Contest For Peripheries: Java – Singapore Rivalry and The Pattern Of Development Of Inter-Islands Shipping in Indonesia*

By

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Indonesia is generally known as an archipelagic state or negara kepulauan. It consists of thousands of islands and stretches across the tropical waters of the Indian Ocean and the Pacific from South-eastern Asia to Northern Australia. This area is the widest insular region in the world. The length from west to east is greater than the distance between London and Moscow, while the length from north to south is about 2,500 km or 1/8th of the earth circumference. This vast archipelago has an area of approximately 587,000 square miles. It is about forty-six times the size of Holland. Included within its bounds are the great islands of Sumatra, Java, over three-quarters of Kalimantan (Borneo), Sulawesi (Celebes), the Moluccas, and an infinity of smaller islands, in addition to the western half of the island of Irian (New Guinea).

Internally, the insular characteristic of the Indonesian archipelago also provides revealing great differences. In this spacious area, there is a great
diversity in geography and in ethnicity comprising one very large ethnic group, the Javanese, several large and medium-size groups including Acehnese, Batak, Minangkabaus, Sundanese, Maduranese, Balinese, Buginese, Torajas, Ambonese, and hundreds of smaller groups. The most important thing is the natural differences which stemmed from climate and volcanism. They have greatly influenced the area of human habitat and their cultural varieties. Islands that are located nearby the equator such as Sumatra, Kalimantan and Irian Jaya have affluent rainfall throughout the year, while the islands in south-eastern part of the archipelago have less rainfall and more dry season. In this connection Java occupies an important position as an intermediary between the two types of areas. It is not an accident that economy of Java is relatively advanced historically due to its favorable climate and fertile-volcanic soil.

For centuries Java was the center of the Indonesian archipelago. But the geographical character of the archipelago also provided the precondition in which some islands were more integrated into other centers of trade of the archipelago situated in the mainland of Southeast Asia (Malacca, Penang and Singapore). In this connection, Singapore became the magnet of the Outer Islands in terms of shipping and trade. The Outer Islands, therefore, became the contesting periphery between Singapore and Java. Rivalry between the two, therefore, became a latent factor in the process of economic integration in Indonesian archipelago.

This paper intends to examine the development of rivalry between Java and Singapore as the trade centers in the Indonesian archipelago for contesting the peripheral areas, i.e. the Outer Islands. After more than one and a half centuries of rivalry, Java finally succumbed to Singapore when the New Order firstly came to power. This paper also aims to analyse the impact of the shifting rivalry over time on the pattern of inter-islands shipping and trade in connection with the process of economic integration in Indonesia.

II. THE ORIGIN OF RIVALRY

The Dutch colonial government in the Indonesian archipelago suspiciously viewed the founding of Singapore in 1819 and its extraordinary growth. They viewed the establishment of Singapore by Raffles as an effort by the British to expand their power in the Archipelago. They also felt it would destroy the Dutch colo-
national economy in the Indonesian archipelago. This was not without reason. In 1819 for example, the Dutch colonial government witnessed one hundred seventy-one European and American ships anchored at Java, of which 62 were British and 50 were American. The Dutch came third at their own island with 43 vessels. It also showed that Dutch shippers could not enjoy a monopoly of trade between their possession and the homeland. About two-fifths of the produce brought from the Dutch East Indies to the Netherlands was freighted in non-Netherlands ships. This gave rise to a tense relationship between the Dutch and British. They distrusted each other. Finally, the two reached a compromise and the result was the London Treaty of 17 March 1824. The Netherlands acknowledged that Singapore was a British possession. The British agreed that no British establishment would be made on the Carimun isles, of Battam, Bintang, Lingen, or on any of the other islands of the Strait of Singapore, nor any treaty concluded by the British authority with the chiefs of those islands. The British handed over all the English possessions in Sumatra to the Dutch and they agreed that no British settlement would be formed on that island, nor any treaty entered into with any native prince, chief, or state therein. The Dutch possessions in Malacca on the other hand were ceded to the British and the Netherlands agreed not to intervene in any part of the Malay Peninsula or concluded any treaty with any native prince, chief, or state therein. The British acknowledged the Dutch monopoly toward the Moluccas islands, especially Amboina, Banda, Ternate and its dependencies. Trade was allowed for indigenous but not for the Westerns.

Signing the treaty did not mean that the rivalry between the two was over. This treaty seems to be the way in which the Western colonial powers separated their political spheres of influence by putting aside the interests of indigenous people. This treaty made the “political boundaries” of British possession and the Dutch’ clearer. Yet the economic rivalry between the Dutch colonial government in the Archipelago and British authority in the Malay Peninsula that centered in Singapore continued. It was clear to the Dutch that tiding the trade and shipping monopoly could not challenge free port of Singapore. It would cause the movement of traders from the Archipelago to Singapore and the increasing of “wilde handel”. The Dutch colonial government, therefore, introduced a new strategy to challenge Singapore, i.e. by opening many ports for international trade and several free ports.
In 1818 the Dutch colonial authorities had only opened up Batavia for international trade, but in 1825 the Surabaya, Semarang, Riau, Muntok, Palembang, Bengkulu, Padang, Tapanuli, Banjarmasin, Pontianak, Sambas, Makassar and Kupang were also open to foreign trade. Export of commodities had to be done in these ports. On the other hand, imported goods could be distributed from these ports to smaller ports that were not open for international shipping and trade. By applying this policy, the Dutch colonial government aimed to protect the domestic shipping in the Archipelago especially from the expansion of Singapore-based Chinese and British shipping.

In line with the more liberal policy, the Dutch colonial government opened more ports for international shipping and trade. In 1839 Air Bangis, Singkel and Baroes were declared as ports for international shipping, while Mura Kumpeh was in 1847. Up to 1882 the number of ports opened for international shipping were 12 in Java, 7 ports in Sumatra, 6 in Kalimantan. Besides, these a few other ports opened for general export but only for limited imports, i.e. 9 ports in Java, 5 in Sumatra, and 1 in Kalimantan. Much later, in 1930, the Dutch colonial government issued a new regulation to increase the number of ports for international shipping. There were 17 ports in Java which were opened for international shipping, 46 for Sumatra, 13 for Kalimantan, 5 in Sulawesi, 6 in Maluku, 5 ports in Bali and Lombok, 1 Timor, and 1 in Irian.

In 1850 the government issued a new regulation concerning the *kustvaart* or coastal shipping. This regulation allowed ships to enter all ports that were not opened for international shipping only with a special permit from the government. Only the indigenous shipping registered as the Netherlands East Indies vessels was allowed to enter to ports opened for international shipping to load or unload goods that originated from or were sent to foreign countries. Nevertheless, all of them were subjected to the stipulation that they had to call at the ports opened to international shipping to arrange documents for export and import before entering ports that were not opened to international shipping. This regulation was largely used to ward off the disastrous effects of the opening of small ports to international shipping, i.e. the expansion of British and Chinese shipping from Singapore.

The success of Singapore was not only challenged by exposing many ports to international shipping in the Netherlands East India but also by opening up free ports. The government used this move to attract a part of the trade from the growing port of Singapore. In 1829 the port of Tanjung Pinang (in Riau)
was established as the first free port in the Indonesian archipelago. In Kalimantan, the ports of Sambas and Pontianak were promoted as free ports in 1833 and followed by Sukadana in 1837, and Teluk Betung (Lampung) in 1839. In Sulawesi, the government established free ports for Makassar in 1846, Menado and Kema in 1848. In Maluku, free ports were declared for Ambon, Banda, Ternate and Kali in 1853.

