

## INFORMATION FROM NON-SELF-GOVERNING TERRITORIES

Summary and Analysis of Information transmitted  
under Article 73(e) of the Charter

Report of the Secretary-General

(Item 28(a) of the Provisional Agenda of the Second Regular  
Session)

SUMMARY OF INFORMATION TRANSMITTED  
BY THE GOVERNMENT OF THE NETHERLANDS 1)

Document A/323 contains a summary of the information submitted by the Netherlands Government with respect to Surinam and Curacao. The information on the Netherlands Indies is summarized in the following separate document.

The information on the Netherlands Indies opens with an introduction which states that a comprehensive survey of what was achieved before 1940 is essential as a background to present developments. Therefore, the introduction continues, the information in each section will focus attention on past aims and achievements so that the significance and magnitude of the task of reconstruction will be thrown into clearer relief than would be done by a mere review of data.

The following summary gives under each heading a short survey of conditions prevailing immediately prior to the war. Where necessary some attention has been given to conditions during the war, while postwar developments and policies, where discussed in the reports, have been treated more fully.

1) By virtue of Resolution No. 66 (I) of the General Assembly, this summary is also being laid before the ad hoc committee on the transmission of information under Article 73(e) of the Charter.

NETHERLAND INDIES

INTRODUCTION

After the capitulation of Japan, political circumstances made it impossible to begin reconstruction over the entire Archipelago. The occupation of the Netherlands Indies by Allied units was effected under British and Australian command. In Java and Sumatra, armaments and supplies were handed over by the Japanese to military formations of the newly-proclaimed Indonesian Republic. The transfer of authority to the Netherlands Indies Government over territories outside Java and Sumatra was effected in July 1946, the transfer of Allied bridgeheads (chiefly Batavia, Bandoeng, Semarang and Soerabaja in Java; Medan, Padang and Palembang in Sumatra; and the island of Poeloeweh) took place on November 30, 1946.

Under the Linggadjati Agreement of March 15, 1947, a large part of Indonesia (Java and Sumatra) is under the conditionally recognized de facto rule of the Indonesian Republic. Reconstruction in these territories cannot begin until financial and economic settlements have been made between the Netherlands and the Republic.

In the remaining districts, covering more than two-thirds of the total Indonesian area with over fourteen million inhabitants, rehabilitation of welfare services, economic and industrial reconstruction were initiated before the transfer of control.

However, progress is hampered by several factors: depletion of expert staff through Japanese internments; lack of transport and foreign currency; lack of shipping facilities. Moreover, political differences between the Netherlands and the Republic have diverted much valuable time and attention from urgent problems of reconstruction.

Hundreds of millions of guilders<sup>1)</sup> will be required for the rehabilitation of Indonesia's productive capacity, its transportation system, its ports, its power plants, its administrative machinery.

In order to finance these imports, Indonesia must produce export commodities, as she has done in the past when her purchases abroad were met by her agricultural and mining production at home.

## Chapter I

### GENERAL INFORMATION

#### GEOGRAPHY

The Netherlands Indies or Indonesia is the name of an entity of islands situated off the mainland of South East Asia, covering a land area of 733,000 square miles.

Generally, the soil is suitable to agricultural production; in Java and Sumatra it is especially fertile due to the activity of many volcanoes.

#### POPULATION

##### Indonesian Population

The 1930 Census showed 59,138,067 Indonesian inhabitants (1940 estimate: 71,000,000) of which 47 per cent are Javanese, 14.2 per cent Sundanese and 7.2 per cent Madurese. Approximately one hundred twenty-five racial groups in the islands outside Java and Madura (the so-called Outer Provinces) include ethnic units numbering more than one million as the Menangkabaus, the Bataks, the Buginese, the Balinese and the Papuas.

##### Java

Java is one of the most densely populated areas in the world. In 1940 according to estimates the population numbered 48,000,000.

1) Note by the Secretariat: The official rate of exchange of the Netherlands Indies guilder is 2.64-5/8 to \$1 (U.S.) and 10.68 to £ 1 (sterling).

The prewar annual excess of births over deaths is estimated at 1 1/2 per cent. Population density in several districts is over 1,000 per square kilometer. During the Japanese occupation the birth rate fell from approximately 35 per thousand to 18 per thousand; the death rate increased from 20 to 40 per thousand constituting a mortality excess of 22 per thousand. Thus, apart from the death toll among those carried off for forced labor, the war has depleted the population of Java and Madura by about two and one half million. It is feared that the death-rate remained on this high level during 1946.

#### Outer Provinces

The population, estimated at ten million in 1890 had risen to 18.25 million at the time of the 1940 Census. Today it is estimated at twenty-two to twenty-three million. The average density is 12 persons per square kilometer.

The level of cultural development differs greatly in the various islands. Certain groups of Papuans in New Guinea have hardly come into contact with outside influence, while the people of the Island of Bali represent one of the most highly developed cultures of the Archipelago.

#### Non-Indonesian Population

The 1930 Census showed 240,417 Europeans residing in Indonesia. The number included, in addition to 208,269 Netherlanders, 7,000 Japanese. Seventy-five per cent of the European section consisted of Eurasians or Indo-Europeans. In 1930 there were 192,571 Europeans in Java and Madura, of whom about 100,000 lived in the cities. Among the 47,846 Europeans in the Outer Provinces, 11,000 were settled in the plantation area of Sumatra's east coast.

The European group, whose economic importance exceeded its numbers, suffered heavily during the Japanese occupation. It is

estimated that of the European internees and prisoners-of-war twenty-five per cent succumbed.

The Chinese group numbered 1,233,214 in 1930. They retained their social and cultural characteristics, although the majority of those born in Indonesia are often predominantly of Indonesian blood. Their chief occupation is the retail trade, buying and selling.

Among other non-Indonesian racial groups, the Arabs are the most numerous (71,000). The influx of Indians, mostly traders like the Arabs, is of more recent origin. The Indians number about 25,000.

#### The Population Problem in Java

Java's population increased from 4,999,250 in 1815 to 48,000,000 in 1940. In order to meet the annual population increase of more than 600,000 persons in prewar years, food production was raised through reclamation of waste lands, improved irrigation and intensified tillage. Industrial development and migration to thinly populated areas in the Outer Provinces were encouraged.

These measures did not change the economic tradition of the population nor their former way of living. The immediate effect was that a larger number of persons lived on the same low level, as is proved by the fact that there was no noticeable increase in the consumption per capita of staple food stuffs in Java.

Foodstuffs available in kilogrammes per capita in Java and Madura

	<u>1913</u>	<u>1920</u>	<u>1930</u>	<u>1940</u>
Cereals	131	130	134	124
Roots	96	202	142	191
Nuts and Pulse	8.0	8.6	7.9	8.3

As a matter of future policy, in order to ease population pressure and to raise the standard of living, the net proceeds of agricultural products will have to be increased through renewed price control, the fight against usury, the extension of the agricultural

credit system and the expansion of cooperative societies. Fisheries will have to be developed further.

#### CONTRASTS BETWEEN JAVA (WITH MADURA) AND THE OUTER PROVINCES

Java and Madura, with a population of forty-eight million, cover 7 per cent of the entire territory, while the Outer Provinces, aggregating 93 per cent of the region, comprise about twenty-three million persons.

With few exceptions, agricultural potentialities in the Outer Provinces are below those of Java. However, there are vast areas where the population is too sparse to take full advantage of the economic resources.

Many peoples in the Outer Provinces have not yet risen to a level where the principal means of subsistence are provided by some form of husbandry. Tilling of the soil is often in the elementary stage of "ladang" or shifting cultivation.

In Java, however, the cultivation of rice on irrigated fields has reached a high level of development.

The population of Java and Madura is for the greater part dependent on the production of foodstuffs, consumed either by the growers themselves or sold to other consumers in the Indies.

In Java and Madura 68.3 per cent of the area is under cultivation, i. e., 25.6 per cent sawah (wet fields), 35.1 per cent dry fields, while the balance of 7.6 per cent is occupied by western plantations.

In the Outer Provinces less than one-third of the area is under cultivation. Commercial agricultural crops are of greater importance. In 1938, 52 per cent of the total value of agrarian exports from the provinces were produced by Indonesians. Therefore, in the Outer Provinces economic life is more sensitive to the world trade cycle.

Unlike Java and Madura, the Outer Provinces have considerable exports of minerals which, in 1939, accounted for 40.9 per cent of the value of total exports of these outer islands, while the share of minerals in the total exports of Java amounted to only 11 per cent.

