDERABO, 2.20.50, 59.

204 W.J. de Jonge aan J. Fernhout (AVROS), 26 Maart 1957, Stukken betreffende de voorbereidingen met betrekking tot de rehabilitatie van ondernemingen, NL-HaNA, FEDERABO, 2.20.50, 64.
Once the transfer of sovereignty became inevitable, the planters realised that they would have to find new ways to make sure their interest were being taken into account by the Indonesian politicians. As the first quote indicates, the planters did not change much in their approaching of the politicians. They expected to be taken seriously and be seen as experts on many aspects of the economy and society as a whole, just as before. They expected their political importance to have stayed the same, and tried to remain close to the politicians that to them seemed to be on the Dutch side. Conversely, the second quote shows how De Jonge, the chairman of the ALS, advised to stay away from giving anything more than a documented request for making certain changes. He deemed it undesirable to give advice or insist on change because it was not the planters place to make such demands nor did they have enough knowledge on the matter to make such claims. This illustrates how the planters have changed their political identity. Where once they viewed themselves as a integral and indispensable part of the Indonesian politics, they now see that they were part of the country its economy but had no place in Indonesian political matters. This did not mean they stopped lobbying for better conditions for the planters community, they still regularly send memoranda but the way they approached the politicians had changed.

The change in social identity proved to be much harder. Again this was twofold, on the one hand there had to be a change in colonial mindset of the planters that had been constructed during the years of colonialism. On the other hand their perceived identity by the Indonesians had to be changed. The colonial mindset was based on the idea that the Dutch were genetically and morally superior to the Indonesians, which meant it was justified for them to rule Indonesia, it was even desired. With the introduction of the Ethical Policy in 1901, the Dutch justified their rule by stating they were morally obligated to help the Indonesians develop so one day would be able to govern themselves. This colonial mindset highly influenced the way the planters interacted with the Indonesian politicians, this established in the involvement of the Dutch in politics. They believed they could and should intervene because of their superiority over the Indonesians. At the same time this influenced the way the planters implemented *Indonesianisasi* in their businesses. The belief that the Indonesians were less qualified than the Dutch, or Europeans in general, to fill management positions stood in the way of more Indonesians in the higher positions of businesses.

Generally the Dutch companies in Indonesia were more reserved in working with Indonesian businesses, which Lindblad explained was due to the mutual mistrust between the two groups. This mutual mistrust seemed to be the biggest obstruction for the planters and Indonesians to build a healthy relationship. On the one hand the planters did not trust the Indonesians to implement government policies that would also serve their interests. They were afraid of the communist and nationalist ideals pursued by many influential politicians in the government. Besides this, the Dutch planters still did not trust the Indonesian's skills. This last
point did change over time, as illustrated by the second quote. On the other hand, the Indonesians did not trust the Dutch either to have the Indonesians interest in mind. Their colonial image remained present in the eyes of both the Indonesian politicians and even more so in the eyes of the Indonesian labourers. This established in the many acts of resistance against Dutch owned businesses which made resumption of production problematic. The reluctance of the planters to implement *Indonesianisasi* and the conflict about New Guinea only increased the mistrust between the Dutch and Indonesians. How much the planters tried to convince the government and labourers of the change in their attitude all remained fruitless.

With all this in mind, how did the Dutch planters adjust to the new political situation in Indonesia after the transfer of sovereignty? When looking at the changed attitude politically, we see that there is a apparent change in how they approached the Indonesians on political and economic matters. They no longer assume they know more and are obligated to give their advice, but realise they might be experts when it came to agricultural matters but in no way are capable of giving advice on political matters. This change can also indicate a certain change in their social identity, a change in their colonial mindset. They realised they were not more knowledgeable than Indonesian politicians, something that right after the transfer of sovereignty was not the case. The change in their social identity was not as extensive as the change in their political identity. There still was a reluctance to work with Indonesian companies, and the full implementation of *Indonesianisasi* also lacked. The complete adjustment to the new situation was also obstructed by the strained relationship between the Netherlands and Indonesia due to the New Guinea conflict. In summary we can conclude that the Dutch planter did adjust to a certain level to the new political situation in Indonesia. They changed their political identity and to a certain level their social identity. However the political circumstances prevented them from completely getting rid of their colonial image.
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