At least until the early years of the second half of the nineteenth century, the opening up of the free port of Singapore by the British authorities was challenged by the Dutch colonial government by the opening of new ports either for general trade (international trade/export-import) or free ports. The government hoped there would be a kind of the “free-port war” between Singapore and the Archipelago. In this way, the Dutch colonial government expected the Indonesian archipelago free ports to defeat Singapore. Nevertheless, the Dutch colonial government made a mistake in assessing the global strategy of British shipping network in Southeast Asia. The British used Singapore as one link of the British shipping networks in Southeast Asia and in the world. There was general opinion among the Dutch colonial government officials that the opening of many free ports in the Archipelago did not succeed against Singapore but rather caused the expansion of the Singapore based-fleet to the Archipelago ports. They thought that this phenomenon discouraged the trade of Batavia because the shipping and trade of the Outer Island were more directed into Singapore and not Java.

Only in the middle of the nineteenth century did the Dutch colonial government realize that Singapore could not only be challenged by the founding of many free ports. They felt the establishment of a Dutch shipping network was needed to challenge the British shipping network. The second half of the nineteenth century, therefore, witnessed a sharp competition between the two shipping networks. The free port policy was not popular anymore. Even, with the stronger Dutch shipping network in the Archipelago, this policy reached a saturation point. In the early years of the nineteenth century it was decided that taxes had to be paid in all free ports in the Archipelago except Sabang, Bengkalis and Tanjung Pinang.
III. THE DOMINATION OF SINGAPORE: BETWEEN MYTH AND REALITY

In his journey to the eastern part of Indonesian archipelago, Op ten Noort witnessed that all of export-import companies in almost all of the ports in this regions had business connection with Singapore. These companies were owned by either Chinese, Arab, or indigenous people, but mostly Chinese. Makassar became the ‘avant garde’ of the trade of Singapore in eastern Archipelago. He said that Makassar was the ‘voorstad’ of Singapore. The Dutch colonial archives addressed the relationship between Chinese businessmen in Makassar and in Singapore as co-operation between “Singapore Chinese stoomers en Makassar Chinese handelaren”. This co-operation competed with the shipping and trade companies of Europeans in Makassar, whereas in the eye of the government, Chinese should have been an intermediary trader. In the western part of the Archipelago, what the government considered a mosquito fleet also dominated trade and shipping around Singapore. It gave the impression that Singapore dominated the trade of the Outer Islands not only in the western part but also in the eastern part of the Archipelago. Op ten Noort views represented the Dutch colonial government attitude toward the expansion of Singapore trade and the possibility of the British political intrusion in the Outer Islands. Because of the government concern about the trade expansion of Singapore, they exaggerated it. The government did not realize that actually the growth of Singapore trade was not only with the Outer Islands but also with Java. It had hardly ever been exposed because the Dutch had a strong position upon this island.

Singapore’s statistical sources shows that the trade connection between Singapore and the Outer Islands was lively, but so were those with Java. The Dutch viewed the growth of trade between Singapore and the Outer Islands as having an impact on uncontrolled regions under the Dutch rule. It enabled the burgeoning of smuggling done by Singapore traders. On the contrary, the Dutch colonial government also claimed that the prosperity, which their rule bestowed on their indigenous subjects, benefited the trade of Singapore. The increase in the trade of Singapore with Borneo, Celebes, Java and Sumatra between the years 1828-29 and 1868-69 shows that the Javanese branch of the trade of Singapore registered the greatest increase in value. The increase was $5,200,055, while the trade with Borneo was only $2,023,891, $650,108 for Celebes, and...
the trade with Sumatra rose only $649,686. Hence, the trade and shipping with Singapore increased not only with the Outer Islands but also with Java. The increase of trade with Java is closely linked with the development of Java as a centre of economic activities in the Archipelago, while in the Outer Islands it related to the less competition with the Western traders.

The Java route was strongly dominated by the relatively large European-rigged vessel while routes between Singapore and the Outer Islands were mainly sailed by indigenous-rigged prahu. This vessel was called the ‘muskiet vloot’ by the Dutch and represented more than 80% of the total fleet in 1830s and at least 60% in 1860s. The indigenous traders from Sumatra, Kalimantan, Sulawesi and eastern part of the Indonesian archipelago were keen to trade at Singapore because it was free from any restrictions. Indigenous traders from Bawean and Madura in 1850s, for example, loaded their prahu with rice, Javanese sugar, coffee and various handicrafts from Java to sell at Singapore. During the Southeast monsoon they sailed along the south coast of Borneo, Billiton, Bangka to reach Singapore. On their way home they brought back European goods. This trading pattern also occurred in respect of goods from Sulawesi and Maluku. A number of European-rigged vessel (but owned by the indigenous) and prahu shipped the local products from these region to Singapore and brought British goods back. Some of them called at ports in Kalimantan, Billiton and Bangka for unloading and loading cargoes of passengers. They could earn more profit by trading in Singapore than Java. They bought imported goods cheaply at Singapore and then sold it all over regions in the Archipelago.

The growth of the trade network between Singapore and the Indonesia archipelago could not be separated from the role of Singapore-based fleet. This fleet was not only owned by British companies but also by other Europeans such as Germany and France. Besides, the Asians also took part importantly in the formation of a Singapore network. Several Singapore-based fleet can be mentioned among others: the Wee Bin & Co., The East India Steamship Company, the Strait Steamship Company, the Tong Ek Steamship Company, the NDL (Norddeutsche Lloyd), the Massageries Maritimes, etc. The Wee Bin & Co. had a long history dating back to the middle of the nineteenth century. Wee Bin, the founder of the company, worked hard to establish trading relations with the Dutch colonial territory. At the beginning he established regular shipping from Singapore to Bali for trading pigs consumed by Chinese people in Southeast Asia, especially in Singapore. In 1888, Wee Bin had the biggest local fleet, i.e.
16 ships, and its services were running once a month from Singapore to Labuan and Sandakan (Kalimantan), Menado and Ternate; and weekly to Bali and Makassar, to Klang and Teluk Anson (weekly) and twice a week to Port Dickson.31 Almost the same routes were also plied by the East India Ocean Steamship Company (the Blue Funnel) subsidized by the British government. From Singapore, this company serviced the routes to Sumatra, Java, Sulawesi and Kalimantan. Besides, the trade between Penang and Sumatra (Aceh and Padang) was also in its hands32 although in 1899 the NDL, the subsidized shipping company owned by Germany also begun to compete on this trajectory. The NDL also secured an almost complete control of Kalimantan trade in the 1880s.33 In 1887, this company could dominate the Deli tobacco transport trade at its line Singapore-Sumatra east Coast.34 It means that this route became one of the busiest routes around Singapore. The Strait Steamship Company also took part irregularly on this route.35 In the early part of the twentieth century the NDL also brought two ships into action on the route from Singapore to Pontianak and Billiton while the route from Singapore to Gorontalo, Menado, Ternate, Sangir and Talaut via Makassar was sailed every three weeks. Moreover, services from Singapore to German New Guinea were doubled to every six weeks.36