The share of the Outer Provinces in exports has increased continuously. In 1939 it surpassed Java's share by 27 per cent of the total value of the exports of the country.

Both in Java and Madura and in the Outer Provinces, agricultural production is the mainstay of economic life. Before the war in Java 65.2 per cent and in the Outer Provinces 81.5 per cent of the total number of Indonesians employed made their living in agricultural occupations.

## Chapter II

### POLITICAL DEVELOPMENT

During the inter war period of 1920-1939 a number of democratic institutions had been introduced. Among these are the regency and municipal councils, Provincial councils, and a People's Council. The latter functioned as a representative and co-legislative body and was composed of 30 Indonesians, 25 Netherlanders, and 5 others (Chinese and Arabs).

In demanding that the last vestiges of colonial status be obliterated, important elements among the Indonesians in 1940, pressed for the immediate coordination of the four territories of the Netherlands Kingdom (the Netherlands, Indonesia, Surinam and Curacao). All four were to have equal status, as contemplated in the Netherlands Constitution of 1922. The group further demanded that an Imperial Council should be established which, in cooperation with the Crown should constitute the supreme governing body of the Kingdom. Such a Council was to be composed on the basis of equal representation of the four parts. The Netherlands Indies' Peoples' Council was to receive full parliamentary powers, the heads of the various departments were to have the status of minister, responsible to Parliament.

Although the Netherlands Indies Government was of the opinion that fundamental reforms were inopportune since these reforms would affect relations with the mother country, at that time under German occupation and unable to voice its opinion, it declared its readiness to have the various political demands studied by a special commission. The Netherlands Indies Government further decided to "discuss, immediately after the liberation of the mother country, the adaptation of the structure of the Kingdom to the exigencies of the times, and to make the internal political structure of the overseas territories an integral part of this discussion". In the meantime war had come



to the Pacific. On December 6, 1942, Her Majesty delivered a speech in which mention was made of a re-organization of the Netherlands Kingdom after the war; the four parts were to be harmoniously associated and combined on an equal footing into a new political structure based on voluntary consent.

After the capitulation of Japan, it was considered essential to obtain the assent of the population before a change in the political structure of Indonesia could be effected. The trend was towards a federal system, composed of largely independent political units. The consensus of opinion in the islands outside Java and Sumatra was that a federal union would be practicable only if the affiliated peoples had complete freedom to live their own lives. A conference of deputies from islands of the eastern part of the Archipelago in December 1946 led to the creation of the state of East Indonesia to which full government powers have been granted except for those functions as must as yet be exercised by the central Netherlands Indies authorities. The definite balance of powers and functions will be decided upon in due course. A president will act as head of the State of East Indonesia, while ministers heading the various departments will be responsible to a Parliament.

The State of West Borneo has been established along the same lines.

As for the territory of the self-constituted Indonesian Republic in Java and Sumatra, great difficulties were encountered in trying to find a basis of voluntary co-operation in the common task of reconstruction on the part of the Republic. Such a basis for co-operation between the Netherlands, the Indonesian Republic and the other peoples of the Kingdom was found in the Linggadjati Agreement of March 15, 1947.

This Agreement provides for a new political organism to be set up not later than January 1st, 1949 and to be called the Netherlands Indonesian Union, closely uniting within its compass

the peoples of Indonesia, on the one hand, and those of the Netherlands, Surinam and Curacao on the other.

"The peoples of Indonesia will be united into a federation, the United States of Indonesia; the Indonesian Republic will be one of the affiliated States, Borneo and East Indonesia the other two. Thus, the Government of the United States of Indonesia will succeed the present Netherlands Indies Government. The federation's sovereignty will be limited in two respects: by the power retained by the Netherlands-Indonesian Union, and by the powers to be vested in the affiliated States.

"The status of the United States of Indonesia in the Union will correspond to that of the Netherlands. That share of complete power which is withheld from the federation in favour of the Union will likewise be withheld from the Netherlands.

"The United States of Indonesia not the Republic, will be proposed for membership of the United Nations, as a partner of and equal in sovereignty to the Netherlands."

The Union will be headed by the Queen of the Netherlands. This pre-supposes that a cabinet of ministers will be responsible for the policy of the Union. It is expected that the United States of Indonesia will also be constituted on January 1st, 1949, thus bringing to an end an historical process which will lead to the elimination of the Netherlands Indies as a non-self-governing territory.

### Chapter III

#### ECONOMIC CONDITIONS

##### INDONESIAN AGRICULTURE

According to the 1930 Census, sixty percent of all Indonesians put themselves down as farmers. However, the percentage of Indonesians finding their means of existence partly or entirely in agriculture is estimated to be as high as eighty or ninety percent. The peasants provided nearly all the food for seventy million inhabitants of the Archipelago, and twenty-five percent of the total exports, as well as the greater part of the raw materials used in Indonesian industries. Out of the total area of Java, 59.7 percent (7,874,800 hectares) were used for Indonesian agricultural activities in 1938.

Farming in Java is done either in sawahs (irrigated fields) or in dry fields. In 1940 sawahs covered three and a half million hectares. Here, irrigation enables the farmers to grow rice and, after the rice is harvested, to obtain a second crop of corn, soya beans, peanuts, etc., using his sawah this time as a dry field.

In 1940 the dry fields in Java covered 4.6 million hectares. This figure included one and a half million hectares of home plots which have become of increasing importance to the farm economy. Intensely cultivated, these plots provide garden products almost throughout the year. Shortly before the war, the value of these products was estimated at seventy-five million guilders; the actual return in money from sales on the local market was two-thirds of this amount. In 1939, the total value of food crops produced by Indonesians in Java was five hundred and fifty million guilders (including returns from home plots); the total value of their commercial crops amounted to fifty-seven million guilders.

The Agricultural Service of the Department of Economic Affairs was responsible for the improvement of Indonesian agriculture.

The service included a section for Agricultural Advice and Information, with sub-sections for Agriculture, Horticulture and Agricultural Schools and Education.

Agricultural advisory experts and their assistants worked in the fields, studied the economic and social aspects of agriculture in their districts; advised on improvement of methods of cultivation, on seeds and crops; supervised experimental fields and nursery beds; combatted pests and plant diseases; watched fluctuations in local market prices and crop expectations; these agents controlled purchasing and carried out food policy. Agricultural education was provided in agricultural schools; information was given through lectures, short courses, meetings, practical demonstrations and visual aids.

Scientifically, the most important agricultural institution is the General Experimental Station for Agricultural Research in Buitenzorg, which includes a Botanical Laboratory, Institute for Plant Diseases, an Institute for Chemical Soil Research and the Agricultural Institute.

One of the achievements of the Agricultural service was the application and adjustment of the findings of modern science to Indonesian agriculture. As a result, by 1940 the Netherlands Indies as a whole had become practically self-supporting as far as rice was concerned. This can be seen from the following:

(production figures in 1000 tons)

Year	Rice hulled	Maize hulled	Cas- sava roots	Sweet pota- toes	Peanuts shelled	Soya seeds	Import(+) or export surplus(-) of rice		
							Java	Outer Prov.	Neth. Ind.
1930	3512	1956	5216	1100	149	106	+213	+403	+616
1935	3689	1940	6343	1360	129	185	+79	+288	+377
1939	4020	1937	8311	1263	183	294	-135	+387	+252
1940	4374	1831	8270	1543	179	283	-195	+222	+27

While the sawah area increased by sixty percent between 1890 and 1940, rice production during the same period increased by 132 percent.

During the Japanese occupation, export possibilities were cut off entirely. Farmers producing for export stopped harvesting and neglected their fields and crops. After the war it was found that, due to the forced expansion of the production of foodstuffs, a feature of Japanese policy of local self-sufficiency, ninety-nine percent of the pepper in Banka and fifty percent of the coffee gardens in Celebes were lost. Moreover, the padi area in the eastern part of the archipelago decreased by twenty-five percent as between 1941 and 1945, due to excessive requisitioning and the policy of low prices of the Japanese.