Singapore did not only become the center of big shipping companies but also small companies. By using only one ship they crossed the Archipelago waters for doing business in the Dutch colonial territory. In July 1872 for example, a Singapore-based steamship "Vidar", called at Palembang twice. The Dutch official in Palembang reported that this steamship anchored regularly in this port for unloading and loading both goods and passengers. Captained by a British the ship also used the British flag. Interestingly this ship was not owned by a Chinese but by a Singapore-Arab.37 A small ship owned by Singapore-Chinese had also been a competitor of the KPM on the Singapore-Indragiri route 6b Singapore-Reteh-Indragiri-Rengat.38 This ship, Chije Hin Tay Yi, competed with the KPM fleet in transporting copra to Singapore.39 In Makassar, direct shipping from this port to Singapore was also available. In 1881 several steamship possessed by small shipping companies centered at Singapore, i.e. SS "Hong Ann", SS "Rosa" and SS "Res. Broer" plied the route. They transported coffee, rattan, gum copal and other forest products.40 In this case indigenous shipping also had important role in the trade between Makassar and Singapore41 although they only sailed to Singapore seasonally.42
The Singapore network was not only enlivened by Singapore-based shipping companies but also local shipping companies at several ports in the Netherlands India. In Banjarmasin the KPM (route 8 and 8A: Singapore-Surabaya-Banjarmasin-East coats of Kalimantan and route 8b: Surabaya-Banjarmasin) had to compete with the local Chinese shipping companies which plied routes of Banjarmasin-Surabaya and Banjarmasin-Pontianak-Singapore. The Handel en Scheepvaart Maatschappij “Banjer” had two bottoms, i.e. “SS Sarie Banjer” and “SS Sarie Borneo” which traveled both on Surabaya and Singapore route. Besides, many Chinese traders in Banjarmasin had close relationship with Chinese businessmen in Singapore either because of family ties or purely business connection. Thio Koey Ban, the Chinese trader in Banjarmasin, was reported having a business network with the Ban Keng & Co. firm in Singapore. It seems that there was blood relationship among them. Thio Koey Ban sent his trade commodities from Banjarmasin to Singapore by using a small steamship, “Ban Liong”, possessed by the Ban Keng & Co. firm. This ship serviced the route between Singapore-Banjarmasin-Sampit-Kotawaringin. Besides, local Chinese traders also operated small steamship, for example “SS Ban Lie Gwan” for servicing local shipping around South coast of Kalimantan. Small steamboats possessed by indigenous traders were only available for coastal shipping around Southeast and West coat of Kalimantan.

In Pontianak, local shipping companies also preferred to run their fleet to Singapore. Thong Ek Steamship Company, established by Cheng Seng Hee in 1890s, ran their Dutch-registered small steamship “Koen Hoa” (600 tons) from Pontianak to Singapore. This company was owned by six Chinese in Pontianak and mainly traded in rubber with Singapore. The other shipping company, Hoe Aik Steamship Company which had seven small coasters also traded with the regions around Singapore such as Karimun Islands, Johore and east coast of Sumatra. In Palembang the local Chinese shipping company also provided a service to Singapore. In this case the KPM had to reach agreement with Chinese Handelsvereniging in order to avoid the over-supply of ship-space between Palembang and Singapore. In this route, both the KPM and Chinese only ran one ship respectively. Nevertheless, the competition between the two began to rise after the emergence of Chinese steamship SS “Henli” on Singapore-Palembang line. It seems that the emergence of this steamship was a reaction for the policy of the KPM to run two ships on Singapore-Palembang line, i.e. SS “GG Daendels” and SS “Alting”. The new agreement reduced the unhealthy competition.
Until the middle of the nineteenth century the Dutch colonial government still viewed Singapore as a “Trojan horse” that had to be expelled from the shipping and trade of the Netherlands India. The Dutch colonial government wanted to develop Batavia and other ports in Java as a trade center in the Archipelago by isolating Singapore. Until 1864 there was no scheduled shipping operated by the Cores de Vries that voyaged to Singapore. This company only routed Batavia-Padang, Batavia-Pontianak, Batavia-Surabaya-Nusa Tenggara-Makassar-Maluku-Menado. On the eve of its last contract, i.e. in 1865, this company plied the Batavia-Singapore route. This route was continued and developed, when the new contract was granted to the NISN, the British concern.

It is interesting that when the NISN enlivened the Singapore network, the Dutch colonial government viewed this company suspiciously. The government felt this company would direct shipping and trade of the Archipelago into Singapore when the NISN fleet began to charge a low tariff for routes to Singapore. The NISN had to compete with many small companies and thus lowered its tariffs. Problem also emerged when the NISN did not dock and repair their ships in Batavia or Surabaya but did this in Singapore. The Dutch colonial government thought this policy was a British effort to weaken the Dutch shipbuilding. The tension between the two sides peaked when, in relation with the Aceh war, the NISN asked for high tariff when the Dutch colonial government wanted to use the NISN ships for military expedition. Whatever the government reasons for staying away from the NISN and the free port of Singapore, it is clear that shipping with Singapore could not be avoided.

Since the KPM era, Singapore was viewed differently. The Dutch colonial government wanted to use Singapore as a “Dutch Trojan horse” to challenge the British and Chinese shipping domination from within. Singapore was not isolated from the shipping and trade of the Netherlands East India, but brought into being a part of the Dutch shipping network. Singapore was established as one of the major port of the KPM. If in 1891 only 5 routes of the KPM called at Singapore, in 1929 it was 21 routes. It seems that in the KPM era the shipping and trade from the Netherlands India ports to Singapore was seined the Dutch fleet itself (the KPM, RL and SMN). From 1892 to 1914 the share of the Dutch flag was about 12% on average of total ships clearance at Singapore. It is also interesting to note that there was a trend in which Singapore increasingly became to be merely the center of shipping and trade of surrounding areas such as Riau, Eastern Sumatra, Pontianak, Jambi, Billiton and Palembang. The sphere
of influence of Singapore trade and shipping that were previously spread all over the Archipelago tended to be limited around west Indonesia.\(^1\) The decrease of Singapore’s share in the trade of the Outer Islands can be seen on the following graphs:

Graph 1. *Import of the Outer Islands by origin (f. 1000)*


While the direction of export of the Outer Islands are as follows:

Graph 2. *Export of the Outer Islands by destination (f. 1000)*

The above graphs show that share of Java as the supplier of imported goods for the Outer Islands increased over time. On the other hand Singapore’s share was getting smaller. Its position was replaced by other countries. But the role of Singapore as the destination of the Outer Islands export was bigger than that of Java although it was experiencing decreases during the first quarter of the 20th century. If in 1894 the share of Singapore was 40% in 1937 it was only 20%. In this connection transporting goods directly to destined ports gave important influence to the role of Singapore. From the explanation above, it can be concluded that Singapore’s domination of the Outer Islands trade took place mostly in the 19th century. But in the 20th century its role was less important and was replaced by Java and foreign countries.