The effects of the Japanese occupation on agriculture in Java can be seen from the following figures

	Average 1937-41	1942	Output in tons		Decline (1944 from 1941)
			1943	1944	
Padi	8,511,000	8,302,000	8,122,000	6,811,000	-20%
Mais hulled	2,056,000	2,165,000	1,603,000	1,211,000	-41%
Cassave roots	8,249,000	8,735,000	7,521,000	5,558,000	-33%
Sweet potatoes	1,309,000	1,312,000	1,083,000	1,098,000	-17%
Soya beans, dry	301,000	352,000	273,000	110,000	-64%
Peanuts, shelled	194,000	206,000	210,000	190,000	-44%
Potatoes	41,000	28,000	19,000	12,000	-71%

The losses suffered by Indonesian peasants as a result of damage to crops and soil, coupled with losses incurred as a result of decreasing returns and the impossibility of export of commercial crops, have been estimated as follows:

<u>Food Plants</u>		
Cost of rehabilitation of soil		U.S. \$ 100,000,000
Loss in money through lack of sales		250,000,000
<u>Commercial Plants</u>		
Capital losses		87,000,000
Loss in money through lack of sales		400,000,000
Total		U.S. \$ 837,000,000

At the end of the war in the Pacific, the task of creating order out of the Japanese chaos was hampered by a lack of experienced personnel, a lack of means of transportation on land and on sea, a lack of seed and agricultural implements and a lack of fertilizer.

On September 1, 1945, a branch of the Agricultural Advice and Information Service was reestablished in Makassar (Celebes) for the Eastern Archipelago and South and East Borneo. Its work was resumed in Western Borneo in October 1945, and in Banka and Biliton in July 1946. In Java, the activities of this service are largely limited to the immediate neighbourhood of Batavia and Surabaya.

This Service used radio, periodicals in the vernacular, films, field trips and exhibitions to inform the farmer about ways and means of improving his products.

Courses for farmers as well as a training course for agricultural surveyors have been organized in all districts in Celebes.

Of 14 courses in agriculture in primary schools in the Celebes, abolished by the Japanese, nine have been reestablished, while nine others will be reinstated in the near future.

Schools for teachers in agricultural subjects were opened in Makassar and in Lombok. Two secondary agricultural schools will be established in Makassar.

Agricultural policy was directed towards (1) an increase of production within a short period of time in order to make Indonesia as nearly self-sufficient as in pre-war days (distribution of seed, fertilizer, tools), (2) the cultivation of those products of which there is a shortage in the world market (rubber, copra, pepper), (3) long-term projects, which will result in increased agricultural production (scientific research, selection varieties, seed gardens and nurseries, study of pests and diseases).

It is hoped to create conditions which will permit the fullest utilization of the agricultural potential in order to increase the

prosperity of the Indonesian people to the highest possible level.

In the past the greatest difficulty in raising the standard of living was encountered in the fact that an increase in agricultural production was always surpassed by a proportional increase in population. In the future, great effort must be made to make prosperity win the race.

#### IRRIGATION

Closely related to the care for the soil and the welfare of the people are the various irrigation systems, which bring water to the sawahs carrying mud and dissolved salts.

The village usually took care of irrigation projects on a small scale and of the water supply within the village area. Responsibility for medium and large-sized irrigation projects, however, rested with the provincial authorities or with the Government prior to the establishment of provinces.

Between 1900 and 1940, 270 million guilders were spent on irrigation by the Central Government. This does not include investments on the part of private enterprise for the improvement of the irrigation system.

The total area of sawahs increased from 2.7 million hectares in 1900 to 3.5 million hectares in 1940.

It was necessary to maintain a large forest area in Java both for the regular water supply and for the protection of the soil. A further extension of the area which may be used for agriculture on that island was therefore practically excluded. Moreover, the possibility of extending the area under irrigation was limited. Greater attention was therefore paid, before the war, to supplying water by means of reservoirs to the sawahs during the dry season. This would enable the peasant to grow a second crop of rice.

On the islands outside Java and on Madura, there was less need for an extensive system of irrigation. On Bali, Sumatra and in the

South Celebes, however, sizeable projects have been set up, some in connection with the settlement of peasants from Java in under-populated areas in the Outer-Provinces.

After the Japanese capitulation, two large irrigation projects in South-Celebes, of 64,000 hectares and 18,800 hectares respectively, survived in fairly satisfactory condition, as were irrigation works in Bali and in Lombok. Conditions in the territory of the Indonesian Republic in Java and Sumatra are still unknown.

The costs of reconstruction of irrigation projects are estimated at six to eight million guilders (pre-war price). Extensive new works are planned, particularly in the outer provinces, at a cost of approximately thirty million guilders, while the construction of two great irrigation projects in South Sumatra and Middle Celebes which will supply water to 250,000 hectares is being studied. The cost of these projects is estimated at twenty million guilders.

#### WESTERN AGRICULTURE

Plantation agriculture before the war was primarily developed on the islands of Java and Sumatra, now under the authority of the Indonesian Republic. The large sugar, tobacco, palm-oil, cinchona and cocoa plantations are located on those islands, and only 192 of 1200 rubber plantations are found outside Java and Sumatra.

#### Condition of the processing plants on western plantations on Java and Sumatra, August 1946.

Product	In running condition	In need of small repairs	In need of heavy repairs	Total loss	Total Number
J rubber	439	5	109	30	583
A tea	103	66	33	35	237
V coffee	159	-	-	3	162
A sugar	51	2	16	39	108
S					
U rubber	11	19	94	36	160
M palmoil	6	5	5	8	24
A coffee	4	-	1	-	5
T tea	-	3	3	8	14
R					
A					



"Large areas of perennial plants have been destroyed, e.g., over 20,000 hectares of rubber trees as against only 7,000 hectares planted. Of the tea plantations thirty percent is a dead loss. Coffee plantations covering 22,000 hectares have been destroyed. Of 106,000 hectares planted with oil palms 16,000 hectares have been cleared; the rest is largely damaged. Cocoa plantations have fallen into neglect. It will be many years before these products will show recovery. Repairs and replacements of processing plants will also take time. Rehabilitation cannot be started before these plantations have been restored to the lawful owners in accordance with article 14 of the Linggadjati Agreement."

"Security of life and property will have to be guaranteed sufficiently in the settlement areas, and favourable working conditions must be assured before the owners can be induced to reinvest the capital needed to put their estates into working order."

"The exact amount of capital needed for reconstruction cannot be estimated, but the loss to plantations owned by western interests of trees and plants, machines, buildings and equipment, will be roughly 350 million U.S. dollars, according to Dutch experts."

"In the outer Provinces, the few plantations where work could be resumed, are chiefly located in the Riouw Archipelago (rubber), in Borneo (rubber), South Celebes (rubber, coffee, kapok and coconut), North Celebes (coconut, coffee, rubber), the Banda Isles (nutmeg), and Bali (coconut and rubber)."

"The initiative for renewed exploitation was taken by or on behalf of the Government."

In South Borneo, several neighbouring rubber plantations were placed under joint management, covering an area of approximately 5,400 hectares which, in 1941, yielded over four million kilograms of rubber.

Two large processing plants on these plantations had been found in good condition. These were formerly run by the Japanese. In

January 1946, output amounted to 50,000 kilograms, in March 1946, to 120,000 kilograms, and since May 1946, production has been approximately 200,000 kilograms per month.

In Borneo, production on a few more rubber plantations was resumed, as was done in Riouw and South Celebes. On the latter island, a few kapok and coffee plantations went back into production.

In the Minahassa (North Celebes), a number of plantations covering 7000 hectares, chiefly cocoanut, some coffee and rubber, have resumed production.

In the Banda Isles, nutmeg production was found utterly neglected. By means of credits for the rehabilitation of gardens and establishments, small-scale enterprises are being revived.

#### FORESTRY

The Java forests, nearly all national property, cover 31,572 square kilometers or 23.9 percent of the total area of Java. Nearly 8,762 square kilometers supply timber for domestic consumption, e.g., 6,777 square kilometers teak and 1,985 square kilometers other wood. An area of 18,360 square kilometers or 13.9 percent of the total area of Java was conserved as protective forest.

In 1939, the total Java production was approximately 1.9 million cubic meters timber. Although 2.6 percent or 50,000 cubic meters were exported, considerable quantities were imported from the Outer Provinces and from abroad. In addition there were large imports of plywood packing cases, newsprint, packing paper, etc. Java was likely to remain a wood importing area.

In 1940, 43.7 percent of the teak forest area and 6.3 percent of other forest had been converted into cultivated forests.

The forest area in the Outer Provinces totals 1,207,000 square kilometers (68 percent of the total area of these islands). The greater part of these forests does not warrant exploitation, either because of the type of wood or because of unfavourable location.

However, a large part (approximately 10 million hectares) can be exploited. The cultivated area was only 15,000 hectares in 1939.

Three and a half years of Japanese exploitation have done more damage than fifteen years of normal lumbering. Teak consumption in Java went up 33 percent. Deforestation of mountain slopes caused erosion in many areas. The wholesale destruction of forests made Java more dependent on the importation of wood from the Outer Provinces. In other islands, damage has been less serious due to the abundance of lumber resources. Total damage to forests and forestry equipment is estimated at 51 million U.S. dollars in Java, and at 34 million U.S. dollars in the Outer Provinces.

Since the Japanese surrender, large supplies of timber have been needed for reconstruction purposes. Annual requirements for Borneo and the Great East alone are estimated at an annual average of 150,000 cubic meters for the next five years. In addition, there will be before long a demand from the Republican territories. Moreover, Indonesia is surrounded by countries with deficient timber resources, e.g., China, Australia, and India. Although domestic requirements will have priority, the question is being studied as to how the forests in the Outer Provinces can be exploited so as to make Indonesia a permanent source of timber for neighbouring countries. Surveys have shown that in South Borneo, within a total area of 1.9 million hectares, over 300,000 hectares is covered with Agathis forests which would produce 45 million cubic meters of Agathis wood, suitable for the manufacture of plywood, veneer, cellulose, paper and matches.

It is an accepted policy that intensified forestry must primarily benefit Indonesian industry. Remote regions with limited economic possibilities will find their standard of living raised as forest exploitation progresses. In South Borneo preparations are in progress for the opening of 20,000 hectares of Agathis and 15,000 hectares of Dacrydium forests. Indonesian contractors will be invited

to participate in the exploitation. They will in the beginning work under the direction of the forestry staff, but will gradually acquire greater independence. Present monthly production of one thousand cubic meters should be tripled in 1948.

In the same area, preparations are made for a combined cellulose, saw-mill and plywood industry.

For the whole of South Borneo, production for 1947 is estimated at 8,500 cubic meters iron-wood, over 10 million scraps for roof slates; 25,000 cubic meters Agathis wood, 93,500 cubic meters various other kinds of wood; 20,000 tons of fuel, 4,000 tons of rattan, 3,000 tons of mangrove root, 6,500 tons of jelutung (dyers sp., used for chewing gum), 500 tons of damar (turpentine balus) and 1,500 tons of other forest produce.

Rehabilitation is also in progress in North Borneo and in the eastern part of the Archipelago. In North New Guinea, several saw-mills are in operation. Several years of exploration and pioneering will be required before it will be possible to give an estimate of the immense natural wealth of this territory.

#### FISHERIES

The number of Indonesians who earned their living as fishermen was relatively small. The 1930 Census listed approximately one quarter million fishermen engaged in salt-water fishing, while freshwater fishing was a secondary source of income for peasants rather than a full time occupation.

In 1940, total fish imports in Java equalled 175 million kilograms of fresh fish, half of which came from the other islands of the Archipelago. Java's own fish production was estimated at 122 million kilograms of fresh- and salt-water fish. Java's annual consumption of fish was thus close to 300 million kilograms, or an average of six kilograms per head per year. Fish was the principal source of animal albumen. Since the quantity of animal albumen consumed in

Indonesia was clearly not sufficient, an increase in the supply and consumption of fish constitutes the only possibility of meeting the deficiency; an increase in the production of meat in a relatively short space of time will be far more complicated.

#### Fresh and brackish water fisheries

The research by the hydro-biological laboratory in Buitenzorg resulted in findings which were of importance for tropical fisheries in general, such as the growth of fish in relation to the quantity of food available, and the reproductiveness of tropical fish.

In Java freshwater ponds, swamp ponds and irrigation reservoirs were often used for fish breeding. Sawahs (padi fields) were sometimes used for this purpose during the period as the fields were not in use for agriculture. Total area of fishponds in Java was approximately 82,000 hectares which, if properly managed, could produce 4,000 kilograms of fish per hectare annually. (sawahs 400 kilograms per hectare annually)

In order to improve the quantity and quality of fish in various lakes in the Outer Provinces, fish was imported from other countries with favourable results.

Salt and brackish-water fisheries in ponds were of equal importance in Java. An almost unbroken chain of such ponds (tambaks) was situated along the north coast, covering an area of approximately 100,000 hectares. Many former saltpans on the salt island of Madura have also been transformed into ponds. In the brackish and salt water ponds the culture consists chiefly of bandeng (chanor-chanor, a sea fish resembling herring,) and shrimps.

The maximum production which could be obtained from fresh water fisheries in Indonesia was estimated at 130 million kilograms above pre-war production.

#### Sea Fisheries

Sea fishing in Indonesia was largely a coastal affair. Proas of approximately eleven meters in length were used with a crew of

fifteen. Sometimes one man owned several such vessels. This activity was carried on all over the Archipelago from the Moluccas to North Sumatra. Normally the catch was fifteen tons per proa per annum.

Dietitians agreed that a consumption of twenty kilograms per head per year was essential for an adequate diet, or a total consumption of 1000 million kilograms above 1940 consumption.

As the increase in the production of fresh and brackish-water fisheries has certain limits, any further increase in fish production must come from salt-water fisheries.

In the area along the north coast of Java (comprising 100,000 kilometers) Java fisheries produced annually approximately 0.8 ton per square kilometer; the Batavia Motor Proa Company (an experimental business), however, showed a catch of 2.3 tons per square kilometer. The fishing district around Bagan-Si-Api-Api (Sumatra), with an area of 16,000 square kilometers, shows a production of fifty tons per square kilometer.

For these and other reasons it may be assumed that the adjacent waters of the various islands are rich in fish, and that production of the sea area of the Archipelago could be 6000 million kilograms annually. With present Indonesian equipment, however, this goal cannot be reached. Plans, therefore, provide for a new type of vessel with a 75 horse power engine. These crafts will have an annual capacity of approximately 200 tons of fish. This type of motorship, however, is beyond the means of a small business man. Proper exploitation requires operation of entire fleets, at the same time enabling the fishermen to use facilities for proper conservation of their catch. It is possible to build and equip 150 ships annually and 150 vessels of this type could supply thirty million kilograms of fish annually. Within twenty years three thousand ships

would be in commission with an annual supply of six hundred million kilograms of fish. At the 1940 price level the capital expenditure involved would amount to one hundred million guilders, an investment which would make commercial exploitation possible at all times.

The total war damage inflicted upon the fishing fleet is estimated at twenty-five million U.S. dollars. A large portion of the 20,000 smaller sea-going vessels (proas) and the fifty motorships was lost, causing a fifty percent decrease in supply. In addition, shortage of equipment hampered resumption of production. The damage to the fish ponds in Java is estimated at five million U.S. dollars.

The Central Station for sea-fisheries was established in Macassar after the war. This station is also responsible for the improvement of fisheries in East Indonesia and Borneo. Branches have been established in a number of other fishing centers. Scientific research has been resumed, explorations of new fishing grounds have been organised; plans for a large modern fishing industry are being worked out, experimental fishing with trawlers has been re-established, the construction of proas for which Government financial aid is provided, the construction of motorcraft has begun. Training classes have been organised for consulting experts in salt water fisheries.

Work on fresh water fisheries has also been resumed immediately. By the end of 1946, South Celebes exported more fish than before the war. It may be expected that before long, the export of fish from East Indonesia will be raised to 60,000 tons annually (pre-war export: 10,000 tons annually).

Through speedy modernisation and reorganisation of the various types of fishing industries in Indonesia, it is hoped to obtain by 1965 an annual production level of 1500 million kilograms of fish.

#### LIVESTOCK

The number of Indonesians whose occupation is cattle breeding was even smaller (1930 Census) than the number of those who earned their living as fishermen. The following figures for cattle, caraboas and horses were taken from a 1939 census, those for pigs, goats and sheep from a 1935 census.

TOTAL LIVESTOCK

	Cattle	Carabaos	Total	Per 1000 inhabitants	Horses	Total number of cattle, carabaos and horses	Total per 1000 inhabitants	Total per sq. km. of arable land	Hogs	Goats	Sheep
Java and Madura	3,623,081	1,992,192	5,615,273	134	223,535	5,838,808	140	44.2	106,442	2,527,426	1,244,621
Outer Provinces	953,521	1,254,726	2,208,247	116	480,102	2,688,349	141	1.5	1,024,932	680,973	92,501
Netherlands Indies (Total)	4,576,602	3,246,918	7,823,520	129	706,637	8,527,157	140	4.5	1,131,374	3,208,399	1,337,122



Cattle and carabaos were used as draught animals, chiefly for fieldwork or transport.