IV. SHIPPING AND TRADE INTEGRATION PATTERNS IN THE LATE COLONIAL STATE: STRONG NETWORK, WEAK INTERDEPENDENCE

Since 1850 the government gave a subsidy to the Cores de Vries syndicate to develop the shipping routes of Batavia - Padang, Batavia - Surabaya - Makassar and Makassar-Ambon - Ternate-Menado. The government had to give a subsidy to this syndicate of f 9,65 per mile or total amount f 160,000/year. In 1852 there was a little change in the shipping route i.e. Batavia - Bengkulu - Padang (once/month), Batavia - Semarang - Surabaya-Makassar-Ambon (once per month in east monsoon and twice per month in west monsoon by calling at Ternate, Kema and Menado). In 1860 this shipping company also plied the routes of Batavia-Sambas-Pontianak, and Surabaya-Banjarmasin. Because of poor service, the next contract was granted to the NISN (Netherlands Indies Steam Navigation Company) owned by the Englishman H.O. Robinson. The subsidized routes that had to be sailed by NISN were almost the same as what the Cores de Vries did because of the limited subsidy. In 1870 the government made an agreement with the NISN to run their fleet monthly from Batavia, Anyer, Cilacap, Patjitan, Banyuwangi, Besuki, Probolinggo and Pasuruan. This route alternated with the route between Batavia and Surabaya via Pasuruan, Probolinggo, Besuki, Banyuwangi, Pacitan, Cilacap and Anyer. For political and economic reason, in 1876 the government gave a new subsidy to NISN for shipping to small ports in East Coast of Kalimantan, Pare-pare, Palu, and several small ports in Maluku.
and Nusa Tenggara. The shipping route between Makassar-Bantaeng-Bulukumba-
Selayar-Buton was also established.58

The opening up of Suez Canal in 1869 had an important impact on the
patterns of interregional trade in the archipelago. It saw the replacing of sailing
ship by steamships in Singapore. Between 1869 and 1879 the volume of steam-
ships anchored in Singapore increased five times, while sailing-ship (except
perahu) decreased by more than a quarter.59 The increase in the export-import
value in Singapore gave rise to a demand for feeder shipping. These opportuni-
ties led the Chinese to buy second hand-small steamships for servicing the trade
between Singapore and the Outer Islands.60 It meant that the pattern of shipping
and trade between Singapore and the Outer Island was increasingly conditioned.
On the other hand, the patterns of shipping and trade between Java and the
European market, especially the Netherlands, was also gaining momentum when
two Dutch shipping companies began to operate in 1870 (Stoomvaart Maatschappij
Nederlands or SMN) and in 1873 (Rotterdamsche Lloyd).61 This stimulated a
sharp competition between Java and Singapore to contest the Outer Islands. The
government gave a subsidy for regular shipping line mainly for routes between
Java and Outer Islands instead of routes between the Outer Islands and Singapore.
It gave rise to a kind of triangular pattern: Outer Islands - Java - Europe to
challenge the other pattern: the Outer Islands - Singapore - Europe. It meant
that routes to Singapore had to compete with the Chinese and indigenous ship-
ing especially in low cost transport. This competition increased efficiency.
Shipping to Singapore flourished. If the aim of the Dutch colonial government
was to compete for the Chinese and indigenous fleet run to Singapore, it would
have been an easy task. But if the aim of the Dutch was to turn the Outer Islands
shipping network toward Java instead of Singapore, it was difficult since the
NISN used Singapore as its home port. The NISM was part of the British shipping
network.

The sharp competition on the Outer Islands - Singapore lines caused the
freight rates to this port to fall whereas those to Java ports rose causing most
traffic to pass via Singapore.62 The two Dutch shipping companies (RL and
SMN) felt that they would not be able to gain advantages in international ship-
ing while the feeder shipping (interregional shipping) was still controlled
by foreign companies.63 The failure of the NISN to serve the interests of the
Dutch colonial government resulted in its replacement in 1891 by the KPM
(founded in 1888), an exclusive Dutch firm.64 Nationalism thus was an impor-
tant reason for replacing NISN. Thus, until the end of the 1880s Java actually already possessed the potential to compete with Singapore since Java was structurally connected with the western markets by the RL and SMN and, although still weak, linked by the feeder shipping (the NISN) with the Outer Islands. It meant that to win this competition, the Dutch colonial government had to establish a strong interregional shipping network that covered all regions in the Outer Islands. It was the only way to expel Singapore out of the Dutch shipping networks in the archipelago.

At the beginning of its operations, the KPM continued with what the NISN did. After the failure of the Dutch colonial government in turning the shipping and trade from Singapore to Java in the NISM era, the KPM tried to find a new strategy. Op ten Noort, in his journey in 1890 to the most important ports, realized that traders (from the Outer Islands especially from the Eastern Indonesia to Singapore) could not be encouraged to call at a port in Java unless they were sure that they would get advantages. If they felt that they would gain benefits in Java in their trade with Singapore, the traders would automatically come to Java. In the meantime, he also thought that interests and profits could be conditioned by creating Java as a transshipment port in export and import trade. He therefore, wanted to make Java a central node in the Indonesian shipping network challenging Singapore as the center of the British shipping and trade network. He wanted to make sure that calling in Java in the export or import trade was more efficient, easier, and cheaper than calling at Singapore. Op ten Noort also realized that not all commodities from the Outer Java would be exported to European markets, but also to the Southeast Asia, South Asia, etc. It was not realistic if, for example, traders from Pontianak or Banjarmasin had to call in Java ports before reaching Singapore. Chinese and indigenous small traders, therefore, should not suffer from their constructive function as a feeder fleet for the regions beyond Dutch colonial control.

In view of such considerations, the KPM issued through bills of cargo for commodities that were shipped through Java in order to keep the costs low. Commodities that should be exported directly to the Western markets such as copra from the Eastern Indonesia, were made available for direct shipping from a specified port such as Makassar. That was why in the first year of its operation, KPM hurried to establish co-operation with RL and SMN. It seems that neither the domestic shipping nor international shipping of the archipelago was controlled by the Dutch themselves. The co-operation between KPM and the
Dutch colonial government was the most perfect model of collusion between the government and private interest for gaining a monopoly. The KPM could maximize profit in the name of ‘state mission’, even if it still received subsidies on most of its shipping lines. Meanwhile, by using the KPM, the government could establish a maritime infrastructure that could be used to further promote the state formation in terms of ‘Pax Neerlandica’ as well as colonial economic development.

Because of the KPM venture, as Wong suggests, in the early part of the 20th century, Java became the rival of Singapore. On the eve of the World War I not only Java that was connected to the international market by the Dutch shipping lines but also a number of the Outer Islands ports such as Makassar, Padang, Belawan, Pontianak, Balikpapan, etc. Thus, Singapore faced double pressure from the Dutch strategy. First, the commodities that had to be transported to Western markets could be shipped through Java as well as through the main ports in the Outer Islands such as Makassar for the Eastern Indonesia copra, Padang for the western coast of Sumatra coffee, etc. By using the ‘through bills of cargo’ KPM could guarantee a cheaper rate than if the goods were reshipped to Singapore. In the beginning of the 20th century direct shipping for commodities that had to be exported or imported from and to the Asian markets also became available for Bangkok, Manila, Hongkong, Shanghai, Kobe (Japan), and Australia serviced by JCIJ (Java-China-Japan Line) and JAL (Java-Australia Line). The rival foreign shipping companies included Norddeutscher Lloyd; Deusch-Australische Dampfchiffs-Gessellscha, Messagiers Maritimes, The Ocean Steamship Company, etc. also connected directly the Indonesian ports to the international markets. It is clear that this network would inflict the Singapore trade.

Second, the KPM claimed to have monopoly right on domestic shipping in the archipelago by using the words “ons natuurlijk mandaat als alleenvoerders in den Archipel”. The KPM saw itself as the prominent feeder shipper for almost all of the international lines calling at the archipelago ports. They elaborated the routes focusing on ports that became main destinations in international shipping, i.e. Batavia, Surabaya, Makassar and Singapore. From those nodes, the feeder network extended throughout the entire archipelago. By using Singapore as one of its base ports, the KPM that was directed from Batavia acted as a ‘Trojan horse’ of the Dutch colonial government to hit the trade of Singapore from within in the competition with Java. It caused the share of the
archipelago in the trade of Singapore with Southeast Asian countries to decrease from 41% in 1870 to 32% in 1915 while trade with Malaya increased from 31% to 47%. It is important to note that the early 20th century witnessed a most significant economic event for Singapore, i.e. the development of its natural hinterland, Malaya, under British rule. In this period Singapore's trade with Malaya had already exceeded in value than the trade with the archipelago. The Archipelago, especially the Outer Islands, was no longer the most important 'hinterland' of Singapore.