In 1938, Java and Madura counted not more than 15,368 milch cows and in the other parts of the Archipelago not more than 5,772. In the hill districts dairy cattle farms existed. In recent years, however, Indonesian dairies have sprung up, selling their produce and competing quite successfully with western business.

The Indonesian as a rule paid little attention to cattle breeding; the people of Madura formed an exception. However, the number of carabaos diminished in favour of cattle. In many districts, it was not the slender autochthonous cow which supplanted the carabao but the imported strong Ongole cattle.

Bulls were crossed with Javanese cows; purebred Javanese bulls were emasculated so as to stop the pure breeding of Javanese strain. The major part of draft-cattle in Java consisted of descendants of Ongole bulls. In Bali and Lombok the breeding of thoroughbred Bali cattle, which is much superior to Java cattle, has been maintained. Goat breeding has become more popular, owing to cross breeding with Etawah goats.

Hog-raising in Bali constituted an important export business. Every year, 30,000 cattle and 150,000 pigs (approximately) were shipped from Bali and Lombok to Singapore. Madura exported annually approximately 60,000 head of cattle via Surabaya to the interior of Java.

During the Japanese occupation a large number of cattle and buffaloes were requisitioned to feed the army. Veterinary authorities failed to control the spreading of infectious diseases effectively. In many islands the cattle were overworked. In Sumbawa the number of Ongole cattle fell from 25,000 to 15,000 head. The famous Sumbawa horses decreased from 60,000 head to not more than 20,000 in 1945. In Java losses were estimated at three hundred thousand

horses, one and a half million head of cattle, one and a half million carabaos, one and a half million goats, nine hundred thousand sheep, ten million hens and ducks, amounting to a total loss of approximately eighty million U.S. dollars. According to Netherlands experts, the total loss for all of Indonesia can be put at one hundred million U.S. dollars.

After the capitulation, suppression of infectious and other diseases had top priority. Preparations were made for the immediate manufacture of serums and vaccines, which, since 1946, have been obtained from the Laboratory at Makassar.

During the last three months of 1946 more animals in Timor were treated through prophylactic vaccinations than had been treated during an entire year in pre-war times.

Plans have been made for the construction of canning factories to be established in districts which produce healthy animals through pure or cross breeding. A further increase of returns from cattle breeding may be realized through the expansion of the dairy industry. It is planned to establish cooperative plants for dairy produce. Produced at low cost, this process might induce the Indonesian population to use more dairy products. The expansion of poultry farming is also considered to be of vital importance to the people's diet.

#### THE MIGRATION OF JAVANESE PEASANTS TO THE OUTER PROVINCES

Migration to the underpopulated areas of the Outer Provinces served a dual purpose. It offered relief from population pressure in Java, and gave the colonist the opportunity to attain a higher standard of living in the new settlement.

Migration has also been of importance to the islands outside Java, in as far as the settlements become new centres of economic development, and to Indonesia as a whole as those centres become new sources of food supply. Large areas have been cleared of

forest. Irrigation projects have been constructed, benefiting the fields of the autochthonous population of those areas as well as those of the newcomers.

The migration has not been a spontaneous movement, but one initiated and sponsored by the Government. After several somewhat expensive experiments, a means was found in 1931 which made it possible to organize and finance the migration of large numbers of peasant families. The new system of migration was based on the willingness of already settled colonists to provide newcomers from Java with board and lodging in return for their labour and assistance during the harvest season until such time as the newcomers can support themselves.

Experience showed that migration would not prove successful unless the establishment of colonization centres was carefully prepared in advance. Such preparatory work was done in connection with land surveys and soil research in order to locate land suitable for settlement and not needed by the indigenous local population.

A guiding principle was migration on a voluntary basis. The main rules for the selection of colonists were that they should be peasants, young and healthy, preferably married with not more than two children under ten years of age. A medical examination, necessary treatment and vaccination before departure were obligatory.

During the years 1936-1940, 13,152, 19,719, 32,259, 45,339 and 50,622 colonists respectively left Java each year; another 47,095 persons migrated during the first three months of 1941. Settlements have been established in South Sumatra, in Borneo and in Celebes, which, in 1939, comprised a total area of 37,749 hectares.

The number of those leaving Java annually seems small in comparison with the island's annual population increase of six hundred thousand. However, settlers were selected from the most densely populated districts, and from districts which had suffered

most of the economic crisis, so that the immigration afforded considerable relief for those who remained. Migration of adult young men and women signifies not merely an actual decrease in population but also reduces the potential reproduction capacity of the entire group.

Without migration, provided that the annual excess of births over deaths of one and one-half per cent for the past fifteen years remains stationary, the population of Java, according to calculations by the Bureau for Statistics, will reach a total of 116 million persons in the year 2000. With an annual migration of 120,000 families, consisting of father, mother and one child, the total population in the year 2000 will be 57 millions, again provided that the excess of births over deaths remains at one and one-half per cent annually.

Pre-war experience shows that large scale migration of Javanese peasants is possible and offers a sound basis for future planning.

#### POPULAR CREDIT

Characteristic of Indonesian society, as of other Asian societies, is the constant stringent need for ready cash. This results in a widespread system of borrowing money at an excessive rate of interest.

Welfare provisions therefore included the fight against usury, debt relief and the organisation of a credit system for the broad masses of the people. The decree against usury empowered the courts to modify any agreement involving usury. Professional money lending was controlled through a licensing system.

Popular credit was organized through (1) Government pawnshops, which in 1938 numbered 460, advancing over ninety million guilders during that year on nearly forty-nine million pledges. (2) "Lumbungs" (village paddy storehouses) which exist only in Java and Madura, where credit is advanced and reimbursed in padi. In 1938 Java had 5561 lumbungs with a net working capital of 133,170

tons of padi and 7,635,800 guilders in cash. During that year loans to the amount of 10,810 tons of padi were granted to 1,123,400 persons. (3) Village banks which provide cash credit for the purchase of seed, fertilizer, food or for stock-in-trade. In 1938 6,619 village banks in Java and Madura had a total capital of approximately 7.5 million guilders. Over one million persons received credits to the amount of approximately nineteen and one-quarter million guilders. In the Outer Provinces 495 village banks listed a total capital of 821,000 guilders. One and a half million guilders was supplied to 9,000 persons. (4) The General People's Credit Bank, which coordinated the credit system of village banks and lumbungs and, in addition, provided credit for farmers and other individuals wealthier than the average villager. In 1938, loans totalling over twenty-six and one-half million guilders were granted to small agricultural and horticultural enterprises, to cattle breeding, trade, fisheries, industry, transport, building purposes, and for the amortisation of debts.

By the end of 1946, all pre-war pawnshops and eighteen local credit banks had resumed their activities in the areas outside the Republic. Branch offices of the General Peoples Credit Bank have been reopened at Batavia, Surabaya and Medan (Sumatra). It may be expected that the bank will pay greater attention to the needs of the Outer Provinces than it did before the war. Large credits are required for the rehabilitation of Indonesian coconut and rubber plantations in these areas. Such credits have already been granted. Food production and organisation and modernization of sea-fisheries will require special consideration by the bank.

The Bank's saving campaign endeavours to induce those whose present income is boosted owing to boom conditions to save surplus earnings until such a time as there will be ampler opportunities to spend money usefully.

## INDUSTRIES

The reasons advanced for the need for industrialization in the pre-war period were: (1) A territory which for its prosperity is chiefly dependent on the export of agricultural products is exceedingly vulnerable in a world which aims at self-sufficiency. (2) In order to raise the economic level, it is necessary to develop the productive capacity of the country to its fullest extent. This can be done by the use of domestic raw materials for the production of consumer goods which were previously imported, thus freeing capital for the purchase of capital goods, the need for which is increasing. (3) Industry needs Indonesian technical and administrative workers, and causes the establishment of a number of medium and small allied industries, which further the growth of an Indonesian middle class.

The total number of workers in large and medium sized industries was estimated at approximately 125,000 in 1937. Of far greater importance for the country's national income, however, were the Indonesian-owned or so-called small industries. It was these industries which formed the chief source of income for more than one and one-half million people, not counting those engaged in home industries or handicrafts which provide a secondary source of income in addition to income derived from their main occupation in agriculture. In 1937, the value of production in those industries was estimated at 182.4 million guilders, of which 72.4 million was derived from small industries and 110 million from home industries and handicrafts.

The export value of industrial products from Java to the Outer Provinces in 1938 amounted to 75 million guilders.

The small industries, the development of which was one of the major responsibilities of the Section for Industry of the Department of Economic Affairs, included the batik, weaving and leather industry, pottery, cigarette manufacture, bread and rusk bakeries,

factories for sereh-oil, cassava flour, plaiting and mats, packing material and native shipyards.

Prewar production of the most important small industries:

Batik	41.3 million guilders(1937)
Textile	
272 most important factories	
with 8571 mechanical and 28262	
hand looms	113 million Meters
Villagelooms	27 " "
Total	<u>140 million Meters<sup>1)</sup></u> (1942)
Shoes	6 million guilders (1937)
Cigarettes(hand made)	8.3 " " (1937)

In the post-war period, the Government, in view of the need for reconstruction, faces the task of coordinating production and, if need be, of directing industrial development.

Priority will be given to production of essential items, such as foodstuffs, clothing and housing. Subsequently, efforts will be made to broaden the foundations of the national economy by extending the basic and auxiliary industries. Finally, the production of such export items will be encouraged for the production of which Indonesia is particularly suited. The industrial development in the regions outside Java and Sumatra has been limited. Pre-war policy of concentrating industries in Java has therefore been abandoned. It is not intended to transform Indonesia into a highly industrialized country, but there is a definite trend to develop a balanced economy on the basis of agriculture and industry alike.

With the reconstruction in 1945 of the Department of Economic Affairs, the Section for Industries was reestablished. It consists at present of 3 subsections; (1) Industrial Rehabilitation (Industrial Advice and Information), (2) Industrial Policy, (3) Chemical and Technological Research.

Many difficulties are to be overcome such as the lack of skilled labor, the poor condition of factories, a limited supply of foreign exchange, the lack of new materials and equipment from abroad. The greatest obstacle is caused by political difficulties which hamper

1) This figure represents 20% of the pre-war annual requirements.

the proper coordination of all forces, and impede the industrial development of Republican as well as non-Republican territory.

Nevertheless, reconstruction has shown progress. In 1946 permits to extend credits to industry were granted to the amount of 12 million guilders. Conditions in the three largest cities in Java vary greatly. Batavia is in the most favourable position. In South Celebes all textile factories are in operation, although there exists a severe shortage of yarn. Next to food, clothing presents the most urgent need in Indonesia. The manufacture of sarongs has been started in the vicinity of Batavia. In March 1947, production in this industry, together with imports, was estimated at two and one-quarter million sarongs. This amount is hardly sufficient to provide forty percent of the female population over 12 years of age, outside Republican territory, with one sarong per person.

The production capacity of the copra industry was restored to approximately 2,500 tons by the beginning of 1947. The manufacture of cigarettes in cities in Java, for which the Netherlands are directly responsible, has been raised to 160 million a month.

Once economic cooperation with the Republic of Indonesia will have been established, the reconstruction and extension of industry will be able to advance with much greater speed. However, the country is faced not merely with the task of reconstruction but also with the introduction of new production methods. Without a considerable increase in the amount of capital invested it will be impossible to develop the country on a dual basis of agriculture and industry.



## MINING

Mining industries were severely damaged during the war; direct damage to mines and installations was estimated at 307 million U.S. dollars. Loss of personnel in some industries ran as high as 60 to 70 percent.

### Oil

The pre-war output of crude oil was nearly 8,000,000 tons or three percent of the world's total petroleum output. Oil fields are located in Sumatra, the east coast of Borneo, Java and the Moluccas.

On Tarakan Island (off the east coast of Borneo) reconstruction began immediately upon reoccupation. The monthly output now amounts to approximately 18,000 tons per month (40,000 tons per month in 1941).

The refineries in Balikpapan (east coast of Borneo) were completely destroyed. Two small installations have been constructed for primary refining; 237 wells have been repaired, and drilling operations were resumed on a small scale. The 100 kilometer connecting pipeline between the fields and Balikpapan has been repaired. Production figures for the third and fourth quarters of 1946, and the first quarter of 1947, were 36,798, 84,010 and 70,398 tons respectively.

In Sumatra, repairs in the large refineries of Plaju (Royal Shell) and Sungei Gerong (Socony) were begun in October 1946. The refinery of Plaju has been in operation since February 1947; the crude oil is shipped from fields outside Sumatra. Production for the first four months totalled 114,660 tons. The refinery near Surabaja produced 11,842 tons during the first quarter of 1947.

Anticipated production by refineries in the Netherlands Indies is 513,000 tons, at a value of 8,183,000 guilders in 1947, and 1,557,000 tons at a value of 30,826,000 guilders in 1948.

Number of workers employed in refineries:

	<u>Europeans</u>		<u>Indonesians</u>	
	<u>Dec. 1940</u>	<u>March 1947</u>	<u>Dec. 1940</u>	<u>March 1947</u>
Balikpapan (Borneo)	329	292	8577	7675
Tarakan "	56	77	1725	3043
Plaju (Sumatra)	350	168	9691	5300
Wonokromo Tjepoe (Java)	140	68	3891	1319

Prospecting for oil has been resumed in Netherlands New Guinea by the Netherlands-New Guinea Petroleum Company. It is possible that New Guinea will before long rank among the world's leading oil producers.

Tin

Tin was found on the islands of Banka, Biliton and Singkep and on islands of the Riouw Archipelago. Total annual pre-war tin output amounted to 53,000 tons (1941). Banka was the most important producer (10 to 14 percent of world production) prior to the war. Its mines were operated by the Netherlands Indies Government. Tin ore in Biliton was worked by the Biliton Company, an enterprise owned jointly by the Government and by private capital. Deposits on Singkep Island were also exploited on this basis. In both cases five-eighths of the profits went to the Treasury.

During the three and one-half years of Japanese occupation, despite the production of 34,000 tons, the industry was neglected and operations were far below former efficiency.

Since machinery and parts for replacement had been ordered before Japan's capitulation, reconstruction and rehabilitation could progress rapidly. Of six new tin dredges ordered, three have already arrived. Thus, exploitation in Biliton could start in October 1945. Ten of the pre-war dredges are again in operation. The Biliton sub-surface mine was flooded by the Japanese. Since rehabilitation would cost 2,000,000 guilders, the mine has been put out of commission. In Banka, exploitation of tin was resumed in February 1946. Six old dredges have been repaired. At the end of 1946 the Biliton works employed approximately 7000 workers;

12,000 workers were employed in Banka at the beginning of 1947. The total output of the three islands during 1946 amounted to 6,526 tons.

#### Coal

Coal mines are located in Sumatra and Borneo. The average pre-war output was one and three-quarters million tons. Reconstruction has necessarily been confined to the mines in Borneo, but even here the prospects are far from favourable due to damage and neglect during the war. Direct damage to collieries is estimated at 8,000,000 U.S. dollars. The anticipated maximum output for 1947 is estimated at 127,000 tons.

#### Bauxite

The exploitation of bauxite on Bintan Island in the Riouw Archipelago was begun in 1935 and reached 225,000 tons in 1939 or six percent of total world production. War losses in this instance amount to 3,000,000 U.S. dollars. The anticipated export during 1947 will not exceed 150 tons.

#### Nickel

Nickel mines, located on Celebes Island, were found practically undamaged after the war. Production had not been resumed by the end of 1946.

#### Asphalt

Asphalt, found on Buton Island (near Celebes), is exploited on a modest scale.

CAPITAL AND TRADE

Capital Invested

The total Dutch and foreign capital invested in the Netherlands Indies in 1939 was estimated at 3500 million guilders. This did not include Government loans of 1228 million guilders nor the consolidated debts of other official bodies, such as provinces, municipalities, etc., aggregating approximately 1368 million guilders. The total investments in agricultural undertakings amounted to 2064 million guilders in 1939.

The percentage in agricultural investments of different countries was estimated at:

	<u>Millions of guilders</u>	<u>Per cent</u>
Netherlands	1536	75
United Kingdom	278	13.5
France-Belgium	112	5
United States	53	2.5
Japan	20	1
Germany	18	1
Sweden	5	-
Other countries	42	-

Taking seventy-five per cent as the Dutch share in private investments, plus 1000 million guilders of Government loans raised in Holland, the total Dutch capital invested in the Indies on the eve of World War II may be estimated at 3500 to 4000 million, or between fifteen and twenty per cent of the Dutch national capital.

Trade

In 1938 the value of exports was 1.7 per cent of the total world export.