It is important to keep in mind that the main task of the KPM was not to cut and to isolate Singapore from the trade of the Indonesian archipelago. The obsession of the KPM, that was a success in the late colonial state, was the venture to take over the role played by the Singapore-based fleet. Interregional trade in the Indonesian archipelago had to be controlled by the Dutch shipping firm. The Dutch colonial government viewed that interregional shipping had strategic role either in the political or economical expansion. Nevertheless during the first four years of its operation, the KPM had not yet changed the routes that were shipped by the NISN. It was mainly centered in Batavia, Surabaya and Makassar. From Batavia, the NISN fleet shipped to Padang, Singapore, Pontianak and Surabaya. The NISN fleet from Surabaya shipped to Banjarmasin, Bali, Nusa Tenggara and Makassar. While the Makassar port acted as the shipping center of the eastern part of the Indonesian archipelago such as Menado, Nusa Tenggara, Maluku and Irian. It meant that there was no direct shipping between Singapore and Makassar. The voyage from eastern part of the archipelago had to call at the Java ports.

Not until 1895 did the KPM renew the subsidiary routes. This renewal was not the manifestation of the Singapore-phobia attitude that would isolate Singapore from the trade of the Archipelago as in the NISN era, but on the contrary Singapore would be put into the KPM sphere of influence. This city-state was not kicked out, but it would be brought into the orbit of the KPM directed from Batavia. From this perspective the KPM tried to control the 'Trojan horse' of Singapore in terms of trading with the archipelago. The KPM, as op ten Noort said, began to establish a 'trapezoid zone' that formed the core of Java Sea network. This zone was formed by four points i.e. Batavia, Surabaya, Makassar and Singapore. From these points the KPM centered its activities and used them as the major ports. Sea traffic spread out evenly from the corners of this trapezoid that would bring passengers, goods
and capitals to the Indonesian archipelago. From these four major ports all of the KPM routes split up as root of a tree.

In this context, the Java Sea shipping and trade network became crucial for the Dutch in the Archipelago to challenge the British networks. Singapore, although a foreign port, thus became an inherent part of the Java Sea network. Since the end of the nineteenth century, even Singapore became an object of contest between the Dutch and the British within the shipping and trade network in the Southeast Asia. The Dutch tried to turn Singapore into a satellite of Batavia by using it as one of a ‘rendezvous’ for the KPM fleet controlled from Batavia. In political terms, the Dutch colonial government succeeded in dividing the sphere of influence in Southeast Asia with the British government by signing the Treaty of London in 1824 and the Treaty of Sumatra in 1871. Yet the shipping and trade network in the Strait of Malacca that had already existed for centuries could not be altered easily. Placing Singapore in the Java Sea network, that was controlled from Batavia, was the only effective way to challenge the British network in the Southeast Asia. Thus, transporting commodities from the Archipelago itself were handed by the Dutch merchant fleet. It means that commodities that would be exported and imported to and from Singapore, Java, or the Western markets were mainly centered in Batavia, Surabaya, Makassar, and Belawan where the Dutch shipping companies had a dominant position. Thus the Dutch strategy in challenging the development of Singapore and the ‘intrusion’ of the British shipping network in Southeast Asia had given rise to a new pattern in shipping networks in the archipelago. There was a change from dichotomous patterns between the Outer Islands (more integrated into Singapore) and Java (more integrated into Europe) to a quadrangular-regional patterns. This pattern centered in four major ports, i.e. Batavia, Surabaya, Makassar and Singapore. Each major port had own feeder ports so that almost all of regions in the Archipelago were pulled into this zone. Batavia was mainly the center for Lampung, Palembang, Bangka, Bengkulu, Padang; while Surabaya was the major port for Southeast Borneo, Bali & Lombok and Timor. Makassar became the orbit of Southeast Borneo, Moluccas, Timor, and Menado. Singapore mainly became the center for Jambi, West Borneo, Billiton and Riau. It is not coincidental that the Java Sea network became the backbone of the trapezoid zone. From such network the process of economic integration in Indonesia can be originated. This pattern, therefore, became the bridge for the later process when the end of the ‘late colonial state’ witnessed Java acquiring the more
important role instead of Singapore as an orbit of the Outer Islands in the process of economic integration in the archipelago.

The above explanation shows that in the part early of the 20th century the Dutch colonial government had already succeeded in establishing a strong inter-island shipping network in the entire Archipelago. But this success had not been accompanied yet by the creation of interdependence among regions in supply and demand. As far as interregional trade was concerned, the Dutch colonial government had been successful just in creating a skeleton. Compared to international trade, share of interregional trade was relatively low. During 1924/1928 share of interregional exports of the Outer Islands were 20.2%, while share of foreign exports reached 79.8%. During 1929/1933 it increased 24.9% and 75.1% respectively. But during 1934/1938 it decreased again to 21.6% and 78.4%. But a different picture emerges in respect of import trade of the Outer Islands. The share of interregional import of the Outer Island during 1924/1928, 1929/1933, 1934/1938 were 30.9%, 37.9%, 45.0% respectively.

V. WAR AND SEPARATISM SEEN FROM SINGAPORE ANGLE: BLESSING IN DISGUISE

Any economic problems stemming from the impact of the 1930s great depression in the Netherlands Indies could not have been overcome by the Dutch colonial government, when the Japanese military forces invaded Indonesia. Without any bloodshed, the Dutch surrendered to the Japanese on 8 March 1942. The Japanese military government introduced the so-called "great East Asian prosperity" lead by Dai Nippon. For this holy plan, natural and human resources had to be mobilized for fulfilling the need for logistics of the Japanese military. But, the propaganda became repression, when the Allied Forces began defeating the Japanese military.

At the end of the war, the Japanese military government tried to create a self-sufficient economy. It was caused by the sea blockades of the Allied Forces. Connection among islands and between Indonesia and Japan were interrupted. Japanese-occupied regions had to stand on their feet in combating against the Allied Forces. This policy became the basis of the Japanese military government in the occupied regions. The people were forced to deliver logistics resources and to recruit labor. It had a severe impact on the economic life of the people in occupied regions. For Indonesians the economic burden that had to be
borne in the Japanese era was harder than any economic crisis in the Dutch colonial era.

The suffering was not mainly caused by the decrease of food production but it was caused by the policy requiring the people to deliver rice to the government. People had to eat secondary foods such as maize, cassava, and even food that were normally eaten by animal such as bongkol pisang, iles-iles (small tuber), etc. The decrease of food productions happened in 1944 when many labors were recruited for military purposes. Many young people were recruited for romusha and this caused rice fields to be neglected and food productions decreased. In 1944 the rice product dropped to 20% comparing to period 1937-1941, and 41%, 33%, 71%, 44%, 64% for maize, tapioca, potato, peanut, soybean respectively. This condition caused famines and high mortality especially in Java. Only in the Japanese era, did the population of Java decrease for the first time in the history.

During the Japanese occupation, the Indonesian shipping and trade also collapsed. Before leaving Indonesia, the Dutch troops put the scorched-earth policy into practice. Vital installations were burned such as oil depots, bridges, warehouses and port facilities. The scorched-earth policy mainly devastated the infrastructure of economy.

During the Japanese period, the inter-islands shipping were dominated by the Japanese warships. The KPM, that dominated the domestic shipping in Indonesian archipelago during the Dutch colonial era, had been evacuated from the Archipelago. Foreign private shipping companies, which had operated their businesses in Indonesia during the Dutch colonial era were not interested in doing their businesses any more. Even Chinese-Singapore based fleet, which had been the competitor of the KPM during the Dutch colonial era, did not appear on the Indonesian waters during the Japanese period. The destiny of the indigenous prahu was not much different. They were afraid of voyaging their fleet. Many of them were seized by the Japanese military government. It can be concluded that the Japanese period was the dark period of the history of inter-islands shipping in Indonesia.

Sea blockade of the Allied Forces aggravated the deterioration of shipping and trade world of Indonesia. Global shipping networks that had been established centuries before were cut off. Internally, inter-islands shipping also collapsed. Chinese businessmen were just waiting for a better situation while doing clandestine work. Shipping was dominated by the Japanese for their own
interests. It completed the deterioration of the shipping world of Indonesia. The following table gives a survey of the number of ships lost, their tonnage and their value:

Table 1. Ships lost during the Japanese invasion (until September, 2nd 1945)

<table>
<thead>
<tr>
<th>Companies</th>
<th>Number of ships</th>
<th>Total tonnage (BRT)</th>
<th>Value in 1938 in million gilders</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. JCJL</td>
<td>6</td>
<td>45,338</td>
<td>8.8</td>
</tr>
<tr>
<td>2. KPM</td>
<td>76</td>
<td>143,952</td>
<td>38.7</td>
</tr>
<tr>
<td>3. Tanker</td>
<td>19</td>
<td>49,867</td>
<td>20.2</td>
</tr>
<tr>
<td>4. Chinese shipping companies</td>
<td>5</td>
<td>3,415</td>
<td>2.3</td>
</tr>
<tr>
<td>5. Government cargo vessels</td>
<td>19</td>
<td>121,333</td>
<td>30.0</td>
</tr>
<tr>
<td>6. Government passenger vessels</td>
<td>19</td>
<td>20,000</td>
<td>30.6</td>
</tr>
<tr>
<td>7. Government owned surveying vessels</td>
<td>60</td>
<td>5,000</td>
<td>5.2</td>
</tr>
<tr>
<td>8. Coast vessels (Cekumij)</td>
<td>8</td>
<td>1,100</td>
<td>0.8</td>
</tr>
<tr>
<td>9. East Borneo Company</td>
<td>1</td>
<td>1,865</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>212</strong></td>
<td><strong>391,830</strong></td>
<td><strong>137.0</strong></td>
</tr>
<tr>
<td>10. Native fishing motor boats</td>
<td>85</td>
<td>8,000</td>
<td>2.5</td>
</tr>
<tr>
<td>11. Native prahu’s vessels</td>
<td>20,000</td>
<td>200,000</td>
<td>169.8</td>
</tr>
<tr>
<td>12. Other material damage</td>
<td></td>
<td></td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19</strong></td>
<td><strong>188.5</strong></td>
<td></td>
</tr>
</tbody>
</table>


The economic deterioration did not only occur in the shipping world but also in trade. Because of war and sea blockade, the Indonesian trade also collapsed. Trading and shipping goods were done by Japanese warships and Japanese private shipping companies, which had existed before the war such as *Saibai Kigyo Rengokai* in Batavia, *Noyen Kanri Kyoku* in East Sumatra, *Koyo...*
Tobacco Co. Ltd. and Beisei Sangyo in Deli, etc.\textsuperscript{57} Many plantation companies and mining from the Dutch era were directed to fulfill the interest of Japanese at war. At the beginning of the Pacific War, much plantation products and oil were shipped to Japan. But it had been immediately stopped when the Japanese navy suffered defeats in the Pacific. The people did not only experience food shortage but also a lack of textile. Since the explosion of the war, need for textiles were fulfilled by the Japanese textiles, but sea blockade of the Allied Force caused this trade to be interrupted.\textsuperscript{88}

During the Japanese occupation (especially from 1942-1944), commodities that were shipped to Japan included rubber, coconut oil, pinang nut, tobacco, sugar, quinine, etc.\textsuperscript{89} These commodities originated mainly from Java and Sumatra. A research sponsored by the Dutch in 1946 showed that the Japanese military government succeeded in shipping 15,945 metric tons of rubber (pre-war stock). It was done by Saibai Kigyo Rengokai in Batavia guarded by the Japanese navy. Pre-war rubber stock from East Sumatra was also shipped to Japan during the occupation. It amounted to 21,529 metric tons.\textsuperscript{90} Plantation products was exported from Sumatra to Singapore during the Japanese occupation.\textsuperscript{91} The Japanese army did not destroy this “city state”. It remained the trading center of surrounding regions.

Indonesia gained independence through armed revolution on 17 August 1945. But at that time, independence still meant political rather than economical independence. Politically, Indonesia was free from being colonized by other nations, but economically it still depended on the former colonial master. During the revolution, about 25% of Indonesian GDP and 10% of important position in modern economic sectors were still controlled by the Dutch. Even in 1950, senior positions in banks, plantation companies, trade companies, etc. were still occupied by more than 6,000 Dutch people.\textsuperscript{92} The new Indonesian government had to pay expensively for political freedom. Armed revolution did not only hinder the economic recovery program of the Republic but had a destructive impact on the economy of the people. Again, as done by the Dutch during the Japanese invasion, the Indonesian guerillas put the scorched-earth policy into practice. Many important economic and social installations were burnt or destroyed. Much of it was located in the cities such as Batavia, Semarang, Surabaya, etc. It completed the destruction of the economy of Indonesia. Until the mid of 1947, the destruction of social and economic facilities was estimated at 4,000 million guilders. Destruction in shipping sector amounted to
185 million guilders and in port facilities 110 million guilders. This was higher than during the Japanese occupation, i.e. 2,500 million guilders. The scorched-earth tactic also meant a lack of maintenance. It was reported by the KPM agency in Balikpapan that the piers condition were very bad and could not be used.

The economy of Indonesia was getting worse when the Dutch implemented a policy to blockade Indonesia from the sea. It meant that one of the main pillar of Indonesian economy, i.e. export and import trades, were stifled. One of the alternatives was to resort to smuggling to and from Singapore and Malaysia. This blockade was to deactivate the Indonesian economy and to prevent ammunition and firearms entering Indonesia. In this connection, Singapore became more and more important for Indonesia. Singapore became the main destination of smuggling from Indonesia. It can be said that foreign trade of Indonesian almost totally depended on Singapore. This period witnessed Indonesian ports including Java starting to be part of the orbit of Singapore. Indonesian ports became the feeder ports of Singapore.