Percentage of Netherlands Indies share in world exports

<u>Commodity</u>	<u>1928</u>	<u>1930</u>	<u>1935</u>	<u>1939</u>
Chinconabark and quinine (production)	93	93	89	91
Pepper (export)	70	75	83	86
Kapok (export)	79	79	78	72

<u>Commodity</u>	<u>1928</u>	<u>1930</u>	<u>1935</u>	<u>1939</u>
Palm oil products (export)	5	7	16	24
Rubber (export)	35	29	32	37
Coprah (export)	30	27	28	27
Hard fibres for cordage (export)	18	29	26	33
Tea (export)	17	18	17	19
Tin and tin ore (production)	21	20	17	17
Sugar (cane) (export)	21	19	11	11
Sugar (cane) (production)	12	11	2	6
Coffee (export)	8	4	5	4
Petroleum products (production)	2.3	2.8	2.7	2.8

The Netherlands Indies ranked fifth among oil-producing countries. Bauxite exploitation, begun in 1935, reached 217,000 tons in 1939 or six per cent of the total world output.

The balance of trade for 1938, 1939 and 1940 is given in the following table:

Import and export values in thousands of guilders  
(not including gold and silver coinage and bullion)

<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Export surplus</u>
1938	483,948	689,017	205,069
1939	478,152	775,632	297,480
1940	432,400	939,700	507,300

In 1939 Indonesian growers shared in the value of the export production to the extent of 17.6 percent for Java and Madura, 54.5 percent for the Outer Provinces, totalling 37.5 percent for the Archipelago as a whole.

During the postwar period the interior of Java and Sumatra has had as yet few commercial contacts with the world market. The hinterland is in the hands of Republican authorities, and no communications are maintained with the ports occupied by the Dutch.

The territories outside Java and Sumatra, under the Netherlands authority, contributed approximately twenty-five per cent of Indonesian export in prewar days.

In 1946, products exported from ports in Java under Netherlands control, originating for the greater part from those territories, amounted to :

	<u>In 1000 kilograms</u> <u>gross weight</u>	<u>Value in</u> <u>1000 Guilders</u>
Rubber	49,477	60,699
Tin ore	7,368	17,551
Tin	3,796	11,760
Copra	22,427	7,258
Pepper	2,867	5,202
Citronella oil	226	3,136
Kapok	2,004	2,271
Cinchona and quinine	2,198	3,246
Tea	1,330	1,415
Sundries	12,838	5,883

The average prewar rubber production of West and South Borneo amounted to 5600 tons per month. The figure for November 1946 was 50 per cent higher.

Despite the fact that coconut production suffered extensive damage, 40,000 tons of copra were exported from the islands outside Java and Sumatra up to August 1946. More than half of this total came from old stock.

Considerable quantities of plantation crops and machinery were surreptitiously diverted to Singapore without the consent of their lawful owners.

The value of imports from Republican territory to the Malayan Peninsula, during the first ten months of 1946, amounted to approximately 175 million Straits dollars; exports to the Republic aggregated approximately thirty-five million Straits dollars. The difference in money value was absorbed by speculators.

On January 27 1947, the Netherlands Indies Government found itself obliged to prohibit the export of any plantation products from Indonesian territory, including the Republic, unless a Government permit had been granted.

Under the foreign exchange regulations, involving a licensing system for both imports and exports, receipts in foreign currency must be turned over to the Treasury. The exporter receives the equivalent in Netherlands Indies guilders.

## Chapter IV

### EDUCATION

During the pre-war years a public school system of elementary education had been developed, based on the different needs of the three main groups of inhabitants, the Indonesian, the European and the Chinese.

For the broad masses of Indonesian youth, the village school provided a three year course: elementary instruction as far as possible was given in the vernacular (in 1939 in 30 different languages). After graduating from the village school, students were able to continue their elementary schooling in a two or three years' course called continuation school where instruction was also in the vernacular. The combination village school-continuation school was considered the basic school for Indonesian youth.

Elementary education of a Western type was provided in the Dutch-Indonesian elementary schools. This was a seven years' course, with Dutch as the language of instruction.

The bridge between the two types of schools was provided by the connecting school, which in a five or three years' course brought graduates from the village or from continuation schools to the same level as graduates from the Dutch-Indonesian elementary schools.

Additional instruction was given in agriculture, handicrafts, domestic science, business management for graduates from continuation schools. Graduates from Dutch-Indonesian schools, or Indonesian youths graduating from connecting schools could attend either general intermediate school (after one preparatory year) or vocational intermediate school, with instruction given in the vernacular.

For the Dutch and Chinese communities, elementary

education was provided by the European elementary and the Dutch-Chinese elementary schools respectively.

Aside from public and government-aided private schools, a large number of private schools had sprung up (approximately 2,200 in all) which were often run by persons with little qualification. The Taman Siswa Schools were an exception; here the system for instruction was based on the ancient Javanese relationship between teacher and pupil. In 1938, this movement had established 225 elementary schools, 18 secondary schools and 6 training schools for teachers.

The general Intermediate and Secondary School system comprised More Advanced Elementary Schools, (junior high schools), General Secondary Schools (with science and literature departments, the latter subdivided into Oriental and Occidental classics), High Schools and Lycea. In all these schools instruction was in Dutch. In 1937 a More Advanced Indonesian Elementary School was established on an experimental basis; it provided a four-year course in the vernacular.

The vocational intermediate and secondary schools included schools for agriculture, handicrafts, trade, business management, domestic science, textile industries, teacher training schools, a medical school, etc. On the intermediate level, instruction was usually given in the vernacular, on the secondary school level in Dutch.

Higher education on a University level included an Engineering College in Bandung, a Law College and a Medical College in Batavia. In 1940 an Academy for Internal Administration and a School for Literature were established in Batavia and a School for Agriculture in Buitenzorg.



The percentage of literacy among the Indonesian population in 1949 was estimated at 11 per cent.

Number of Schools, Teachers and Pupils (Semester 1)  
1938-1939)

Public and Government-aided Schools	Number of Schools	Number of Teachers	Number of Pupils			Total
			Indonesian	European	Others (Chinese, Arabs, Etc.)	
Elementary in vernacular:	20,044	42,226	2,108,292	4	16,922	2,125,218
Village Schools	17,291	34,195	1,826,906	-	12,480	1,839,386
Continuation "	2,658	7,589	266,393	2	2,120	268,515
Connecting "	44	205	5,458	-	79	5,539
Other Schools	51	237	9,535	2	2,243	11,778
Elementary in Dutch:	684	4,231	79,051	39,915	25,388	144,354
Dutch-Indonesian School	293	2,021	71,715	504	1,602	73,821
European Elementary School	284	1,524	5,236	39,015	1,436	45,687
Dutch-Chinese School	107	686	2,100	396	22,350	24,846
General Intermediate and Secondary	101	1,098	8,881	8,416	3,450	20,747
Vocational in Vernacular (intermediate)	494	946	21,117	167	149	21,433
Vocational in Dutch (Secondary)	113	1,012	5,670	4,213	1,722	11,652
University	4	109	585	208	308	1,101
<b>Total</b>	<b>21,440</b>	<b>49,622</b>	<b>2,223,596</b>	<b>52,923</b>	<b>47,939</b>	<b>2,324,505</b>

During the Japanese occupation, the quality of instruction deteriorated considerably. The central theme of Japan's educational policy was Japan's superiority. A great deal of time was spent on semi-military exercises. Moreover, pupils were required to render labour service, which kept them out of school. The absence of supervision resulted in widespread non-attendance of pupils and teachers alike and this despite the fact that compulsory attendance had been introduced by the occupation authorities. In many instances the Japanese increased the number of general schools but closed down vocational schools.

1) The figures in this table do not include the unsubsidized private schools since no data are available.

The pre-war educational system, particularly the elementary school system, has been criticised by Indonesians as well as Hollanders. It was said to have failed in combatting illiteracy effectively; to have been too "western" in nature and not sufficiently related to the Indonesian environment; to have paid too much attention to book knowledge and too little to mental training and training for citizenship; by maintaining separate systems for Indonesians and Europeans, a dualism prevailed which although based on a difference in needs, many regarded as a form of racial discrimination.

Education on a University level will in all probability remain the responsibility of the federal government, and while it will be the responsibility of the various states of Indonesia to provide and organise elementary and secondary education in their territories, certain general directives have been set down, which envisage fundamental reforms.