A week after the defeat of Japan, the KPM tried to reactivate their agencies, which were spread out throughout Indonesia. But, disastrous effects of the Japanese occupation made it difficult. The collapse of inter-islands shipping and trade during the Japanese occupation caused 51 ships of KPM with capacity 165,000 tons to be immediately put into service. Just before the war, the KPM opened 98 routes for domestic shipping, but in after the Indonesian independence they only opened 11 routes serviced by 11 ships. It is strange that the KPM route to Singapore was very limited, i.e. only one route (Line A) from Jakarta to Singapore via Billiton and Bangka. It was served by ss "Reynst" every three weeks. In 1929 for example, the KPM served no less than 19 routes involving Singapore. While, the Batavia route was lively, i.e. 5 of 11 routes in 1946; this figure was very low compared to condition in 1929 i.e. 26 routes. Based on those data, the decrease of domestic shipping during the Japanese occupation and independence war period was clear. But, it is important to note that Singapore-based fleet owned by Chinese dominated lines to Singapore. By using the British flag, they could voyage more freely to break through the Dutch blockade on Indonesian waters. That is why most of the smuggling was done by that fleet. The KPM had to compete with these fleet if they wanted to enlives Singapore routes.
If in the Japanese era, the domestic shipping was completely dominated by the Japanese military forces, during the armed revolution it was dominated by KPM fleet. The indigenous fleet could not recover quickly from the Japanese occupation. The KPM, which evacuated to Australia during the Japanese occupation, could easily return to Indonesian waters. Only a week after the Japanese surrendered to the Allied Forces, they were back in Indonesia. During 1947 they transported more than 1.5 million tons of cargoes for inter-island shipping. This figure increased to 2.5 million tons in 1949.

The new Indonesian government tried to lessen its dependence on the KPM in terms of inter-islands shipping. Immediately after achieving independence, the existing shipping institutions as the legacy of the Japanese occupation were indonesianized. *Seittubu Djawa Kowan Kaisya* that was established by Japanese in 1943 was renamed *Kongsi Pelajaran Indonesia* (Indonesian Shipping Association) and then changed to *Perusahaan Pelajaran Indonesia* (Indonesian Shipping Companies). In Semarang, a seamen association was established with the name *Roekoen Pelaoet Indonesia* (Seaman Association of Indonesia). It was founded by Haji Abdullah, the former of General Manager of ROEPELIN (*Roekoen Pelajaran Indonesia*) in Surabaya. One of the aims of this organization was to challenge foreign domination of Indonesian shipping. Officers of private shipping companies also nationalized the *Djawa Unkoo Kaisyo* and changed it to *Serikat Pelayaran Indonesia*. Nevertheless, a lack of fleet was the major problem in developing the shipping sector in Indonesia. It was related to the fact that no ship was bequeathed by the Japanese military government.

The success of the KPM as the main transporter in inter-islands shipping in the Indonesian archipelago during the armed revolution worried the Indonesian government. Indonesians could not do much except to resort to smuggling in their own country. At that time, there were not many Indonesians who had experience in inter-islands shipping industry. It was impossible to compete with the KPM directly. The Indonesian government looked to indigenous sailing ships but these fleets also suffered during the armed revolution. More than 60% of indigenous sailing ships were damaged during the revolution. In this connection the Indonesian government stimulated traditional shipping industries especially in Eastern Indonesia (such as Makassar and Buton). But it progressed slowly. In 1947, these regions could produce only about one hundred sailing ships of medium size.
The indigenous fleet also had to face the "double pressure". On one hand they had to concede to the greatness of the KPM and on the other they had to compete with the Singapore-based fleet that flew the British flag on Indonesian waters. This flag guaranteed the fleets' safety from the Dutch sea-blockade for voyaging freely on Indonesian waters. On the contrary, the indigenous sailing ships had to face the Dutch blockade. Again, unlike the Indonesian fleet, the Singapore-based fleet did not deteriorate as a result of the revolution. It was a blessing in disguise. One of the most important implications was that for the first time Singapore completely dominated Indonesia's export. It can be seen on the following graph.

Graph 3. The direction of Indonesia's export, February 1948 (kg gross weight)  

**CONCLUSION**

Rivalry between the Malay world and Java had been the phenomenon long before the presence of the Westerners in Southeast Asia. In the early 19th century it became more sharp when the British authority established Singapore as the center of their trade in Southeast Asia. The Dutch colonial government imagined that Singapore would draw the trade of the Outer Islands and reduced the economic role of Batavia toward the Outer Islands. In this case the Dutch colonial government wanted to make Batavia not only as the political center but also as the economic pivot of the Netherlands East Indies. This period witnessed the rivalry between Java and Singapore for contesting the Outer Islands as the peripheral region.
At the outset, the Dutch colonial government responded to Singapore by opening many free ports and additional ports for international shipping. The Dutch colonial government imagined that there would be a kind of a "free ports' war" between Singapore and the free ports in the Indonesian archipelago. This strategy was less successful since it gave a broader chance to Singapore-based fleet for "intrusion" into the Indonesian waters. In the middle of the 18th century the Dutch colonial government changed the strategy. Singapore was not confronted by the implementation of a "free ports war" but by the establishment of the 'Dutch shipping network' in the archipelago centered in several major ports for challenging the 'British shipping network' centered in Singapore. This strategy was successful when the license of domestic shipping in the Archipelago was granted to the KPM. The KPM strategy was a combination of a strong fleet (in number, capacity and quality), regular routes, scheduled voyages, pioneering efforts to open new frontier ports and implementing good cooperation with ocean-going companies. The late colonial state of Indonesia witnessed the role of Singapore as the center of trade of the Outer Islands being reduced. Java became more and more important for the shipping and trade of the Outer Islands. And the embryo of an "Indonesian economic-integration" in the framework of inter-islands shipping was emerging.

In the period of war and instability the embryo of "Indonesian economic-integration" threatened to collapse. This period witnessed Singapore becoming more and more attractive for the peripheral region of the Outer Islands than Java. It is closely linked with the collapse of shipping and trade network during the war. But this condition benefited Singapore and it had not been destroyed during the Pacific War. It is also important to stress that war and political instability had been a "blessing in disguise" to Singapore. This city-state became the only center of trade and smuggling of the Archipelago. The role of Java toward the Outer Islands was also challenged internally by the emergence of separatism movements.
NOTE

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1 Phiphat Tangsubkul, The Southeast Asian Archipelagic State: Concepts, Evolution, and Current Practice Research Report No. 15, February 1984; East-West Environment and Policy, 2-3. The term archipelago is often defined as a group of islands or kumpulan pulau that are separated by expanse of seawater. There is a fundamental difference in meaning between kepulauan and archipelago. The term archipelago originated from the Italian term archipelagos which dates back to the Middle Ages and was derived from archi, meaning most important and pelagus meaning sea. It referred to the Mediterranean Sea. Therefore, the original meaning of archipelago was not “a group of islands” but “a body of water containing islands”. According to Lapian, the concept of archipelagic state for Indonesia should refer to the later meaning; Indonesia as negara laut or negara babari or “sea state”, not “islands state”. See A.B. Lapian, “Laut, Pasar, dan Komunikasi Antar-Budaya”, in Kongres Sejarah Nasional 1996, Jakarta: 1996, p. 1.


For detail see Harry J. Marks, The first contest..., pp. 15-102.

The complete text of the treaty can be seen in Harry J. Marks, The first contest., pp. 252-256.


J.A. Kok, De scheepvaartsbescherming..., p. 63.

Indisch Staatsblad 1841, No. 40.

Indisch Staatsblad 1847, No. 19.

See Indisch Staatsblad 1882, No. 240.

For complete list of these ports see J.A. Kok, De scheepvaartsbescherming..., p. 98.

See Indisch Staatsblad 1850, No. 42. Based on this regulation kustvaart was the shipping between two ports in the Netherlands East Indies, except: with free ports; an "Inlandsche haven" (Indigenous port) i.e. port of indigenous kingdoms that were not included in the Dutch colonial territory; and in 1857 it was regulated that shipping with a port in Bali and Lombok island could not be categorised as a kustvaart (Indisch Staatsblad 1857, No. 17). See also "Overzicht van de bepalingen hier te lande omtrent de kustvaart", in Stukken inzake de kustvaart, 1888-1915, Archieven van Financien deel I, No. 658, ANRI, Jakarta. In the Dutch statistical sources, the 'kustvaart' is distinguished from the 'scheepvaart' that referred to international shipping or foreign shipping.


Free port or "vrijhaven" was the port "alwaar alle goederen, zonder onderscheid, vrijelijk zullen kunnen worden in- en uitgevoerd, zonder
betaling, hetzij van rechten, hetzij van haven- of ankeragegelden, en zonder dat de handelaren aan enige andere formaliteit zullen onderworpen zijn, dan eene bloote aangifte van hunne ladingen", see for example "Brief van Resident Riau en Onderhoorigheden aan den Directeur van Financien 18 Mei 1915", in Stukken inzake de kustvaart, 1888-1915, Archieven van Financien deel I, No. 658, ANRI, Jakarta. Korthals Altes defines free port as "port where international shipping is free to enter and conduct business without payment of taxes", see his work Changing economy in Indonesia Vol. 12a: General trade statistics 1822-1940, Amsterdam: Royal Tropical Institute, 1991, p. 30.

17 Korthals Altes, Changing economy p. 33.

18 Indisch Staatsblad 1828, No. 68.


22 Korthals Althes, Changing Economy, p. 33. See also J.A. Kok, De scheepvaarts-bescherming, pp. 158.

23 M.G. de Boer & Wastermann, Een halve eeuw, p. 221.

24 See "Advies van de Inspecteur, Chef van de administratie der In- en Uitvoerderen en Accijnzen 2 Oktober 1898", in: Stukken inzake scheepvaart, in- en uitvoer, opheffing vrijhavens met staten en kaarten 1874-1906; Archieven van Financien No. 706, ANRI, Jakarta.

25 M.G. de Boer & Wastermann, Een halve eeuw, p. 221.


27 For more detail statistical data about the trade of Singapore with Java and Singapore and the Outer Island see Wong Lin Ken, "The trade of


29 See “Singapore's hoop op de opening der Indische kustvaart voor vreemde vlaggen”, in Tijdschrift voor Nederlandsch-Indië, Nieuwe Serie 17de jaargang, I, 1888, p. 32.

30 See for example Edward L. Poelengomang, Proteksi dan perdagangan bebas, p. 152.


33 K.G. Tregonning, Home port Singapore, p. 11.

34 a Campo, The accommodation, p. 21.

35 K.G. Tregonning, Home port Singapore, p. 60.


37 ARA: Oost Indie Mailrapporten 1872, No. 573.


40 “Nederlandsche Handel-Maatschappij: Verslag van den Sub-agent te Makassar over het jaar 1881”, in Nederlandsche Handel-Maatschappij 1825-1964,
The quantitative data can be seen on Edward I. Poelenggongang, p. 108.


See Dienstregeling der Koninklijke Paketvaart Maatschappij 1908 Weltevreden: Albrecht & Co.


K.G. Tregonning, Home port Singapore..., 138.


Gerrit J. Knaap, Changing Economy, p. 118.

Howard W. Dick, Industri pelayaran Indonesia, p.13.

See Dienstregeling der Koninklijke Paketvaart Maatschappij 1891, 1929 (Weltevreden, Albrecht & Co.). Combination between domestic and international shipping routes see NV Koninklijke Paketvaart Maatschappij, Intended time table for the year 1940 of the KPM Line (Kolff: 1939). See
also NV Koninklijke Paketvaart Maatschappij, Beknopte alphabetische gids van havenplaatsen en reeden bezocht door de stoomschepen der Koninklijke Paketvaart Maatschappij, Weltevreden: Visser & Co. 1925.


57 See “Mandelijkse lijndienst van de zuidkust van Java met plaatsen ten oosten van Surabaya in overweging”, in Oost Indie Mailrapporten 1870, Inv No. 291, ARA, Den Haag.

58 Edward L. Poelengomang, Proteksi, p. 129.


63 H.W. Dick, Industri pelayaran, p. 12.


65 See “Missive de Hoofdagent der KPM (Opten Noort) aan den Raad van Bestuur de KPM te Amsterdam, 7 Juli 1891”, in Archieven van KPM/KJCP, inv. Nr. 80, ARA, The Hague.

66 M.G. de Boer & Wastermann, Een halve eeuw, p. 221.
67 See "Missive de Hoofdagent der KPM aan den Raad van Bestuur der KPM te Amsterdam, 26 Juni 1890", ARA:KPM/KJCPL Inv. No. 80.


74 Calculated from Wong Lin Ken, p. 66. In 1870 value of export and import of Singapore with the Archipelago: $12,300,000; French Indo-China: $3,800,000; Malaya: $9,400,000; Thailand: $4,600,000; while in 1915 the value was as follow: the Archipelago: $110,800,000; French Indo-China: $21,400,000; Malaya: $160,000,000; Thailand: $51,400,000.

75 J.N.F.M. a Campo, Koninklijke Paketvaart, 1.

76 De Boer & Wastermann, Een bakze eeuw, 221.

77 Actually there was still the other network, i.e. the Penang network. The influence of Penang’s shipping network was strongly experienced by Aceh and East Sumatra.

78 Jeroen Touwen, Extremes in, 303. Interregional exports are exports to Java and exports to the (other) Outer Provinces.


84) The conditions of ports in Indonesia just after the Japanese occupation were reported by the Dutch in 1946. See *ARA: KPM Ongecoderd Archief*, Inv. Nr. 251.

85) The destruction of ports in Eastern Indonesia such as Makassar, Medano, Ambon, Kupang also mentioned in the NHM report. It is said that the destruction of ports in eastern part of Indonesia were serious. See Nederlandsche Handel-Maatschappij: Verslag van den Agent te Makassar over het jaar 1948”, in *Nederlandsche Handel-Maatschappij 1825-1964*, Inv. Nr. 5113, ARA, Den Haag.


The Kian Wie, “Economic policies in Indonesia during the early independence period in particular with respect to foreign investment”, paper presented in Summer Course in Indonesian Modern Economic History, Yogyakarta, 3-29 July 1995, p. 2.


From Pontianak for example, coconut oil was into Singapore. See Nederlandsche Handel-Maatschappij: Verslag van den Sub-agent te Pontianak over het jaar 1947, 1953”, in *Nederlandsche Handel-Maatschappij 1825-1964*, Inv. Nr. 5152, ARA, Den Haag. Smuggling activities were also reported by the NHM agency in Singapore.


After the war, the Dutch claimed that the KPM’s ships that were lost or sink during the war, were ss “Reael”, ss “van der Hagen”, ms “Semarang”, ms “paloh”, and ms “Op ten Noort”; see “Overzicht van den huidigen stand van zaken, Batavia Centrum 23 Juli 1946”, in *Ministerie van Koloniën en Opvolger (1859-) 1945-1963 (-1979)*, Inv. Nr. 9609, ARA, Den Haag.
But it can be understood since the KPM fleet were also used for transporting troops of SEAC (Southeast Asia Command) in Singapore, see “Troepenvervoer van Nederlands naar Nederlandsch-Indië 24-26 December 1945”, in KPM/KICPL, Inv. Nr. 675, bundle 822.42, ARA, Den Haag.