The general aim of the new educational policy is to raise the cultural, social and economic level of the people, to educate the child to become a citizen of his country and of the world by promoting a healthy patriotism and a love for his country's national language, its history and civilisation, as well as by developing his personality and the understanding of his rights and duties as a citizen. The educational system will have to be adjusted so as to enable the Indonesian youth to receive instruction in the vernacular (in many instances the Malay language) from the moment he enters primary school until such time as he may graduate from the university.

Present plans envisage at the earliest possible moment the introduction over the entire Archipelago of

general elementary education providing a six years course in the vernacular. In cities and elsewhere, where there is a great demand for education in the Dutch language, a type of school will be developed which will be similar to the general elementary school and yet meet this demand. In the three highest grades of this school, the Malay language will be compulsory. These two types of schools will consequently replace the various types of elementary schools which existed in pre-war days.

The reorganisation of the educational system is further based on the assumption that the number of pupils attending elementary schools will amount to 10 million children within the next ten years while secondary school attendance will increase to 200,000 within the next fifteen years.

For the present the general intermediate schools (more advanced elementary education) will be maintained, and the number of Indonesian schools of this type (in which the vernacular is the language of instruction) will be increased. According to present plans, the secondary school system can be simplified by the establishment of schools providing general secondary education in a six years' course, the last two grades of which would enable the student to specialise in preparation for his college training.

As far as intermediate vocational education is concerned, present plans envisage schools with one year courses, later to be extended into three year courses. Vocational education on a secondary level will be open to those who have graduated from the fourth grade of the schools for general secondary education mentioned above or from the more advanced elementary schools.

Higher education will be given in the Central University of Indonesia which is now planned and will include a number of autonomous colleges located in various cities or towns in the Archipelago.

All these plans, however, will remain indefinite until all partners of the federation have voiced their opinion.

The urgency of the fight against adult illiteracy has been recognised. Taking the experience of pre-war days in Eastern and Middle Java into account, it is considered possible to establish all over the Archipelago one-year courses for adults with the aim of abolishing illiteracy within a period of ten years. It is understood that such a program must function on the basis of a national campaign, using up-to-date methods of communication and information.

The rehabilitation of the educational system after August 1945 was considerably hampered by a lack of buildings, many of which had been destroyed during bombings, a lack of furniture and educational equipment as well as by the prevailing social and political instability. Pupils often had no clothes for school-wear. Many children suffered from diseases. Nevertheless, in many areas of the Archipelago where peace and order have been restored, there are at present more elementary schools and more pupils than there were before the war. The schools, in several cases, are of the new type offering a six year course. Northern Celebes has at present 1,081 elementary schools (in 1941: 834) and eight schools for more advanced elementary education (1941: nil). As of January 1, 1947, there were fifty-one elementary schools in Batavia (number of pupils: 11,733), 247 elementary schools with approximately 45,000 pupils in Bali, 150 elementary schools with approximately 25,000

pupils in Lombok, while in Western Borneo there were 263 village schools and twenty-nine continuation schools, the latter attended by 2,364 pupils (in 1940: fourteen continuation schools and 1,264 pupils).

Non-attendance has in some cases been successfully combatted through the distribution of clothing. Thus, in the city of Pontianak (Borneo) school attendance was increased from forty per cent in 1945 to ninety-six per cent in October 1946. Education for European children, many of whom spent the war years in concentration camps, has been intensified in order to bridge the three year gap in education. Progress was rapid. By August 1946 it was possible to re-introduce gradually the normal teaching methods. Vocational schools and courses, most of which had been discontinued by the Japanese, have been restored. Refresher courses are given to teachers.

Intermediate and secondary schools have been particularly handicapped through deaths and illness among teachers. However, secondary schools have been reopened in all towns and cities where they existed before the war. By August 1946 forty secondary schools and forty More Advanced Elementary Schools had been reopened. Twenty-four of these schools used Malay and sixteen Dutch as the language of instruction.

Higher education is provided by the emergency University at Batavia. It includes a Medical college, an Agricultural college, the combined colleges of Law and Literature, all at Batavia, an Engineering college and a college for Sciences at Bandung, and a Business college at Makassar.

In the meantime, the State of East Indonesia has

accepted in principle the future education policy summarized above, and has assumed the responsibility for elementary, intermediate and secondary education.

## Chapter V

### HEALTH

Before the war, emphasis has been on preventive medicine, without neglecting the curative aspect in the treatment of patients.

Plague. A serum discovered by Otten during the thirties made the fight against this disease more effective than had formerly been possible through mere improvement in housing and rodent control. Mass inoculations, first started in 1935, resulted in a reduction of the death rate by seventy-five per cent (6,187 deaths in 1936; 1,514 deaths in 1939).

Smallpox and cholera. Mass inoculations had been successful. Practically no cases reported in pre-war days.

Malaria was fought directly through the administration of quinine on a large scale (where necessary free of charge), and indirectly by eliminating the foci of disease (in sawahs, fishponds, swamps).

Tuberculosis showed a relatively high incidence. In 1938 there were ten sanatoria and at least twenty consultation offices in Java. In the same year 9,409 patients were confined in government hospitals.

Yaws was still common. Many millions have suffered from this disease and many millions have been cured with salvarsan injections. Approximately one and one-half million injections have been given annually.

## Survey of Hospitals and Beds (1939)

<u>General Hospitals</u>	Number	Available beds	Maximum of available day beds	Number of days treatment is given	Ratio between columns 3 and 4 in percentage
Outer Provinces	340	24,790	9,048,350	4,563,100	50
Java and Madiera	206	19,162	6,994,130	5,639,653	80
Netherlands Indies (total)	546	43,952	16,042,480	10,202,753	63
<u>Special Hospitals</u>	Number	Available beds	Maximum of available day beds	Number of days treatment is given	Ratio between columns 3 and 4 in percentage
Outer Provinces	57	6,728	2,455,720	2,421,658	98
Java and Madiera	22	10,109	3,689,785	3,567,917	96
Netherlands Indies (total)	79	16,837	6,145,505	5,989,575	97

The special hospitals include lunatic asylums, leprosoria, ophthalmological clinics and sanatoria.

The ratio of nursing days to the number of day-beds shows that the general hospitals were not used to capacity. The special hospitals, on the other hand, especially the lunatic asylums and leprosoria, are handicapped by lack of space. The population tends to expel lunatics and lepers from society.

The majority of patients can be treated in out-patient departments. In the Central Civil Hospital of Batavia in 1939 14,000 patients were hospitalized, while 64,000 were treated as out-patients.

The Division for Public Health Education formed an important part of preventive medicine. The basic principles of this service can be summed up as follows: the most effective way in the prevention of disease is the understanding by the people of certain basic rules of hygiene,

and the need to live accordingly. A medical organisation of this type was organised in Purwokerto (Middle Java) concerned with intensive rural hygiene. Under the supervision of a doctor, hygiene inspectors, midwives and other medical personnel explained to the people in their homes why and how home plots should be kept clean, how to construct and use latrines, how to prepare meals hygienically, how to prevent pollution of drinking water, how to make and use a tooth brush, a nail brush and a fly cover. Schools were inspected and pupils and teachers received instruction. The midwife, contacting the Indonesian dukuns (midwives), tried to teach them the first principles of hygiene. A network of this type of intensive hygiene work gradually spread over the Archipelago.

The People's Health Service comprised a number of special research institutes and laboratories, such as the Pasteur Institute, the Medical Laboratory, and the Food Institute.

Slum clearing, as a rule, was the responsibility of municipal government. For important projects, limited liability companies were established with the central Government bearing seventy-five per cent, the city twenty-five per cent of the cost.

After the Japanese capitulation, the overall health situation was poor. Malaria, tuberculosis and other endemic diseases were increasing. Much assistance was given by the Rapwi Red Cross and the British military medical service. Existing hospital space proved to be insufficient. Many emergency hospitals were established, and the number of beds per hospital increased. By pooling the medical staff, waste of manpower was avoided. Private



physicians and nurses were enlisted. In addition, numerous clinics were set up both for general medicine and dentistry. The patients visiting these clinics numbered in some cases more than a thousand a day. In Batavia, as conditions returned to normal, the number of clinic consultations increased to 25,000 a month, in addition to thousands of cases treated at the polyclinics of the large hospitals.

The neglect of sanitary conditions during the war years created a dangerous hygienic situation. DDT, applied on a large scale, however, proved most effective in remedying this situation.

There are at present 320 physicians and over 1500 professional nurses in Indonesia, in addition several thousand auxiliary nurses and other lay workers.